

Department of Trade, Industry and Competition

Annual Performance Plan (APP) 2022/23

DRAFT Presentation to the Portfolio Committee AND Select Committee on Trade and Industry

Tuesday 19 April 2022



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

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INTRODUCTION

1. **the dtic's** 2022/2023 APP is informed by both the country's imperatives to address high unemployment, poverty and inequality; and the urgent need to improve economic performance and inclusive growth
2. It builds on the innovation introduced in 2021, namely that of greater integration of the work of the Department, through 'Joint KPIs'.
3. In this APP, that idea is taken further through the introduction of three succinct Outcomes that replace the sprawling 17 previous Outcomes, bringing greater coherence to the work of **the dtic**.
4. The three outcomes are **industrialisation** to promote jobs and rising incomes, **transformation** to build an inclusive economy, and a **capable state** to ensure improved impact of public policies.

Introduction

- The Annual Performance Plan sets out the work to be undertaken by **the dtic** during the 2022/23 financial year, to achieve the overall goals of the 6th Administration.
- The APP maintains continuity with regard to the priorities identified in the 2019 dtic Budget Speech at the start of the 6th Administration:
 - building dynamic industries through partnerships;
 - expanding exports through AfCFTA and trade policy measures;
 - improving the climate for investment and the level of fixed investment in the economy;
 - spatial equity through targeted policies;
 - transformation of economy; and
 - building a capable state.
- It takes account of the refocus to economic resilience introduced in the 2020 APP
- It builds on the focus on greater integration across the ten dtic programmes and with the 18 dtic entities introduced in the 2021 APP

Introduction

1. **the dtic's** 2022/2023 APP is informed by both the country's imperatives to address high unemployment, poverty and inequality; and the urgent need to improve economic performance and inclusive growth
2. The new APP is aligned more clearly with the February 2022 SONA priorities
3. Three outcomes are defined for all the work of the dtic and entities
 - Industrialisation
 - Transformation
 - Capable State.
5. The KPIs have been significantly rewritten and expanded, based on lessons from past implementation.

Align With SONA Priorities

The SONA in February 2022 set out a post Covid-19 recovery and reconstruction vision based on reforming the economy and rebuilding institutions. The new **dtic** APP takes account of a number of SONA priorities, including:

- Scaling up investment levels and local industrial production, including of health products and infrastructure;
- Focusing on sectors, including the social economy; agro-processing (sugar, poultry, hemp and cannabis, fruit, manufacturing (furniture, steel, clothing and footwear) and global business services
- Climate change, including renewable energy, electric vehicles and green hydrogen
- Implementation of the AfCFTA
- Youth employment; promoting small businesses; and spatial equity through the District Development Model
- Combating corruption and crime; including addressing the challenge of scrap metal theft
- Promoting the ease of doing business, including cutting red tape
- Building a capable, ethical and developmental state and
- The call for deeper partnerships through the social compact

Align With SONA Priorities

- The APP contributes to President Ramaphosa's SONA mission to "revitalise our economy and end the inequality and injustice that impedes our progress."
- In response to the President's call for a "comprehensive **social compact** to grow our economy, create jobs and combat hunger", the dtic has adopted social compacting across our programmes, through initiatives like Masterplans and Export Networks
- In response to the President's call for to cut **red tape** across government, every dtic programme will be required to identify and report on concrete steps to streamline their operations
- In response to the President's call to reinforce "**Africa's health sovereignty**", the dtic continues to work to build the COVID-19 economy into a sustainable base for a reinvigorated healthcare sector, including through a rapid expansion in vaccine production
- In response to the President's call to restore the effectiveness of core **network infrastructure** such as energy and logistics, the dtic is supporting projects such as the REIPP and Transnet's reform drive
- The dtic has already contributed to the President's announcement of the Fourth South African **Investment Conference**, with pledges of R336.8 billion in new investment

Building On Strengths; Learning From Weaknesses

- A number of successes achieved during the past financial year have helped to inspire the work for the new APP and similarly, lessons drawn from weaknesses and challenges have been incorporated in the APP
- Successes that are drawn on:
 - The rollout of more locally-made health-care products and the turnaround in key sectors of manufacturing
 - The partnerships with firms to improve investment and job-creation, as part of reciprocal commitments when utilising public resources
 - Targeted use of competition and trade measures where warranted by the evidence
 - Flexibility and agility by entities in provision of support, eg post the July 2021 unrest
- Key weaknesses that are addressed:
 - Uneven local economic development (SEZs/Industrial Parks)
 - Weak export promotion connection with industrialisation
 - Uneven coordination with other parts of Government

What We Are Seeking To Do With The APP

- The revision of the outcomes has been accompanied by a more detailed set of outputs and output Indicators, which are more clearly aligned. There are 151 output indicators in the APP, all connected to the three overarching outcomes.
- The indicators are more precisely framed than the previous APP, incorporating the learnings from one year of working with the new integrated approach.
- The APP requires a different way of working by the department and its entities. Following the adoption of the APP, the department is putting detailed implementation plans in place accompanied by a training programme for staff
- Changes to the Strategic Plan will see outcomes **reduced from 17** to an **integrated set of the three**, allowing for a more coordinated and focused department.

Outcome 1: Industrialisation

Outcome 1: Industrialisation to promote jobs and rising incomes

In this area the goal is to contribute to building dynamic firms in the South African economy through a combination of efforts in partnership with the private sector, focusing on growth opportunities in the domestic market (through localisation, sector partnerships, beneficiation, promoting the green economy and fostering higher levels of investment) and building a wider export market (particularly in Africa) to assist with scale; and combining demand-creation with supply-side reforms at economy, sector and firm level to build industrial competitiveness and support job-creation.

The Industrialisation outcome **consists of five focus/priority areas:**

1. **Sector partnerships** and social compact through master plans and firm/sector level initiatives
2. **Localisation, beneficiation** and COVID industrial production initiatives
3. **Increased and diversified exports** with other African countries and to other global markets
4. **Green economy initiatives** to shift to a less carbon-intensive industry
5. **Investment initiatives** to increase the level of investment

Outcome 2: Transformation

Outcome 2: Transformation to build an inclusive economy

In this area the goal is to build economic inclusion through transformation programmes in three broad areas: Addressing structural challenges to growth through active competition policies, particularly where concentration levels in the market limit new entrants and small and medium businesses; Policies that promote spatial transformation, enabling more balanced growth between rural and urban and between provinces; and Strengthening inclusivity/transformation in the quality of growth, including broadening ownership and more inclusive corporate governance models.

The Transformation outcome thus contains the three focus/priority areas:

- 1. Ownership transformation:** Promoting a greater spread of ownership in the economy (black industrialists, women and youth) and worker empowerment – including through review of the impact of current policy.
- 2. Structural transformation:** Addressing economic concentration and supporting SMMEs.
- 3. Spatial transformation:** Promoting equitable spatial development through District Model Reporting and integration of work into 52 spatial units; and developing a new model for district spatial industrial initiatives (including SEZs and Industrial parks model) and promoting the township economy.

Outcome 3 : Capable State

Outcome 3: Capable State to ensure improved impact of public policies

In this area the goal is to build greater capacity so that national objectives are achieved through a new culture of partnership in the economy, characterised by greater responsiveness and nimbleness by the department and its 17 entities, which includes promoting smart regulation (through cutting red-tape, ensuring fit-for purpose and effective regulation and reviewing internal processes and legislation/regulations) and working closely with other parts of the state to forge a social compact with business and labour.

The Capable State outcome contains the five focus/priority areas:

- 1. Department:** Building strong capacity in **the dtic** and streamlining its work.
- 2. Entities:** Building the entity staffing, governance capacity, quick-response; developing shared services; and rationalisation of functions and integration of work between entities and with the department.
- 3. Smart regulation:** Address red tape and compliance in internal processes and in legislation and regulations; enable fit-for purpose regulations.
- 4. Coordination within the state:** Ensuring effective support functions from other public entities to achieve **APP** outcomes.
- 5. Contribute to social compacts** with other social partners.

