

Department of Trade, Industry & Competition (the dtic)

Fourth Quarter Performance Report 01 January 2024 – 31 March 2024



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

the dtic Customer Contact Centre: 0861 843 384

the dtic Website: www.thedtic.gov.za



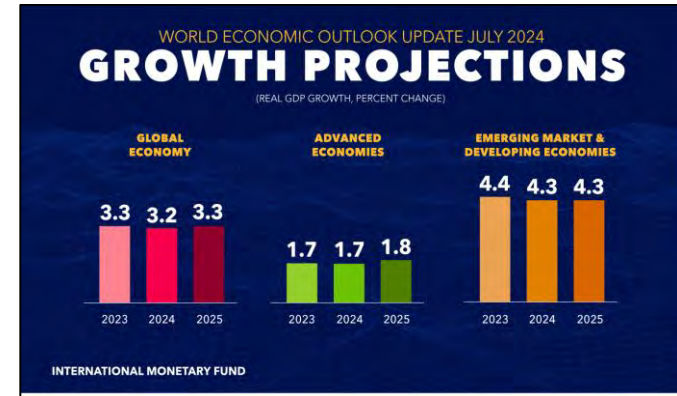
Economic Overview - 1

1. Global growth is projected to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2% in 2024 and 3.3% in 2025.
2. However, offsetting growth revisions have shifted the composition, narrowing the output divergences somewhat across economies, as cyclical factors wane, and activity becomes better aligned with its potential.
3. The forecast for 2024-25 is, however, below the historical (2000–19) annual average of 3.8%, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth.
4. The IMF forecasts South African GDP to remain unchanged (same as for April 2024) and is expected to grow by 0.9% in 2024, accelerating marginally to 1.2% in 2025.
5. South Africa's export exposure to sub-Saharan Africa is an important opportunity. The forecast for growth in the region is revised downward due to a 0.2 percentage downward revision to the growth outlook in Nigeria amid weaker than expected activity in the first quarter of this year.

Global Risks

1. Persistent inflation in the services sector due to renewed trade or geopolitical tensions – making it difficult for firms to moderate prices;
2. Prolonged dollar appreciation – disrupting capital flows and impeding planned monetary policy easing;
3. Persistently high interest rates – raising borrowing costs and causing financial instability;
4. Geo-political and economic fragmentation implying a supply-side slowdown.

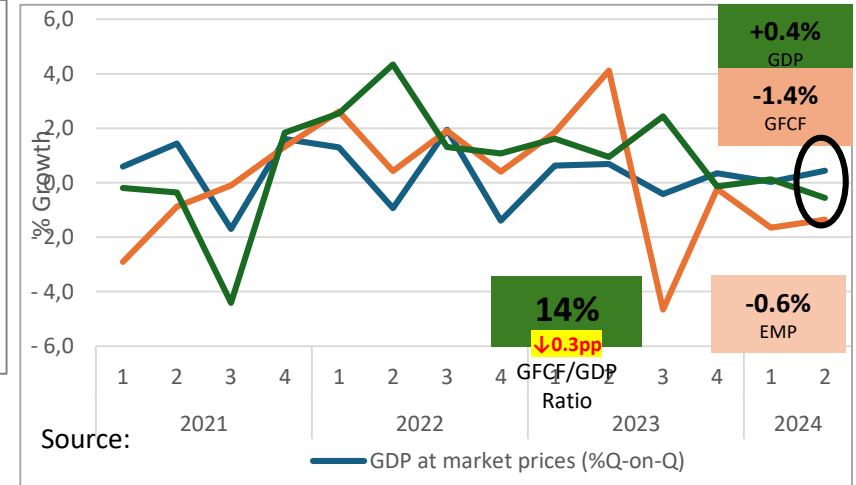
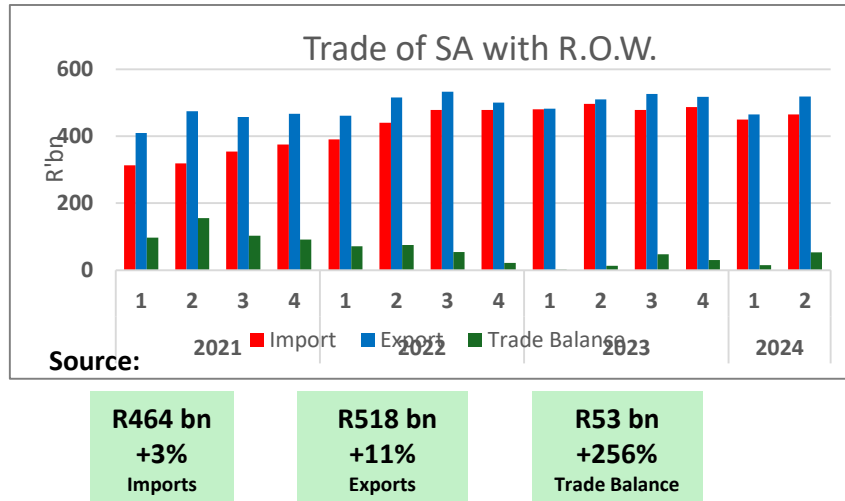
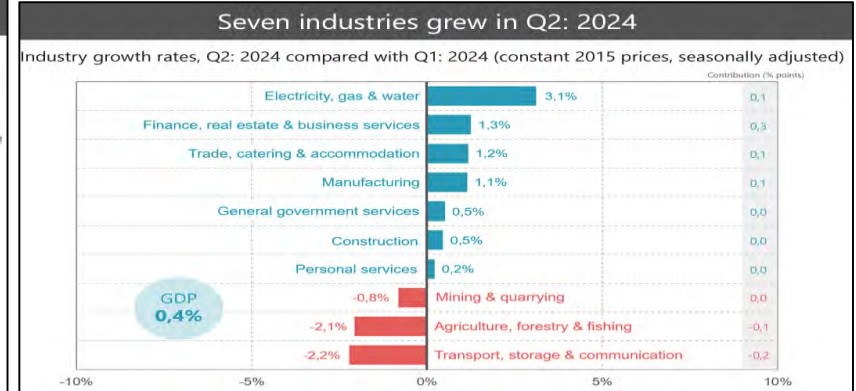
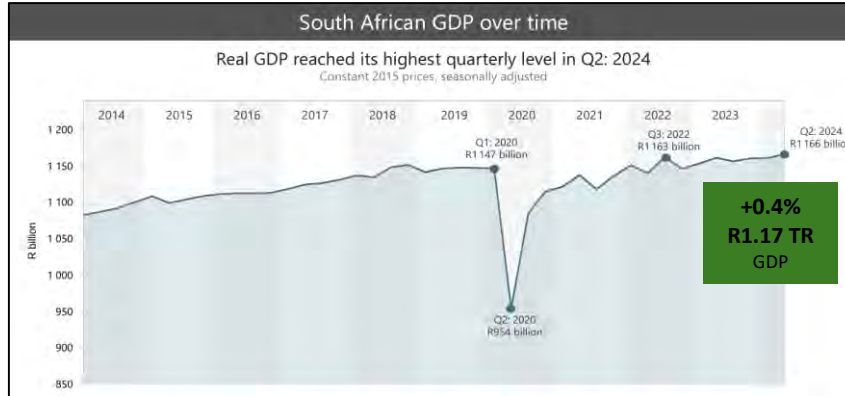
Growth outlook for 2024 has improved.



