

# the dtic Overview & Annual Performance Plan 2024/2025

**Presentation to the Select Committee on  
Economic Development and Trade  
17 July 2024**



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

the dtic - together, **growing the economy**

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# Top Strategic Priorities

The main strategic priorities in the FY will focus on:

1. Review and accelerated implementation of **industrialisation** Policy and Strategy that promotes jobs and rising incomes.
2. **Transformation** that builds an inclusive economy,
3. **Building capable state** – build greater capacity to ensure that national objectives are achieved through our ability to plan and develop strategies
4. Creating **stability across the dtic family**, solve systemic and alignment across the state, and **filling strategic vacancies**



Industrial policy and strategy is at the top on their agenda aimed at:

1. Combining economic growth with transformation
2. Growing employment (Jobs)
3. Boosting local production,
4. Growing exports and expanding African trade,
5. Increasing investment and
6. Establishing a more reliable and low-cost energy system while greening the economy overall.



Priorities from the Government of National Unity, Statement of Intent, and SONA will shape the Strategic Plans and Annual Performance Plans towards advancing Transformation, Industrialisation and Job Creation.

# Context – “Big Shifts” the APP is responding to

**SA ENERGY challenges,  
sluggish economy and  
need for job creation**

**... Slow GLOBAL  
GROWTH...**

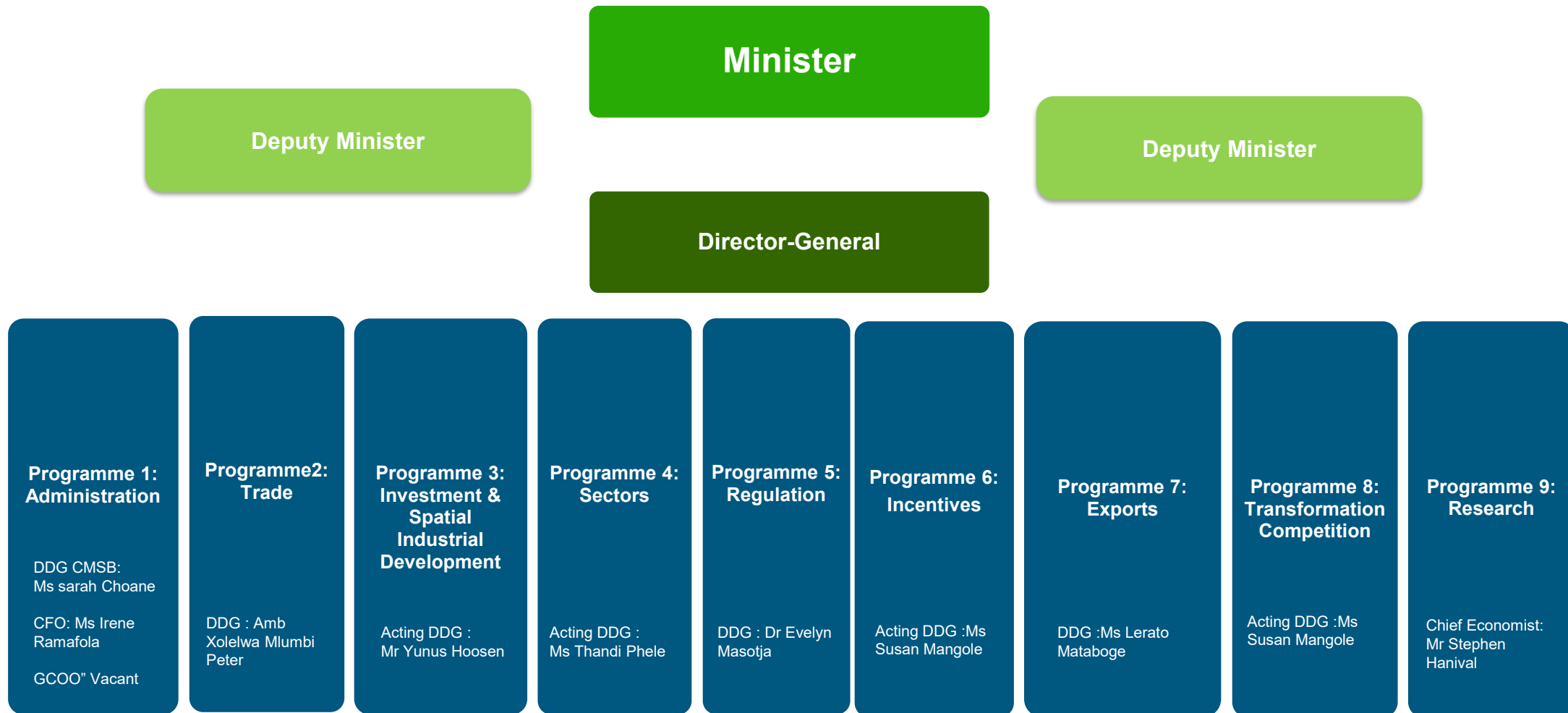
**But opportunities with  
AFRICAN TRADE and  
new sectors**

## **BIG SHIFTS:**

**Geo-political landscape,  
Technology, Climate change**



# About the dtic Programme Structure



# The dtic at a Glance - Summary



## PROGRAMME STRUCTURE

09 →

the dtic work is organized in 9 programmes focusing on economic research, industrial sectors, Investments, incentives, regulation, transformation & competition, international trade, export and administration. It is responsible for 19 entities and 45 pieces of legislation covering a substantial part of South Africa's economic policy landscape.



## KEY PERFORMANCE OUTPUTS AND OUTPUT INDICATORS

45 →

The APP sets out 45 departmental Outputs in the 2024/25 reporting period. Branches contribute to the delivery of the 45 Outputs and have defined Branch indicators and targets at branch level.



## MEDIUM TERM STRATEGIC FRAMEWORK (MTSF) 2019/2024 PRIORITIES

02 →

The work of the dtic is closely aligned to MTSF priorities 2 and 7 which cover (i) economic transformation and job creation, and (ii) a better world and Africa. **The 2024/2029 MTD development is still in progress.**



## PRIORITISED LEGISLATION

07 →

- i. Companies Amendment Bill;
- ii. Companies Second Amendment Bill
- iii. Patent Amendment Bill;
- iv. Design Amendment Bill
- v. National Building Regulations & Building Standards Amendment Bill;
- vi. International Trade Administration Act Amendment Bill;
- vii. Trade Marks Amendment Bill



## 2024/25 BUDGET ALLOCATION

R9,6bn →

Of the R9.6 bn, **35%** is allocated for business incentives (AIS, GBS, Film & TV, et al.); **5%** for infrastructure programmes (SEZ, CIP); **18%** to support various external programmes (namely; CTFL programme, SEF at the IDC; **21%** for transfers to entities; **2%** for NPOs (Proudly South African, Intsimbi future production technologies initiatives et al.) and membership fees to foreign organisations (WTO, WIPO, et al.), while **19%** is for operational expenditure (mainly COE & Goods and Services).

# The dtic at a Glance - Summary

## Human Resource Management



NUMBER OF  
POSTS

1183



The current organizational structure of **the dtic** provides for 1183 approved positions of which 1056 (89.3% occupancy) were filled and 127 (10.7% vacancy rate) were vacant as on 31 March 2023. Of the 127 vacancies, 120 posts have been frozen due to budgetary constraints in respect of carry-through costs for the medium term. Key positions to be prioritised for filling are the DG and 3 DDG Posts.



EMPLOYMENT  
EQUITY

55%  
4.7%



Employment Equity Cabinet targets exceeded: **55%** Women employed in Senior Management Service level and **4.7%** Persons with Disabilities employed by the department.



KEY  
PROJECTS

03



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

# Building Institutional Capacity

## Filling of Key positions within the dtic

- To ensure good governance and departmental stability and within the dtic family, key vacant posts of DG and DDGs will be prioritised for filling. This also includes the filling of **CEO positions** as well as **vacancies in Boards** within the **dtic entities**.

