

Select Committee on Economic Development and Trade

Briefing on the dtic's Strategic & Annual Performance Plans, 2025/2026 FY; and on its Budget Vote 39

18 June 2025



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

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Contents

1

the dtic strategy
context

- About **the dtic**'s mandate
- Impact statement and outcomes
- **the dtic**'s vision, mission and values
- Summary SWOT analysis
- Strategic thrusts addressing economic pillars required for growth
- Economic Cluster (ESIEID) MTDP targets and pillars summary

2

the dtic strategic goals
and priorities

- **the dtic** contribution to MTDP targets
- **the dtic**'s "three Ds" strategy framework and priorities summary
- **the dtic**'s delivery is structured and organised into programs

3

the dtic APP

- **3 year MTEF** targets

4

Annexures

Detailed MTDP
intervention
plans

Intervention plan outcomes, outcome indicators, and five-year targets

Financials

Budgets and funding

Entities

APP targets

About the dtic's mandate



Legislative roots of the dtic mandate

Constitution

Section 22 of the Constitution of the Republic of South Africa, 1996, Recognises freedom of trade, occupation, and profession

Section 195 of the Constitution of the Republic of South Africa, 1996, Outlines principles governing public administration.

Section 215 of the Constitution of the Republic of South Africa, 1996, Provides that National budgets must promote transparency, accountability, and effective financial management.

Section 217 of the Constitution of the Republic of South Africa, 1996, Emphasizes fair, equitable, transparent, and competitive procurement policies.

Proclamation 25 of 2019 merged the Department of Trade and Industry and the Economic Development.

Legislation

the dtic derives its core mandate from a broad set of legislation

the dtic is governed by a broad legislative framework as outlined below. **the dtic** also has legislation it indirectly administers:

1. Industrial Development Act (1940)
2. Manufacturing Development Act (1983)
3. Competition Act (1998), as amended
4. International Trade Administration Act (2002)
5. Broad-based Black Empowerment Act (2003)
6. Companies Act (2008)
7. Consumer Protection Act (2008)
8. Special Economic Zones Act (2014)
9. The South African Non-Proliferation of Weapons of Mass Destruction Act (1993)
10. Protection of Investments Act (2015)

the dtic **vote** (in parliament)

1. Lead economic development policy formation and planning
2. Facilitate access to sustainable economic activity and employment for all South Africans through an understanding of the economy, knowledge of economic opportunities, and potential and anticipation of future economic trends
3. Catalyze economic transformation and development and provide a predictable, competitive, equitable, and socially responsible environment for investment, enterprise and trade for economic citizens
4. Contribute to achieving the government's vision of an adaptive and restructured economy characterised by accelerated economic growth, employment creation, and more significant equity

the dtic's impact statement and outcomes

2030 Impact Statement

Driving inclusive economic growth through sustainable industrialisation and job creation for a globally competitive South Africa

2025 - 2030 Outcomes

1. Re-industrialisation
2. Job creation
3. Transformation
4. Capable state

the dtic's vision, mission and values

Vision



A dynamic and globally competitive South African economy built on the full potential of all citizens

Mission



the dtic working with its entities, will achieve inclusive economic growth by coordinating and enabling government wide interventions to:

- Promote structural transformation;
- Achieve stronger industrialisation;
- Transformation in terms of skills for the economy and enterprise development;
- Increase trade, investment and exports; and
- Promote the ease of doing business

Values



the dtic's values are:

1. Operational excellence;
2. Intellectual excellence;
3. Quality relationships;
4. Integrity, transparency, professionalism, ownership, leadership and teamwork.

the dtic's economic and industrial strategy context summarised by a SWOT Analysis

Strengths

- Resilient manufacturing, mining and agriculture sectors
- Availability of critical mineral resources and abundant solar radiation position SA to benefit from green industrialisation if decisive policy action is taken now
- Internationally competitive agro-industrial (fruit, meat, processed foods, mohair, wool, hemp and cannabis) and autos value-chains
- Sophisticated financial services sector and strong service sectors in areas such as mining, civil and construction engineering, communications technology, tourism and hospitality
- Growing, youthful population eager to acquire skills and start a business

Opportunities

- AfCFTA market for food, autos, mining equipment, financial services is massive
- Digitally-savvy, youthful population eager to enter Digital and Knowledge Services sector
- Emerging sectors such as green industries, critical minerals and biotech which could leverage off SA natural resources and manufacturing capabilities
- Focusing government support including R&D to catalyse innovation in priority sectors such as digital, consumer goods, industrial energy and defence
- Improve utilisation of existing Preferential Trade Agreements and enhancing market access

Weaknesses

- Domestic consumer market too small to encourage world-scale investments
- Rising cost of doing business in SA and growing infrastructure gaps and inefficiencies in rail, ports, roads and water
- Under-investment in R&D, commercialisation and innovation by both public and private-sector
- High levels of concentration limit entry of dynamic, new firms and SMMEs
- Significant regulatory barriers and red-tape which is constraining investment and growth
- Low tariffs and minimal import restrictions which makes domestic firms vulnerable to disruptive and illegal imports
- Slowing public-sector investment that doesn't 'crowd-in' private-sector investment
- South Africa is a relatively open economy, with few barriers to illegal and illicit imports, which makes domestic firms vulnerable to disruptive imports and global demand and supply imbalances

SWOT

Threats

- Global de-carbonisation interventions and protectionism which may affect SA disproportionately
- Geo-political tensions and 'trade wars' which may constrain exports, limit inward investment and expose SA to global surplus production of key products such as steel
- Economic instability that negatively affects businesses
- Heightened competition from other regions which may offer better incentives, lower costs or more developed infrastructure to divert investment from SA
- Environmental risks i.e., natural disasters, floods, effects of climate change on sectors such as agriculture

the dtic priorities are aligned to and support the 7th Administration's priorities

National government priorities

- Inclusive growth and job creation
- Reduce poverty and tackle the high cost of living
- Build a capable, ethical & developmental state

Invest in local industrialists and technologies that generate value from natural resources through beneficiation.

Strategy alignment and cascade

Economic cluster (ESIEID) pillars

- Structural reforms
- Induced demand
- Investment stimulus
- Catalytic sectors
- Transformation

Medium-term
Development
Plan (MTDP)

Strategy execution support

An approach anchored on:

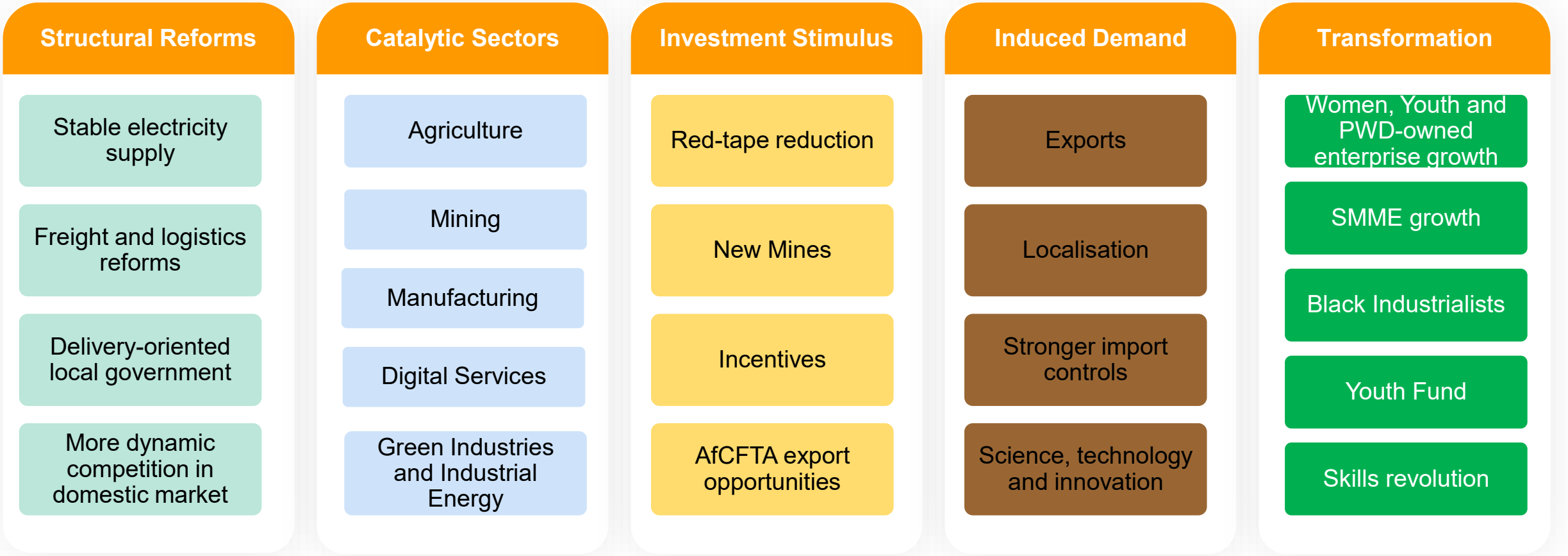
- A strategy rooted in minerals beneficiation
- Policy sequencing and collaboration
- Prioritising inclusive growth

the dtic's Priorities framework

- Decarbonisation
- Digitisation
- Diversification

National
Industrial
Policy (NIP)

The Economic Cluster's (ESIEID) MTDP has identified 5 pillars which represent key interventions to achieve economic growth of 3% by 2029



