



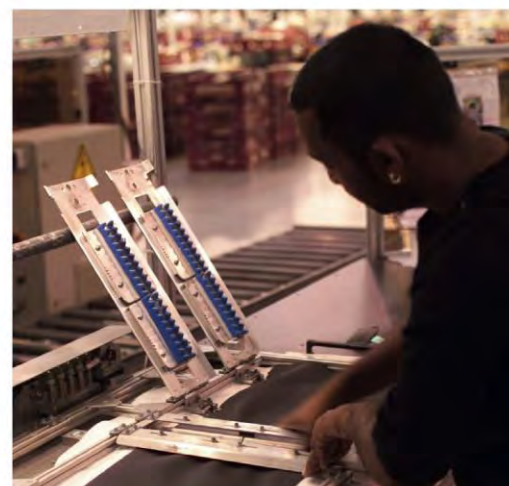
# the dti

## ANNUAL PERFORMANCE PLAN 2016-2019



**the dti**

Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA



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## 1. Abbreviations and Acronyms

TERM	DEFINITION
AIS	Automotive Investment Scheme
ADEP	Aquaculture Development and Enhancement Programme
AGOA	African Growth and Opportunity Act, 2000
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BPS	Business Process Services
BRICS	Brazil, Russia, India, China and South Africa
CCRD	Consumer and Corporate Regulation Division
CIP	Critical Infrastructure Programme
CIPC	Companies and Intellectual Property Commission, a public entity reporting to <b>the dti</b>
CGICTPF	Corporate Governance of ICT policy framework
CRM	Customer Relationship Management
CSIR	Council for Scientific and Industrial Research
C-FTA	Continental Free Trade Area
CT	Companies Tribunal, a public entity reporting to <b>the dti</b>
<b>dsbd</b>	Department of Small Business Development
DG	Director-General
EAC	East African Community
ECIC	Export Credit Insurance Corporation SOC Ltd, a public entity reporting to <b>the dti</b>
EAP	Economically Active Population
EIP	Enterprise Investment Programme
EMIA	Export, Marketing and Investment Assistance
ENE	Estimates of National Expenditure
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GFC	Global Financial Crises
GFCF	Gross fixed capital formation
ICT	Information and Communication Technology
IDC	Industrial Development Corporation, a public entity reporting to the Economic Development Department
IDZs	Industrial Development Zones
IEMS	Implementation of enhanced and modernised incentive management system
IMF	International Monetary Fund
IP	Intellectual Property
IPAP	Industrial Policy Action Plan
ISP	Incubation Support Programme

TERM	DEFINITION
ISA	Investment South Africa
ITIs	Investment Trade Initiatives
ITAC	International Trade Administration Commission
MBAP	Mineral Beneficiation Action Plan
MCEP	Manufacturing Competitiveness Enhancement Programme
MTSF	Medium-Term Strategic Framework
NCA	National Credit Act of 2005, as amended
NAFTA	North Atlantic Free Trade Agreement
NCC	National Consumer Commission, a public entity reporting to <b>the dti</b>
NCR	National Credit Regulator, a public entity reporting to <b>the dti</b>
NCT	National Consumer Tribunal, a public entity reporting to <b>the dti</b>
NDP	National Development Plan
NEDP	National Exporter Development Programme
NEF	National Empowerment Fund, a public entity reporting to <b>the dti</b>
NEPAD	New Partnership for Africa's Development
NGB	National Gambling Board, a public entity reporting to <b>the dti</b>
NGP	New Growth Path
NIPF	National Industrial Policy Framework
NLC	National Lotteries Commission, a public entity reporting to <b>the dti</b>
NMISA	National Metrology Institute of South Africa, a public entity reporting to <b>the dti</b>
NRCS	National Regulator for Compulsory Specifications, a public entity reporting to <b>the dti</b>
ODG	Office of the Director-General
PPP	Public-Private Partnership
PTA	Preferential Trade Agreement
RIA	Regulatory Impact Assessment
SABS	South African Bureau of Standards, SOC Ltd, a public entity reporting to <b>the dti</b>
SACU	Southern African Customs Union
SADC	Southern African Development Community
SANAS	South African National Accreditation System, a public entity reporting to <b>the dti</b>
SDI	Spatial Development Initiative
SDIP	Service Delivery Improvement Plan
SEZ	Special Economic Zone
SIMF	Single Inclusive Mainstreaming Framework
SONA	State of the Nation Address
T-FTA	Tripartite Free Trade Agreement
TESA	Trade Export South Africa
UK	United Kingdom
USA	United States of America
<b>the dti</b>	The Department of Trade and Industry
WTO	World Trade Organisation
WEO	World Economic Outlook