## Fit For Purpose Organisational Structure

- Organisational structure review to ensure that is aligned and optimised to support the department's mandate and prioritised programmes.
- To promote **value-chain** approach to **integrate** the work of the department and thereby eliminate **silos, duplication and inefficiencies**.
- To ensure good governance and departmental stability, a process has already been initiated to fill key vacant posts of DG and DDGs.

## Culture

- It is therefore imperative that the new organisational structure is supported by **leadership behaviours** and **values** that improve **employees' morale and engagement** thereby promoting a **high-performance culture**.

## Competency and Skills Audit

- The competency and skills audit will be initiated to **identify skills gaps** in terms of the current skill levels and the skills required to deliver on its mandate. Including to **optimise talent, job and skills match, correct placement, enhancing productivity and job satisfaction**.

## Rationalisation of entities

- The project with respect to the rationalisation of entities is underway. The merger between the IDC and the NEF is being resuscitated. Whilst the Competition Commission and National Consumer Commission has commenced.
- The committee will be kept abreast of developments regarding the project as it unfolds.



# the dtic Family (1)

## Development Finance Institutions (DFI's)

Name of Public Entity	Nature of operations
The Industrial Development Corporation (IDC)	The IDC's mandate includes proactively maximising its development impact through effective and sustainable industrial development, not only in South Africa, but across the continent. It is further mandated to contribute to an inclusive economy by, among others, funding black-owned companies, black industrialists, women and youth empowered enterprises.
National Empowerment Fund (NEF)	The NEF's focus is to promote and facilitate black economic equality and transformation. The NEF provides finance and financial solutions to black business across a range of sectors, and structures accessible retail savings products for black people based on state-owned equity investments. Its mandate and mission is to be government's funding agency in facilitating the implementation of B-BBEE in terms of the BEE Codes of Good Practice.
Export Credit Insurance Corporation (ECIC)	Promotes trade with countries outside the Republic by providing for the insurance, on behalf of the Government of the Republic, of contracts in connection with export transactions, investments and loans or similar facilities connected with such transactions, and provides for matters connected therewith.





# the dtic Family (2)

## Technical Infrastructure Institutions

Name of Public Entity	Nature of operations
National Metrology Institute of South Africa (NMISA)	The NMISA is responsible for realising, maintaining and disseminating the International System of Unit (SI). It maintains and develops primary scientific standards of physical quantities for South Africa and compares those standards with other national standards to ensure global measurement equivalence.
National Regulator for Compulsory Specifications (NRCS)	The NRCS is responsible for the administration and maintenance of compulsory specifications and the implementation of regulatory and compliance systems for compulsory specifications.
South African Bureau of Standards (SABS)	The SABS aims to develop, promote and maintain South African national standards, promote quality in connection with commodities, products and services, and render conformity assessment services and matters connected therewith.
South African National Accreditation System (SANAS)	The aim of SANAS is to accredit or monitor for Good Laboratory Practice compliance purposes organisations that fall within its scope of activity; promote accreditation as a means of facilitating international trade and enhancing South Africa's economic performance and transformation; promote competence and equivalence of accredited bodies; and promote the competence and equivalence of GLP-compliant facilities.



# the dtic Family (3)

## Regulators

Name of Public Entity	Nature of operations
<b>The Competition Commission</b>	The Competition Commission was established in terms of the Competition Act, 1998, to regulate competition between firms in the market.
<b>The Competition Tribunal</b>	The Competition Tribunal is an independent adjudicative body. It is required to grant exemptions, authorise or prohibit large mergers or prohibit a merger, adjudicate in relation to any conduct prohibited in terms of chapter 2 or 3 of the Act, and grant an order for costs in on matters presented to it by the Competition Commission.
<b>The International Trade Administration Commission (ITAC)</b>	Fosters economic growth and development in order to raise incomes and promote investment and employment in South Africa and within the Common Customs Union Area by establishing an efficient and effective system for the administration of international trade subject to this Act and the Southern African Customs Union agreement. Its core functions are customs tariff investigations, trade remedies, and import and export control.
<b>Companies and Intellectual Property Commission (CIPC)</b>	Responsible for registration of companies, cooperatives and intellectual property rights • Promotion of compliance with relevant legislation
<b>National Consumer Commission (NCC)</b>	Promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose, establish national norms and standards relating to consumer protection; provide for improved standards of consumer information; prohibit certain unfair marketing and business practices; promote responsible consumer behaviour; and promote a consistent legislation and enforcement framework relating to consumer transactions
<b>National Consumer Tribunal (NCT)</b>	The NCT adjudicates any application that may be made to it, and makes any order provided for in respect of such an application, or allegations of prohibited conduct by determining whether prohibited conduct has occurred and, if so, by imposing a remedy. It grants orders for costs and can exercise any other power conferred on it by law. It also reviews decisions made by the National Credit Regulator, the National Consumer Commission and single-member panels of the tribunal.

# the dtic Family (4)

## Regulators

Name of Public Entity	Nature of operations
<b>Companies Tribunal (CT)</b>	The Companies Tribunal adjudicates in relation to any application that may be made to it in terms of this Act, and makes any order provided for in this Act in respect of such an application. It also assists in the resolution of disputes as contemplated in Part C of Chapter 7 of the Act, and performs any other function assigned to it by or in terms of the Act, or in any law mentioned in Schedule 4.
<b>National Credit Regulator (NCR)</b>	The NCR promotes a fair and non-discriminatory marketplace for access of consumer credit; provides for the general regulation of consumer credit and improved standards of consumer information; promotes black economic empowerment and ownership within the consumer credit industry; promotes responsible credit granting and use; provides for debt reorganisation in cases of over-indebtedness; regulates credit information; and provides for the registration of credit providers, credit bureaux and debt counselling services
<b>National Gambling Board (NGB)</b>	The NGB was established to monitor and investigate, when necessary, the issuing of national licences by provincial licensing authorities. It establishes and maintains national registers regarding various gambling activities.
<b>National Lotteries Commission (NLC)</b>	The NLC monitors and enforces the implementation of the national lottery. It manages the National Lottery Distribution Trust Fund, which distributes proceeds from its share of lottery sales to worthy causes.

# APP: 45 Output Targets

The new approach focuses on meaningful **outputs**.

The 45 output and targets have been clustered into 12 functional focus areas:

01	Investment	07	Energy
02	Industrial production	08	Green economy targets
03	Exports	09	Stakeholder engagement and impacts
04	Industrial support	10	Addressing crime
05	Transformation	11	Red tape and state capability targets
06	Jobs	12	Improving the capacity and responsiveness of the state and social partnership

# Outputs: Investments

- The following tables indicate the functional focus of these outputs. Output numbering refers to the classification found in the APP
- Pillar numbering references the section dealing with the aims of industrial policy.
- Outcome numbers refer to: Industrialisation (1), Transformation (2) and Capable State (3) though it should be seen as indicative, as an Output intended to cover a particular Outcome can and does have positive spillover effects on the other Outcomes.
- The following section and tables will highlight the twelve output areas /clusters.

## Investments

Number	Output	Pillar	Outcome
<b>Output 1</b>	R350 billion in investment pledges secured across the state	4	1
<b>Output 23</b>	100 Investor facilitation and unblocking interventions provided	4	1
<b>Output 17</b>	1 new SEZs designated and support work with provinces related to industrial parks	4	1,2

# Special Economic Zone Programme

- The Special Economic Zone is an economic development tool to promote national economic growth and export by using support measures in order to attract targeted foreign and domestic investments and technology.
- The programme is implemented in terms of the Special Economic Zones Act No. 16 of 2014
- In 2019 a new approach was adopted to ensure that the zones that have challenges are assisted through an integrated approach. The re-imagined industrial strategy of government has resulted in this approach to facilitate the progress of SEZs.
- Involves greater involvement of **the dtic** in the development of SEZs, through shared ownership.
- The planning for future SEZs are also required to be incorporated into a greater master plan, incorporating complementary land uses to generate cost savings in the long run.
- Greater participation is intended to fast-track the development of world-class infrastructure, stronger institutional capacity and emphasis on export-led growth as well as collaborative planning among key government agencies and the private sector.