Relationship Between The Three Outcomes

The three outcomes have a complex and overlapping relationship

- Industrialisation is the defining focus **of the dtic**; yet in conditions of South Africa, it is imperative to promote transformation as part of industrialisation both for reasons of economic inclusion and stability; and to widen the talent pool and deepen the base for growth itself.
- At the same time, **the dtic** has a legal mandate on transformation that goes beyond **the dtic's** industrial sectors and covers the wider economy. Similarly, competition policies are not confined only to the industrial sectors.
- The capable state is a critical requirement for fruitful partnerships with the private sector in order to drive industrialisation. At the same time, **the dtic's** mandate requires state capability in areas not confined to industrialisation – like consumer policy and regulation of alcohol and the lotto.

A Co-ordinated Approach

Concentrating the work of the dtic around these three Strategic Outcomes allows for better **coordination of work** across the dtic's eighteen entities. For example

- In the **Transformation Outcome**, firms in the Township Economy should be able to access dedicated resources from the NEF and IDC, while being protected from unscrupulous lenders through the NCR's programme; and can demonstrate the quality of their work through new standards outreach by SABS, while being protected from substandard imports by the NRCS and ITAC's permit and inspection regimes.
- In the **Industrialisation Outcome**, entities are laying the groundwork for the green economy, with NMISA and SANAS building a technical ecosystem that can incorporate new technologies like green hydrogen, the ECIC can help South African firms access opportunities in Africa's investment in renewable energy, and the Competition Commission prioritising oversight of the energy sector to ensure fair access for IPPs.
- In the **Capable State Outcome**, entities have made commitments to reduce turnaround times, improve responsiveness, and combat corruption.
- Similar collaboration continues **beyond the dtic's entities**. For example, the Constitutional Court's judgement on the Preferential Procurement Regulations requires greater work with individual organs of state; and a revamp of the procurement legislation to give effect to the public policy objectives.

The DTIC's Approach To Performance Indicators

The work of **the dtic** and its entities will focus on the three strategic focus areas outlined above. **the dtic** and its entities will also be contributing to the Economic Reconstruction and Recovery Plan (ERRP) announced by the President in October 2020.

the dtic seeks to contribute to inclusive growth and job creation, by pursuing inter alia the following:

- Increase the level of investment in the economy, by securing **pledges for fresh investment in South Africa of at least R120 billion** largely from the private sector, during the 12-month period and work with private firms to enable pledged investment to be realised.
- Improve industrialisation of the economy, through contributing during the financial year in selected projects, to the **target of R200 billion additional local industrial output over a five-year period.**
- Support for structural transformation of firms and sectors through **customised packages of support of R22 billion** by **the dtic** and its entities (comprising industrial funding, competitiveness enhancement programmes or working capital to SMEs).
- Maintaining South Africa's share of manufacturing global **exports, worth about R600 billion** through its support and **risk-cover on transactions valued at R8,2 billion** expected to be issued; and improving the composition of exports (with more value-addition), the composition of exporters (with more previously-excluded demographic groups) and the spatial distribution of exporting firms.

The DTIC's Approach To Performance Indicators

In order to manage the quality of delivery in these complex areas, **the dtic** has developed a number of products, including the following:

- **Financial support**, with a focus on support to black industrialists, women- and youth-owned enterprises, and the green economy, and which generates investment and local procurement
- **Draft Bills** for five pieces of legislation, including: the Patents Bill, Designs Amendments Bill, Companies Amendment Bill, National Credit Amendment Bill, National Gambling Amendment Bill
- **Reviews and revisions to regulation** and legislation in five areas, including: anti-dumping investigations, safeguard measure investigations, tariff investigation, the B-BBEE framework, and liquor policy.
- **MoUs and social compacts** with industry on investment, jobs and output
- **Trade protocols** and rules of origin proposals
- **Export networks** and export plans put in place
- **SEZs and Industrial Parks** initiatives, and a new framework for **the dtic's** spatial policy
- **Strategic documents**, including a roadmap for new energy vehicles, green hydrogen commercialisation
- **Cutting Red Tape Reports** identifying steps to reduce red tape across **the dtic's** programmes and entities
- **Improved processes, systems and capacity** for monitoring and evaluation, entity oversight, combatting corruption, and shared-use of internal capacity
- **Presentations, inputs and engagements** with the Cabinet, Parliament, NEDLAC, and other government entities
- **Research reports** and analytics systems
- **Action Minutes** and reports on work done

APP PROGRAMME SUMMARY

APP SUMMARY



PROGRAMMES

10



the dtic work is organized in 10 programmes and is responsible for 18 entities.

OUTCOMES

3



The APP has three outcomes which are Industrialisation, Transformation and Capable State



KEY PERFORMANCE INDICATORS (KPI) (OUTPUT INDICATORS)

151



The APP sets out 151 Output Indicators applicable to the department in the 2022/23 reporting period. This is an increase from the 80 Output Indicators targeted in the previous year.



MEDIUM TERM STRATEGIC FRAMEWORK (MTSF) PRIORITIES

02



The work of **the dtic** is closely aligned to MTSF priorities 2 and 7 which cover economic transformation and job creation, and a better world and Africa.



NUMBER OF POSTS

1350



the dtic structure is in place and currently consists of 1350 posts. As at 31 March 2022, there are 54% Women appointed in Senior Management level and 3.9% Persons with Disabilities employed by the department.



2022/23 BUDGET ALLOCATION

R10,85 bn



27.95% of the budget is allocated for dtic business incentives; 16.67% for infrastructure; 16.12% to external programmes e.g. Clothing, Textile, Footwear and Leather programme at the IDC; 19.50% for transfers to public entities; 17.94% for operational expenditure (mainly Compensation of Employees & Goods and Services), and 1.8 % for NPO and other costs.

ADMINISTRATION (1)

26 Output Indicators

Purpose: Provide strategic leadership, management and support services to the department.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Capable State	Reports on the following: Recommendations to improve the structure of the dtic	Number of progress reports on recommendations to improve the structure of the dtic	1	1	1
	The optimisation of financial resources that actively support the work of the dtic ;	Number of progress reports on the optimisation of financial resources that actively supports the work of the dtic ;	1	1	1
	Implementation of the Organisational Structure and Annual Skills Development Project Plan;	Number of reports on the Implementation of the Organisational Structure and Annual Skills Development Project Plan	1	1	1
	Achievement of specified turnaround times for Contracts/ MoAs/SLAs, Opinions & Litigation;	Number of progress report on the Achievement of specified turnaround times for Contracts/ MoAs/SLAs, Opinions & Litigation	1	1	1
	Annual client satisfaction survey conducted and corrective action plan produced	A report on the Annual client satisfaction survey conducted and corrective action plan produced	1	1	1
	Improvements to the stability of IT platforms, including the resilience of the web infrastructure and use of virtual communication tools	Number of progress reports on the availability of stable, fast backed up internet connectivity and the facilities for the use of virtual communications tools.	1	1	1
	A reporting tool to improve oversight of IT performance	A report on Implementation of the Reporting Tool Project Plan	1	1	1
		Number of analysis plans identifying improvements to IT performance developed	2	1	1

ADMINISTRATION (1)

26 Output Indicators

Purpose: Provide strategic leadership, management and support services to the department.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Capable State	A report on capacitation and consolidation of anti-fraud measures into a fully function anti-corruption unit	Number of reports on the capacitation and consolidation of anti-fraud measures into a fully function anti-corruption unit;	2	2	2
	Cases completed	% of cases received to be completed up to Final report stage, by the end of the financial year.	60%	60%	60%
	Media stories published	Number of Media stories on the work of the dtic published	50	60	70
	Report on the effectiveness of the dtic communications in communities and in industry	A report on the effectiveness of the dtic communications in communities	1	1	1
	Factsheets on the dtic services produced	Number of Factsheets on the dtic services produced	7	7	7
	Support provided to Cabinet and Parliamentary processes	Number of reports completed in support of Cabinet and Parliamentary processes, In the form of : <ul style="list-style-type: none"> ▪ Briefing Memoranda to Executive Authority; ▪ Report on 100% implementation of requests for Cabinet memoranda and relevant Cabinet decisions; ▪ Presentations to Portfolio and Select Committees; ▪ Action Minutes outlining support provided to Cabinet and Parliamentary process. 	4	4	4