### **3. Foreword by the Minister**



Minister of Trade and Industry, Dr Rob Davies

South Africa is a small, developing economy. Our economy is also relatively open with only modest restrictions on financial in- and outflows including by South African firms and residents. Moreover our trade tariffs are at the aggregate level low compared to other developing countries. Consequently, global economic conditions have a major impact on the South African economy.

During the 'commodity super-cycle', South Africa benefited from the rapid growth in global mineral commodity prices and was able to reduce the fiscal deficit and government debt as tax revenues rose and consistently exceeded Government forecasts.

Unfortunately the onset of the Global Financial Crisis in late 2007 signalled the end of the 'commodity super-cycle'. Eight years later, the negative effects are still being felt across the globe. Paradoxically, even as the global economy recovers, developing countries such as South Africa continue to bear the brunt of the adjustment costs. Recently, as the United States (US) Federal Reserve adjudged the US economic recovery to be sustainable and therefore able to weather 'normalisation' of its monetary policy, interest rates were increased marginally for the first time since 2006.

Almost immediately, portfolio investors withdrew significant funds from developing countries – including South Africa – leading to heightened currency volatility and a particularly deep over-correction in both Emerging Market sentiment and these countries' exchange rates relative to the US Dollar.

These global developments coupled with domestic challenges such as electricity supply, high levels of household indebtedness and low levels of business confidence, have created a particularly challenging economic environment for South Africa. It was in this context that the President of the Republic of South Africa announced the development of the 9-Point Plan to ignite growth and create jobs.

At the end of the first year of implementation of the 9-Point Plan, we note that – notwithstanding the deterioration in global economic conditions – our policy interventions have begun to bear fruit in a number of key areas. These include the extent to which the Industrial Policy Action Plan (IPAP) has gained traction with stakeholders

including Business, sustained Foreign Direct Investment inflows to South Africa, and rapidly growing exports of manufactured goods to our African neighbours.

We are conscious that the economic needs of our citizens are immense and that more needs to be done; but we are also mindful of the strong industrial capabilities South Africa can build upon such as in Automotives, Locomotives, Mining Equipment and Agro-processing. These capabilities have also been identified by the private-sector and therefore the opportunity to develop meaningful partnerships must be grasped.

In the coming years, this renewed focus on partnerships with the private-sector will be used to implement a range of our key policy interventions. These will include our revitalisation of Local Industrial Parks across South Africa, promotion of investment opportunities through Investment South Africa, and greater prioritisation of opportunities on the African continent across all industrial sectors.

These interventions are designed to build on the partnerships already working in areas such as IPAP, our interventions in the Clothing, Textile, Leather and Footwear value-chain, and Special Economic Zone (SEZ) programme.

In the coming year, we will revitalise at least ten local Industrial Parks in townships areas so as to create opportunities for entrepreneurial development and transformation of townships into areas of economic activity in their own right. We will also roll-out the Black Industrialist programme which seeks to sustainably and rapidly transform the demographic profile of our industrial sectors.

Moreover, we will co-ordinate the provision of the One Stop Shop investment facilitation through Investment SA and the designation of further SEZs. In a number of areas, bold plans have been developed to unlock the beneficiation opportunities in the Platinum Belt, the metallurgical cluster in Musina, and platinum processing in Gauteng through the development of SEZs.