Economic cluster (ESIEID) targets over five-year 2024-29

Jobs Created

7 million

Investment

R 3 trillion

SMMEs Supported

1 million

Work Experiences

3 million

Subsistence Farmers

440 000

**Industrial Parks & Township
Incentive**

**45
(5 Per Prov.)**

Induced demand

**30 products or Technologies
Designated**

**Workers benefiting through
ESOPs**

800 000

Transformation fund

R 100 billion

Domestic Tourism Trips

45 million

**Exports increase to the rest of
Africa to**

R1.1 trillion

**Red Tape Reduction
E-Reg. sys to**

100 municipalities

the dtic and its entities' contribution to ESIEID targets over five-year 2024-29

the dtic Direct contribution

| | | |
|--|---|--|
| Jobs Created 60 000 Number of jobs created | Investment R 2 trillion Investment secured | SMMEs Funded R 2 Billion funding from competition & transformation settlements |
| Work Experiences 250 0000 Unemployed Youth Trained | Subsistence Farmers 10 000 Supported through financial & non-financial instruments | Industrial Parks 45 Industrial Parks revitalised |
| Induced demand 30 products or technologies designated | Workers benefiting through ESOPs 800 000 | Transformation fund R 100 billion |
| Domestic Tourism Trips 0 | Exports increase R3 trillion (World) R1.1 trillion (Africa) | Red Tape Reduction 650 Investor Unblocking 6 One Stop Shops established Amendment of regulations |

the dtic Entities' contribution

| | |
|---|---|
| Jobs Created 1 600 000 | Investment R380 billion |
| Work Experiences • 1 000 Interns • 345 000 Job opportunities | Subsistence Farmers 50 000 farmer/agro-business |
| SMMEs Supported 37 000 | Industrial Parks & Township Incentive R33 billion on transformation |
| Domestic Tourism Trips 2 150 000 tourist arrivals | Exports increase (world) - 5 yrs • NEF: R5 billion • IDC: R80 billion • ITAC: R1.4 trillion |

the dtic's strategic priorities are organised into the “three Ds.”



- Mitigate the negative impact of environmental protectionism
- Acquire global technologies and support innovation thereof to create new subsectors with growth potential
- Support a broad range of sectors to innovate and scale up the production of green goods and services
- Contribute to addressing climate change given the forecast impacts on African countries

Green trade barriers (including CBAM)

- Steel and aluminium

Critical minerals value chain

- Battery and vehicles
- Metals
- Renewable Energy
- Green Hydrogen



- The “digital” sector is growing rapidly in scope and scale
- New tradable digital services are an essential export opportunity in which young people and MSMEs could flourish
- Large number of global unfilled vacancies
- Economywide productivity improvements, including in network industries and government services

Digital Economy

- Digital infrastructure
- Ecommerce
- Digital skills

Future industries & advanced manufacturing

- Aerospace and defense
- Pharmaceuticals
- Electrotech



- Guide investment to new high-growth sectors
- Stabilize sectors in distress and reposition for growth
- Reduce tax and export dependency on volatile primary minerals exports
- Grow the number of exports
- To encourage dynamic new entrants and create jobs where people live, increase support to and procure from township businesses and MSMEs

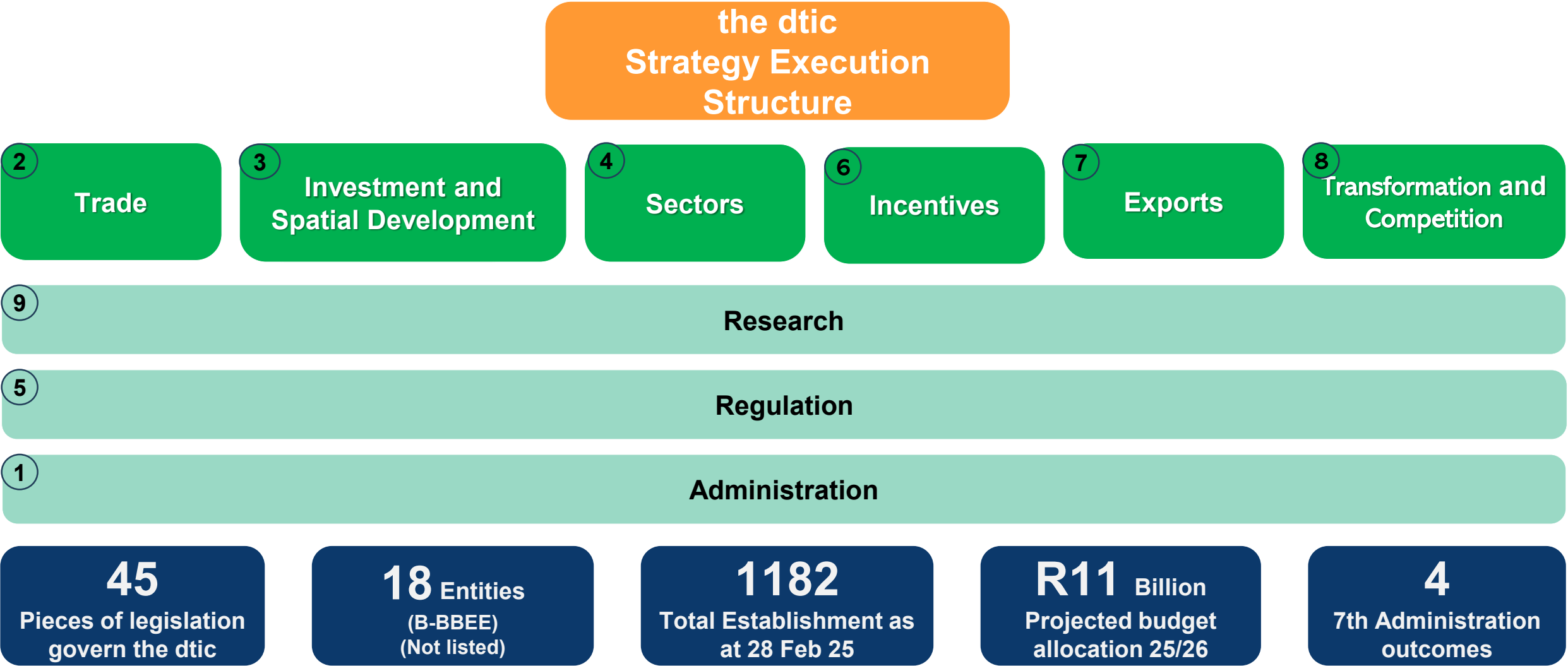
Industrial Sector

- Agro-processing
- Cannabis and Hemp
- Chemicals, Plastics, Personal Care, Clothing, Textile
- Oil & Gas

Services

- Tourism
- GBS

the dtic's strategy is delivered through organised programmes



**the dtic's contributions to MTDP's outcomes,
targets and indicators 2025-29**

the dtic's contributions to MTDP's outcomes, targets and indicators 2025-29

MTDP priority: Drive Inclusive Growth and Job Creation

MTDP Outcome: Increased employment and work opportunities

| Outcome | Outcome Indicator | Baseline | Five year target |
|--|---|--|---|
| Reindustrialisation Increased employment and work opportunities | Number of jobs created through sectoral interventions | 17 751 new permanent jobs created through industrial interventions | 40 000 jobs created through sectoral interventions |
| | Number of job opportunities created | 50 000 Social Employment Fund (part-time or temporary job opportunities) | 250 000 job opportunities created in the Social Employment Fund |
| | | 50 000 jobs created in the GBS Sector | 150 000 digital economy jobs created by GBS sector |
| | Number of unemployed youth trained | 132 000 number of unemployed youth trained | 250 000 unemployed youth trained |
| | Number of people skilled through partnerships with private-sector firms | New indicator | 10 000 people skilled through partnerships with private-sector firms |
| | Number of unemployed people who complete a Digital Literacy course. | New indicator | 500 000 unemployed people complete a Digital Literacy course. |
| | Number of funded skilled internships for municipalities | New indicator | 1 970 fully funded interns placed in Metros in key strategic areas such as Town planning, Engineering, Local economic development |
| | Increase spend in workplace-based placement internships from 7% to 30% | New indicator | 30% |

the dtic's contributions to MTDP's outcomes, targets and indicators 2025-29

MTDP priority: Drive Inclusive Growth and Job Creation

MTDP Outcome: Increased investment, trade and expand tourism

| Outcome | Outcome Indicator | Baseline | Five year target |
|---|---|---------------------------------|--|
| Reindustrialisation Increased investment, trade and expand tourism | Rand value of investments secured through greenfield and brownfield investments including SEZs and Industrial Parks | R1 Trillion investments secured | R 2 trillion investments secured |
| | Number of new Special Economic Zones (SEZs) designated to facilitate re-industrialisation utilising the new model derived from the Spatial Industrial Development (SID) Strategy | New Indicator | 4 New SEZs designated for investment (Fetakgomo Tubatse, Bojanala, Vaal, Boegebaai) attracting R 50 billion investment |
| | Number of Cross Border partnerships developed between South Africa and other countries to facilitate the integration of regional value chains through Special Economic Zones (SEZs) | New Indicator | 2 Cross border SEZ partnerships established <ul style="list-style-type: none"> • Musina-Makhado- South Africa and Zimbabwe • Nkomazi – SA and Mozambique |
| | Number of linked trade corridor anchored by SEZs to enhance the logistical efficiencies to enable the effective manufacturing and trading of value added goods | New Indicator | 2 Strategic trade led corridors established unlocking export capacity of R15 Billion <ul style="list-style-type: none"> • Gauteng-Eastern Cape: Automotive export corridor • Nkomazi-Maputo: agro processing export corridor |
| | Increase in the land area of existing SEZs to provide more space for targeted investments in key sectors | New Indicator | Increase in the land area of 3 existing SEZs to provide more space for targeted investments in key sectors Dube Trade Port, COEGA, Tshwane unlocking R 15 billion in investment |