**12 - Designated SEZs**

**193 - Operational**

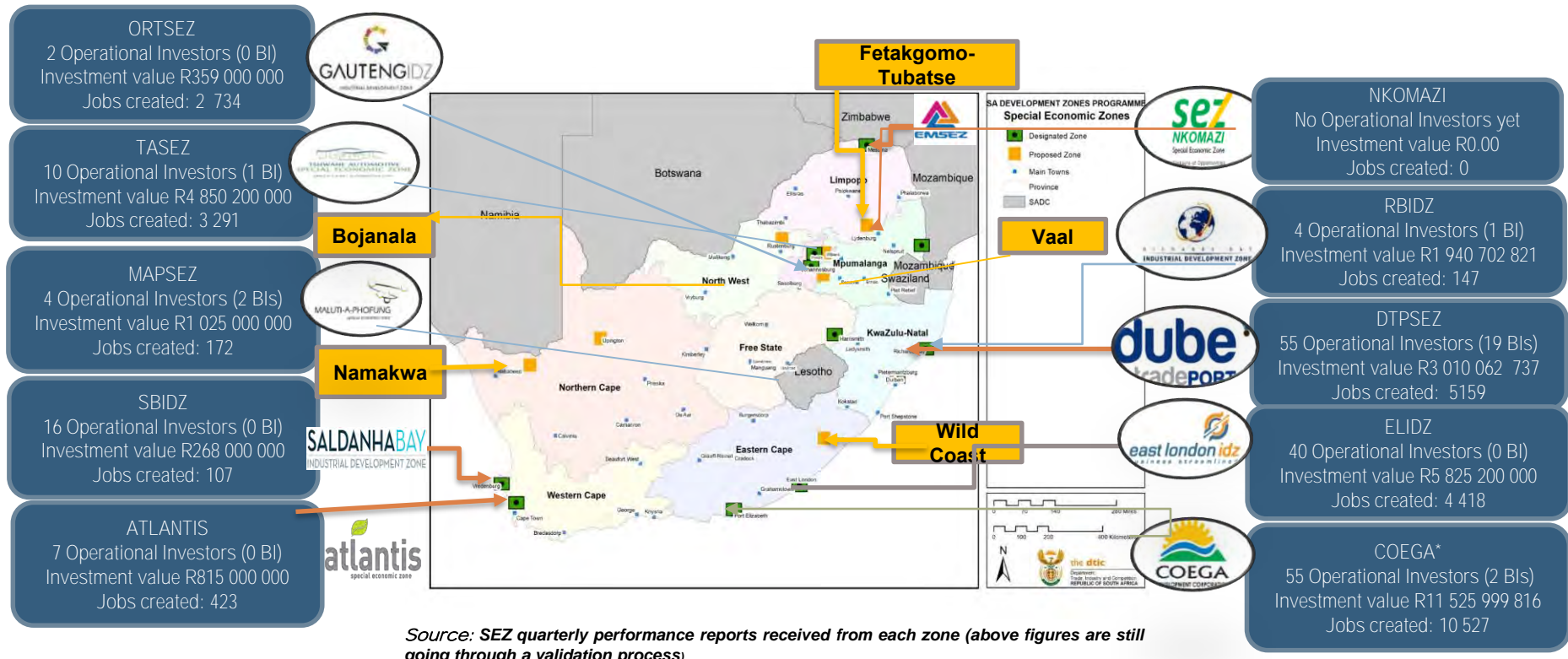
**Investors**

**R29.619 Bn - worth of  
Operational Investment**

**26 978 - Direct Jobs  
Created**

# Performance Overview (Q1: 2024/25)

There are 12 DESIGNATED SEZ and 4 PROPOSED SEZ  
(i.e. highlighted in yellow boxes)<sup>5</sup>



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



# Outputs: Industrial production & Exports

## Industrial production

Number	Output	Pillar	Outcome
<b>Output 2</b>	R60 billion in additional local output committed or achieved	2	1
<b>Output 11</b>	R200 billion in Black Industrialist output achieved	1	1,2

## Exports

Number	Output	Pillar	Outcome
<b>Output 3</b>	R900 Billion in manufacturing exports	3	1
<b>Output 4</b>	R400 Billion in manufacturing exports to other African countries	3	1,2
<b>Output 5</b>	R9 Billion in exports of Global Business Services (GBS)	3	1
<b>Output 27</b>	20 Successful export interventions to support the implementation of the AFCFTA	3	1
<b>Output 28</b>	10 High impact trade interventions completed	3	1,3
<b>Output 41</b>	5 Finalisation of legal instruments under the AfCFTA (Tariff offers, Schedule of Commitments, Rules of Origin, Protocols and Annexes to protocols)	3	3

# Exports

- The department will continue with programmes aimed at improving the value of exports; the composition of exports towards value-added; developing more exporters, including black, youth and women-led firms; as well as improving the geographical spread of exporters supported.
- The department will facilitate market access for South African exporters to priority countries by leading exporters' participation in exhibitions and trade and investment missions. The implementation of exporter capacity building and mentorship support will also continue.
- Through these programmes and initiatives the department aims to support companies to succeed in complex markets, while making it easier for them to access export finance, marketing avenues, export advice and support suited to their unique needs.
- In order to unlock opportunities and leverage the African Continental Free Trade Area (AfCFTA), trade and investment initiatives will cover key markets in the Rest of Africa. This focus will prioritise qualifying opportunities as countries finalise their legal modalities under the AfCFTA Agreement, as well as an outward investment drive that will secure value-added exports.
- Participation in the China International Import Expo (CIIE) will serve as a key event to profile South African products with a leading BRICS plus member in a range of sectors. Activities with BRICS Plus members will further target opportunities in markets such as Brazil, Russia, Egypt and the United Arab Emirates.
- Beyond these markets, export initiatives will also be undertaken with key regional and bilateral markets such as the European Union, the United States, Indonesia, Japan, Saudi Arabia and Qatar.

# Outputs: Industrial support & Transformation

## Industrial Support

Number	Output	Pillar	Outcome
<b>Output 6</b>	R32 Billion in support programmes administered by or in partnership with the dtic-group	1	1,2,3
<b>Output 7</b>	R15 Billion support programmes to enterprises in areas outside the 5* main metros	1	1,2
<b>Output 8</b>	R8 Billion in financial support programmes and procurement contracts approved to SMMES, women and youth- empowered businesses	1	1
<b>Output 9</b>	R 8 Billion in financial support programmes to enterprises in labour absorbing sectors	1, 6	1
<b>Output 43</b>	1 Operationalization of an Adjudication process for incentive applications	1	1, 3