Source: IMF, July 2024: World Economic Outlook

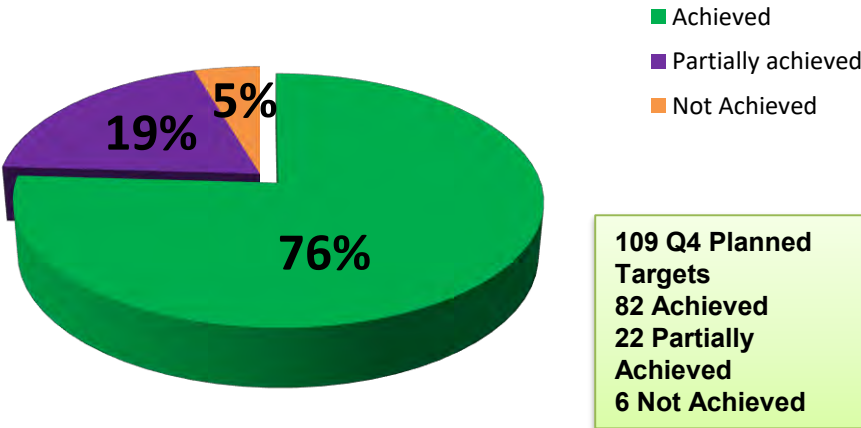
World Economic Outlook Growth Projections				
(Real GDP, annual percent change)				
	2023	2024	2025	
World Output	3.3	3.2	3.3	
Advanced Economies	1.7	1.7	1.8	
United States	2.5	2.6	1.9	
Euro Area	0.5	0.9	1.5	
Germany	-0.2	0.3	1.3	
France	1.1	0.9	1.3	
Italy	0.9	0.7	0.9	
Spain	2.5	2.4	2.1	
Japan	1.9	0.7	1.0	
United Kingdom	0.1	0.7	1.5	
Canada	1.2	1.3	2.4	
Other Advanced Economies	1.8	2.0	2.2	
Emerging Market and Developing Economies	4.4	4.3	4.3	
Emerging and Developing Asia	5.7	5.4	5.1	
China	5.2	5.0	4.5	
India	8.2	7.0	6.5	
Emerging and Developing Europe	3.2	3.2	2.6	
Russia	3.6	3.2	1.5	
Latin America and the Caribbean	2.3	1.9	2.7	
Brazil	2.9	2.1	2.4	
Mexico	3.2	2.2	1.6	
Middle East and Central Asia	2.0	2.4	4.0	
Saudi Arabia	-0.8	1.7	4.7	
Sub-Saharan Africa	3.4	3.7	4.1	
Nigeria	3.4	3.1	3.0	
South Africa	0.7	0.9	1.2	
Memorandum				
Emerging Market and Middle-Income Economies	4.4	4.2	4.2	
Low-Income Developing Countries	3.9	4.4	5.3	

Economic Overview - 2



Overall Q4 Departmental Performance

Fourth Quarter Departmental Performance



Programme	Q4 Output Indicators	Q4 Target	Achieved
Programme 1: Administration	4	4	2
Programme 2: Trade	16	16	10
Programme 3: Investment & Spatial Industrial Development	10	10	10
Programme 4: Sectors	16	16	15
Programme 5: Regulation	6	6	5
Programme 6: Incentives	15	15	12
Programme 7: Exports	14	14	9
Programme 8: Transformation and Competition	22	22	15
Programme 9: Research	6	6	4
Total	109	109	82

Fourth Quarter Targets not Achieved

- Establishment of the incentives review committee was finalised in the first quarter of the 2024/2025 FY
- Report tracking progress of ITAC’s achievement of APP KPI’s. Oversight meeting was convened in the first quarter, 19 April 2024.
- The National Consumer Council (NCC) only conducted investigations on unfair pricing of consumer products, in terms of Section 13 Section 23 and Section 48 of the Consumer Protection Act. Quarterly target targeted 3.
- No export barriers were resolved during Q4.
- The Framework Agreement for 2 larger mergers was delayed. It is still under consideration by the Competition Tribunal
- BI Survey suspended due to a legal matter concerning access to Personal Information of Black Industrialist companies.

R6,66 Billion — Q4 Investment Departmental Performance

Investment facilitation
from InvestSA

Five investment
conferences hosted

Red tape reduction to
improve business
environment

Foreign direct investment was R1.1 trillion* for the five-year period from 2019 to 2023, 3.5x the FDI for the prior five-year period of R312 billion*

*** In real terms using 2023 rands**

According to a 2022 report by Bloom Consulting, non-residents have a 'moderately positive' perception of SA's economy and business ecosystem. This correspond with other inter national rankings that situate SA in the middle of the range of countries for investment appeal, underscoring SA's strong fundamentals like investor protection and corporate governance.

PWC Strategy South Africa Economic Outlook. April 2024

South Africa attracted the most FDI projects in Africa, making up 23% of the continent's total, at 157 — and the highest since at least 2016. Its FDI was valued at US\$26.8b and created approximately 15,000 jobs, the most in the region by a considerable margin. It also attracts the bulk of the region's capital, despite its weak economic performance and growth outlook.

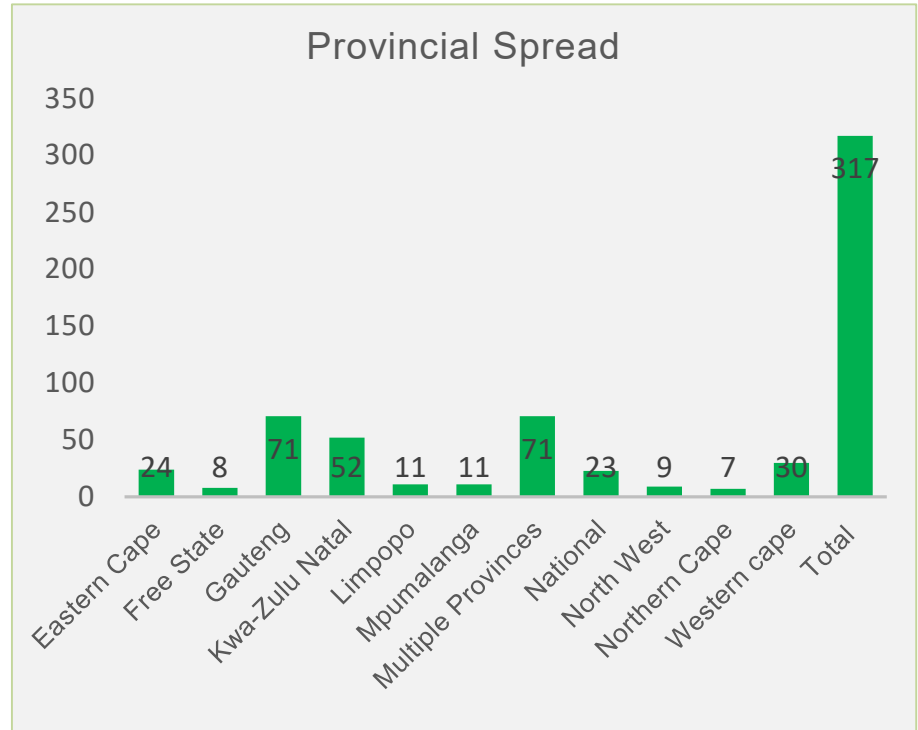
Ernst & Young Attractiveness Africa Report. November 2023

Investment Commitments – Sectoral Spread

Sector	# of projects	Sector	# of projects	Sector	# of projects
Aerospace	1	General Manufacturing	13	Private Financial Sector	5
Agro-processing	21	Global Business Services	3	Rail	1
Automotives	28	Government Funding	2	Renewable Energy	17
Capital Equipment	4	Green hydrogen	1	Renewable Energy Components	3
Chemicals	11	Healthcare and Pharmaceuticals	20	Retail	2
Clothing, Textiles, Footwear and Leather	2	ICT Infrastructure	21	Shipbuilding & Repair	1
Creative Industries	1	Infrastructure	5	Social infrastructure	7
Development Finance	14	Industrial Park	1	Tourism and Property Development	27
Electronics	12	Metal and Steel Fabrication	14	Transport & Logistics	4
e-commerce	1	Mining and Mineral Beneficiation	36	White Goods	4
Financial Services	5	Multiple	4	TOTAL	317
FMCG	6	Oceans Economy	3		
Forestry, Paper and Pulp	4	Oil and Gas	7		
Furniture	1	Packaging	5		