the dtic’s contributions to MTDP’s outcomes, targets and indicators 2025-29

MTDP priority: Drive Inclusive Growth and Job Creation

MTDP Outcome: Increased investment, trade and expand tourism

| Outcome | Outcome Indicator | Baseline | Five year target |
|--|--|-----------------------------|---|
| Reindustrialisation | Value of exports from SEZs under the AfCFTA | New indicator | R75 billion in exports in year 5 |
| Increased investment, trade and expand tourism | Number of industrial parks developed into competitive infrastructure platforms for supporting diversified sectors (in agro-processing; digital / ICT clusters; light engineering services; artisans incubation support; EV innovation; etc.) and linked to value chains in township & rural areas and their enterprises, under the new model of implementation | 15 | 45 industrial park developed into competitive infrastructure platforms for supporting diversified sectors and linked to value chains in township & rural areas and their enterprises, under the new model of implementation |
| | | | R 50 Million value of New investments / tenants supported to locate in 45 IPs |
| | | | 6 Diversified sectors supported across IPs in townships and rural areas to the value of R50 Million |
| | | | 10 New artisan incubation hubs in 10 IPs with 1000 artisans developed |
| | | | 10 digital infrastructure hubs supported to enable 100 - ICT enterprises |
| | Rand value of export revenue of Global Business Services | R7.3 billion | R20 billion |
| | Number of prototypes commercialised | 5 prototypes commercialised | 30 Prototypes commercialised in key priority sectors |
| | Rand value of funding from competition and transformation settlement commitments for SMMEs, women and youth and people with disabilities | New Indicator | R2 billion funding from competition and transformation settlement commitments |

the dtic’s contributions to MTDP’s outcomes, targets and indicators 2025-29

MTDP priority: Drive Inclusive Growth and Job Creation

MTDP Outcome: Increased investment, trade and expand tourism

| Outcome | Outcome Indicator | Baseline | Five year target |
|----------------------|--|---------------|---|
| Re-industrialisation | Approval of Accelerated Energy Roadmap by the Minister | New Indicator | One Accelerated Energy Roadmap approved by the Minister by 2026. |
| | | New Indicator | Ten negotiated price agreements between Eskom and firms to improve the competitiveness of key industrial sectors. |
| Digitalisation | Roadmap developed (in partnership with Operation Vulindlela Digital Transformation Team) for shared public infrastructure economic reforms | New indicator | One Digital Roadmap approved by the Minister for implementation. |

MTDP priority: Drive Inclusive Growth and Job Creation

MTDP Outcome: Economic Transformation and equitable inclusion of women, youth and persons with disabilities for a just society

| Outcome | Outcome Indicator | Baseline | Five year target |
|--|--|--|--|
| Transformation Economic Transformation and equitable inclusion of women, youth and persons with disabilities for a just society | Rand value of transformation fund aggregated and disbursed | New indicator | R100 billion aggregated and disbursed |
| | Number of workers with shares in their companies | 559,000 workers with shares in their companies | 800,000 workers with shares in their companies |

[Investments] – the dtic’s approach to attracting investments

Country Investment Strategy (CIS)

- 1. The objective is to drive sustainable and inclusive economic growth through foreign direct investment (FDI)**
- 2. Create alignment between CIS and reinforce national priorities, address strategic economic sectors, and meet the R2 trillion investment target through international engagement and partnerships**
- 3. The international engagements and partnerships will seek to:**
 - Enhance investor confidence and retention**
 - Promote sector-specific growth aligned with the CIS**
 - Strengthen South Africa’s global value chain integration**

Strategic and targeted engagement on investment

To facilitate the investment drive, the dtic:

- Is compiling an Investment Project Book featuring bankable projects from key state-owned entities such as IDC, Transnet, and Eskom and strategic private-sector opportunities**
- Has effectively created a structured pipeline to attract targeted investments in high-impact sectors aligned with global best practices**
- Is clear on the goal of securing high-value, sustainable investments through focused engagements, investor aftercare, and policy improvements**

By aligning bankable projects with the best global expertise, we ensure that South Africa’s investment strategy remains competitive, forward-looking, and capable of driving sustainable economic growth.

[Investments] – the approach will prioritise the effort of positioning South Africa as an investment destination to partner countries with known leadership positions in key sectors

Decarbonisation

| | |
|---|--|
| • Renewable Energy & Green Technologies - Germany and Denmark are pioneers in wind energy, while China leads in solar technology and manufacturing | Germany, Denmark, China and Saudi Arabia |
| • Electric Vehicle Components & Charging Infrastructure - China dominates EV battery production, Norway leads in EV adoption, and Germany and South Korea are key players in automotive technology. | China, US, Norway, Germany and South Korea |
| • Green Hydrogen, Fuel Cells & Ammonia - Germany and Australia lead in hydrogen projects, while Japan and South Korea focus on fuel cell technology. | Germany, Japan, Australia and South Korea |
| • Waste Management & Recycling - Sweden and Germany lead circular economy initiatives, while Japan and the Netherlands excel in advanced recycling processes. | Sweden, Germany, Netherlands and Japan |
| • Gas Cliff, Petroleum, Oil & Gas Infrastructure - Qatar and the UAE have cutting-edge LNG infrastructure, while Norway and the US focus on sustainable oil and gas operations. | Qatar, UAE, US, Norway and Saudi Arabia |
| • Agro, Rail & Port Infrastructure - The Netherlands leads in agro-logistics, while China, Singapore, and the UAE set global rail and port efficiency benchmarks. | Netherlands, China, Singapore, and UAE |

Digitisation

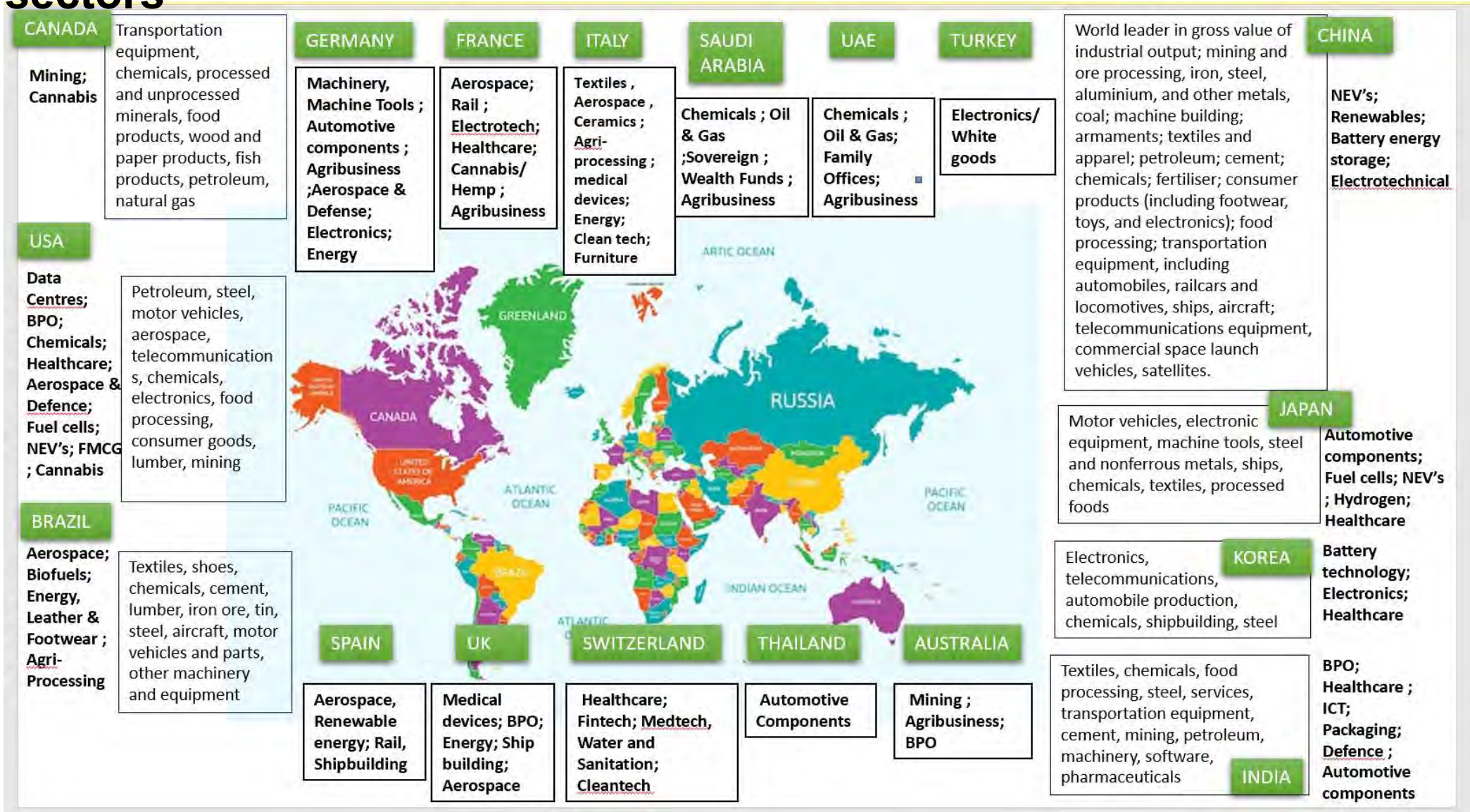
| | |
|--|--|
| • Technology & Innovation Hubs - The US (Silicon Valley) and China (Shenzhen) lead global innovation, while Israel, Germany, and South Korea drive R&D and high-tech startups. | US, China, India, Germany, South Korea and Singapore |
| • Data Centres, Cloud & AI - The US and China dominate AI and cloud services, with the UK and India emerging as major digital infrastructure players. | US, China, UK and India |
| • Pharmaceutical Value Chains & Life Sciences - Switzerland and the US lead in biotech and pharmaceutical R&D, while India excels in generic drug manufacturing | Switzerland, US, India and Germany |
| • Tech Transfer & Medical Devices - Germany and Japan lead in medical device technology, while the US and China advance in digital health innovation. | Germany, Japan, US, and China |

Diversification

A core priority is **scaling up Black Industrialist participation** in high-value and sustainable sectors, ensuring long-term industrial growth and competitiveness.