ADMINISTRATION (1)

26 Output Indicators

Purpose: Provide strategic leadership, management and support services to the department.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Capable State	Action Minutes outlining steps taken to improve the performance of the Monitoring and Evaluation unit;	Number of Action Minutes outlining steps taken to improve the performance of the Monitoring and Evaluation unit;	1	1	1
	A report on red-tape reduction	Number of progress reports on red-tape reduction in the internal and external systems and processes of the dtic	2	2	2
Capable State	Entity oversight covering: <ul style="list-style-type: none"> Revised oversight Framework; Operation and staffing of an Entity Oversight Unit and implementation of improved oversight; Rationalisation of entities submitted to Minister for consideration. 	Finalisation, approval and implementation of the oversight framework	Approved oversight framework	-	-
		A proposal for the operation and staffing of an Entity Oversight Unit	1	-	-
		A proposal for rationalisation of entities submitted to Minister for consideration	1	-	-
Transformation	PWD, Women and Youth interns employed by the dtic	Percentage (%) of People with a Disability employed	3.5%	3.5%	3.5%
		Percentage (%) of Women at Senior Management Service level	50%	50%	50%
		Number of interns appointed	31	0	31
	Procurement approved towards women, youth and PWD owned businesses	(%) of procurement approved towards women, youth and PWD owned businesses	25%	35	40
					21

ADMINISTRATION (1)

26 Output Indicators

Purpose: Provide strategic leadership, management and support services to the department.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Capable State	Shared services framework for the dtic and entities	Number of status reports on the implementation of the Shared Services Framework covering the dtic and selected entities	1	1	1
	Coordinated participation in Department's Clusters and engagements with Provincial government	Number of cluster participation and provincial engagement reports (4); and Integrated report on District Spatial Industrial Initiatives (9).	13	13	13
	Status report completed regarding work on social compacts by the dtic and entities to support the proposals set out in SONA and the Economic Reconstructions and Recovery Plan (ERRP) to promote growth and jobs; and engagement with other relevant forums	Status report to Executive Authority on implementation of social compact commitments; and engagements with NEDLAC	1	1	1

TRADE POLICY (2)

24 Output Indicators

Purpose: Build an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and fostering African development, including regional and continental integration and development co-operation in line with the African Union Agenda 2063

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Industrialisation	Tariff offer approved by SACU	A tariff offer approved by SACU covering 90% of tariffs submitted to AfCFTA and implemented	1	0	0
	SA services offer	Finalisation and submission of SA services offer in 5 priority sectors	1	0	0
	Country-proposals on Draft Protocols on Investment, Competition and Intellectual Property	Number of Country-proposals on Draft Protocols on Investment, Competition and Intellectual Property	3	2	1
	Country-proposals on Rules of Origin for clothing products and automobiles	Number of Country-proposals on Rules of Origin for clothing products and automobiles	1	0	0
	A report on bilateral engagement with 10 countries on Services Offer in 5 priority sectors	Number of progress reports on bilateral engagement with 10 countries on Services Offer in 5 priority sectors	1	1	1
	A report on the following: <ul style="list-style-type: none"> ▪ Review of the SADC-EU Economic Partnership Agreement; ▪ African Growth and Opportunity Act (US); ▪ Bilateral initiatives with selected Asian, Latin American and Middle East trading partners; ▪ Support to State Visits and other international engagements. 	Number of progress reports on Review of the SADC-EU Economic Partnership Agreement;	1	1	1
		Number of progress reports on the African Growth and Opportunity Act (US);	2	1	1
		Number of progress reports on bilateral initiatives with selected Asian, Latin American and Middle East trading partners;	2	2	2
		Number of progress report setting out support to State Visits and other international engagements.	1	1	1

TRADE POLICY (2)

24 Output Indicators

Purpose: Build an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and fostering African development, including regional and continental integration and development co-operation in line with the African Union Agenda 2063

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Capable State	Reports on SA's engagements with: <ul style="list-style-type: none"> The WTO The G20 BRICS 	Number of reports setting out progress in the engagements in WTO, G20 and BRICS	8	8	8
	Evaluation reports on tariff recommendations made by ITAC	Number of evaluation reports on tariff recommendations made by ITAC	1	1	1
	Report on Social compacts developed to promote the departments strategic objectives, such as competitiveness and jobs	Number of reports on social compacts developed to promote the departments strategic objectives, such as competitiveness and jobs	1	1	1
	Report on legal support provided on issues of relevance to trade and international law	Number of reports on legal support provided on issues of relevance to trade and international law	1	1	1
	Action brief submitted to the Executive Authority on trade flows to identify challenges of illegal imports	Number of action briefs to the Executive Authority on trade flows to identify challenges of illegal imports	1	1	1
	Reports to Executive Authority setting out progress in –engagements at SACU	Number of reports to Executive Authority setting out progress in engagements at SACU	1	1	1
	Reports submitted to the Executive Authority on engagements with social partners at Nedlac and sector level on trade offers	Number of report on engagements with social partners at Nedlac and sector level on trade offers	1	1	1

TRADE POLICY (2)

24 Output Indicators

Purpose: Build an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and fostering African development, including regional and continental integration and development co-operation in line with the African Union Agenda 2063

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Capable State	Draft regulations on anti-dumping, safeguard measures and on tariff investigations	Draft regulations on anti-dumping, safeguard measures and on tariff investigations	3	1	0
	Reports on the red tape reductions and streamlining processes	Number of reports on the red tape reductions and streamlining processes	2	2	0
	Reports setting out progress in review of the ITA Act	Number of reports setting out progress in review of the ITA Act	1	1	0
	Report evaluating the impact of trade policy on industrialisation and transformation	Number of reports evaluating the impact of trade policy on industrialisation and transformation	1	1	0
	Report on contribution to trade policy in emerging areas like the Green Economy	Number of reports on contribution to trade policy strategy in emerging areas like the Green Economy	1	1	0
	Report considering the impact of trade policy decisions on firms located in different Districts and in SEZs, townships and industrial parks	Number of reports considering the impact of trade policy decisions on firms located in different Districts and in SEZs, townships and industrial parks	1	1	1
Industrialisation	Draft Bill on Patents and Draft Amendment Bill on Designs	Draft Bill on Patents and full Explanatory Memoranda submitted to Executive Authority and taken through Economic Cluster	1	1	0
		Draft Amendment Bill on Designs and full Explanatory Memoranda submitted to Executive Authority and taken through Economic Cluster	1	1	0

SPATIAL INDUSTRIAL DEVELOPMENT (3)

17 Output Indicators

Purpose: Drive economic transformation and increase participation in industrialisation

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Transformation	Draft Framework Documents on reforms to the SEZ and Industrial Park models	Draft Framework Documents on reforms to the SEZ and Industrial Park models	1	Nil	Nil
	Document mapping the township economy and opportunities for support	Document mapping the township economy and opportunities for support	1	Nil	Nil
	Report setting out progress with the development of the spatial industrial development framework.	Report setting out progress with the development of the spatial industrial development framework.	1	1	1
	A report on support provided to SEZs and Industrial Parks	Number of report on support provided to SEZs and Industrial Parks	2	2	2
	Proposals for new SEZ designations, together with business plan, governance arrangements and budget implications, assessed and submitted for consideration	Number of proposals for new SEZ designations, together with business plan, governance arrangements and budget implications, assessed and submitted for consideration	2	2	2
	Annual Reports on SEZs and Industrial Parks Number of	Number of Annual Reports on SEZs and Industrial Parks	1	1	1
	Submission on SEZ and Industrial Parks funding prepared for National Treasury	Number of Submission on SEZ and Industrial Parks funding prepared for National Treasury	1	2	2
	Progress reports on setting out progress on strengthening the governance and performance of SEZs and industrial parks, including their attraction of private investment	Number of progress reports setting out progress on strengthening the governance and performance of SEZs and industrial parks, including their attraction of private investment	2	2	2