Investment Commitments – Provincial Spread

Province	Number of projects
Eastern Cape	24
Free State	8
Gauteng	71
KwaZulu-Natal	52
Limpopo	11
Mpumalanga	11
North West	9
Northern Cape	7
Western Cape	30
Multiple provinces	71
National projects	23
TOTAL	317



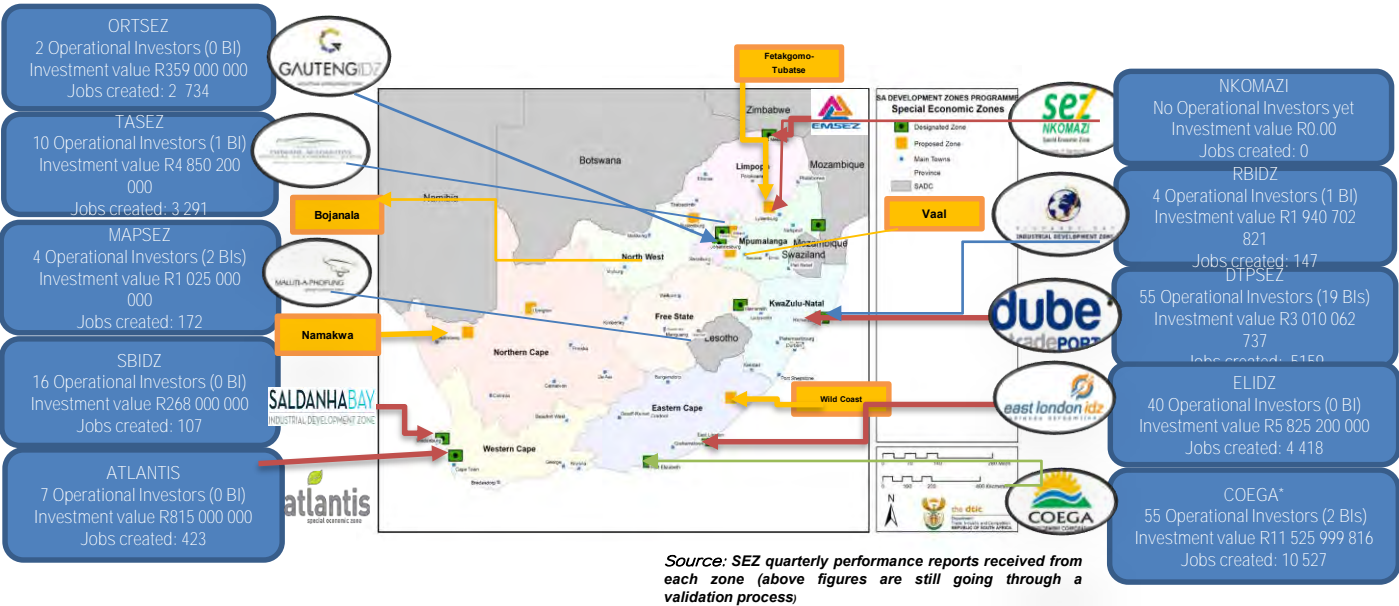
Investment & Spatial Industrial Development

Official launch of the Jewellery Manufacturing Precinct, at the O R Tambo SEZ took place on 15 March 2024.

15 private investments projects are at different stages of development (i.e. construction & commissioning phases) across the different SEZs. Collectively, these are expected to contribute approximately R1,677 billion in investment value as well as a minimum of 1 134 direct jobs.

South Africa's Special Economic Zones operators and businesses were introduced to the ACFTA at the second Workshop convened by the dtic and the IDC on 6 March 2024.

There are 12 DESIGNATED SEZ and 4 PROPOSED SEZ (i.e. highlighted in yellow boxes)



193 Operational Investors; R29.619bn worth of Operational Investment; 26 978 Direct Jobs Created

Investment & Spatial Industrial Development

Status on Proposed SEZ's

Namakwa SEZ

Status: Designation

- The SEZ was Designated on 21 May 24 and License issued to the Northern Cape Department for Economic Development
- The SEZ entity is in a process to finalize the appointment of an operator

Fetakgomo – Tubatse SEZ

Status: Pre-designation

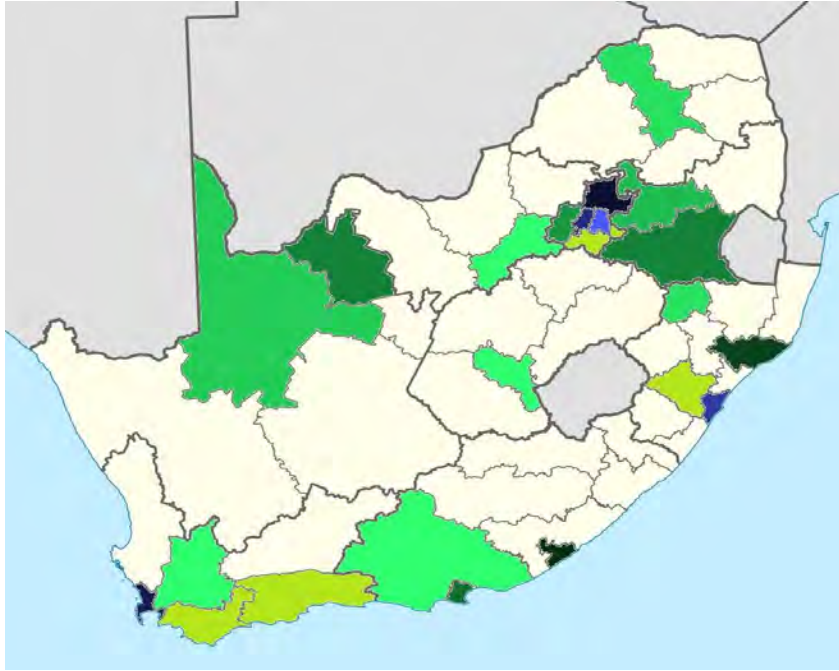
- Still at the planning phase, Feasibility studies & business plans completed
- Mining Input Supplier Park transactional agreement is in the process of being concluded
- Over R450 Million allocated for bulk infrastructure by the province
- Procurement process for perimeter fence and security features project in progress

Coega Vaccine & Pharmaceutical SEZ

Status: Pre-designation

- The application for the designation of the Coega Pharmaceutical cluster was submitted to the dtic
- Submission signed off by Minister and awaiting a cabinet process

Industrial Funding (Incentives)