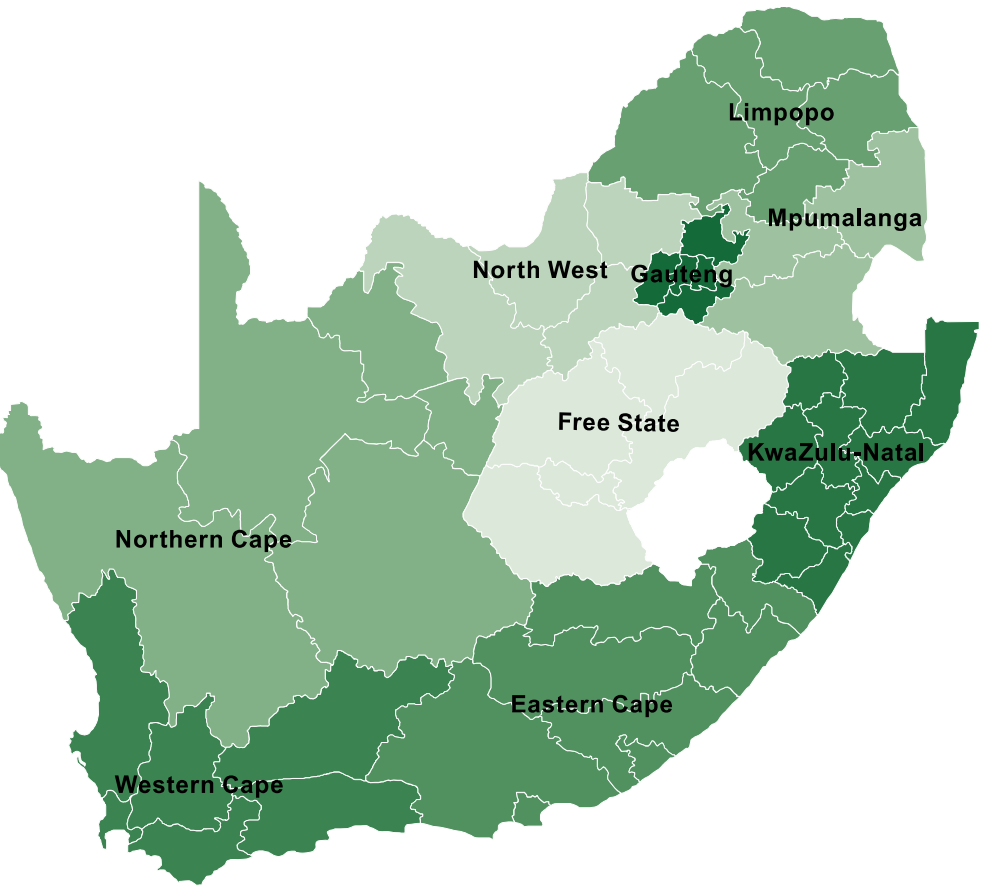
## Transformation

Number	Output	Pillar	Outcome
<b>Output 10</b>	R 900 Million in Equity Equivalent Investment Programme agreements	1	1,2
<b>Output 15</b>	20 000 additional workers with shares in their companies	1	1
<b>Output 16</b>	10 High-impact outcomes on addressing market concentration through the implementation of market inquiry outcomes	1	1,2

# DEEPENING TRANSFORMATION THROUGH THE SUPPORT OF PROJECTS IN DISTRICTS OUTSIDE OF THE 5 MAIN METROS

All eight metros and all 44 district municipalities were supported

2023/24



## WESTERN CAPE

- ▶ CAPE WINELANDS DISTRICT MUNICIPALITY
- ▶ CENTRAL KAROO DISTRICT MUNICIPALITY
- ▶ CITY OF CAPE TOWN METROPOLITAN MUNICIPALITY
- ▶ GARDEN ROUTE DISTRICT MUNICIPALITY
- ▶ OVERBERG DISTRICT MUNICIPALITY
- ▶ WEST COAST DISTRICT MUNICIPALITY

## LIMPOPO

- ▶ CAPRICORN DISTRICT MUNICIPALITY
- ▶ MOPANI DISTRICT MUNICIPALITY
- ▶ SEKHUKHUNE DISTRICT MUNICIPALITY
- ▶ VHEMBE DISTRICT MUNICIPALITY
- ▶ WATERBERG DISTRICT MUNICIPALITY

## GAUTENG

- ▶ CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
- ▶ CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY
- ▶ CITY OF TSHWANE METROPOLITAN MUNICIPALITY
- ▶ SEDIBENG DISTRICT MUNICIPALITY
- ▶ WEST RAND DISTRICT MUNICIPALITY

## NORTHERN CAPE

- ▶ FRANCES BAARD DISTRICT MUNICIPALITY
- ▶ JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY
- ▶ NAMAKWA DISTRICT MUNICIPALITY
- ▶ PIXLEY KA SEME DISTRICT MUNICIPALITY
- ▶ ZF MGCWU DISTRICT MUNICIPALITY

## FREE STATE

- ▶ FEZILE DABI DISTRICT MUNICIPALITY
- ▶ LEJWELEPUTSWA DISTRICT MUNICIPALITY
- ▶ MANGAUNG METROPOLITAN MUNICIPALITY
- ▶ THABO MOFUTSANYANA DISTRICT MUNICIPALITY
- ▶ THABO MOFUTSANYANA DISTRICT MUNICIPALITY
- ▶ XHARIEP DISTRICT MUNICIPALITY

## KWAZULU-NATAL

- ▶ AMAJUBA DISTRICT MUNICIPALITY
- ▶ ETHEKWINI METROPOLITAN MUNICIPALITY
- ▶ HARRY GWALA DISTRICT MUNICIPALITY
- ▶ ILEMBE DISTRICT MUNICIPALITY
- ▶ KING CETSHWAYO DISTRICT MUNICIPALITY
- ▶ UGU DISTRICT MUNICIPALITY
- ▶ UMGUNGUNDLOVU DISTRICT MUNICIPALITY
- ▶ UMKHANYAKUDE DISTRICT MUNICIPALITY
- ▶ UMZINYATHI DISTRICT MUNICIPALITY
- ▶ UTHUKELA DISTRICT MUNICIPALITY
- ▶ ZULULAND DISTRICT MUNICIPALITY

## NORTH WEST

- ▶ BOJANALA PLATINUM DISTRICT MUNICIPALITY
- ▶ DR KENNETH KAUNDA DISTRICT MUNICIPALITY
- ▶ DR RUTH SEGOMOTSI MOMPATI DISTRICT MUNICIPALITY
- ▶ NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY

## EASTERN CAPE

- ▶ ALFRED NZO DISTRICT MUNICIPALITY
- ▶ AMATHOLE DISTRICT MUNICIPALITY
- ▶ BUFFALO CITY METROPOLITAN MUNICIPALITY
- ▶ CHRIS HANI DISTRICT MUNICIPALITY
- ▶ JOE GQABI DISTRICT MUNICIPALITY
- ▶ NELSON MANDELA BAY METROPOLITAN MUNICIPALITY
- ▶ OR TAMBO DISTRICT MUNICIPALITY
- ▶ SARAH BAARTMAN DISTRICT MUNICIPALITY