SPATIAL INDUSTRIAL DEVELOPMENT (3)

17 Output Indicators

Purpose: Drive economic transformation and increase participation in industrialisation

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Transformation	Reports classifying the work of the dtic at District level work across 52 Districts/Metros	Number of reports classifying the work of the dtic at District level work across 52 Districts/Metros	4	4	4
	Reports identifying private sector industrial nodes at District level	Number of reports identifying private sector industrial nodes at District level across 52 Districts/Metros	4	4	4
	Reviewed B-BBEE Framework	Review of the B-BBEE Framework, together with recommendations, in the form of a Report to the Executive Authority.	1	1	1
	Report on the participation of B-BBEE beneficiaries in the economy including workers, women, PWD and youth	Annual report on the participation of B-BBEE beneficiaries in the economy including workers, women, PWD and youth	1	1	1
	Reports setting out progress on monitoring and implementation of EEIPs, Sector Charters and BEE Codes	Number of reports setting out progress on monitoring and implementation of EEIPs, Sector Charters and BEE Codes.	4	4	4
Industrialisation	A report on facilitating the participation of firms from different Districts, SEZs and Industrial Parks in trade and investment promotion initiatives	A progress report on facilitating the participation of firms from different Districts, SEZs and Industrial Parks in trade and investment promotion initiatives	1	1	1
	A report identifying and facilitating localisation opportunities for Districts, SEZs and Industrial Parks	A report identifying and facilitating localisation opportunities for Districts, SEZs and Industrial Parks	1	1	1
	A report on initiatives developed to support the Green Economy through SEZ and Industrial Parks	A report on initiatives developed to support the Green Economy through SEZ and Industrial Parks	1	1	1
	A report on red-tape reduction	Number of progress report on red-tape reduction	2	2	2

SECTORS (INDUSTRIAL POLICY) (4)

18 Output Indicators

Purpose: Design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness, in both domestic and export markets.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Industrialisation	A Reports, setting out progress against the actions identified in Master Plans and full implementation of financial support packages, for the following sectors: 1. Automotives (5) 2. Poultry (5) 3. Sugar (5) 4. Furniture (5) 5. Steel & Metal Fabrication (5) 6. Clothing & Textiles sectors (5).	Number of implementation Reports in 6 sectors, setting out progress against the actions identified in Master Plans and full implementation of financial support packages	30	30	30
	Reports setting out progress against priority sectors not covered by a Master Plan 1. Aerospace and Defence 2. Agro-processing and Resource 3. Electrotechnical Industries and White Goods 4. Chemicals, Cosmetics, Plastics and Pharmaceuticals 5. Capital and Rail Transport Equipment 6. Construction	Number of implementation Reports setting out progress against priority sectors not covered by a Master Plan	30	30	30
	Draft procurement bill	Inputs on the Draft Procurement Bill submitted to the Minister	1	Nil	Nil
	A report on engagements with Organs of State on an aligned Preferential Procurement Policy	Number of progress reports on engagements with Organs of State on an aligned Preferential Procurement Policy	2	2	2

SECTORS (INDUSTRIAL POLICY) (4)

18 Output Indicators

Purpose: Design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness, in both domestic and export markets.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Industrialisation	Cabinet Memorandum with Localisation Dashboard	Cabinet Memorandum with Localisation Dashboard compiled	1	1	1
	A report setting out progress on monitoring and evaluating the localisation impact of the dtic initiatives	Number of reports setting out progress on monitoring and evaluating the localisation impact of the dtic initiatives	2	2	2
	Reports on key beneficiation opportunities within identified value-chains and actions taken to promote the opportunities	Number of reports on key beneficiation opportunities within identified value-chains and actions taken to promote the opportunities	4	4	4
	Reports setting out progress in ensuring industrial capability and security of supply in strategic medical products required particularly for covid-19	Number of reports setting out progress in ensuring industrial capability and security of supply in strategic medical products required particularly for covid-19	2	2	2
	NEV roadmap developed / implemented	NEV roadmap published	1	Nil	Nil
	Green Hydrogen Commercialisation Strategy developed	Green Hydrogen Commercialisation Strategy published	1	Nil	Nil
	Reports setting out progress in greening of industrial sectors	Number of reports setting out progress in greening of industrial sectors.	2	4	4
Transformation	Register of industrial projects and Programme initiatives by District	A register of industrial projects and Programme initiatives by District developed	1	1	1
	Reports setting out progress to foster greater spatial equity through industrial initiatives.	Number of reports setting out progress to foster greater spatial equity through industrial initiatives.	4	4	4

SECTORS (INDUSTRIAL POLICY) (4)

18 Output Indicators

Purpose: Design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness, in both domestic and export markets.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Capable State	Reports on the following: 1. building staff capability on industrialisation 2. Red-tape reduction 3. efficiency of Technical infrastructure institutions, of sector desks; 4. capacity building support to entities in supported sectors 5. development of partnerships and social compacts with entities inside and outside of the dtic ;	Number of reports on building staff capability on industrialisation	4	4	4
		Number of reports on Red-tape reduction	2	2	2
		Number of reports improved efficiency of Technical infrastructure institutions, of sector desks;	4	4	4
		Number of reports on providing capacity building support to entities in supported sectors;	1	1	1
		Number of reports on the development of partnerships and social compacts with entities inside and outside of the dtic ;	2	2	2

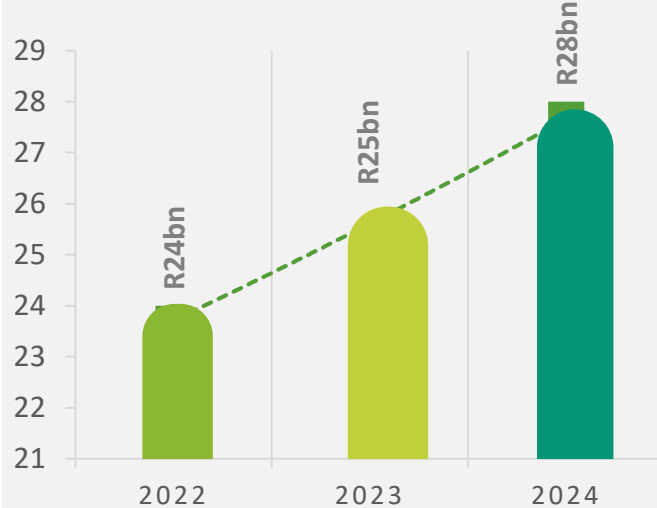
Purpose: Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Transformation	Reports setting out the work completed on the Companies Amendment Bill	Number of approved reports setting out the work completed on the Companies Amendment Bill towards corporate governance and worker protection	2	2	2
	Reports on the development of the Companies Amendment Bill	Number of progress reports on the development of the Companies Amendment Bill	2	2	2
	Reports setting out the work completed on the National Credit Amendment Bill	Number of approved reports setting out the work completed on the National Credit Amendment Bill	2	2	2
Capable State	Reports setting out progress on the development of proposed measures against alcohol abuse.	Number of approved reports setting out progress on the development of proposed measures against alcohol abuse.	2	2	2
	Reports setting out the work completed on the National Gambling Amendment Bill	Number of approved reports setting out the work completed on the National Gambling Amendment Bill	2	2	0
	Reports on the following: 1. Proposal on legislation to be migrated 2. Red-tape reduction 3. Key legislation under review and preliminary proposals 4. Steps taken on ease of compliance	Report setting out proposal on legislation to be migrated;	1	1	1
		Number of reports on red-tape reduction	2	2	2
		Number of report on key legislation under review and preliminary proposals	1	1	1
		Number of approved report setting out steps taken on ease of compliance	1	1	1
Industrialisation	Report setting out steps taken and the results thereof, on evaluating and improving the impact of the dtic regulations on localisation, jobs, exports and investment	Number of approved report setting out steps taken and the results thereof, on evaluating and improving the impact of the dtic regulations on localisation, jobs, exports and investment	1	1	0

Purpose:

Stimulates and facilitates the development of sustainable and competitive enterprises, through the efficient provision of effective and accessible **incentive measures** that support national priorities.