GREEN: Municipalities outside of the 5 main metros; **BLUE:** 5 main metros

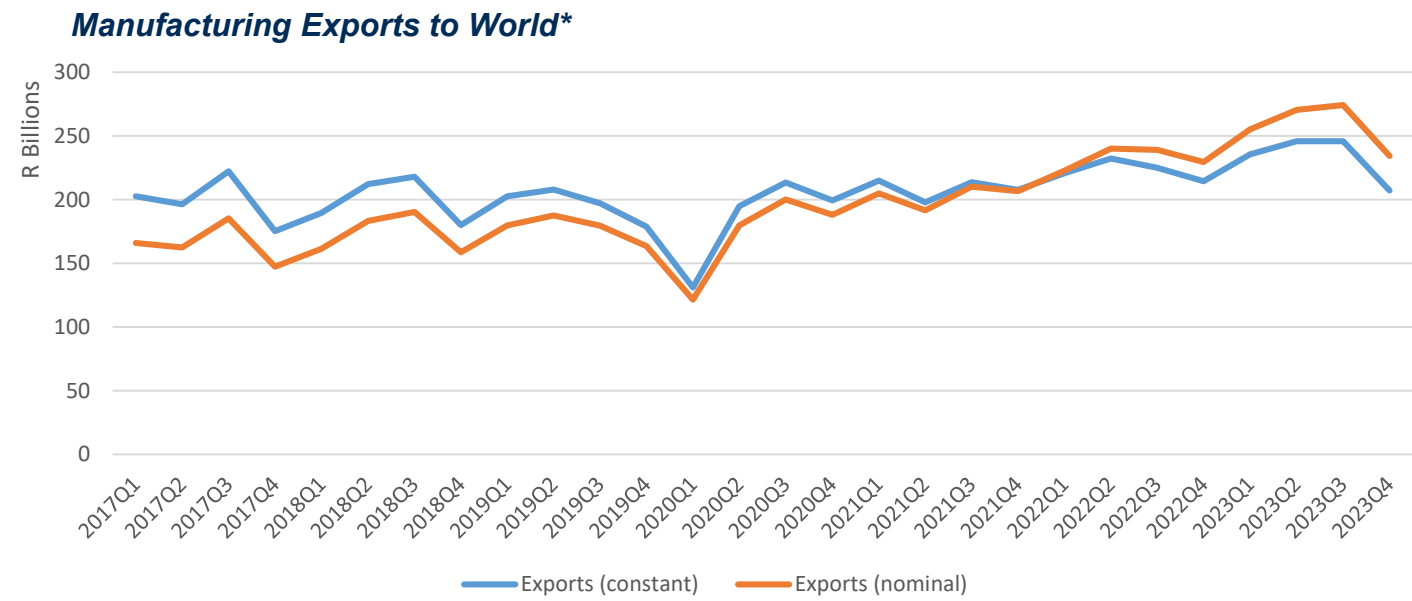
EASTERN CAPE: Buffalo City Metropolitan Municipality, Nelson Mandela Bay Metropolitan Municipality, Sarah Baartman District Municipality. **FREE STATE:** Mangaung Metropolitan Municipality. **GAUTENG:** Sedibeng District Municipality, West Rand District Municipality. **KWAZULU-NATAL:** Amajuba District Municipality, iLembe District Municipality, King Cetshwayo District Municipality, uMgungundlovu District Municipality. **LIMPOPO:** Capricorn District Municipality. **MPUMALANGA:** Gert Sibande District Municipality, Nkangala District Municipality. **NORTH WEST:** Dr Kenneth Kaunda District Municipality. **NORTHERN CAPE:** John Taolo Gaetsewe District Municipality, ZF Mgcawu District Municipality. **WESTERN CAPE:** Cape Winelands District Municipality, Garden Route District Municipality, Overberg District Municipality, West Coast District Municipality

- Processed and disbursed **R1.9 billion** to incentive beneficiaries during Q4 of 2023/24 of which:
 - **R672 million** was disbursed to projects operating in districts outside of the 5 main metros and includes all 9 provinces;
 - **R139 million** was injected into SMMEs, women and youth-owned projects; and
 - **R152 million** supported Black Industrialists and black-owned projects.
- A **range of sectors and industries** were supported including manufacturing that accessed 44% of the **R1.9 billion** and funded manufacturing projects operating in industries such as automotive, agro-processing, chemicals, steel and metal fabrication as well as wood and paper. Other sectors included construction/industrial infrastructure that obtained 41% of funding as well as services that included film-makers and global business services.
- **R1.7 billion** export revenue was generated through the global business operators that reported approximately 52 000 active jobs of which over 80% are youth and over 60% are women occupied jobs.

Manufacturing Exports: Trends

Manufactured Exports to the World

SA's Manufactured exports to the World dropped in Q4 of 2023-24, a decline which was also seen across all sectors. Manufactured exports dropped by 3.6% in Q4 of 2023-24 compared to Q4 of 2022-23 in real terms. The main cause was the logistics and operational issues at Transnet.

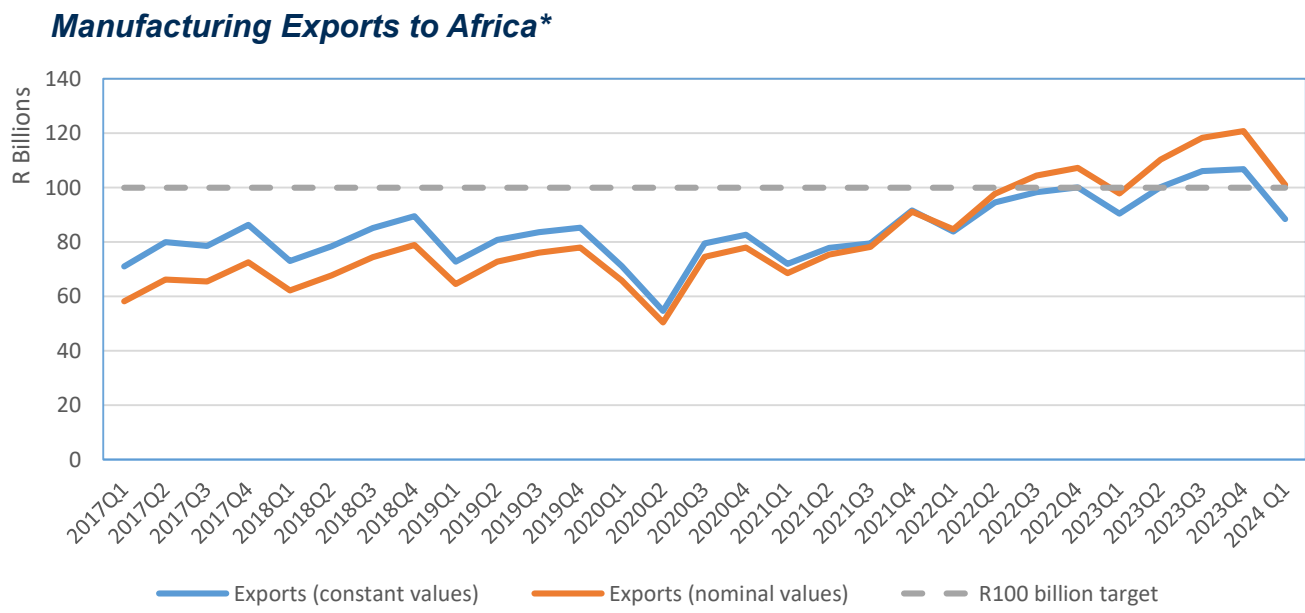


**Data adjusted to remove transit trade. Constant value adjustment uses CPI values. CPI =100 in December 2021.*

Manufacturing Exports: Trends

Manufactured Exports to Africa

Manufactured exports to Africa experienced a sharp drop in Q4 of 2023-24 which is mainly attributed to the logistics issues with rail transport and ports operations which also affected exports in other sectors. Exports reduced by 2.1% year on year between Q4 2022-23 and Q4 2023-24.