The number of firms in economic distress has increased as the global economic outlook has deteriorated. This is beginning to place pressure on the dti's incentive programmes with many of these over-subscribed or likely to become over-subscribed in the coming year. the dti will therefore refine its incentive programmes with a view to optimising the support available to as wide a group as possible.

A key element of this will be strengthened support to labour-intensive sectors such as the Clothing, Textiles, Leather and Footwear value-chain, Agro-processing, Business Process Services, and Tourism. The package of support for the Black Industrialists programme will also be rolled-out in earnest in the coming year.

The need for fiscal consolidation given the challenging economic environment is well known. This places even more emphasis on the need to extract the maximum industrialisation benefit from Government and private-sector spending. the dti will therefore continue to identify local procurement opportunities and will monitor compliance. I am encouraged that in recent engagements with Business, the issue of local procurement continues to attract attention and am optimistic that the notable local procurement successes in the clothing, locomotives and bus-building sectors will convince Business to aggressively champion this intervention. In what is likely to be a budget-constrained year, local procurement is a key intervention which does not require substantial on-budget funding.



Although economic growth in Africa has been revised down for 2016 and 2017, the Continent remains one of the fastest-growing regions in the world. Our trade policy engagements including in the Southern Africa Development Community and the Tripartite-Free Trade Area, place South Africa in a unique position to expand trade to Africa. Developing these opportunities will be the primary focus of a dedicated Export Council for Africa. Furthermore, we will re-assess our package of incentives available to firms exporting to Africa and especially exporting capital equipment to the Continent. Where necessary our incentive offering will be strengthened to ensure our firms are able to benefit from these opportunities.

These interventions represent an ambitious programme of work for **the dti** for the coming year and are designed to address South Africa's triple challenges of poverty, inequality and unemployment.

I am confident that focused implementation of these interventions will build a better South Africa and contribute to reaching the National Development Plan target of 5% GDP growth.

A handwritten signature in black ink, appearing to read 'R. Davies', with a stylized flourish at the end.

**Dr Rob Davies, MP**  
**Minister of Trade and Industry**

#### **4. Overview by the Director-General**



Director-General, Lionel October

The Annual Performance Plan 2016-2019 which was prepared through consultation with management is hereby submitted in accordance with the National Treasury Framework on Strategic and Annual Performance Plans.

A handwritten signature in black ink, appearing to read 'L. October'. The signature is stylized with a large 'L' and a cursive 'October'.

**Mr Lionel October**  
**Director-General**

## 5. Official sign-off

It is hereby certified that this Annual Performance Plan:

Was developed by the management of the Department of Trade and Industry under the guidance of the Minister,  
Dr Rob Davies (MP);

Was prepared in line with the current strategic plan of the Department of Trade and Industry;

Accurately reflects the performance targets which the Department of Trade and Industry will endeavour to  
achieve given the resources made available in the budget for 2016 to 2018.

**Mr Shabeer Khan**  
**Chief Financial Officer**

**Signature:**



**Ms Jodi Scholtz**  
**Group Chief Operating Officer**

**Signature:**



**Mr Lionel October**  
**Accounting Officer**

**Signature:**



**Approved by:**  
**Minister Dr Rob Davies, MP**  
**Executive Authority**

**Signature:**



## **Part A: Strategic Overview**

### **1. Vision**

A dynamic industrial, globally competitive South African economy, characterised by inclusive growth and development, decent employment and equity, built on the full potential of all citizens.

### **2. Mission**

the dti's Mission is to:

- Promote structural transformation, towards a dynamic industrial and globally competitive economy;
- Provide a predictable, competitive, equitable and socially responsible environment, conducive to investment, trade and enterprise development;
- Broaden participation in the economy to strengthen economic development; and
- Continually improve the skills and capabilities of **the dti** to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens.