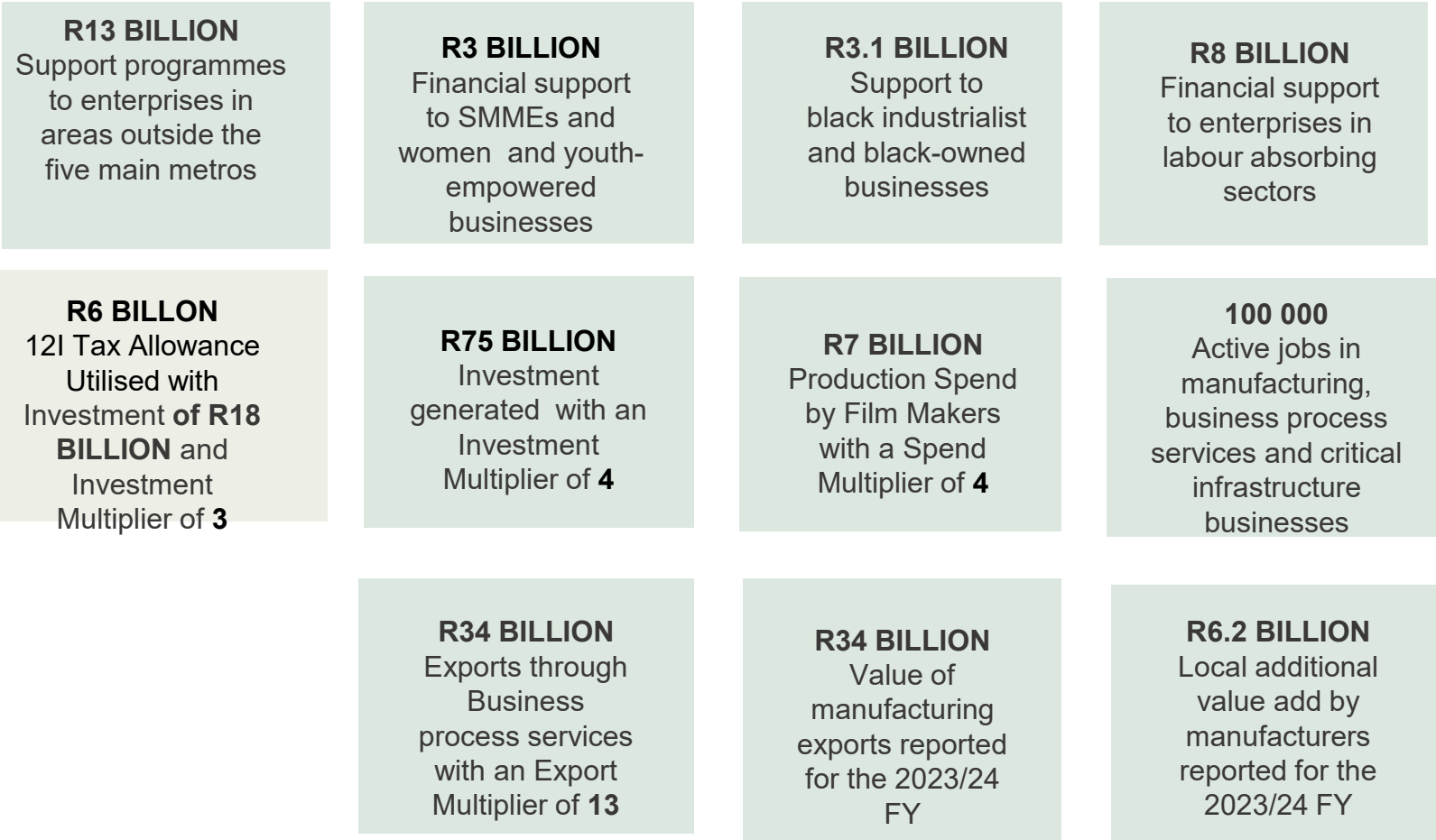
## MPUMALANGA

- ▶ EHLANZENI DISTRICT MUNICIPALITY
- ▶ GERT SIBANDA DISTRICT MUNICIPALITY
- ▶ NKANGALA DISTRICT MUNICIPALITY

# Industrial Development Incentives

## OVERVIEW PERFORMANCE REPORTING (2019/20 – 2023/24)

### R28 BILLION DISBURSED OVER 5 YEARS



As of 2023/24, the **dtic** APP, Output 35 required the monitoring of the performance of the IDC and NEF, resulting in the IDC and NEF Corporate Plans being revised to align to the **dtic** APP.

To mitigate impact of load shedding, the **dtic** entities, namely the IDC and NEF approved R2.4 billion for projects including SMMEs to access the energy resilience fund. This fund was administered by both entities on behalf of the department

# Outputs: Jobs and Energy

## Jobs

Number	Output	Pillar	Outcome
Output 12	1 Million jobs supported or covered by the dtic group and/ or master plans	6	2
Output 13	100 000 jobs to be created (50 000 social economy fund part-time or temporary job opportunities and 50 000 full-time jobs)	6	1,2
Output 14	160 000 jobs in Black Industrialists firms retained	1, 6	1,2

## Energy

Number	Output	Pillar	Outcome
Output 18	R 1 Billion Support to enterprises including SMMEs to mitigate impact of load shedding by IDC and NEF	5	1,2
Output 19	1500 Megawatts of energy from projects facilitated	5	1,3
Output 20	550 Megawatts of energy available for the grid	5	1,3
Output 21	5 Projects successfully managed through the Energy One-Stop Shop	5	3
Output 22	2 Expedited regulatory amendments and flexibility, to promote energy efficiency	5	1,2,3

# Outputs: Green economy & Stakeholder engagement

## Green economy targets

Number	Output	Pillar	Outcome
Output 29	4 Interventions to respond to green trade barriers	5	1
Output 30	1 EV white paper implementation	5	1
Output 31	1 Green hydrogen commercialisation framework implementation	5	1

## Stakeholder engagement and impacts

Number	Output	Pillar	Outcome
Output 25	9 Business Forums hosted aimed at supporting increased FDI, exports and outward investment hosted	1	1,2,3
Output 32	1000 Case studies of firms, workers, entrepreneurs, professionals or communities' impacted by the dtic measures; including 12 local films/documentaries telling the SA story	1	1
Output 33	Community outreach programmes by the dtic group in 10 districts	1	1,2,3
Output 37	2 Conferences, summits, and international forums hosted	1	1,2,3
Output 45	10 Successful actions completed on price monitoring and excessive pricing or price gouging or price restraint	1	1,2,3



# Outputs: Addressing crime & Red tape and state capability

## Addressing crime

Number	Output	Pillar	Outcome
Output 24	Grey-listing: 2 Implementation of remedial actions by CIPC of the Financial Action Task Force (FATF) requirements to meet immediate outcome 5 (IO5) in South Africa's Action Plan	1	3
Output 42	1 Metal trading system implemented	1,5	1,2,3

## Red tape and state capability

Number	Output	Pillar	Outcome
Output 39	9 Impact evaluations of dtic policy or programme interventions	All	3
Output 40	5 High-impact measures to reduce red tape or improve turnaround times in administration of incentives and work of agencies		
Output 44	6 Impact assessments or enhancements of trade instruments or measures	2,3	1,2,3

# Outputs: State capacity/responsiveness and social partnership

## Improving the capacity and responsiveness of the state and social partnership

Number	Output	Pillar	Outcome
<b>Output 26</b>	4 Pieces of priority legislation amended, tabled or submitted to Executive Authority, Cabinet or Parliament	All	1,2,3
<b>Output 34</b>	8 Master Plans managed	All	1,2,3
<b>Output 35</b>	Oversight of dtic entities to ensure that at least 96% of planned KPIs are achieved	All	1,2,3
<b>Output 36</b>	3 Projects to assist industrial innovation and support firms	All	1,2,3
<b>Output 38</b>	50 Mergers and acquisitions where public interest conditions have been incorporated	All	1,2

# Regulation: Priority Legislation submitted in Parliament

- ❑ The **Copyright Amendment Bill** and the **Performers' Protection Amendment Bill** were adopted by the Select Committee in September 2023. The legislative amendments from the NCOP were referred to the National Assembly.
- ❑ Stakeholders raised various issues during the parliamentary process, including public hearings and parliamentary public consultative processes. The issues were considered and responded to in the process.
- ❑ Provinces through their negotiating mandates, made submissions and recommendations. Seven provinces voted in favour of the Bills (GP, EC, NW, MP, LM, NC, FS), one voted against the bill (WC) and one province abstained (KZN). The final mandates were adopted.
- ❑ The Bills were passed by the National Assembly in February 2024.
- ❑ The Parliamentary process was concluded on the Bills.

## Leveraging public procurement for localisation & industrial development


- The **Public Procurement Bill**, which is led by the National Treasury and has been sent to the President for assent, includes a national framework for preferential procurement.
- Chapter 20 of the Bill deals with **designation of sectors** for local production and content; and makes it compulsory for organs of state to buy locally manufactured products in tenders designated for that purposes.
- The Bill also makes provisions for prequalification, subcontracting and setting aside of tenders, that will be used as leverage to support women owned businesses including youth and persons with physical disabilities.
- **the dtic** will be working closely with the National Treasury in identifying priorities that will be **driving localisation and drafting the regulations** to support the Act.