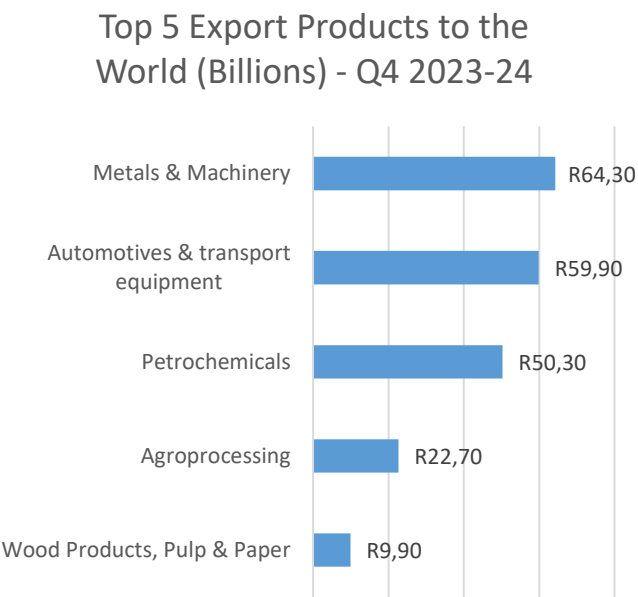
**Data adjusted to remove transit trade. Constant value adjustment uses CPI values. CPI =100 in December 2021.*

Manufacturing Exports: Top Products

Manufactured Exports to the World

South African exports in Q4 dropped sharply mainly due to logistics issues (rail and port), with fruits and mining sectors the most affected.

Top 5 manufactured exports, Q4 2023-24



Top 5 destinations for manufactured exports, Q4 2023-24



** SARS provisional data for January 2024 – March 2024 subject to updates*

Manufacturing Exports: Top Markets

Manufactured Exports to the World

Top Exported Products by Country, Q4 2023-24

	USA	Germany	Botswana	Mozambique	Namibia
1	Automotives & Transport Equipment	Automotives & Transport Equipment	Petrochemicals	Metals & Machinery	Metals & Machinery
2	Metals & Machinery	Petrochemicals	Metals & Machinery	Agroprocessing	Petrochemicals
3	Petrochemicals	Metals & Machinery	Agroprocessing	Petrochemicals	Automotives & Transport Equipment
4	Agroprocessing	Agroprocessing	Automotives & Transport Equipment	Automotives & Transport Equipment	Agroprocessing
5	Professional Equipment	Clothing & Textiles	Professional Equipment	Wood Products, Pulp & Paper	Professional Equipment

* SARS provisional data for January 2024 – March 2024 subject to updates

Manufacturing Exports

- **R1024 billion** - Total annual 2024/25 manufacturing exports to the rest of the world.
- **R440 billion** - Total annual 2024/25 manufacturing exports to other African countries.
- **R254.1 billion** - Total annual 2024/25 manufacturing exports to the rest of the world represented by Export Councils and generated through Export Promotion initiatives during the 2023/24 financial year.
- **R127.4 billion** - Total annual 2024/25 manufacturing exports to other African countries represented by Export Councils and generated through Export Promotion initiatives during the 2023/24 financial year.

Exports Promotion and Development

Atlanta Phambili event, 25 – 28 March 2024:

- The Prosper Africa Secretariat, together with the United States mission in South Africa, coordinated a set of high-level engagements focused on two-way trade and investment in the city of Atlanta.
- Prosper Africa is a US Presidential-level national security initiative created to increase trade and investment with Africa.
- The project called Atlanta-Phambili, comprised of events that enabled South African and United States government officials, businesses, and investors to explore Atlanta's ecosystem of institutions and diaspora connections to establish a deeper framework for cooperation.
- The visit allowed participants to explore potential investment opportunities between Atlanta and South Africa.
- As part of the activities Prosper Africa announced the launch of its Africa Trade Desk, a United States - Africa buyer-supplier network that will link African producers with US retailers. Africa Trade desk is set to facilitate at least \$300 million in export sales between Africa and the United States within an 18 month period.

In Q4, **237** South African companies were funded through the Export Marketing and Investment Assistance (EMIA) group scheme to participate in promotion initiatives, including Mining Indaba 2024, Gulfood 2024 in Dubai, and the Black Industrialist Conference in Johannesburg.

In Q4, **38** South African companies benefitted from the **“Partnering in Business with Germany Programme”** to gain insights in doing business with Germany. The programme also included visiting Germany to interact with prospective buyers and potential business partners.



Sectors - Industrial Production

Medical Devices Master Plans Launched

- Medical Devices Master Plan was approved, launched and signed by the Minister and various stakeholders in the sector on 13 May 2024.

Poultry - 25 percent rebate on bone-in cuts

- On January 26, 2024, the dtic together with ITAC published the decision to implement a **25 percent rebate on bone-in cuts** and 30 percent rebate on boneless chicken of imported chicken. The rebates will be allocated by means of an annual quota that will be valid for 12 months

Automotive – support package

- To foster electric vehicle production in South Africa, the government will introduce an investment allowance for new investments effective from 1 March 2026. This initiative will enable producers to claim 150 percent of qualifying investment expenditure on electric and hydrogen-powered vehicles in the inaugural year. This incentive will be implemented alongside the existing support provided under the Automotive Production Development Programme.
- The Minister of Finance announced the support package which includes the reallocated R964 million to bolster the transition to electric vehicles for the implementation of the EV White Paper on 21 February 2024.



Official signing of the [Medical Devices Master Plan](#) on May 13th, 2024



Sectors - Industrial Production

Electro-Technical and White Goods

- Defy Appliances unveiled a new range of climate-friendly fridges and freezers that can be used by households and small businesses and do not require electricity from the national grid. These products are capable of operating entirely on solar energy, marking a substantial step in promoting eco-friendly alternatives in the appliance industry and run off a small solar panel system that can be installed and, a battery that retains power for up to 3 days.
- A local shipbuilder SAS was awarded over half a billion contract for the maintenance of SA Navy vessels. This is a significant injection to a sector that is currently undergoing a difficult time.
- Sandock Austral Shipyard received a recognition at the Black Industrialist Awards hosted by President Ramaphosa for their excellence in Blue Oceans Services.
- Damen Shipyards Cape Town was awarded a contract to the value of under a billion for the supply of 5 tugs. The award will assist in sustaining the jobs and the supply chain of Damen Shipyards.



Black Industrialist Conference, 20 March 2024

- The BI Conference recognised business excellence and honoured enterprises that embody the spirit of success and innovation, demonstrate job creation, good business ethics and quality. Various entities pledged their support to procure goods and services from black-owned companies worth R261 billion. In addition, various participating companies from different sectors were nominated in various categories and others awarded prizes.
- The exhibition covered about 20 sectors, including from agro-processing to aerospace and defence, showing the width and breath of black industrialists manufacturing capability. The exhibition included around 200 exhibitors representing in excess of R10 billion in turnover and employing more than 8000 persons.



The winners in various categories are as follows (Incentives branch can provide a brief about each firm):

- ❑ Innovation award : Shode Technologies QP Drones
- ❑ Black Woman Award : Bokone Gas
- ❑ Youth Award : Sky tents
- ❑ Manufacturing Award :Mohalefi Engineering
- ❑ Exporters Award :Baynes Transformers & Dynamic Fluid Control
- ❑ Sustainability Award: Pele Green and Pavati plastics
- ❑ Job Creation Award :Dunlop belting
- ❑ Ministerial Award :Blue economy - Sandock Austral Shipyards
- ❑ Green Economy Award : Art Solar
- ❑ Legacy Award :Dr Anna Mokgokong

An example of one of the companies that benefitted from the Exhibition is APCoat:

- APCoat, is a proudly South African 100% black and youth-owned paint manufacturer that showcased its products and achievements at the second Black Industrialists and Exporters Conference in Sandton. The company operates across South Africa, particularly in Gauteng and Limpopo.
- APCoat offers a range of paint products in modern retail concepts. and has garnered recognition for its commitment to quality and standards. The company received an International Organization for Standardization System Certification and South African Bureau of Standards (SABS) product certification vouchers from The Small Enterprise Development Agency (Seda).
- The company had grown and is now employing fourteen individuals, with sixty percent being youth.