- **Diversification** from our Traditional to High growth developing Countries and high growth Sectors.

[Investments] – the approach will prioritise the effort of positioning South Africa as an investment destination to partner countries with known leadership positions in key sectors



[Investments] 45 Industrial Parks Earmarked For Intervention

| NAME OF INDUSTRIAL PARK | PROVINCE |
|--|----------|
| 1. Komani (Queenstown) IP | EC |
| 2. Wild Coast IP | EC |
| 3. Dimbaza IP | EC |
| 4. Fort Jackson IP | EC |
| 5. Vulindlela IP | EC |
| 6. Somerset East IP | EC |
| 7. Butterworth IP | EC |
| 8. UGIE Agro Hub | EC |
| 9. Markman IP (Private) | EC |
| 10. Perseverance IP (Private) | EC |
| 11. Thaba Nchu Industrial Estate | FS |
| 12. Matjhabeng Enterprise IP | FS |
| 13. Botshabelo IP | FS |
| 14. Phuthaditjaba IP | FS |
| 15. Film Studios & Creative Arts Industrial Spaces (Private) | FS |
| 16. Babelegi IP | GP |
| 17. Garankuwa IP | GP |
| 18. Orlando West IP | GP |
| 19. Pennyville IP | GP |
| 20. Sebokeng One & Two IPs | GP |
| 21. Laborie IP | GP |
| 22. Centurion Aerospace Village | GP |
| 23. Rosslyn IP | GP |

| NAME OF INDUSTRIAL PARK | PROVINCE |
|-----------------------------------|----------|
| 24. Eldorado IP | GP |
| 25. Nkowankowa IP | LP |
| 26. Collins Chabane IP | LP |
| 27. Seshego IP | LP |
| 28. Thohoyandou IP | LP |
| 29. Nkowankowa IP | LP |
| 30. Lebowakgomo IP | LP |
| 31. Madadeni IP | KZN |
| 32. Isithebe IP | KZN |
| 33. Ezakheni IP | KZN |
| 34. Ulundi Airport Industrial Hub | KZN |
| 35. Ekandustria IP | MP |
| 36. Kabokweni IP | MP |
| 37. Mkhuhlu IP | MP |
| 38. Siyabuswa IP | MP |
| 39. Kwaggafontein IP | MP |
| 40. Verena IP | MP |
| 41. Kabokweni IP | MP |
| 42. Titan Eco-industrial Park | WC |
| 43. Mosselbay IP | WC |
| 44. Upington IP | NC |
| 45. Kathu IP | NC |

the dtic's contributions to MTDP's outcomes, targets and indicators 2025-29

MTDP priority: Drive Inclusive Growth and Job Creation

MTDP Outcome: Increased investment, trade and expand tourism

| Outcome | Outcome Indicator | Baseline | Five year target |
|--|--|--|---|
| Re-industrialisation Increased investment, trade and expand tourism | Increased % manufacturing growth through the implementation of a National Industrial Policy | 0.5% increase in manufacturing growth through the implementation of a National Industrial Policy | 1% increase in manufacturing growth through the implementation of the National Industrial Policy |
| | Regional value chains to drive SA competitiveness and exports of manufactured products | New indicator | 3 Regional value chains in critical sectors developed (e.g. autos, pharmaceuticals, agro processing etc). |
| | % of global market share for processed critical minerals: <ul style="list-style-type: none">Battery grade minerals (Aluminium, Nickel, Manganese, Copper, Vanadium, Lithium, Rare Earth Elements (REE), Graphite and Cobalt)ChromeIron ore | New indicator | 5% of global market share for processed critical minerals |
| | Rand value of procurement for locally manufactured goods and services | New Indicator | R500 billion |
| | Percentage reduction in rail transport cost for strategic sectors | New indicator | 15% reduction in rail transport cost for strategic sectors |
| | Rand value of exports | R2 trillion exports to the world | R3 trillion exports to the world |
| | Increased % of products exported under existing preferential Trade Agreements | Utilisation at 85% | Utilisation at 90% |
| | | | |

the dtic's contributions to MTDP's outcomes, targets and indicators 2025-29

MTDP priority: Drive Inclusive Growth and Job Creation

MTDP Outcome: Increased investment, trade and expand tourism

| Outcome | Outcome Indicator | Baseline | Five year target |
|--|--|--|---|
| Re-industrialisation | African Continental Free Trade Area Agreement (AfCFTA) implemented and exports to the rest of the continent increased | 8 countries trading under the AfCFTA | 30 countries trading under the AfCFTA |
| Increased investment, trade and expand tourism | Number of economic interest strategies implemented to increase exports and investment from key trading partners and potential trading partners | Existing country strategies and country profiles Draft Africa Strategy Outcomes of Bi-National Commissions, State Visits and Business Forums | Implementation of 15 Economic interest strategies |
| Energy security and just energy transition | Number of trade instruments deployed to promote South Africa's just transition to a low carbon economy | New indicator | 5 Trade instruments deployed to promote South Africa's just transition to a low carbon economy |
| Strategic market access for exports to global markets | Increase access to strategic markets | New indicator | Identify and resolve at least 10 key trade barriers (tariff and non-tariff) for South African businesses in strategic markets, reducing their impact within 5 years |
| Transformation: Improved access to affordable and quality health care | New Patents Act enacted to ensure integration with flexibilities under the WTO Trade-related Aspects of Intellectual Property (TRIPS) Agreement | New indicator | Patents Bill enacted |
| | Designs Amendment Act to provide better legal certainty and support to creators and businesses in the design sector and align with changes to the utility model in the Patents Act | New indicator | Designs Amendment Bill enacted |
| | Number of WTO reform outcomes attained thereby contributing to the modernisation and fairness of the multilateral trading system | New indicator | 1 WTO reform outcome attained |

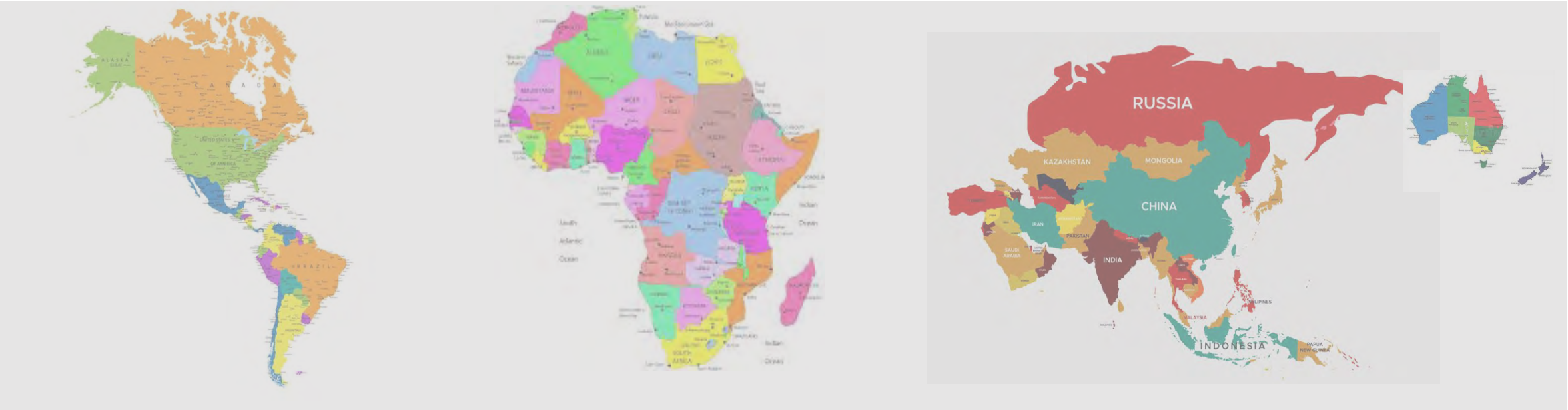
[Exports] - Achieving export outcomes by prioritizing markets



MTDP priority: Drive Inclusive Growth and Job Creation

MTDP Outcome: Increased investment, trade and expand tourism

| Outcome | Outcome Indicator | Baseline | Five year target |
|----------------------|-----------------------|----------------------------------|----------------------------------|
| Re-industrialisation | Rand value of exports | R2 trillion exports to the world | R3 trillion exports to the world |



The “butterfly approach” prioritises the **implementation of the AfCFTA** and unlocking opportunities in the rest of Africa as the foundation of our global engagements, with the ‘wings’ representing additional export initiatives in the rest of the world focusing on leading and **established markets** as well as **new and emerging market** opportunities

Strategic Market Access : Implementing the Butterfly Strategy for reaching R3 Trillion in Exports

Industrial Policy Sectors

DECARBONISATION

- Battery Value Chains and Beneficiation of Critical Minerals
- Green Economy
- Agro-processing

DIVERSIFICATION

- Cannabis and Hemp
- Clothing, Textile, Leather and Footwear (Ctfl)
- Agro-Processing
- Steel, Metal Fabrication and Aluminium Sector
- The Global Business Services (Gbs) Sector
- Automotives Industry
- Chemicals
- Plastics Sector
- Cosmetics Sector
- Oceans Economy

DIGITALISATION

- Pharmaceuticals, Vaccines and Medical Technologies
- Electro-Technical Industries and White Goods
- Aerospace and Defence
- Digital Economy

Interventions

- Increasing the capacity of South Africa's enterprises to export, including skills for exporting.
- Penetrating African export markets beyond SADC
- Increasing the value of South Africa's investments in the rest of Africa.
- Promotion and Marketing of South African goods and services exports globally.
- Economic Diplomacy and the professionalization of the foreign service.
- Resolving trade and investment barriers faced by South African businesses.
- Improved trade finance instruments.