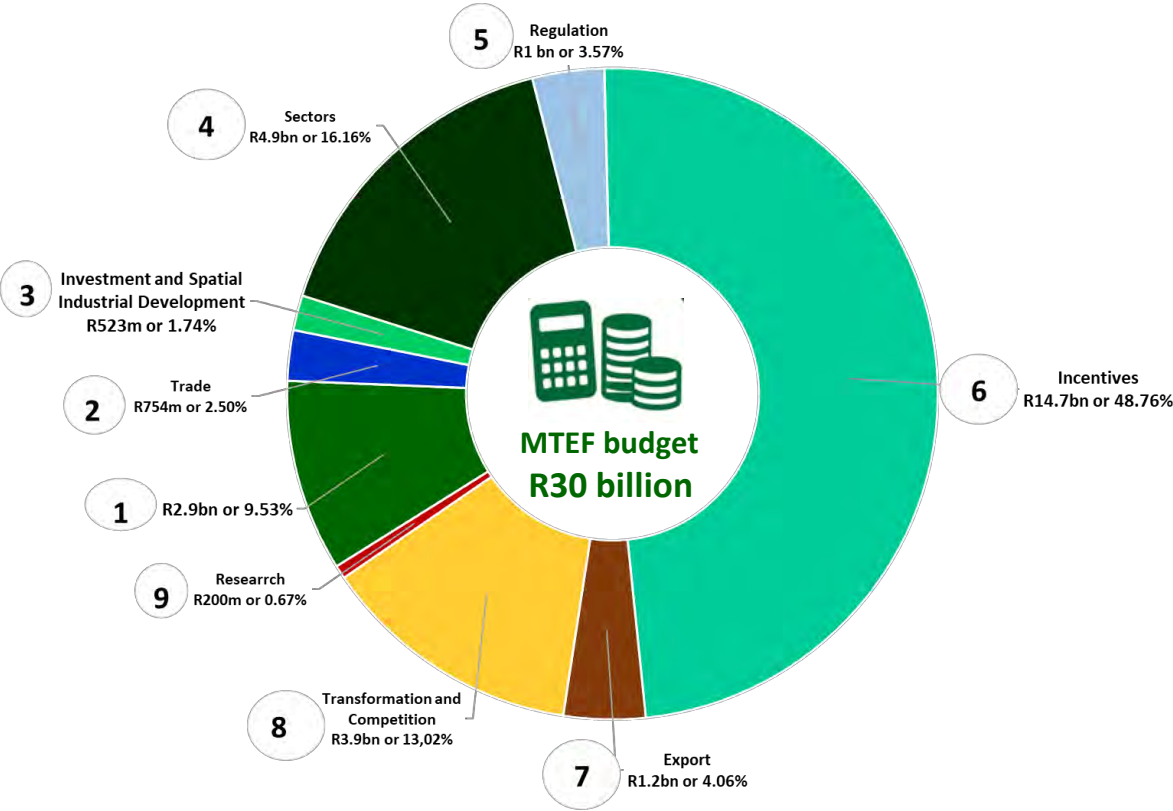
## The 4 targeted pieces of priority legislation to be amended, tabled or submitted to Executive Authority, Cabinet or Parliament include:

- ❑ Companies Amendment Bill (Regulation)
- ❑ Patent Amendment Bill (Trade)
- ❑ Designs Amendment Bill (Trade)
- ❑ National Building Regulations & Building Standards Amendment Bill (Sectors)

# THE DTIC ALLOCATED BUDGET

# 2024 MTEF BUDGET AT A GLANCE – 2024/25 TO 2026/27

Description	2024/25 R'000	2025/26 R'000	2026/27 R'000	TOTAL R'000
 <b>Baseline</b>	9 600 229	10 023 794	10 487 340	30 111 363



# BUDGET AT A GLANCE – 2024/25 TO 2026/27 ~ CONTINUED

## Budget allocation on programme and economic classification

Programme	Adjusted appropriation	Medium-term expenditure estimate				Average growth rate (%)
R million	2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27	
1. Administration	825,4	881,0	971,9	1 015,5		7,16% ▲
2. Trade	256,2	241,6	251,3	261,2		0,65% ▲
3. Investment and Spatial Industrial Development	140,2	167,1	174,6	181,3		8,96% ▲
4. Sectors	1 578,3	1 431,5	1 673,9	1 760,0		3,70% ▲
5. Regulation	349,3	346,1	357,4	371,9		2,12% ▲
6. Incentives	5 439,1	4 034,5	5 199,8	5 447,0		0,05% ▲
7. Export	419,5	388,0	407,8	426,8		0,58% ▲
8. Transformation and Competition	1 647,3	2 047,1	919,8	953,7		-16,65% ▼
9. Research	54,4	63,3	67,2	69,8		8,70% ▲
<b>Total</b>	<b>10 709,5</b>	<b>9 600,2</b>	<b>10 023,8</b>	<b>10 487,3</b>		<b>-0,70% ▼</b>

### Economic classification

<b>Current payments</b>	<b>1 713,3</b>	<b>1 790,4</b>	<b>1 932,9</b>	<b>2 022,4</b>	<b>5,68% ▲</b>
Compensation of employees	1 066,1	1 081,2	1 128,6	1 180,3	3,45% ▲
Goods and services	647,1	709,2	804,3	842,1	9,18% ▲
Interest and rent on land	0,1	–	–	–	-100,00% ▼
<b>Transfers and subsidies</b>	<b>8 933,7</b>	<b>7 791,9</b>	<b>8 072,0</b>	<b>8 445,2</b>	<b>-1,86% ▼</b>
Departmental agencies and accounts	1 169,2	1 209,5	1 232,1	1 275,2	2,94% ▲
Foreign governments and international organisations	42,6	45,8	47,8	49,9	5,46% ▲
Public corporations and private enterprises	7 571,2	6 382,1	6 632,3	6 954,2	-2,79% ▼
Non-profit institutions	146,0	153,3	158,7	164,6	4,09% ▲
Households	4,7	1,1	1,1	1,1	-37,63% ▼
<b>Payments for capital assets</b>	<b>62,1</b>	<b>17,9</b>	<b>18,9</b>	<b>19,8</b>	<b>-31,68% ▼</b>
Machinery and equipment	48,9	13,0	13,7	14,4	-33,52% ▼
Software and other intangible assets	13,2	5,0	5,2	5,4	-25,57% ▼
<b>Payments for financial assets</b>	<b>0,5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100,00% ▼</b>
<b>Total</b>	<b>10 709,5</b>	<b>9 600,2</b>	<b>10 023,8</b>	<b>10 487,3</b>	<b>-0,70% ▼</b>

## Overview of projected expenditure

**-0.7%**



Expected decrease of the department's total expenditure from R10.7 billion in 2023/24 to R10.5 billion in 2026/27.

**R3.1**



**BILLION**

Cabinet approved reductions on the department's budget over the MTEF (main reductions being, **R2.2 billion** - incentive programmes and **R649.3 million** – entities)

**49%**



Allocations to the *Incentives* branch account for an estimated 49% (R14.7 billion) of the department's expenditure (R30 bn) over the MTEF period, mainly to fund incentive programmes

# DEPARTMENTAL REVENUE AT A GLANCE – 2024/25 TO 2026/27

## Department revenue

R thousand	Adjusted estimate	Medium-term receipts estimate			Average growth rate (%)
	2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27
Tax receipts on liquor licences	7 700	7 800	7 850	8 000	1,3% ▲
Sales of goods and services other than capital assets	883	633	645	648	-9,8% ▼
Fines, penalties and forfeits	93 000	75 491	75 894	75 496	-6,7% ▼
Interest, dividends and rent on land	52 202	50 942	50 982	50 944	-0,8% ▼
Sales of capital assets	350	370	370	370	1,9% ▲
Transactions in financial assets and liabilities	90 012	68 963	68 969	71 313	-7,5% ▼
<b>Total</b>	<b>244 347</b>	<b>204 350</b>	<b>204 862</b>	<b>206 924</b>	<b>-5,4% ▼</b>

Projected  
revenue  
over the  
MTEF

**R616**

MILLION

The source of revenue received by the department is mainly in respect of various fees paid by the registrants (i.e. macro manufacturers and distributors) of liquor in terms of the Liquor Act, 2003 (Act No. 59 of 2003); non-performance by certain companies participating in the National Industrial Participation (NIP) programme, Public-Private Partnership (PPP) and other recoveries.