Projected Investments



Value (Rand) of projected investments from private sector to be leveraged from projects/enterprises approved in 2022/23 is **R 24 Billion**.

Outputs	Output Indicators	ANNUAL TARGETS		
		MTEF PERIOD		
		2022/23	2023/24	2024/25
Value of support packages disbursed and projected investments	Value (Rand) of support packages disbursed	R5 bn	R5bn	R5bn
Social Compact Documents on commitments by firms on local industrial outputs, export promotion, employment and transformation	Number of Social Compact Documents on commitments by firms on local industrial outputs, export promotion, employment and transformation	2	2	2
Report on support packages for Master Plans, including through partnerships with the IDC and NEF to grow and improve the competitiveness of priority sectors	Number of approved reports setting out progress with support packages developed/amended for the new masterplans in collaboration with DFIs	2	2	2

Outcome:
Industrialisation

INDUSTRIAL FINANCING (6)

11 Output Indicators

Purpose: Stimulates and facilitates the development of sustainable and competitive enterprises, through the efficient provision of effective and accessible **incentive measures** that support national priorities.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Capable State	Reports on strengthening the coordination and accessibility of industrial finance support	Number of reports on red-tape reduction including action minutes setting out progress on developing share services model for the IDC, NEF/ the dtic and Leveraging -support packages with assistance provided by provincial and local government	5	5	5
Transformation	Reports on support provided to 30 Districts/Metros	Number of reports setting out progress on support provided to 30 Districts/Metros	2	2	2
	Reports setting out progress in achieving R500 million per annum of industrial financing support towards black industrialists, women- and youth-owned enterprises; through processing of at least 100 applications	Number of reports setting out progress in achieving R500 million per annum of industrial financing support towards black industrialists, women- and youth-owned enterprises; through processing of at least 100 applications	2	2	2
Industrialisation	Reports on value of projected local procured goods and services across all approved support packages and disbursement including evaluation of localisation	Number of Reports on value of projected local procured goods and services across all approved support packages and disbursement including evaluation of localisation	2	2	2
	Total approved enterprises/projects supporting green economy initiatives	Number of total approved enterprises/projects supporting green economy initiatives	5	6	8
Transformation	Local productions of films and documentaries telling SA stories received, adjudicated and approved.	Number of local productions of films and documentaries telling SA stories received, adjudicated and approved.	10	12	15
Industrialisation	Implementation Reports, setting out progress against the actions identified in the two Master Plans: 1. Film Animation 2. Global Business Services	Number of approved implementation Reports, setting out progress against the actions identified in the two Master Plans: 1. Film Animation 2. Global Business Services	10	10	10

EXPORTS (TRADE AND INVESTMENT SOUTH AFRICA) (7)

13 Output
Indicators

Purpose: Increase export capacity and support direct investment flows, through targeted strategies, and an effectively managed network of foreign trade and investment offices

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/ 23	2023/24	2024/25
Industrialisation	Report on targeted marketing efforts to African markets	Number of progress reports on targeted marketing efforts to African markets	4	4	4
	Impact reports on successes with increased exports and data on exports to selected African markets	Impact reports on successes with increased exports and data on exports to selected African markets	1	1	1
	A Framework (document) on work of Foreign Economic Representatives	A Framework (document) on work of Foreign Economic Representatives developed	1	1	1
	Reports on the following: 1. Work of the export networks 2. Hosting business forums in support of state visits 3. Export-partnerships with 10 firms and five sectors 4. Export council compacts	Number of Impact Reports on the work of the export networks	1	1	1
		Number of reports on hosting business forums in support of state visits	4	4	4
		Number of impact reports on export-partnerships	1	1	1
		Number of progress reports on export council compacts	4	0	0
	Export Action Plans developed and approved for priority sectors and markets	Number of Export Action Plans developed and approved for priority sectors and markets	4	4	4

EXPORTS (TRADE AND INVESTMENT SOUTH AFRICA) (7)

13 Output Indicators

Purpose: Increase export capacity and support direct investment flows, through targeted strategies, and an effectively managed network of foreign trade and investment offices

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/ 23	2023/24	2024/25
Transformation	Reports setting out progress with export promotion and capacity development support to 200 black-, women-, and youth-owned enterprises	Number of reports setting out progress with export promotion and capacity development support to 200 black-, women-, and youth-owned enterprises	4	4	4
	Report on progress on development of a Cooperation Agreement with the ECIC, IDC and NEF to provide structured support to emerging exporters	A Report on progress on development of a Cooperation Agreement with the ECIC, IDC and NEF to provide structured support to emerging exporters	1	0	0
	Reports setting out progress in undertaking targeted export promotion and capacity building activities in under-supported Districts	Number of reports setting out progress in undertaking targeted export promotion and capacity building activities in under-supported Districts	4	4	4
Capable State	Reports on the following: 1. Red-tape reduction 2. Progress with reducing red tape in the processes of the ECIC and EMIA programme	Number of impact reports on red-tape reduction	1	1	1
		Number of reports setting out progress with reducing red tape in the processes of the ECIC and EMIA programme	2	-	-

INVESTMENT (INVEST SOUTH AFRICA) (8)

12 Output Indicators

Purpose: Support foreign direct investment flows and promote domestic investment by providing a one-stop shop for investment promotion, investor facilitation and aftercare support for investors

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Industrialisation	Investment pledges of R120bn	Value (Rand) of investment project pledges facilitated or coordinated	R120 bn	R150 bn	R175 bn
	Reports on Value (Rand) of pledged investment implemented by companies through construction, procurement of equipment or similar activities.	Number of Reports on Value (Rand) of pledged investment implemented by companies through construction, procurement of equipment or similar activities.	4	4	4
	Unblocking and fast-tracking investor issues	Number of unblocking's and fast tracking of investor issues to provide post commitment support to investors	40	40	40
	Reports on the following: 1. Red-tape reduction 2. Progress on the BizPortal enhancements and improved company registration process 3. Progress on the selected regulatory reforms identified 4. Progress on support to the Presidency Red tape Reduction Office	Number of Reports on red-tape reduction	2	2	2
		Number of reports setting out progress on the BizPortal enhancements and improved company registration process	1	1	1
		Number of reports setting out progress on the selected regulatory reforms identified	4	4	4
		Number of reports setting out progress on support to the Presidency Red tape Reduction Office	1	1	1

INVESTMENT (INVEST SOUTH AFRICA) (8)

12 Output Indicators

Purpose: Support foreign direct investment flows and promote domestic investment by providing a one-stop shop for investment promotion, investor facilitation and aftercare support for investors

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/23	2023/24	2024/25
Transformation	Reports on the following: 1. Progress on the evaluation of localisation, jobs and export values created by supported investment projects 2. Progress against the development of investor compacts that support black industrialists, women- and youth- owned enterprises, and small enterprises 3. Progress against the investment promotion support provided to SEZs, industrial parks, and district policymakers and for township enterprises	Number of reports setting out progress on the evaluation of localisation, jobs and export values created by supported investment projects;	1	1	1
		Number of reports setting out progress against the development of investor compacts that support black industrialists, women- and youth- owned enterprises, and small enterprises	1	1	1
		Number of reports setting out progress against the investment promotion support provided to SEZs, industrial parks, and district policymakers and for township enterprises	1	1	1
Capable State	Reports on the following: 1. Support for and work with the Presidency Investment & Infrastructure Office 2. Work undertaken with provinces and local government on investment promotion	Number of reports setting out progress on Support for and work with the Presidency Investment & Infrastructure Office	1	1	1
		Number of reports setting out progress on work undertaken with provinces and local government on investment promotion	1	1	1

COMPETITION POLICY (9)