PRIORITY MARKETS

| | | |
|---------------|----|----------------------|
| AFRICA | 1 | Mozambique |
| | 2 | DRC |
| | 3 | Egypt |
| | 4 | Ghana |
| | 5 | Kenya |
| | 6 | Nigeria |
| | 7 | Senegal |
| | 8 | Ethiopia |
| | 9 | Angola |
| NORTH AMERICA | 10 | United States |
| SOUTH AMERICA | 11 | Brazil |
| EUROPE | 12 | France (EU) |
| | 13 | Germany (EU) |
| | 14 | Italy (EU) |
| | 15 | The Netherlands (EU) |
| | 16 | United Kingdom |
| | 17 | Russian Federation |
| ASIA | 18 | China |
| | 19 | India |
| | 20 | Japan |
| | 21 | South Korea |
| MIDDLE EAST | 22 | United Arab Emirates |

the dtic’s contributions to MTDP’s outcomes, targets and indicators 2025-29

MTDP priority: Reduce poverty and tackle the high cost of living

MTDP Outcome: Improved access to affordable and quality healthcare;

| Outcome | Outcome Indicator | Baseline | Five year target |
|--|--|---|---|
| Capable State: | % increase in prosecutions of illicit trade | New Indicator | Identify 5 key areas for joint enforcement to address illicit trade and which will lead to a 10% increase in prosecution of illicit trade by 2029 |
| Red tape reduction | Improved ranking on ease of doing business measures | SA ranking on the World Bank Ease of Doing Business index at 84 | 50th ranking on the equivalent of Ease of Doing Business index |
| Improved governance and performance of public entities | Number of new One Stop Shop rolled out in 6 provinces | 3 One Stop Shop rolled out | 6 new One Stop Shop rolled out in 6 provinces to unlock 120 investment projects |
| Effective Policy | Number of new Fusion Centre to undertake regulatory reform for Acts, Regulations, Licencing, Permits and Registrations will result in 10% improvement in the ease of doing business red tape reduction | New Indicator | 4 |
| | Number of Investor surveys in support of government’s Red Tape Reduction initiatives | New Indicator | Biannual 10 Investor Surveys conducted on investor services |
| | Number of legislation developed to reduce red tape | 2 nd Companies Bill | 1 Omnibus Bill |

the dtic’s contributions to MTDP’s outcomes, targets and indicators 2025-29

MTDP priority: Build a capable, ethical and developmental state

MTDP Outcome: A capable and professional public service

| Outcome | Outcome Indicator | Baseline | Five year target |
|---|--|---------------|--|
| A capable and professional public service | % of staff engaged through performance excellence culture survey | New Indicator | 80% of Staff engaged |
| | % of entities achieving 80% performance annually | New Indicator | 100% entities achieving 80% performance annually |
| | Unqualified audit opinion for both financial and non-financial performance | New Indicator | Unqualified audit opinion for both financial and non-financial performance |
| | (%) of procurement contracts approved towards women owned businesses | 40 % Women | 40% Women |
| | (%) of procurement contracts approved towards youth owned businesses | 24% Youth | 30% Youth |
| | (%) of procurement contracts approved towards PWD owned businesses | 1 % PWD | 3% PWD |

the dtic's APP targets

the dtic's APP targets

Programme 1: Administration

| Output Indicators | MTEF Period | | |
|--|---|---|---|
| | 2025/26 | 2026/27 | 2027/28 |
| (%) of procurement contracts approved towards women owned businesses | 40% Women owned businesses | 40% Women owned businesses | 40% Women owned businesses |
| (%) of procurement contracts approved towards youth owned businesses | 30% Youth owned businesses | 30% Youth owned businesses | 30% Youth owned businesses |
| (%) of procurement contracts approved towards PWD owned businesses | 3% PWD owned businesses | 3% PWD owned businesses | 3% PWD owned businesses |
| Unqualified audit opinion for both financial and non-financial performance | Unqualified audit outcome for 2024/25 financial year | Unqualified audit outcome for 2025/26 financial year | Unqualified audit outcome for 2026/27 financial year |
| Percentage of entities achieving 80% performance | 100% | 100% | 100% |
| % of staff engaged through performance excellence culture survey | 50% Staff engaged | 60% Staff engaged | 70% Staff engaged |
| (%) of forensic cases received and completed for investigation | 65 % of forensic cases received up to 31st December (end of Q3) are finalized by 31 March – Year end. | 66% of forensic cases received up to 31st December (end of Q3) are finalized by 31 March- Year End. | 67% of forensic cases received up to 31st December (end of Q3), are finalized by 31 March – Year End. |
| Number of worker champions in receipt of skills increased in firm productivity aligned to the DDM strategy | 370 worker champions trained | 400 worker champions trained | 400 worker champions trained |

the dtic's APP targets

Programme 2: Trade

| Output Indicators | MTEF Period | | |
|--|---|---|---|
| | 2025/26 | 2026/27 | 2027/28 |
| Number of countries that have started trading under the AfCFTA (excluding SADC) | 20 countries that have started trading under the AfCFTA (excluding SADC) | 25 countries that have started trading under the AfCFTA (excluding SADC) | 30 countries that have started trading under the AfCFTA (excluding SADC) |
| Number of economic interest strategies implemented for key trading partners | 5 Economic Interest Strategies implemented for key trading partners | 3 Economic Interest Strategies implemented for key trading partners | 2 Economic Interest Strategies implemented for key trading partners |
| Maintain sustainable trade relations with the US | Maintain sustainable trade relations with the US, including through an agreed TIFA work programme with the US and the formal relaunch of the TIFA | Investment and trade with US increased in line with the implemented Trade and Investment Framework Agreement (TIFA) | Impact of the relaunched TIFA programme assessed in addressing industrialization, inclusive growth, transformation and job creation |
| Number of issues agreed with the EU under the SADC-EU EPA to expand market access | 3 issues agreed | 2 issues agreed | N/A |
| Number of issues agreed on the SACUM-UK EPA built-in agenda to expand market access | 3 issues agreed | 2 agreements agreed | N/A |
| Draft amendments for Patents Act submitted to Executive Authority and Cabinet for approval | 2 nd draft of Patent Bill submitted to Executive Authority and Cabinet for approval | Patents Bill submitted to Parliament for approval and assented to by the President | Patents Act implemented |

the dtic's APP targets

Programme 2: Trade

| Output Indicators | MTEF Period | | |
|---|--|--|---|
| | 2025/26 | 2026/27 | 2027/28 |
| Draft amendments to Designs Act submitted to Executive Authority and Cabinet for approval | 2 nd draft of Design Amendment Bill submitted to Executive Authority and Cabinet for approval | Designs Amendment Bill submitted to Parliament for approval and assented to by the President | Designs Act implemented |
| Coordinated efforts in G20 to advance SA's national interest | Key priorities identified and advanced in G20 the Trade and Investment Working Group and 4 outcomes agreed for SA's Presidency | Engagements in G20 trade and investment structures to advance SA's national interests | Engagements in G20 trade and investment structures to advance SA's national interests |
| Number of WTO reform outcomes attained | 3 Africa Group Agreements on WTO reform | 1 reform outcome attained | Continue to advance WTO reforms not agreed at 14th WTO Ministerial Conference (MC14) |
| Number of trade instruments deployed | 2 trade instruments deployed | 2 trade instruments deployed | 1 trade instrument deployed |
| Number of regional value chains in critical sectors developed | Regional value chain on autos developed | Implementation of the autos regional value chain through Sector Desk Master plan | Regional value chain on pharmaceuticals developed |

the dtic's APP targets

Programme 3: Investment and Spatial Industrial Development

| Output Indicators | MTEF Period | | |
|---|-------------|---------|---------|
| | 2025/26 | 2026/27 | 2027/28 |
| Rand value of investment attracted through greenfield and brownfield investments in targeted sectors including Special Economic Zones and Industrial Parks | R450bn | R450bn | R330bn |
| Number of new Special Economic Zones (SEZs) designated to facilitate re-industrialisation utilising the new model derived from the Spatial Industrial Development (SID) Strategy | 1 | 1 | 1 |
| Number of Cross Border partnerships developed between South Africa and other countries to facilitate the integration of regional value chains through Special Economic Zones (SEZs) | 1 | 1 | N/A |
| Number of linked trade corridor anchored by SEZs to enhance the logistical efficiencies to enable the effective manufacturing and trading of value added goods | 1 | 1 | N/A |
| Increase in the land area of existing SEZs to provide more space for targeted investments in key sectors | 2 | 1 | 1 |