Another source of revenue is through the Tirisano Construction Fund (TCF), which was established on 28 August 2017 to implement the objectives in the Settlement Agreement—concluded in October 2016 between Government and seven JSE-listed construction companies, who have agreed to make annual financial contributions.



# NAVIGATING BUDGET REDUCTIONS: IMPACT ON STRATEGIC AND ANNUAL PERFORMANCE PLANS OVER THE MEDIUM TERM

## Implications of budget reductions on the strategic and annual performance plan over the medium term

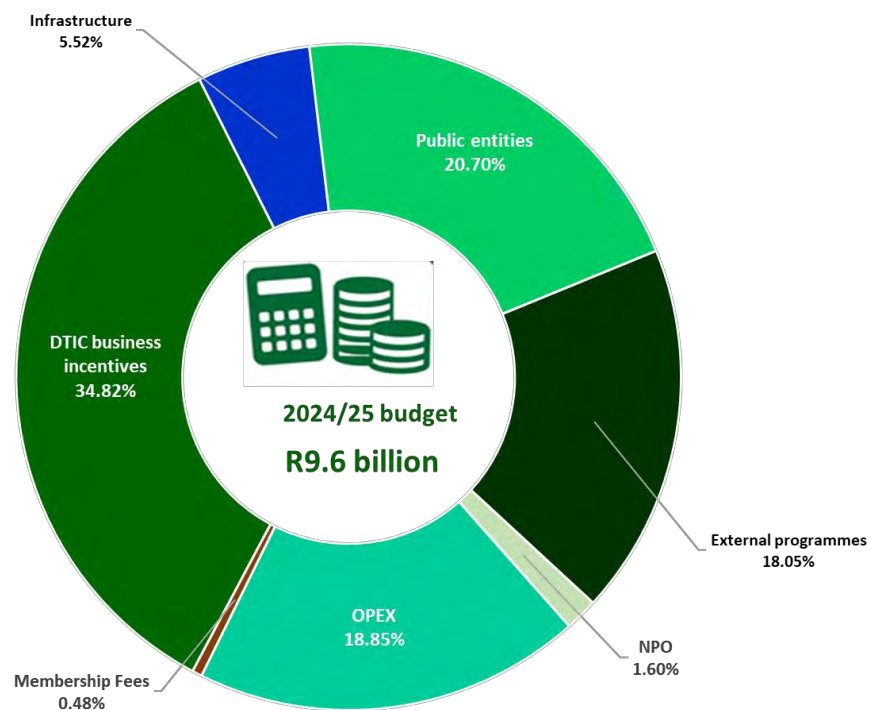
- R3.1 billion baseline reduction over the MTEF
  - R2.2 billion (71%) of the reduction pertains to incentives
  - R649 million reduction pertains to entities
- **Policy Objective Implementation:** Budget cuts will impact the implementation of policy objectives.
- **Long-term Planning Constraints:** These budget reductions will impose constraints on long-term planning efforts.
- **Impact on Beneficiaries:** Reductions will decrease the number of beneficiaries that incentive programs can reach.
- **Infrastructure Support:** Fewer funds will be available to support infrastructure programs.

## Adequacy of financial resources for the implementation of the plans and interrogation of the allocations.

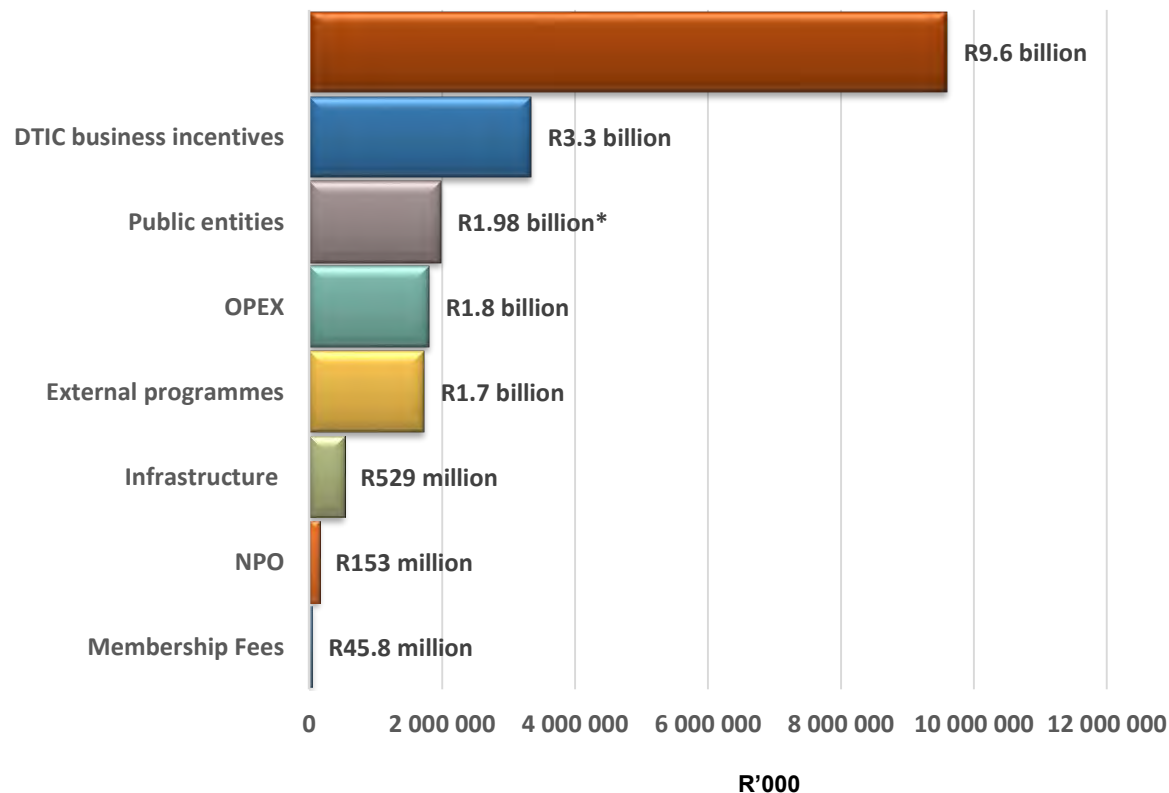
- **Budget aligned** with strategic priorities, allowing flexibility to respond to emerging to opportunities.
- **Leverage** on the entities resources, private sector and partnerships with other organs of state.
- Prioritise budget towards programmes with **high investment multipliers**.
- **Complementing existing baseline with creating incentives**, eg A tax allowance for investments, Automotive Original Equipment Manufacturers (OEM) assembly of NEVS, Battery manufacturing, storage, battery testing facility and certification, battery pack design and assembly focusing on industrial, energy and storage applications, is being explored through the National Treasury to **complement the existing baseline**.

# 2024/25 BUDGET BY TYPE OF EXPENDITURE

2024/25 budget % by type of expenditure



Rand value of the 2024/25 budget by type of expenditure



1. All dtic programmes cater for all provinces, with highest support coming from the business incentives and infrastructure budgets.
2. The dtic has an output indicator specifically focusing on the support provided to enterprises in areas outside the 5 metros outside.