9 Output Indicators

Purpose: Develop and roll out policy interventions that promote competition issues, through effective economic planning, spatial implementation and aligned investment and development policy tools

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/ 23	2023/24	2024/25
Industrialisation	Reports on the following: <ul style="list-style-type: none"> Public interest conditions in mergers and acquisitions Implementation of merger commitments made in the past five years 	Number of reports setting out progress with public interest conditions in mergers and acquisitions.	5	5	5
		Number of reports setting out progress in the implementation of merger commitments made in the past five years.	5	5	5
Transformation	Reports on the portfolio of sectors to be considered by the Executive Authority for market inquiries	Number of reports on the portfolio of sectors to be considered by the Executive Authority for market inquiries	1	1	1
	Reports setting out progress with the recommendations and findings of: <ul style="list-style-type: none"> Past market inquiries Recommendations and findings of the Economic Concentration Report And in securing inputs from firms and government entities in market inquiries 	Number of reports setting out progress with the recommendations and findings of: <ul style="list-style-type: none"> Past market inquiries Recommendations and findings of the Economic Concentration Report And in securing inputs from firms and government entities in market inquiries. 	2	2	2
	Reports setting out progress with mainstreaming competition work in masterplans, AfCFTA negotiations, green economy, exports and spatial development	Number of reports setting out progress with mainstreaming competition work in masterplans, AfCFTA negotiations, green economy, exports and spatial development	2	2	2
	Report on implementation of the Social and Solidarity Economy policy framework	Number of reports on implementation of the Social and Solidarity Economy policy framework	1	1	1
	Reports setting out the results of the Review of the Competition Policy framework and regulatory reforms	Number of reports setting out the results of the Review of the Competition Policy framework and regulatory reforms	1	1	1
Capable State	Reports on the following: <ul style="list-style-type: none"> Red-tape reduction Oversight of competition entities 	Number of reports on red-tape reduction	2	2	2
		Number of reports setting out progress with oversight of competition entities	4	2	2

ECONOMIC RESEARCH (10)

11 Output Indicators

Purpose: Undertake economic research, contribute to development of trade and industrial policies and guide policy, legislative and strategy processes to facilitate inclusive growth.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/ 23	2023/24	2024/25
Capable State	Research reports/factsheets produced on Investment, Master Plan sector profiles, Localisation and Exports	Number of research reports/factsheets produced on Investment, Master Plan sector profiles, Localisation and Exports	17	17	17
	Worker Ownership Register	Worker Ownership Register developed and maintained	1	1	1
	Localisation and jobs impact monitoring system supported	Localisation and jobs impact monitoring system supported	1	1	1
	Reports on the following: 1. Research briefs produced at the request of the dtic branches or the Executive Authority, on areas such as the green economy, digital economy, and rationalisation of the dtic entities 2. Red-tape reduction	Number of Policy research briefs produced at the request of the dtic branches or the Executive Authority, on areas such as the green economy, digital economy, and rationalisation of the dtic entities	3	3	3
		Number of reports on red-tape reduction	2	2	2
	Impact assessments produced at the request of branches or the Executive Authority, providing feedback on the efficacy and impact of the dtic initiatives and measures	Number of impact assessments produced at the request of branches or the Executive Authority, providing feedback on the efficacy and impact of the dtic initiatives and measures	3	3	3
	District-level dashboards of the dtic and its entities' interventions developed and maintained	Number of District-level dashboards of the dtic and its entities' interventions developed and maintained	52	52	52

ECONOMIC RESEARCH (10)

11 Output Indicators

Purpose: Undertake economic research, contribute to development of trade and industrial policies and guide policy, legislative and strategy processes to facilitate inclusive growth.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS		
			MTEF PERIOD		
			2022/ 23	2023/24	2024/25
Capable State	Reports on work completed on integration of the dtic efforts on industrialisation and transformation at district levels	Number of reports on work completed on integration of the dtic efforts on industrialisation and transformation at district levels	2	2	2
	Knowledge Networks for capacity building of staff in relevant analytical fields convened	Number of Knowledge Networks for capacity building of staff in relevant analytical fields convened	3	3	3
	Pieces published	Number of opinion pieces published	10	10	10
	Programme agreed with higher education institutions.	Number of Programmes agreed with higher education institutions.	1	1	1

Reviews and Amendments will be undertaken on the following:

- **The Broad-Based Black Economic Empowerment (B-BBEE) policy**, which includes the Strategy, the Act, Regulations, and the Codes of Good Practice.
- **The Companies Act** amendments will be processed, focused on ease of doing business, indicators on wage differentials and measures to combat money laundering and terrorism. Further amendments may be introduced addressing corporate governance and inclusion of workers in boards of companies.
- The work on the **Copyright Amendment Bill and Performers' Protection Amendment Bill** will continue in Parliament towards finalisation, to ensure a rigorous and effective legislative regime for the creative industry and other copyright-based industries, with strengthened legal protection for rights holders.
- **The National Credit Amendment Bill** will be reviewed to ensure that over-indebted, low-earning consumers receive cost effective debt relief.
- **The National Building Regulations and Building Standards Act** No. 103 of 1997 will be amended, in line with a decision of the Constitutional Court that required a reworking of Section 9 of the Act.
- **The Special Economic Zone (SEZ) Strategic Framework** will be developed to guide implementation of the SEZ Policy and Act (No. 16 of 2014), as well as the development of a policy for industrial parks to guide the establishment, development, operation and revitalisation of industrial parks in the country.

Planned Provincial Interventions - Examples

Programme	Planned Interventions
Programme 2: Trade Policy	<ul style="list-style-type: none"> Provide support to Exports Branch on their AfCFTA District Dashboard. Trade Policy will provide updates once the AfCFTA is fully operational. Advise companies of opportunities which arise from the AfCFTA in their provinces Report on the impact of trade policy decisions (ITAC) at provincial level
Programme 3: Spatial Industrial Development	<ul style="list-style-type: none"> Establishment and support to SEZ and Industrial Parks, and Digital hubs Identification of the township opportunities for support Report identifying private sector industrial nodes at District level
Programme 4: Sectors (Industrial Policy)	<ul style="list-style-type: none"> Master Plans implementation in various districts Sector support interventions across all 9 Provinces
Programme 5: Consumer and Corporate Regulation	<ul style="list-style-type: none"> Contribution to the district economy through the registration of liquor licences for distributors and macro manufacturers Education and awareness of various legislation administered by the Branch in the provinces
Programme 6: Industrial Financing	<ul style="list-style-type: none"> Targeted industrial financing support in the nine provinces as well as at a metropolitan and district level to determine which regions have low uptake
Programme 7: Exports (Trade and Investment SA Africa)	<ul style="list-style-type: none"> Targeted export promotion and capacity building activities will be undertaken in under-supported districts during the 2022/23 Financial Year
Programme 8: Investment (Invest South Africa)	<ul style="list-style-type: none"> Participate in the investment mobilization drive Launch the Eastern Cape and Limpopo One Stop Shops
Programme 9: Competition Policy	<ul style="list-style-type: none"> Participate in district model road show together with the Competition Commission on the Groceries Market Inquiry Work with Gauteng Provincial Government on the Township Economic Bill with a focus on developing Distribution Centres in Townships During 2022/23 the Tirisano Trust funds will support small construction businesses in the construction of schools and TVET Colleges in the following provinces: Eastern Cape; KwaZulu-Natal; Gauteng; Western Cape; North West; Free State The fund will also provide funds for Training of artisans in KwaZulu-Natal and Gauteng
Programme 10: Economic Research	<ul style="list-style-type: none"> Coordinate the integration of interventions by the dtic and its entities into the District One Plans Develop dashboards of interventions by the dtic and its entities for all 52 districts Compile reports on the impact of work completed by the dtic and its entities at district levels

THE DTIC ALLOCATED BUDGET

Introduction

- APP provides the framework in which the department will align and utilise its financial and human resources.
- To drive the integrated work of the department, R10.8 billion is allocated for the 202/23 financial year.
- To bring greater coherence of the work of **the dtic**, stronger alignment of the budget to the APP is vital.
- To this end and to promote integration and common focus, the KPIs in each of the 10 programmes have incorporated the three outcomes, being, **Industrialization; Transformation** and a **Capable State** – with the budget of R10.8 billion apportioned across these 10 programmes.