### **3. Values**

the dti Values are:

- Operational excellence – service delivery standards, international best practice, Batho Pele Principles, continuous improvement and ethical conduct
- Intellectual excellence – continuous shared learning, innovation, relevant knowledge and skills improvement and knowledge management
- Quality relationships – improved and continuous communication, honesty, respect, integrity, transparency, professionalism, ownership, leadership and teamwork

### **4. Strategic Outcome-Oriented Goals**

- Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation;
- Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives;
- Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth;
- Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner; and
- Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery.

### **5. Strategic Objectives**

- Grow the manufacturing sector to promote industrial development, job creation, investment and exports
- Improved conditions for consumers, artists and opening up of markets for new patents players
- Strengthened capacity to deliver on **the dti** mandate

## 6. Updated Situational Analysis

### THE GLOBAL ECONOMIC CONTEXT

#### Economic growth outlook

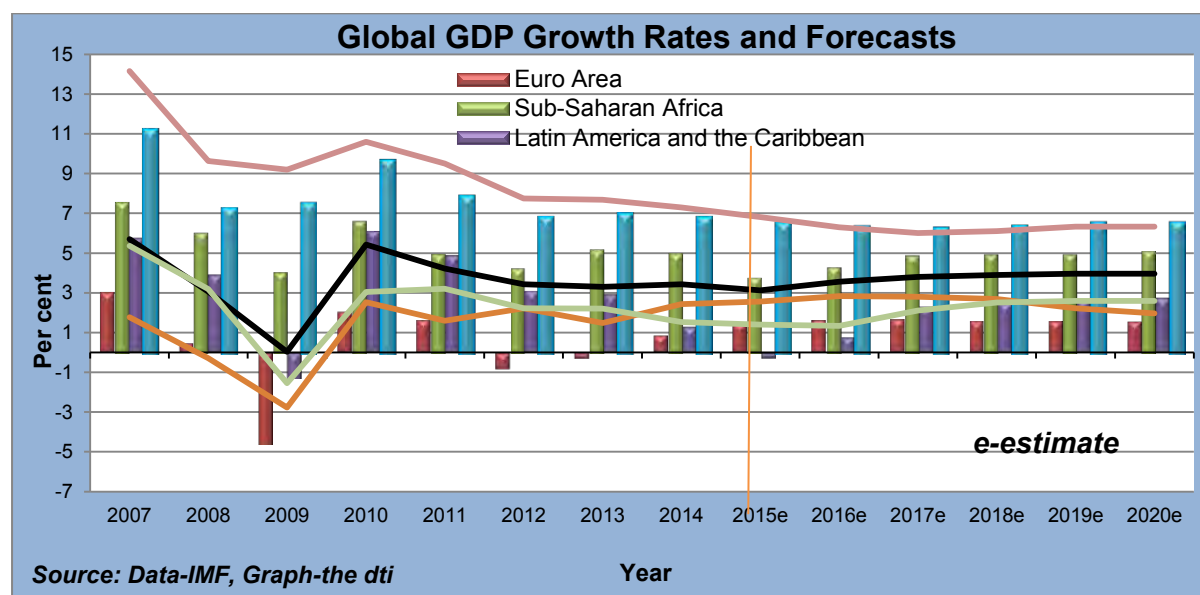
The International Monetary Funds (IMF) update of its World Economic Outlook (WEO) in January 2016 revised down its forecast for global economic growth by 0.2 percentage points from 3.6 per cent to 3.4 per cent. This revision reflects the weakening global economic recovery as growth in Emerging Markets falters. Global demand in 2016 is expected to remain low, influenced by the gradual normalisation of US monetary policy, lower prices for energy and other commodities, and the rebalancing – with associated slowdown – of economic activity in China.

Economic growth in advanced economies is expected to reach 2.1 per cent in 2016 as domestic demand strengthens in the Euro-area as a result of lower oil and gas prices. In Japan, stronger growth of 1.0 per cent is expected in 2016 as the country emerges from a protracted recession. However, the economies of Latin America and the Caribbean are expected to contract by 0.7 per cent primarily due to the recession in Brazil.