the dtic's APP targets

Programme 3: Investment and Spatial Industrial Development

| Output Indicators | MTEF Period | | |
|--|--|---|---|
| | 2025/26 | 2026/27 | 2027/28 |
| Number of industrial parks developed into competitive infrastructure platforms for supporting diversified sectors | 10 IPs developed to assist enterprises and investments for enabled localisation / manufacturing operations (including townships and rural areas | 15 IPs developed to assist enterprises and investments for enabled localisation / manufacturing operations (including townships and rural areas | 10 IPs developed to assist enterprises and investments for enabled localisation / manufacturing operations (including townships and rural areas |
| Number of prototypes commercialised | 10 | 10 | 10 |
| Number of new One Stop Shop rolled out in 6 provinces | 2 | 2 | 2 |
| Number of new Fusion Centre to undertake regulatory reform for Acts, Regulations, Licencing, Permits and Registrations | 2 | 2 | |
| Number of investor facilitation surveys conducted to support investor satisfaction | bi-annual investor survey reports | bi-annual investor survey reports | bi-annual investor survey reports |
| Number of unblockings through EOSS | 38 | 48 | 58 |
| One agreement on annual % increase in workplace-based placement internships by 6-8% per annum developed | One agreement on annual % Increase in workplace-based placement internships by 6-8% per annum developed | Promotion and development of one agreement with key stakeholders (including DHET and SETAs) to increase the number of internship and work experience opportunities by 6-8% per annum. | Promotion and development of one agreement with key stakeholders (including DHET and SETAs) to increase the number of internship and work experience opportunities by 6-8% per annum. |
| Number of Demand-led skills plans in place for each masterplan developed | Two high priority sector demand led skills plan implemented | Two high priority sector demand led skills plan implemented | Two high priority sector demand led skills plan implemented |

the dtic's APP targets

Programme 4: Sectors

| Output Indicators | MTEF Period | | |
|--|--|---|---|
| | 2025/26 | 2026/27 | 2027/28 |
| Increased % of manufacturing growth through the implementation of a National Industrial Policy | Increase of 0.5 % manufacturing growth through the implementation of a National Industrial Policy | Increased 1 % manufacturing growth through the implementation of a National Industrial Policy | Increased 1% manufacturing growth through the implementation of a National Industrial Policy |
| Increased % of global market share for processed critical minerals | 0.5% of global market share for processed critical minerals: Battery grade minerals (Aluminium, Nickel, Manganese, Copper, Vanadium, Rare Earth Elements (REE), Graphite and Cobalt); Chrome; Iron ore | 1% of global market share for processed critical minerals: Battery grade minerals (Aluminium, Nickel, Manganese, Copper, Vanadium, Lithium, Rare Earth Elements (REE), Graphite and Cobalt); Chrome; Iron ore | 1.5% of global market share for processed critical minerals: Battery grade minerals (Aluminium, Nickel, Manganese, Copper, Vanadium, Lithium, Rare Earth Elements (REE), Graphite and Cobalt); Chrome; Iron ore |
| Rand value increase in the procurement value of locally manufactured goods and services | R50 billion Increase in the procurement value of locally manufactured goods and services | R100 billion Increase in the procurement value of locally manufactured goods and services | R100 billion Increase in the procurement value of locally manufactured goods and services |
| % Reduction in the importation of rail transport equipment | 10% reduction in the importation of rail transport equipment | 10% reduction in the importation of rail transport equipment | 10%reduction in the importation of rail transport equipment |

the dtic's APP targets

Programme 4: Sectors

| Output Indicators | MTEF Period | | |
|--|---|---|---|
| | 2025/26 | 2026/27 | 2027/28 |
| Increase the growth of the Cannabis Industry by 10% per annum from a base of R14bn | 10% increase in the growth of the Cannabis industry per annum | 10% increase in the growth of the Cannabis industry per annum | 10% increase in the growth of the Cannabis industry per annum |
| Development of the rail tariff reduction support programme | Development of the rail tariff reduction support programme | Implementation of the approved rail tariff reduction support programme and achieve 10% reduction in the cost of rail transport. | Implementation of the approved rail tariff reduction support programme and achieve and 15% reduction in the cost of rail transport. |
| EV batteries policy supporting local battery production submitted to the Accounting officer | Approval of the EV batteries policy supporting local battery production | Investment promotion for local EV battery production | Investment for local EV battery production |
| Percentage Increased on renewable energy components | 10% increase in the manufacturing of the of renewable energy components | 10% increase in the manufacturing of the of renewable energy components | 10% increase in the manufacturing of the of renewable energy components |
| Implementation of decarbonisation Strategy to inform Industrial Policy, Trade policy and Policy position on Carbon Tax | Implementation of approved Decarbonisation Strategy through the EIP | Implementation of approved Decarbonisation Strategy through the EIP | Implementation of approved Decarbonisation Strategy through the EIP |

the dtic's APP targets

Programme 5: Regulation

| Output Indicators | MTEF Period | | |
|---|--|---|---------|
| | 2025/26 | 2026/27 | 2027/28 |
| Number of Regulations amended and reports submitted to Executive Authority | 7 | - | - |
| Number of Omnibus Bills amended and reports submitted to Executive Authority | 1 Omnibus Bill developed and submitted to EA | Omnibus Bill approved by Cabinet and - introduced to Parliament | - |
| Number of interventions to streamline processes to enable red tape reduction and report submitted to EA | 2 interventions to streamline processes and report produced and submitted to EA | - | - |
| % of turnaround time reduced on processes, applications and permits in the dtic entities and report submitted to EA | Turnaround times reduced by 30% on processes, applications and permits in the dtic entities and report submitted to EA | - | - |

the dtic's APP targets

Programme 6: Incentives

| Output Indicators | MTEF Period | | |
|--|-------------------|---|---------|
| | 2025/26 | 2026/27 | 2027/28 |
| Rand value of investment through industrial financial support | R10bn | R10bn | R10bn |
| Rand value of export revenue of Global Business Services | R5bn | R5bn | R5bn |
| Rand value disbursed to projects/ enterprises | R5,02bn | R5,2bn | R5,4bn |
| Number of new jobs created | 6 000 | 6 000 | 6 000 |
| Implementation of an integrated Industrial Financing single access | 1 (Shared Access) | 1 full Implementation of an integrated Industrial Financing single access | 0 |
| Number of jobs created through the digital economy programme (GBS) | 4 000 | 5 000 | 6 000 |

the dtic's APP targets

Programme 7: Exports

| Output Indicators | MTEF Period | | |
|--|-------------|---------|---------|
| | 2025/26 | 2026/27 | 2027/28 |
| Rand value of South African exports to the rest of the world in key industrial policy sectors, including services | R120bn | R123bn | R126bn |
| Rand value of South African exports to the Rest of Africa in key industrial policy sectors, including services | R132bn | R138bn | R142bn |
| Number of days reduction in the Export Marketing and Investment Assistance (EMIA) group scheme programme application processes | 15 Days | 10 days | 5 days |
| Rand value of South African exports to the rest of the world by SMMEs funded by EMIA | R20m | R25m | R30m |
| Rand value of South African exports to the rest of the world by Black owned entities funded by EMIA | R15m | R20m | R25m |
| Number of entities capacitated on exporting skills | 300 | 300 | 300 |

the dtic's APP targets

Programme 8: Transformation and Competition

| Output Indicators | MTEF Period | | |
|--|---|---|---|
| | 2025/26 | 2026/27 | 2027/28 |
| Rand Value of investments leveraged from competition and transformation interventions | R8bn | R8bn | R8bn |
| Rand value of Transformation Fund aggregated and disbursed | R20bn of Transformation Fund aggregated and disbursed | R20bn of Transformation Fund aggregated and disbursed | R20bn of Transformation Fund aggregated and disbursed |
| % Implementation of B-BBEE of black ownership in critical sectors | 30% black ownership achieved in critical sectors | 30-35% black ownership achieved in critical sector | 35-40% black ownership achieved in critical sector |
| Number of SEF job opportunities created | 50 000 SEF job opportunities created | – | – |
| Number of additional workers with shares in their companies including but not limited to competition initiatives | 10 000 workers | 10 000 workers | 10 000 workers |
| Number of Market Inquiries completed | 1 | 1 | 1 |
| Number of unemployed youth trained under the Youth Employment Service (YES) by 2029 | 40 000 | 40 000 | 40 000 |