Budget Highlights

2021/22



- The department received additional allocation of R2.1 billion in 2021/22 (R1.3 billion to respond to the social unrest in July 2021 and the negative impact of COVID-19 pandemic – as well as R800 million for the Social employment Fund)

2022/23



- When compared with the 2021/22 financial year, the department's total expenditure is expected to decrease at an average annual rate of **3.7 per cent**, from **R11.8 billion** in 2021/22 to **R10.6 billion** in 2024/25.
- Funding for the Social Employment Fund has been extended for additional 2 years at a value of R1.65 billion.
- The work in the Trade Policy programme includes amongst others the AfCFTA. Spending is expected to increase from R226.8 million in 2021/22 to R248.8 million in 2024/25.
- The work of expanding and diversifying exports to the rest of Africa through leveraging opportunities presented by the AfCFTA will be done through Trade and Investment South Africa programme. Spending is expected to increase from R443.1 million in 2021/22 to R451.7 million in 2024/25.
- Over the MTEF, the department will continue with the development and implementation of various sectoral master plans as part of the re-imagined industrial strategy

ALIGNMENT OF THE BUDGET WITH THE 3 STRATEGIC OUTCOMES

In support of the Re-imagined Industrial Strategy driven by Master Plans in priority sectors, some of the implementation instruments will include:

Industrialisation

1. **R4.4 billion** over the medium term (R1.3 billion in 2022/23) towards the Automotives.
2. **R1.8 billion** over the medium term (R599 million in 2022/23) towards the Retail-Clothing, Textile Footwear Leather (R-CTFL) for the labour-intensive sector with predominantly women workers and entrepreneurs.
3. **R197.5 million** funding support housed at the IDC towards the Furniture Growth Fund to assist enterprises in the furniture industry to improve their competitiveness, as well as assist companies in distress with bankable turnaround strategies in order to grow the industry and enable businesses to survive the current economic downturn.
4. **R121 million** over the medium term (R39.5 million in 2022/23) towards the Downstream Steel Industry Competitiveness Fund at the IDC
5. **R1.1 billion** over the medium term (R365.6 million) towards the BPS

Transformation

1. **R1.3 billion** over the medium term (R374 million in 2022/23) towards the Black Industrialist programme
2. **R4.9 billion** towards spatial work through the SEZs and Industrial Parks

Capable State

In building greater capacity to ensure that national objectives are achieved, it is estimated that about R1.9 billion will be allocated towards OPEX in the 2022/23 financial year.

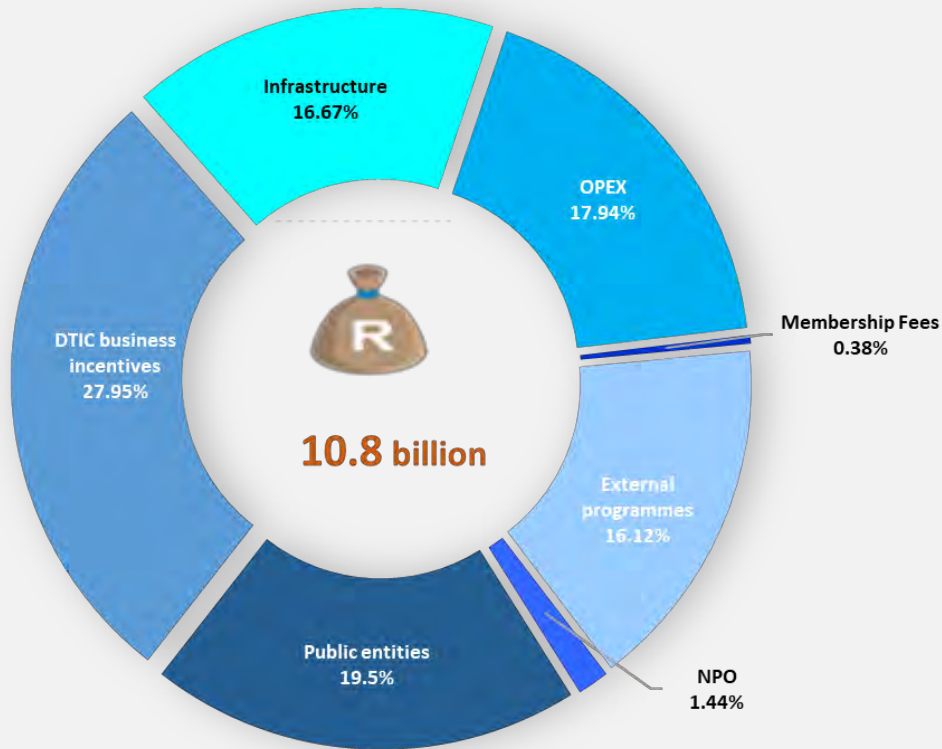
BUDGET ANALYSIS – MTEF BUDGET AT A GLANCE

Description	2022/23	2023/24	2024/25	TOTAL
	R'000	R'000	R'000	R'000
Baseline	10 859 303	10 887 653	10 553 269	32 300 225

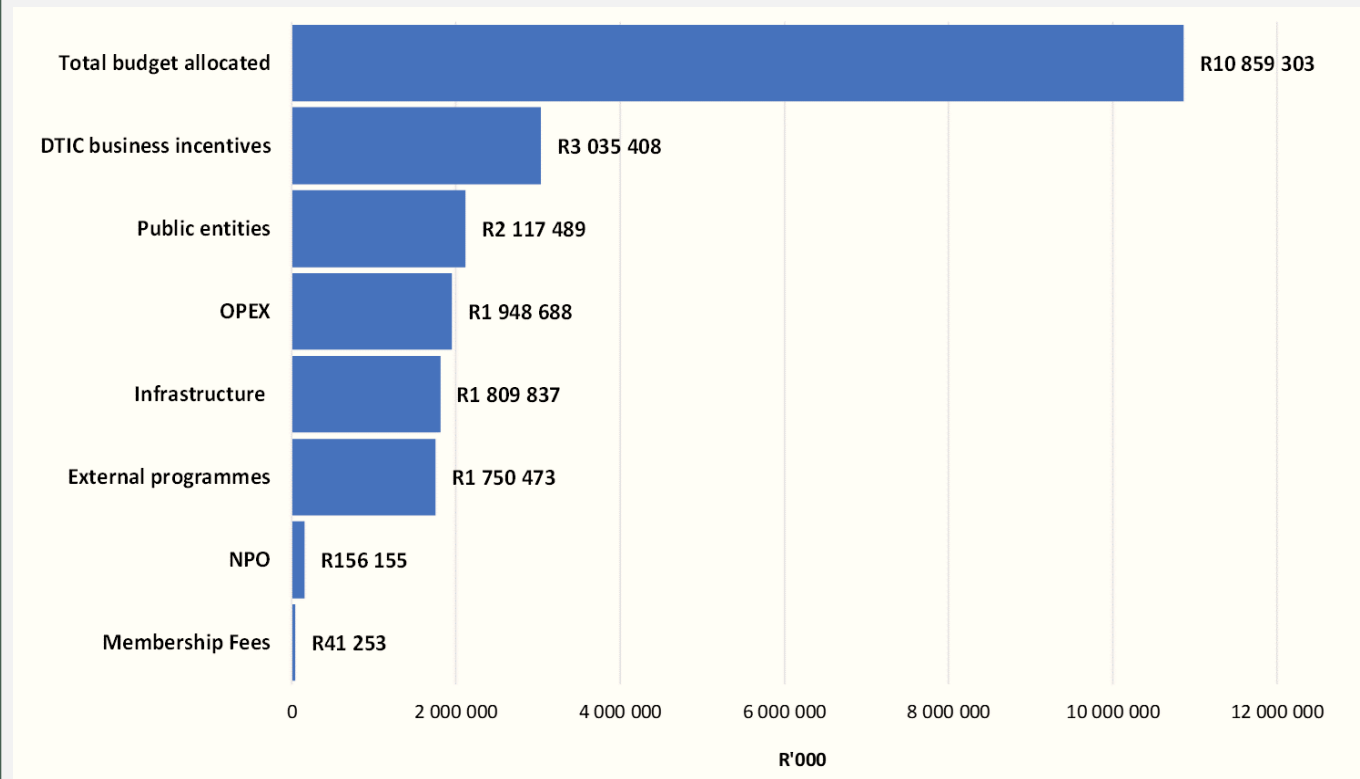
- As part of the work on industrialization to promote jobs, the department will provide support through the clothing and textiles competitiveness programme, which has a budget of R1.8 billion over the medium term. It expects to provide financial support to 404 clothing and textile firms.
- Expenditure in the *Industrial Financing* programme is expected to decrease at an average annual rate of 4.8 per cent, from R6.2 billion in 2021/22 to R5.4 billion in 2024/25.
- Allocations to the *Industrial Financing* programme account for an estimated 49.3 per cent (R15.5 billion) of the department's expenditure over the MTEF period, mainly to fund incentive programmes.
- Allocations to the Manufacturing Incentives subprogramme account for an estimated 51.6 per cent of R7.6 billion of the Industrial Financing programme's budget over the medium term
- Spending in the programme's *Infrastructure Investment Support* subprogramme is expected to increase at an average annual rate of 0.4 per cent, from R1.76 billion in 2021/22 to R1.79 billion in 2024/25.
- The 2022/23 allocation to the special economic zones is R1.6 billion, followed by R135 million for industrial parks and R116.5 million for critical infrastructure.