Growth is expected to soften somewhat in sub-Saharan Africa as the impact of lower commodity prices and especially oil prices result in slowing demand and fiscal consolidation by Governments. Nevertheless, economic growth is expected to reach 4 per cent in 2016 and 4.7 per cent in 2017.

Growth in China is projected to trend downwards from 6.8 per cent in 2015 to 6.3 and 6.0 per cent in 2016 and 2017, respectively. The anticipated sluggish growth primarily reflects weaker investment growth as the rebalancing of the economy continues.

**Figure 1: Global GDP growth from 2007 to 2020**

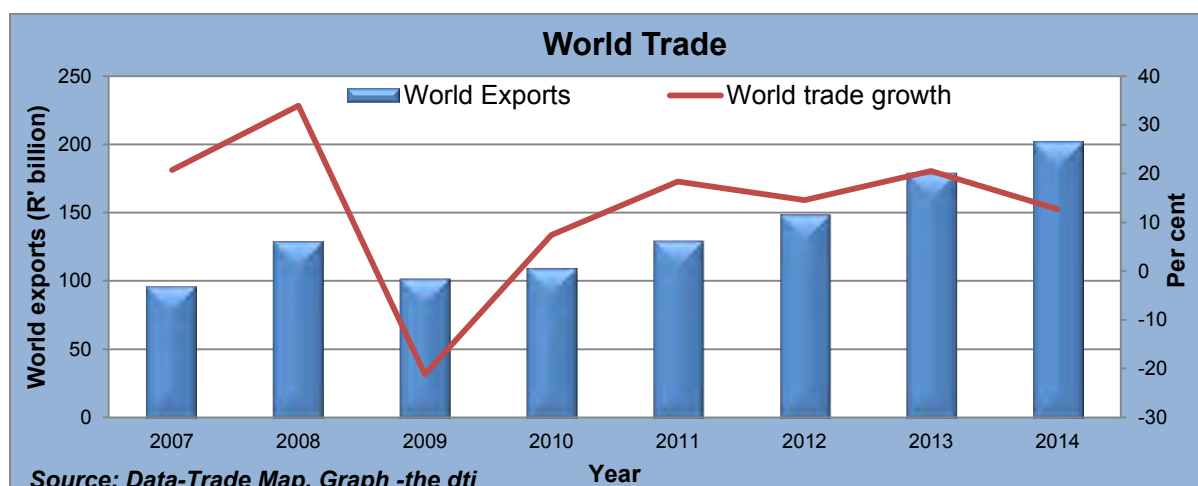




## World Trade

World exports declined significantly by 21.2 per cent from R129.6 trillion in 2008 to R102.1 trillion in 2009 mainly due to the lag effect of the global financial crisis of 2008. However, world exports recovered from 2010 reaching R179.4 trillion in 2013. In 2014, the rate of growth slowed down to 12.8 per cent bringing the total value of export to approximately R202.3 trillion. In 2014, the top five world exporters were China (R25.4 trillion), USA (R17.5 trillion), Germany (R16.2 trillion), Japan (R7.5 trillion) and Republic of South Korea (R6.2 trillion).