Worker Ownership Conference (WSOC), 23 April 2024 (Q4 target)

President Cyril Ramaphosa gave the keynote address at the WSOC, hosted by the dtic. The inaugural conference provided a platform for advocacy on Employee Share Ownership Plans (ESOP), celebrating their successes and raising awareness of ESOP's, some of the companies that received awards for establishing ESOPs were:

- Palabora Copper - High impact of ESOP on company performance
- ABSA – Top champion for women
- Coca-Cola Beverages – Highest shareholder stake & pool of assets in ESOP
- PepsiCo & Anglo Platinum – Most innovative funding Model
- Shoprite – Largest number of beneficiaries
- Sibanye Still water and Implats – Outstanding dividend distribution

The equity or share value of ESOPs tracked is estimated at over R70 billion which benefits over 500 000 workers



SA-Ghana Business Forum, AU Summit, Tarriff Control

The SA-Ghana Business Forum took place on the margins of the 2nd Session of the Bi-National Commission (BNC) Co-Chaired by HE Matamela Cyril Ramaphosa and H.E. President Nana Akufo Addo on the 12th of March at the Gallagher Convention Centre in Midrand, Johannesburg. A total of 198 business delegates representing 150 South African firms and 73 business delegates representing 53 Ghanaian firms were in attendance. Key announcements included:

- MTN committed U\$ 1 billion to network investment in Ghana by 2025
 - TheloDB and DBSA's participation in the implementation of the U\$ 3.2 billion Western Corridor Rail Corridor covering 4,000 km of which 200 km has been rehabilitated.
 - Aspen Ghana manufacturing and distributing a range of high quality pharmaceutical products to Ghanaian patients
-
- South Africa gazetted the SACU Provisional Schedule of Tariff Concessions on 26 January 2024 and launched the start of preferential trade under the AfCFTA on 31 January 2024 at the Port of Durban. 13 State Parties have started implementing preferential trade, namely: Algeria, Cameroon, Egypt, Mauritius, Tanzania, Ghana, Kenya, Rwanda, Tunisia, South Africa, Botswana, Lesotho and Eswatini.
 - The AU Summit held in February adopted the agreed Rules of Origin on some lines in the automotive and clothing and textiles chapters.
 - The AU Summit also adopted the Protocol on Women and Youth in Trade, Digital Trade, as well as the revised Articles 19 and 21 (Expropriation) of the Protocol on Investment.
 - Reduction of tariffs of between 15-30% to 7% on rooibos tea by China in January 2024
 - Viet Nam opened market access for South African oranges.



Competition – Mergers, Acquisitions and ESOPs

- **9** Mergers & Acquisitions where public interest considerations were considered
- **100%** Percentage of mergers notified were assessed for public interest
- **17%** Percentage of mergers notified with interventions to advance the public interest
- **453** Additional workers with shares in their companies as a result of competition initiatives
- **3** successful actions completed on price monitoring and excessive pricing or price gouging
- **1** Competition Protocol of AfCFTA submitted to Cabinet.

Merger: Employee Share Ownership Plan (ESOP)

The Competition Commission approved the management buyout of **Dimension Data Advanced Infrastructure** by **African Business Expansion and Consulting (ABEC)**



The acquiring firm agreed to the following conditions

1. Implement an Evergreen ESOP of 5%
2. Introduce a HDP partner(s) with a shareholding of a minimum of 20%
3. A total of 187 employees will benefit from the ESOP
4. The ESOP is open to all employees with a minimum of 2 years services within the company
5. The ESOP will endure until terminated by the Trustees

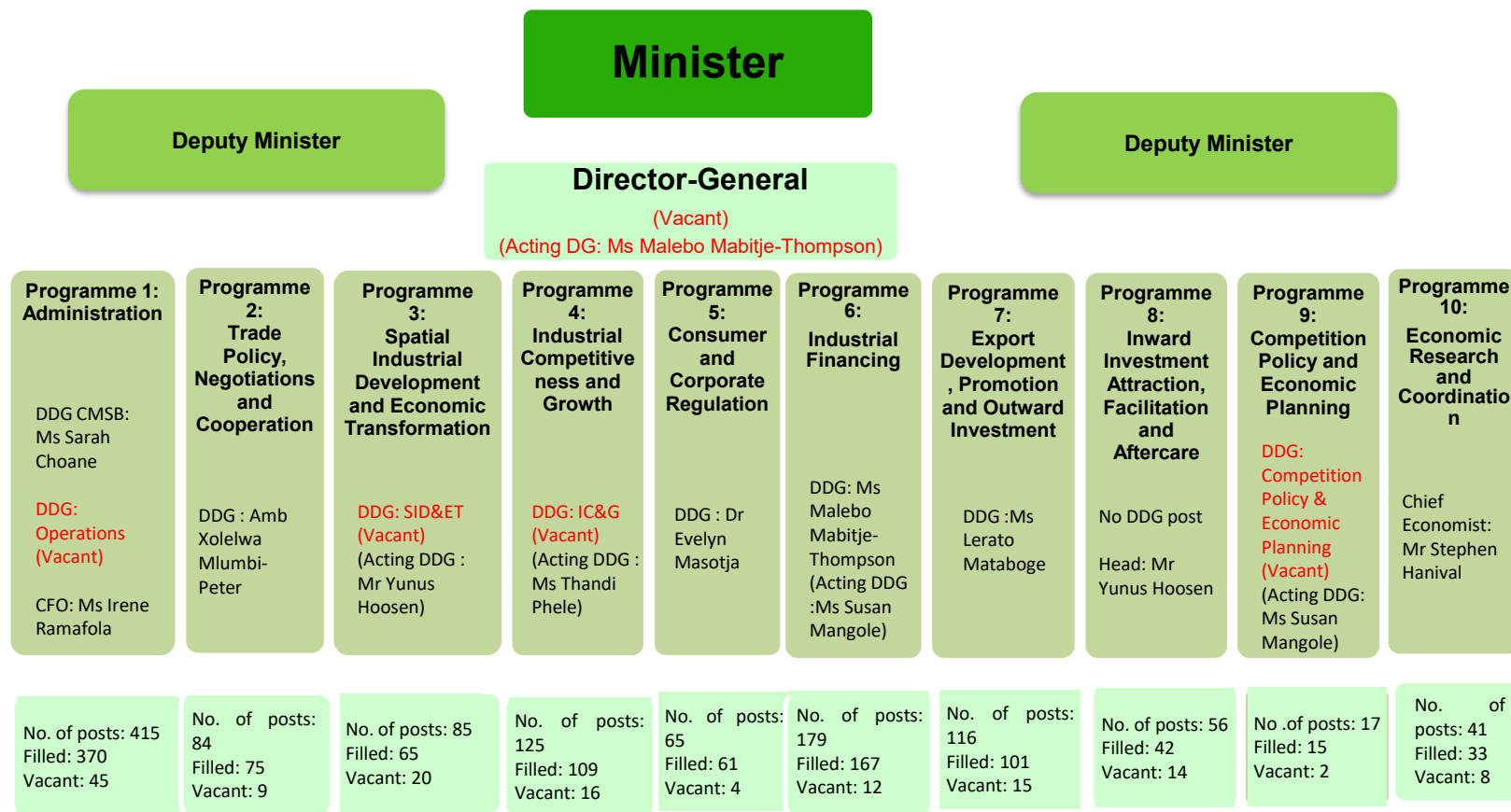
Merger: Divestiture Condition

Devland Cash and Carry / Various Grocery Retail and Wholesale Stores owned by Massmart trading as “Cambridge Food” and “Rhino Supermarket”

- The Competition Tribunal (CT) approved the sale of a number of Cambridge Food and Rhino Supermarket owned by Massmart to Shoprite in December 2022.
- The CT however disallowed Massmart selling 10 Cambridge Food and Rhino Supermarket to Shoprite which the CT assessed as highly problematic stores from a competition point of view and ruled that Massmart must identify an alternative buyer for the 10 stores assessed as highly problematic.
- As a result Massmart identified Devland Cash & Carry, a black owned supermarket operator to buy the 10 stores that the CT did not approve for sale to Shoprite.
- The CT subsequently approved the sale of the identified stores to Devland Cash and Carry March 2024.