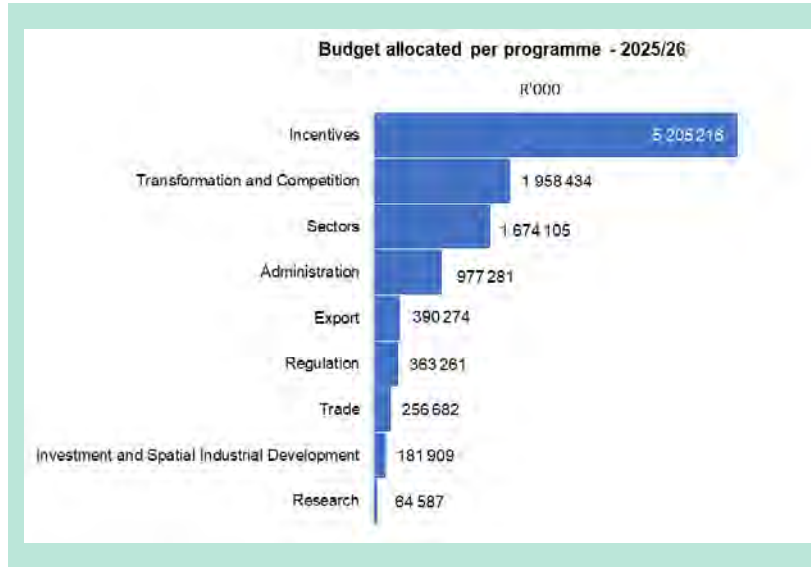
the dtic's APP targets

Programme 9: Research

| Output Indicators | MTEF Period | | |
|--|-------------|---------|---------|
| | 2025/26 | 2026/27 | 2027/28 |
| Number of MTDP Implementation reports produced | 4 | 4 | 4 |
| Accelerated Energy Roadmap approved by the Minister | 1 | 0 | 0 |
| Number of negotiated price agreements between Eskom and firms to improve the competitiveness of key industrial sectors | 2 | 2 | 2 |
| Digital Roadmap approved by the Minister | 1 | 0 | 0 |
| Digital Venture Capital Fund Guidelines developed | 1 | 1 | 1 |
| Number of youths trained in digital skills | 10,000 | 10,000 | 10.000 |
| Number of unemployed persons completed digital literacy training courses | 50,000 | 100,000 | 100,000 |

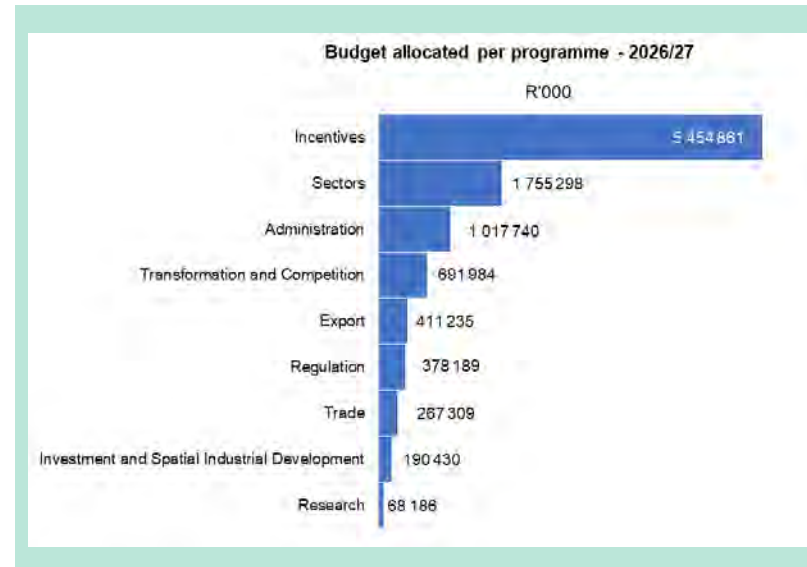
Budget - R32 billion has been appropriated over the medium term

Financial Year 2025/26



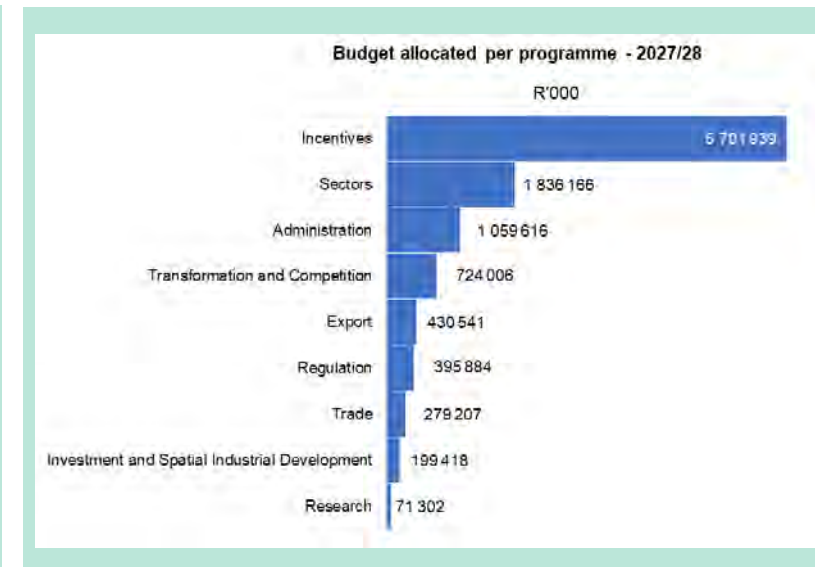
R11.07 billion

Financial Year 2026/27



R10.23 billion

Financial Year 2027/28



R10.69 billion

**Administration budget includes accommodation expenditure of just over R380 million per year.

1. 2025 MTEF prepared under **constraint fiscal environment**
2. Funding pressures to be considered through **reprioritisation within department's existing baseline**.
3. Allocations to the Incentives branch account for **51% or R16.3 billion** of the R32 billion over the MTEF. The 2025/26 financial year includes **R1.3 billion** in additional funding allocated toward the Social Employment Fund.

2025 MTEF Budget Allocation – Programmes & Economic Classification

| | Adjusted appropriation | Medium -term expenditure estimate | | | Average growth rate (%) | |
|---|------------------------|-----------------------------------|-------------------|-------------------|-------------------------|------------|
| Rand thousand | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2024/25 - 2027/28 | YOY Change |
| Programmes | | | | | | |
| Administration | 952 657 | 977 281 | 1 017 740 | 1 059 616 | 3,6% | |
| Trade | 240 820 | 256 682 | 267 309 | 279 207 | 5,1% | |
| Investment and Spatial Industrial Development | 140 281 | 181 909 | 190 430 | 199 418 | 12,4% | |
| Sectors | 1 328 954 | 1 674 105 | 1 755 298 | 1 836 166 | 11,4% | |
| Regulation | 346 233 | 363 261 | 378 189 | 395 884 | 4,6% | |
| Incentives | 4 200 678 | 5 205 216 | 5 454 861 | 5 701 939 | 10,7% | |
| Export | 358 360 | 390 274 | 411 235 | 430 541 | 6,3% | |
| Transformation and Competition | 1 770 127 | 1 958 434 | 691 984 | 724 006 | -25,8% | |
| Research | 57 797 | 64 587 | 68 186 | 71 302 | 7,3% | |
| Total for programmes | 9 395 907 | 11 071 749 | 10 235 232 | 10 698 079 | 4,4% | |
| Economic classification | | | | | | |
| Current payments | 1 812 939 | 1 942 615 | 2 032 682 | 2 124 604 | 5,4% | |
| Compensation of employees | 1 041 180 | 1 138 311 | 1 190 598 | 1 244 447 | 6,1% | |
| Goods and services | 771 755 | 804 304 | 842 084 | 880 157 | 4,5% | |
| Interest and rent on land | 4 | 0 | 0 | 0 | -100,0% | |
| Transfers and subsidies | 7 564 513 | 9 110 201 | 8 182 749 | 8 552 778 | 4,2% | |
| Incentive payments | 4 038 272 | 5 020 778 | 5 261 670 | 5 499 607 | 10,8% | |
| Departmental entities | 1 715 425 | 1 752 758 | 1 813 568 | 1 895 578 | 3,4% | |
| External programmes | 1 601 258 | 2 117 108 | 879 795 | 920 122 | -16,9% | |
| NPO (Partnerships with Business Associations, NEDLAC) | 158 321 | 170 705 | 176 646 | 184 092 | 5,2% | |
| Membership fees (International organisations) | 46 599 | 47 753 | 49 921 | 52 178 | 3,8% | |
| Households | 4 638 | 1 099 | 1 149 | 1 201 | -36,3% | |
| Payments for capital assets | 18 455 | 18 933 | 19 801 | 20 697 | 3,9% | |
| Total economic classification | 9 395 907 | 11 071 749 | 10 235 232 | 10 698 079 | 4,4% | |



4.4%

Expected increase of the department's total expenditure from R9.39 billion in 2024/25 to R10.7 billion in 2027/28.

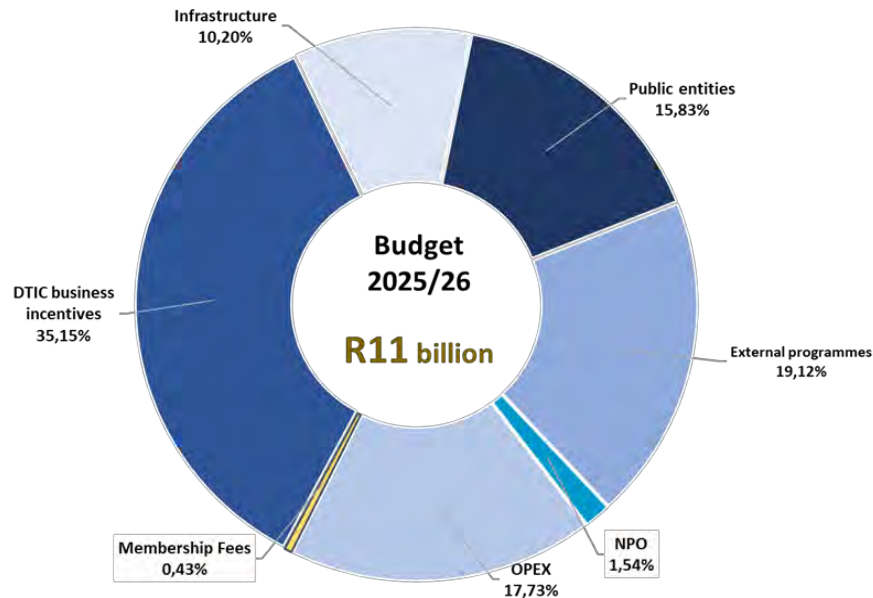
51%



- Allocations to the Incentives branch account for an estimated 51% or R16.3 billion of the department's expenditure of R32 bn over the MTEF period, mainly to fund incentive programs
- To support social economic activities in the communities through the presidential employment stimulus, R1.3 billion additional funding was allocated towards the Social Employment Fund in the 2025/26

Current Year (2025-26) Budget distribution – by category

2025-26 budget distribution by category



- Explore diverse and innovative **sources of funding** to bridge the funding gap and **reduce reliance on government funding**
- Explore possibilities of **entities generating own income**
- Zero based budgeting with focus on **programmes with highest investment multiplier**.
- Leverage on a combination of **public-private partnerships, blended financing, development financing institutions**.