\*Included in this amount is R271.7 million in respect of the Small Enterprise Finance Agency (SEFA)

# ENTITIES BUDGET AT A GLANCE – 2024/25 TO 2026/27

	R thousand	Founding legislation	Financial Relationship	Adjusted appropriation	Medium-term expenditure estimate			Average growth rate (%)
				2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27
	<b>Regulators</b>			<b>835 400</b>	<b>844 091</b>	<b>872 860</b>	<b>903 698</b>	<b>2,7% ▲</b>
1	Competition Commission	Competition Act, 1998 (Act No. 89 of 1998), as amended	Government grant	407 875	426 193	440 339	455 338	3,7% ▲
2	Competition Tribunal	Competition Act, 1998 (Act No. 89 of 1998), as amended	Government grant	38 433	40 159	41 492	42 905	3,7% ▲
3	Companies and Intellectual Property Commission (CIPC)	Companies Act, 2008 (Act No. 71 of 2008), as amended	Self-funded	–	–	–	–	N/A
4	Companies Tribunal	Companies Act, 2008 (Act No. 71 of 2008), as amended	Government grant	28 202	29 497	30 706	32 113	4,4% ▲
5	National Consumer Commission (NCC)	Consumer Protection Act, 2008 (Act No. 68 of 2008)	Government grant	73 566	69 120	71 360	73 791	0,1% ▲
6	National Consumer Tribunal (NCT)	National Credit Act, 2005 (Act No. 34 of 2005), as amended	Government grant	53 636	52 000	53 726	55 556	1,2% ▲
7	International Trade Administration Commission (ITAC)	International Trade Administration Act, 2002 (Act No. 71 of 2002)	Government grant	118 998	113 430	117 772	122 349	0,9% ▲
8	National Credit Regulator (NCR)	National Credit Act, 2005 (Act No. 34 of 2005), as amended	Government grant	81 538	79 051	81 675	84 457	1,2% ▲
9	National Gambling Board (NGB)	National Gambling Act, 2004 (Act No. 7 of 2004)	Government grant	33 152	34 641	35 790	37 189	3,9% ▲
10	National Lotteries Commission (NLC)	Lotteries Act, 1997 (Act No. 57 of 1997), as amended	Self-funded	–	–	–	–	N/A ▲
11	Takeover Regulation Panel (TRP)	Companies Act No 71 of 2008 (the Act), as amended	Self-funded	–	–	–	–	N/A ▲
	<b>Development Finance Institutions</b>			<b>155 505</b>	<b>162 488</b>	<b>167 881</b>	<b>173 600</b>	<b>3,7% ▲</b>
1	Export Credit Insurance Corporation (ECIC)	Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	Government grant	155 505	162 488	167 881	173 600	3,7% ▲
2	Industrial Development Corporation (IDC)	The Industrial Development Corporation Act, 1940 (Act 22 of 1940)	Self-funded	–	–	–	–	N/A
3	National Empowerment Fund (NEF)	National Empowerment Fund Act, 1998 (Act No. 105 of 1998)	Self-funded	–	–	–	–	N/A
	<b>Technical Infrastructure Institutions</b>			<b>663 595</b>	<b>708 846</b>	<b>712 017</b>	<b>736 270</b>	<b>3,5% ▲</b>
1	South African National Accreditation System (SANAS)	Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	Government grant	30 738	32 118	33 185	34 315	3,7% ▲
2	National Metrology Institute of South Africa (NMISA)	Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	Government grant	152 722	177 312	165 099	170 722	3,8% ▲
3	National Regulator for Compulsory Specifications (NRC)	Specifications Act, 2008 (Act No. 5 of 2008)	Government grant	138 611	144 634	149 235	154 319	3,6% ▲
4	South African Bureau of Standards (SABS)	Standards Act, 2008 (Act No. 8 of 2008)	Government grant	341 524	354 782	364 498	376 914	3,3% ▲
	<b>Total</b>			<b>1 654 500</b>	<b>1 715 425</b>	<b>1 752 758</b>	<b>1 813 568</b>	<b>3,1% ▲</b>

18

Total number of the dtic entities

+2.7%



Regulators

Expected growth in total expenditure from R835 million in 2023/24 to R903.6 million in 2026/27. Of the 11 regulatory entities, 3 are self-funded. 8 entities receive grant allocation and also generate some own revenue in line with the legislative mandates.

+3.7%



Expected growth in total expenditure from R155.5 million in 2023/24 to R173.6 million in 2026/27. Two of the 3 DFIs are self-funded, while ECIC receives a grant allocation for the Interest Make-up Scheme and also generate own revenue in line with its legislative mandate.

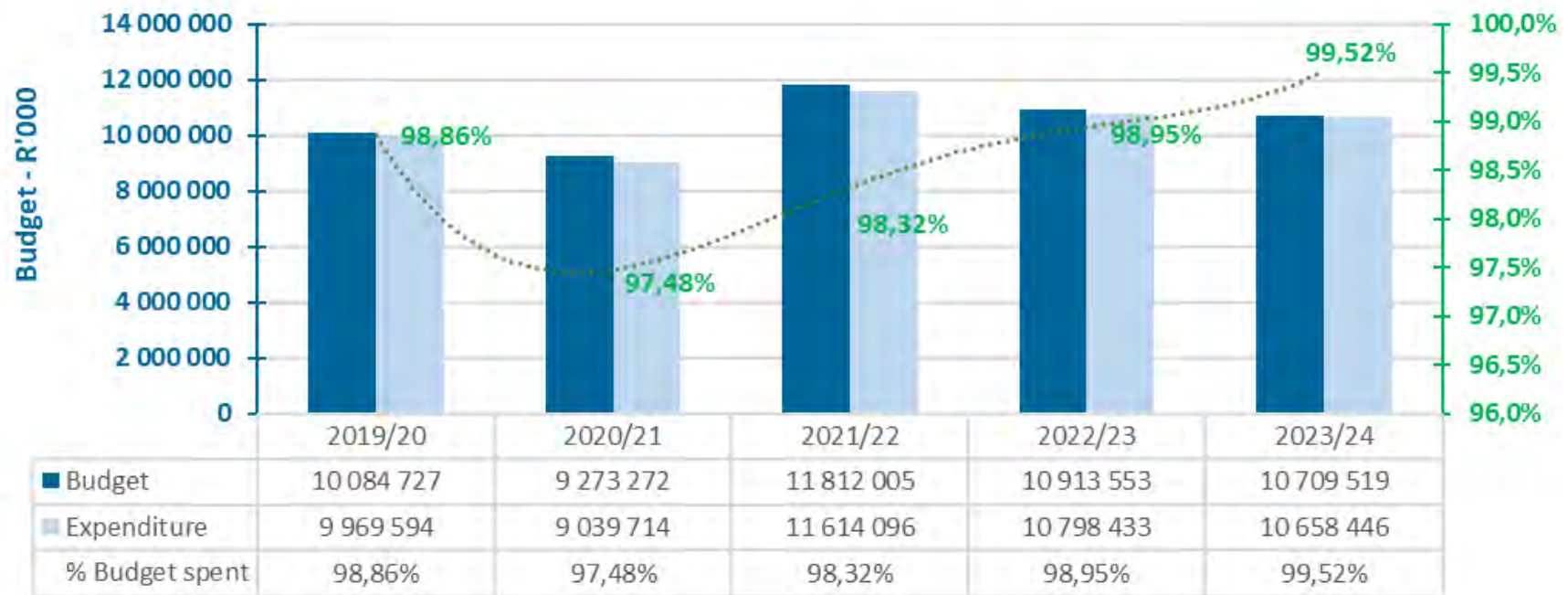
+3.5%



Technical Infrastructure Institutions

Expected growth in total expenditure from R663.5 million in 2023/24 to R736.2 million in 2026/27. All 4 entities receive grant allocation and also generate some own revenue in line with the legislative mandates.

# SPENDING AS % OF BUDGET (2019/20 TO 2023/24)



The graph above shows that despite the impact of COVID-19 and other shocks to the economy in 2020/21, there was consistency in the department’s spending pattern against its budgetary allocation over the past financial years.

The same trajectory is anticipated over the medium term.

**THANK YOU**