Human Resource Vacancy Profile & Structure (30 June 2024)



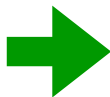
Anticipate appointment of DG, DDGs 31 Dec 2024. Filling priority posts filled by 31 March 2025 & Critical funded posts by 30 June 2025. Following National Treasury confirmation of budget availability for DG, DDGs and priority posts, awaiting concurrence from the Minister of Public Service & Administration

Human Capital Profile (30 June 2024)



ORGANISATIONAL STRUCTURE

10



the dtic work is organized in 10 branches focusing on economic research, industrial sectors, investments, incentives, regulation, competition, spatial economic development and transformation, international trade, exports and administration. It is responsible for 17 entities and 45 pieces of legislation covering a substantial part of South Africa's economic policy landscape.



NUMBER OF POSTS

1183



The current organizational structure of **the dtic** provides for 1183 approved positions. As at 31 March 2024, 1056 were filled and 127 were vacant. Of the 127 vacancies, 120 posts have been frozen due to budgetary constraints. As at 30 June 2024, 1038 posts were filled and 145 were vacant. Key positions to be prioritised for filling are the DG and 4 DDG posts. Another 23 priority vacancies were identified for filling. Of the 145 vacancies, 142 posts have been frozen due to budgetary constraints in respect of carry-through costs for the medium term. 31 Interns have been recruited and assumed duty on 1 July 2024.



EMPLOYMENT EQUITY

56%

4.5%



Employment Equity Cabinet targets exceeded: 56% Women employed in Senior Management Service level and 4.5% Persons with Disabilities employed by the department as at 30 June 2024 whilst the status was 55% Women employed in Senior Management Service positions and 4.7% Persons with Disabilities as at 31 March 2024.

Human Capital Profile (30 June 2024)(Cont)



OPTIMISATION OF
RESOURCES

126 ➔

In order to optimize resources due to the challenges in the Compensation of Employees budget, 247 needs were identified across the department of which 178 have been completed and 68 were outstanding as at 31 March 2024. Of the 68, 66 were on hold due to the moratorium on filling of vacancies. As at 30 June 2024, 126 needs were identified and 121 in progress.



SKILLS
DEVELOPMENT

1144
132 ➔

Skills needs are identified on an annual basis for the Medium Term through consultations with branches and analysis of Personal Development Plans as at 30 June 2024. This is informed by the Strategic Plan of the Department as well as the Annual Performance Plan. Roll-out will take place via training interventions such as online courses, conferences, classroom training etc. 1144 Employees have been trained up to 30 June 2024 vs the 1426 as at 31 March 2024. Critical and scarce skills were identified in Engineering, Legislative Drafting, Data Analytics, Economics and International Negotiations. 132 Employees made use of bursary opportunities to obtain formal qualifications (3 Certificates, 10 Advanced Diplomas, 53 Undergraduates, 28 Postgraduate/Honours, 30 Masters and 8 PhD). Internal bursary opportunities advertised during May 2024.



KEY
PROJECTS

3 ➔

The review of the structure is underway to ensure that it is Fit For Purpose. The review will be underpinned by the Organisational Culture and the competency and skills alignment projects. The departmental Value Chain and Service Delivery Model was developed, consulted and finalised. A Competency Framework is in the process of being developed and a Skills Audit for Senior Management Service employees will be rolled out during Q2.

Legislation and Regulation

Companies Amendment Bill

- Companies Amendment Bill and Companies Second Amendment Bill went through the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism Employment and Labour in the NCOP.
- The reports on the Companies Amendment Bill and Companies Second Amendment Bill (Two Bills) were adopted by the Select Committee on 19 March 2024.
- The NCOP has adopted the two Bills on 26 March 2024 and the Bills were referred to the President for assent

IN-YEAR SPENDING ADJUSTMENTS 2023/2024

Key Budget interventions



- ***R79 million** - additional funding, allocated as self-financing expenditure:
 - Revenue of R15 million - for the Voluntary Rebuild Programme Settlement Agreement, reached between Government and seven (7) Construction Companies, Murray & Roberts (M&R), Stefanutti Stock(S&S), Basil Read, WBHO, Group 5 and Aveng, in 2016.
 - Revenue of R64 million - for rental payable by the department's public entities and DSBD.


These funds will be used to supplement payments for the public-private partnership contract for the department's campus and to meet the objectives of the Tirisano Construction Fund Trust in line with the settlement agreement.

- **-R292 million** - Adjustments due to significant and unforeseeable economic and financial events.
 - Cabinet approved reductions of R292 million to the department's baseline, which were effected across all 9 programmes and entities.

OVERVIEW OF THE FINANCIAL PERFORMANCE – 31 MARCH 2024


1 April 2023

31 March 2024

 **R 10.7 billion**

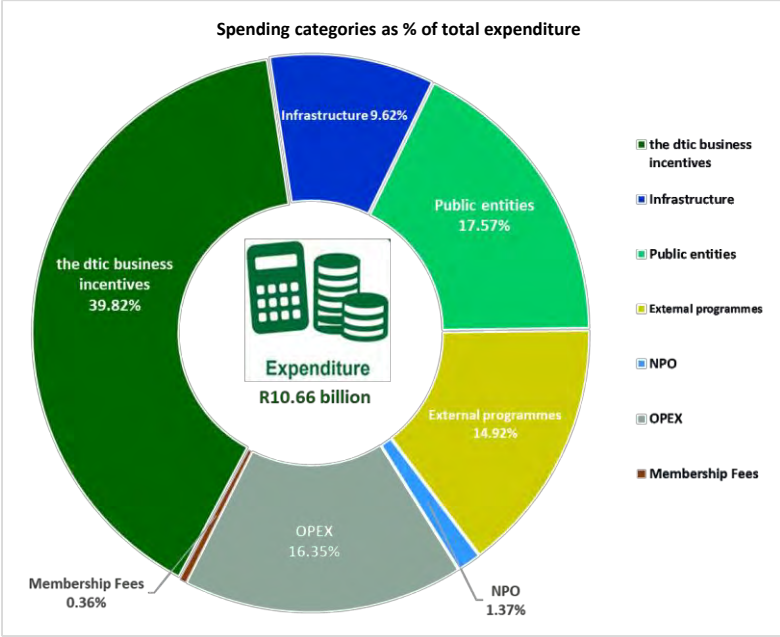
Adjusted Budget

(Original budget - R10.9 billion)

 **R 10.66 billion**

Spent as at 31 March 2024

Spent as % of budget = 99.5%



The R10.66 billion was disbursed as follows:

- **R5.3 billion** or **49.44%** - Beneficiaries across various incentive programmes (business incentives and infrastructure)
- **R1.9 billion** or **17.57%** - Public entities
- **R1.6 billion** or **14.92%** - External programmes at the IDC and CSIR
- **R184.5 million** or **1.7%** - Non profit and international organisations of which South Africa is a member.
- **R1.7 billion** or **16.35%** - Operational costs