- **R9.1 billion of the R11 billion** is made up of **transfers to entities, external programmes, incentives**.
- **External programmes include R1.3 billion for the Social Employment Fund**, which aims to continue maintaining the target of **50 000 part-time or temporary jobs**.
- Projected expenditure towards the **business incentives is 35.15%** of the total budget of R11 billion—while **Infrastructure investment support is 10.20%**.
- In the 2025/26 financial year, the incentives programme and its industrial financing partners (Industrial Development Corporation and the National Empowerment Fund) **will provide industrial financing in the form of grants and loans**.
- 15.83% of the 2025/26 budget is allocated towards the **Standards Institutions, Regulators and Development Finance Institutions** for the execution of the entities' mandate.
- Disbursements, from incentives to projects **will focus on** expanding the reach of **industrial finance to SMMEs, women and youth-owned enterprises and to under-supported districts**. This will include industrial financing through **the Special Economic Zone and Industrial Park incentives** to support projects outside of the **5 main metros that require Infrastructure development**.

Annexures

Update Report on Industrial Parks and Support to align with Township & Rural industrialisation

| 2025/26 TARGET: 10 IPs 2 Digital Hubs (DHs) 2 Artisanal Incubation Centres 100 MSMEs supported in DHs | ACTION ACTIVITIES ACHIEVED | NEXT ACTION PHASE | SUMMARY OF CHALLENGES/ RISKS AND MITIGATION |
|--|---|---|--|
| Business cases & applications assessments for CIP funding approval. | 4 – IPs Business Cases assessed <ul style="list-style-type: none"> • Isithebe Industrial Estate (KZN) • Ezakheni Industrial Estate (KZN) • Komani Industrial Park (EC) • Collins Chabane Industrial Park (LP) A further 6-IPs are undergoing evaluation and consolidation of business cases | 4-IPs to be submitted to CIP by end of June 2025 | <ul style="list-style-type: none"> • Inadequate budget and slow uptake of available industrial infrastructure • Capacity in the unit still not addressed |
| Contractual Agreements & construction initiation by Service Providers. | CIP Adjudication Committee (AC) processes have not set to consider applications. | Will await outcome of the AC | None |
| Agreements with investors & tenants on job retention and expansion programme | Meetings held with tenants / investors stakeholders through provincial agencies to align with jobs and investment targets. Still preliminary phase. | To develop a shared value compact on business development for overall IPs to as with growth in active sectors | Past experiences of tenants and private investors may prolong agreements and joint action |
| Identify and enable new investments and job opportunities | 2-Planned expansion opportunities identified: <ul style="list-style-type: none"> • Greater Tzaneen Economic Development Precinct – catalysed by Nkowankowa IP (LP) • Thabong Economic Development Precinct – catalysed by Matjhabeng EIP (FS) | Develop Case studies for both regions to enhance IPs and investment growth through diversification – draft case studies to be completed by Q3 | None |

Update Report on Industrial Parks and Support to align with Township & Rural industrialisation

| 2025/26 TARGET: | ACTION ACTIVITIES ACHIEVED | NEXT ACTION PHASE | SUMMARY OF CHALLENGES/ RISKS AND MITIGATION |
|--|--|--|--|
| New IPs business opportunities facilitation | 5-IPs developments for support <ul style="list-style-type: none"> • Markman IP (EC) • Perseverance IP (EC) • Kathu IP (NC) • UGIE IP (EC) • Ulundi IP (KZN) | 5-Application submissions to CIP to be finalised by Q3 | <ul style="list-style-type: none"> • Red tape in Municipal Council processes • Limited budget (critical infrastructure fund) |
| DDM Strategic Industrial Projects undertaken | Working with stakeholders in the following districts: <ul style="list-style-type: none"> • UGU District • Harry Gwala District • Alfred Nzo District • OR Tambo District • Chris Hani District • Lejweleputswa District • King Cetshwayo District • Zululand District | Progress report on industrial projects for identified districts will be incorporated under quarterly reporting | None |
| Any Other Strategic development undertaken | <ul style="list-style-type: none"> • Meetings held with UNIDO, SECO and GIZ to bolster support on prioritised industrial spaces • Partnership with NCPC to implement renewable energy development with IPs • Strategic collaboration with Department of Land Reform and Rural Development initiated to unlock rural industrial opportunities • Meetings held with DSBD to coordinate and collaborate on support for Townships and Rural industries | <ul style="list-style-type: none"> • Quarterly Reports on Sustainable Energy Systems on Industrial Development (SESID) Projects to be generated • Intergovernmental PSC will develop and implement an agreed projects envelope to work with the private sector and affected communities to grow MSMEs and create job opportunities | None |

Update on Special Economic Zones (SEZs)

- The National SEZ Project Management Unit (PMU) has been assigned to support Namakwa SEZ, Nkomazi SEZ and Musina Makhado SEZ. The PMU was established by **the dtic** as an important instrument to accelerate the implementation of the SEZ Programme and its role includes:
 - a) Facilitating the implementation of the Spatial Industrial Development (SID) Strategy;
 - b) Facilitating the implementation of Township Economy Development initiatives; and
 - c) Supporting **the dtic** in its responsibility to be an active participant in the planning, development and management of SEZs and Industrial Parks among others.

Since its establishment in 2021, the PMU has managed to intervene in various SEZs including OR Tambo, Richards Bay, Musina Makhado, Nkomazi and Namakwa. The PMU has also helped **the dtic** in assisting with the planning and development of proposed SEZs such as Vaal, Bojanala and Fetakgomo-Tubatse.

- There are also engagements on how support can be offered to improve the performance of Maluti a Phofung SEZ.
- The Department notes and will comply with providing a mid-term progress report on the implementation and performance of the SEZ.

New and Expansion SEZs

The table below reflects the new and expansion SEZs, and is based on the applications we have in hand. It also indicates a breakdown of the Investment and Spatial Industrial Development (ISID) branch programmes in provinces over the medium term.

| STATUS | NAME | DISTRICT/ METRO | PROVINCE |
|-----------------|--------------------------|----------------------------|---------------|
| Proposed | Vaal SEZ | Sedibeng District | Gauteng |
| Proposed | Bojanala SEZ | Bojanala Platinum District | North West |
| Proposed | Fetagomo Tubatse SEZ | Sekhukhune District | Limpopo |
| Expansion | Coega Pharma vaccine Hub | Nelson Mandela Bay | Eastern Cape |
| Expansion | Dube Trade Port | eThekweni municipality | KwaZulu Natal |
| Non-operational | Nkomazi SEZ | Ehlanzeni District | Mpumalanga |
| Non-Operational | Musina Makhado SEZ | Vhembe District | Limpopo |
| Non-Operational | Namakwa SEZ | Namakwa District | Northern Cape |

Response to SC on : Operation of the Ketlaphela State Owned Pharmaceutical Company

Recommendation by SC: the Minister working jointly with the Ministers of Science and Innovation and Health, and with the support of National Treasury, should craft an action plan that would accelerate operation of the Ketlaphela State Owned Pharmaceutical Company.

The initiative should be shifted from the Department of Minerals and Petroleum to reside either within Dtic or Department of Science and Innovation. The action plan should be submitted to the Committee by the end of the 2025/26 financial year.

Response

- Following the DSTI's decision to no longer pursue the Ketlaphela initiative (around 2017/18), a decision was then taken to establish an API cluster, as a way forward, in terms of the country's aspirations to develop and manufacture API. The work of this Cluster is ongoing and is funded by the DSTI.
- In addition, CPT Pharma (in which the IDC holds equity) is now in the process of establishing a full-scale manufacturing facility for the manufacture of API that will be used in the production of human medicines. Several initiatives and partnerships have been established to ensure a pipeline of product through this facility.
- Further to this, there's currently an over-supply of formulation capacity in the country (there are now 6-7 companies with ARV formulation capacity for the first triple-dose combination ARV) which have previously been supported by the dtic through incentives such as the MIP, MCEP and the 12i Tax Allowance. The focus and support (i.e. adequate grant funding should be made available) for the manufacture of the new ARV medication such as Lenacapavir and others in the pipeline.

Further consideration

- The Department of Trade, Industry and Competition (the dtic) is engaging the DSI to determine scope and purpose of Ketlaphela vs the original intention and its relevance given the intention to establish the API cluster. An assessment on the costs and benefit will have to be undertaken given that there is increased capacity and competition within the private sector in relation to the quality, prices and long-term contracts.

Conclusion

- The recommendation is that the API work be embedded in the current pharma work.
- The focus should be on building capacity to develop and manufacture the new pipeline of medicines including injectables e.g. Lenacapavir

THANK YOU