**Figure 2: World trade actual performance**

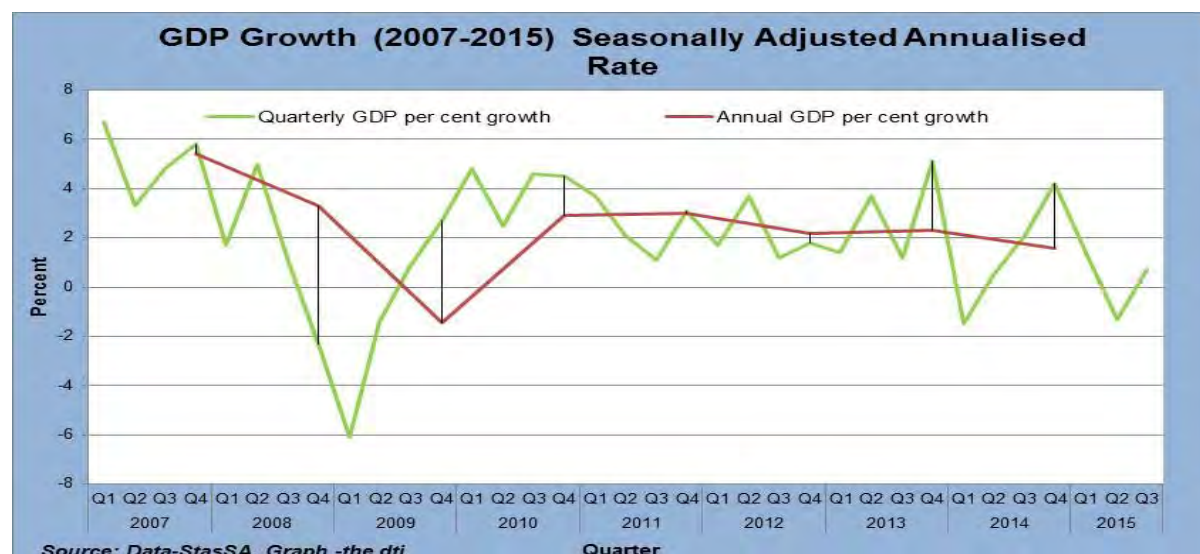


## DOMESTIC ECONOMIC CONTEXT

### Annual and Quarterly Gross Domestic Product (GDP)

The South African economy, like many emerging economies was not immune to the effects of the global financial crisis (GFC). The country's annual GDP growth dropped sharply from 5.4 per cent in 2007 to -1.4 per cent in 2009. However GDP started picking up reaching 2.9 per cent in 2010, and settled at 3.0 per cent in 2011. The positive growth was mostly driven by the services sector which grew by 4.0 per cent. Thereafter, a slight decline was experienced which saw GDP stabilising at 2.2 per cent and 2.3 per cent in 2012 and 2013 respectively. However, GDP dropped further to 1.6 per cent in 2014. The mining and manufacturing sectors experienced major slow down between 2007 and 2014 recording an average growth of -0.9 per cent and 1.1 per cent respectively. Contrary to the performance of the productive sectors, the services sector sustained positive growth rates reaching 3.0 per cent on average throughout the period of 2007 and 2014.

On a quarterly basis, GDP growth has been uneven from the first quarter of 2007 to the third quarter of 2015. The deepest GDP decline of 6 per cent was registered in the first quarter of 2009 in the aftermath of the GFC. However, the economy picked up to reach 4.8 per cent growth in the first quarter of 2010 driven mainly by the investment in infrastructure. From the first quarter of 2011 to the third quarter of 2015, GDP growth rate averaged 1.9 per cent. The highest growth rate was recorded in the fourth quarter of 2013 reaching a high of 5.1 per cent.