BUDGET ANALYSIS - 2022/23 BUDGET BY TYPE OF EXPENDITURE

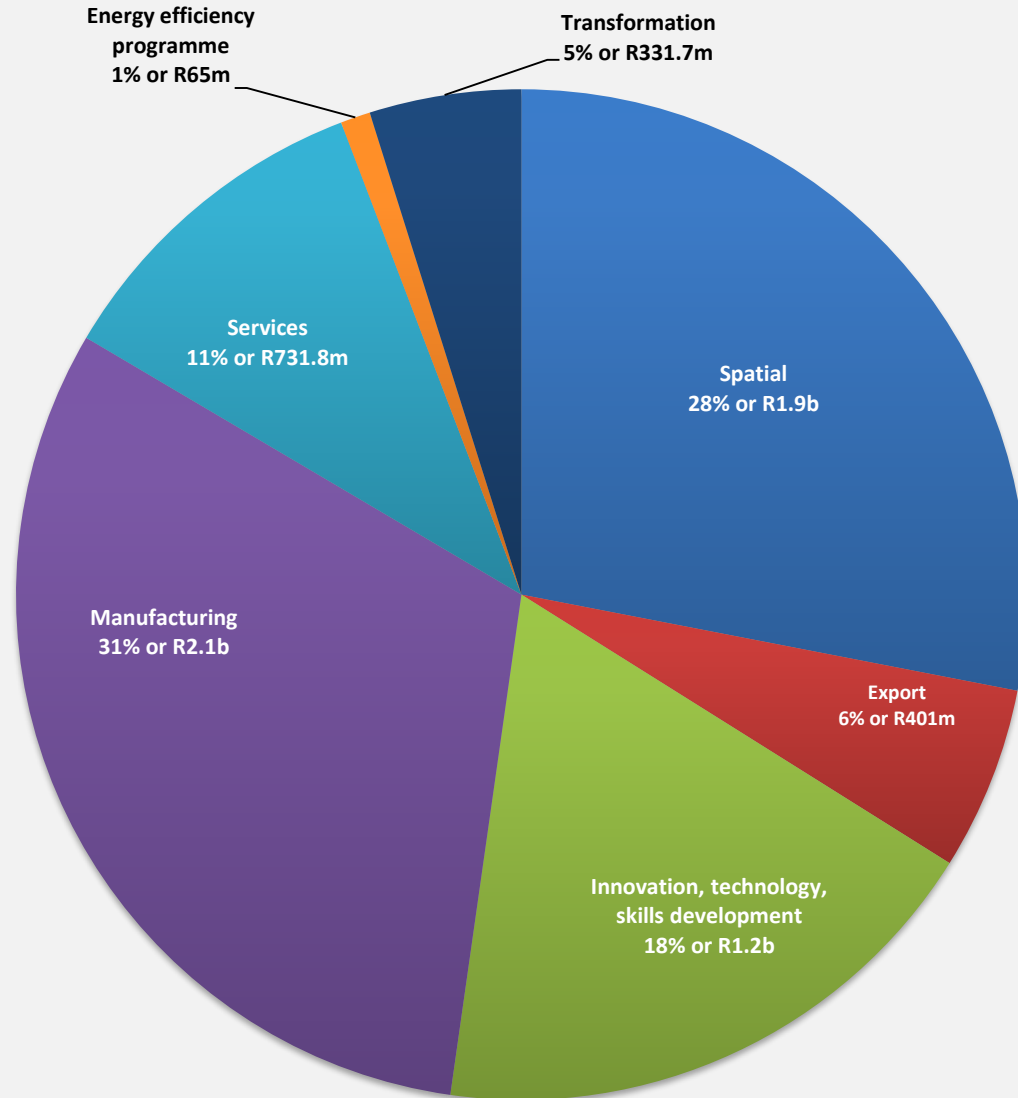
% of the 2022/23 budget by type of expenditure



Rand value of the 2022/23 budget by type of expenditure



BUDGET ANALYSIS - 2022/23 BUDGET BY INCENTIVES CATEGORIES



Approximately **62.9% or R6.8 billion** will be disbursed as follows:

Manufacturing: 31%

- Includes programmes for Enterprise Investment; Automotive; CTFL, Supplier Cluster and Steel fund

Spatial: 28%

- Comprises of the SEZs, Industrial Parks, CIP, Tirisano Fund, Regional Industrial Development and Centurion Aerospace village

Services: 11%

- Comprises of the Global Business services and, Film and Television production incentive

Export: 6%

- Comprises of the Export Make-up scheme at the ECIC and EMIA

Transformation: 5%

- Comprises of the Black Industrialists support and the Women Empowerment fund.
- The Women Empowerment fund is established in partnership with the NEF. R141 million financial support from the ECF has been provided for the Women Empowerment Fund, which will be targeting enterprises and projects that are majority owned black women, youth and people with disabilities.

Innovation, technology and Skills: 18%

- Comprises of programmes for National Foundry Technology network, Automotive supply chain competitiveness initiative, Fibre and textile, THRIP, Workplace Challenge, Itukise, Monyetla, SPII and SEF

Energy efficiency programme: 1%

- The National Cleaner Production, is a national programme of government that promotes the implementation of resource efficiency and cleaner production (RECP) methodologies.

LIST OF ACRONYMS

Term	Definition		
AfCFTA	African Continental Free Trade Area	SADC	Southern African Development Community
AU	African Union	SEZ	Special Economic Zone
B-BBEE	Broad-Based Black Economic Empowerment	WTO	World Trade Organisation
BRICS	Brazil, Russia, India, China and South Africa		
DFI	Development Finance Institution		
ECIC	Export Credit Insurance Corporation SOC Ltd		
EEIP	Equity Equivalent Investment Programme		
EMIA	Export, Marketing and Investment Assistance		
ERRP	Economic Reconstruction and Recovery Plan		
EU	European Union		
IDC	Industrial Development Corporation		
ITA Act	International Trade Administration Act, No 71 of 2002		
ITAC	International Trade Administration Commission		
NEDLAC	National Economic Development and Labour Council		
NEF	National Empowerment Fund		
NEV	New Energy Vehicle		
PWD	People With Disabilities		
SACU	Southern African Customs Union		

THANK YOU