FINANCIAL PERFORMANCE PER PROGRAMME AND ECONOMIC CLASSIFICATION

	Final budget 2023/24	Actual expenditure 31 March 2024	Expenditure as % of budget	Variance	% Variance
Description	R'000	R'000		R'000	
Programme 1: Administration	825 350	816 925	99,0%	8 425	1,0%
Programme 2: Trade	256 220	252 006	98,4%	4 214	1,6%
Programme 3: Investment and Spatial Industrial Development	140 155	138 635	98,9%	1 520	1,1%
Programme 4: Sectors	1 578 306	1 574 173	99,7%	4 133	0,3%
Programme 5: Regulation	349 258	346 173	99,1%	3 085	0,9%
Programme 6: Incentives	5 439 052	5 431 108	99,9%	7 944	0,1%
Programme 7: Export	419 527	416 725	99,3%	2 802	0,7%
Programme 8: Transformation and Competition	1 647 265	1 633 450	99,2%	13 815	0,8%
Programme 9: Research	54 386	49 251	90,6%	5 135	9,4%
Total	10 709 519	10 658 446	99,5%	51 073	0,5%
Economic classification					
Current payments	1 713 287	1 676 346	97,8%	36 941	2,2%
Compensation of employees	1 066 140	1 042 235	97,8%	23 905	2,2%
Goods and services	647 066	634 030	98,0%	13 036	2,0%
Interest and rent on land	81	81	100,0%	-	0,0%
Transfers and subsidies	8 933 694	8 920 946	99,9%	12 748	0,1%
Incentive payments	5 277 314	5 269 388	99,8%	7 926	0,2%
Department entities	1 872 318	1 872 318	100,0%	-	0,0%
External Programmes	1 590 756	1 589 960	99,9%	796	0,1%
Non profit organisations (Partnerships with business associations, NEDLAC)	146 011	146 010	99,9%	1	0,0%
Membership fees (International organisations)	42 559	38 542	90,6%	4 017	9,4%
Households	4 736	4 728	99,8%	8	0,2%
Payments for capital assets	62 082	60 700	97,8%	1 382	2,2%
Payments for financial assets	456	454	99,6%	2	0,4%
Total	10 709 519	10 658 446	99,5%	51 073	0,5%

Audit challenges

There were disagreements with the Auditor General relating to performance information which were subsequently resolved. The audit process was concluded on the 14 August 2024.

The Auditor General was not able to submit an audit report on the 31 July 2024 for the following reasons:

- The AGSA was of the view that *“adequate processes had not been established to consistently measure and reliably report on various indicators.”* This was despite the data collection and validation processes the department undertook.
- Following technical consultations, it was resolved late in the process for the AGSA to obtain **third party confirmations**, directly from the industry and industry associations.
- Material misstatements were identified for both **programme 4: Sectors** and **programme 6: Incentives**. The misstatements were subsequently corrected.



THANK YOU



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

the dti Customer Contact Centre: 0861 843 384

the dti Website: www.thedti.gov.za

Funded Vacancies

Funded Vacancies								
	Programme description	Director-General	Special Advisor	Deputy Director-General	Chief Directors	Directors	Below Senior Mgmt	Total
Programme 1	Administration - Ministry	-	2	-	1	3	5	11
	Administration - Office of the DG	1	-	1	-	-	-	2
	Administration - Corporate Services	-	-	-	-	-	-	0
Programme 2	Trade	-	-	-	-	-	-	0
Programme 3	Investment and Spatial Industrial Development	-	-	1	-	-	-	1
Programme 4	Sectors	-	-	1	-	-	-	1
Programme 5	Regulation	-	-	-	-	-	-	0
Programme 6	Incentives	-	-	-	-	-	-	0
Programme 7	Exports	-	-	-	-	-	-	0
Programme 8	Transformation and Competition	-	-	1	-	-	-	1
Programme 9	Research	-	-	-	-	-	-	0
Total funded		1	2	4	1	3	5	16

UnFunded Vacancies

Unfunded Vacancies								
	Programme description	Director-General	Special Advisor	Deputy Director-General	Chief Directors	Directors	Below Senior Mgmt	Total
Programme 1	Administration - Ministry	-	-	-	-	-	-	-
	Administration - Office of the DG	-	-	1	1	4	16	22
	Administration - Corporate Services	-	-	-	-	1	9	10
Programme 2	Trade	-	-	-	-	2	7	9
Programme 3	Investment and Spatial Industrial Development	-	-	-	4	1	18	23
Programme 4	Sectors	-	-	-	1	4	10	15
Programme 5	Regulation	-	-	-	1	1	2	4
Programme 6	Incentives	-	-	-	1	4	7	12
Programme 7	Exports	-	-	-	-	6	9	15
Programme 8	Transformation and Competition	-	-	-	1	3	7	11
Programme 9	Research	-	-	-	2	1	5	8
Total unfunded		0	0	1	11	27	90	129
Total funded and Unfunded		1	2	5	12	33	95	145

Key Management Vacancies - Funded

Key Management vacancies (Funded)								
	Programme description	Director-General	Special Advisor	Deputy Director-General	Chief Directors	Directors	Below Senior Mgmt	Total
Programme 1	Administration - Ministry	-	-	-	-	-	-	-
	Administration - Office of the DG	1	-	1	-	-	-	2
	Administration - Corporate Services	-	-	-	-	-	-	-
Programme 2	Trade	-	-	-	-	-	-	-
Programme 3	Investment and Spatial Industrial Development	-	-	1	-	-	-	1
Programme 4	Sectors	-	-	1	-	-	-	1
Programme 5	Regulations	-	-	-	-	-	-	-
Programme 6	Incentives	-	-	-	-	-	-	-
Programme 7	Exports	-	-	-	-	-	-	-
Programme 8	Transformation and Competition	-	-	1	-	-	-	1
Programme 9	Research	-	-	-	-	-	-	-
Total critical		1	-	4	-	-	-	5

Priority Vacancies- Funded

Priority vacancies (Funded)								
	Programme description	Director-General	Special Advisor	Deputy Director-General	Chief Directors	Directors	Below Senior Mgmt	Total
Programme 1	Administration - Ministry	-	2	-	1	3	5	11
	Administration - Office of the DG	-	-	-	-	1	3	4
	Administration - Corporate Services	-	-	-	-	1	-	1
Programme 2	Trade	-	-	-	-	1	-	1
Programme 3	Investment and Spatial Industrial Development	-	-	-	1	-	-	1
Programme 4	Sectors	-	-	-	1	-	-	1
Programme 5	Regulations	-	-	-	1	-	-	1
Programme 6	Incentives	-	-	-	-	-	-	-
Programme 7	Exports	-	-	-	-	-	-	-
Programme 8	Transformation and Competition	-	-	-	-	1	2	3
Programme 9	Research	-	-	-	-	-	-	-
Total critical		-	2	-	4	7	10	23

Critical Vacancies- Unfunded

Critical vacancies (Unfunded)								
	Programme description	Director-General	Special Advisor	Deputy Director-General	Chief Directors	Directors	Below Senior Mgmt	Total
Programme 1	Administration - Ministry	-	-	-	-	-	-	-
	Administration - Office of the DG	-	-	-	-	-	6	6
	Administration - Corporate Services	-	-	-	-	1	1	2
Programme 2	Trade	-	-	-	-	1	7	8
Programme 3	Investment and Spatial Industrial Development	-	-	-	2	1	18	21
Programme 4	Sectors	-	-	-	-	1	2	3
Programme 5	Regulations	-	-	-	-	1	2	3
Programme 6	Incentives	-	-	-	1	3	8	12
Programme 7	Exports	-	-	-	-	6	4	10
Programme 8	Transformation and Competition	-	-	-	-	-	5	5
Programme 9	Research	-	-	-	2	1	2	5
Total critical		-	-	-	5	15	55	75

Governance structures