**Figure 3: Annual and Quarterly GDP Growth from 2007 to 2015**

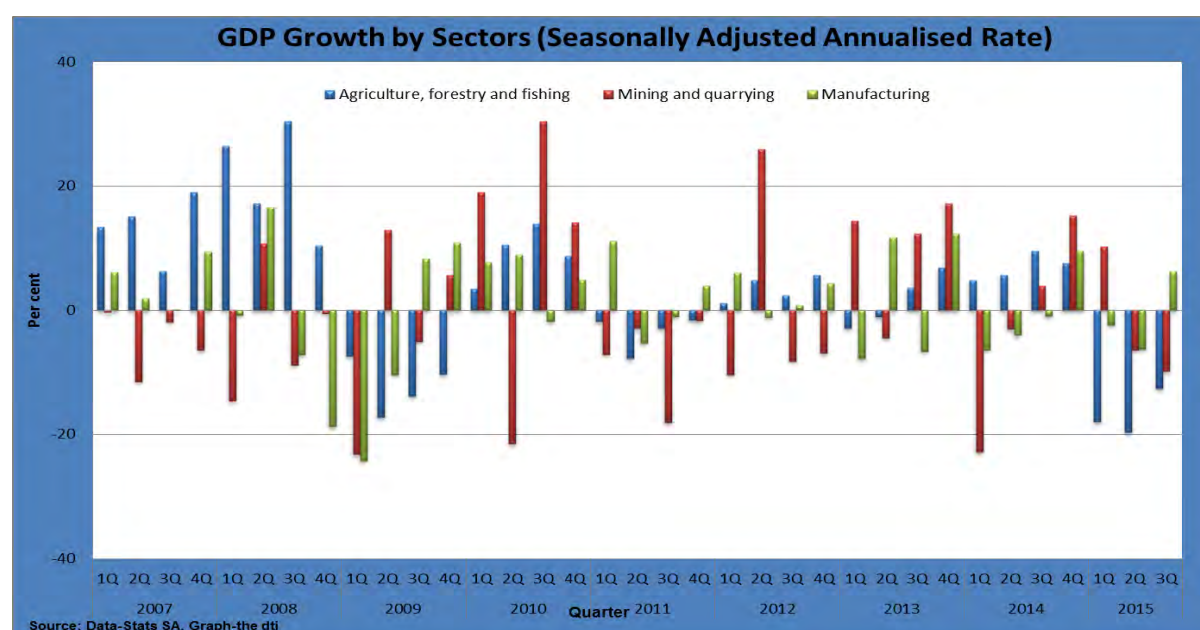
### GDP Growth by sectors

Economic activity in the manufacturing sector has been growing at an average of 1.0 per cent whereas the mining sector remained unchanged over the review period (2007Q1 to 2015Q3). However, agriculture, forestry and fishing sector has a highly volatile regularity pattern which could be explained by the seasonality in the sector, with certain periods in the year dedicated to ploughing and other periods falling within the harvest time.

Real GDP increased by 0.7 per cent during the third quarter of 2015 following a decline of 1.3 per cent in the second quarter. The largest contributors were the manufacturing sector which contributed 0.8 percentage points and grew by 6.2 per cent; Finance, real estate and business services sector contributed 0.6 percentage point based on 2.8 per cent growth rate and third largest contributor emanated from the Wholesale, retail and motor trade; catering and accommodation sector which contributed 0.3 percentage point brought about by 2.5 per cent growth of the sector. The strong growth registered by the manufacturing sector cushioned the economy from entering into technical recession. During the third quarter of 2015 manufacturing contribution was mainly driven by the petroleum, chemical products, rubber and plastic products; wood and wood products, paper, publishing and printing and the food and beverages sector.

The mining sector reflected a negative growth of 9.8 per cent due to lower production in the mining of coal; other metal ores including platinum and diamonds in the third quarter of 2015. Agriculture, forestry and fishing fell by 12.6 per cent in the third quarter. This can be attributed to decreases in the production of field crops due the drought experienced in the country.

**Figure 4: GDP Growth by sectors**



The slowdown in economic growth has highlighted structural constraints in the domestic economy. Currently, lower commodity prices, slow growth among major trading partners and volatility in global monetary policy and capital flows are directly affect South Africa. The lower commodity prices have highly hindered the export growth, thus dampening the drive for resources as well as the manufactured goods.

Although domestic challenges such as electricity constraints, drought, and low commodity prices continue to weigh on the GDP growth the government is committed to resolving them. During the 2015 State of the Nation Address the President announced the 9-point Plan that will set South Africa onto a higher growth trajectory. **the dti** is leading in three areas of the 9-point Plan i.e. advancing mineral beneficiation or adding value to our mineral resources, scaling up private sector investment and the implementation of a higher impact Industrial Policy Action Plan (IPAP). These point plans are embedded within the Outcome 4 Medium Term Strategic Framework and informs the department's plan for the medium term. Furthermore, **the dti** led action plans are aligned to the National Development Plan objectives of increasing exports in key sectors as identified in IPAP. With regard to adding value to South Africa's mineral resources, five value chains namely iron-ore and steel, polymers, titanium, platinum group metals and upstream mining inputs (capital goods, machinery and equipment) have been prioritised.

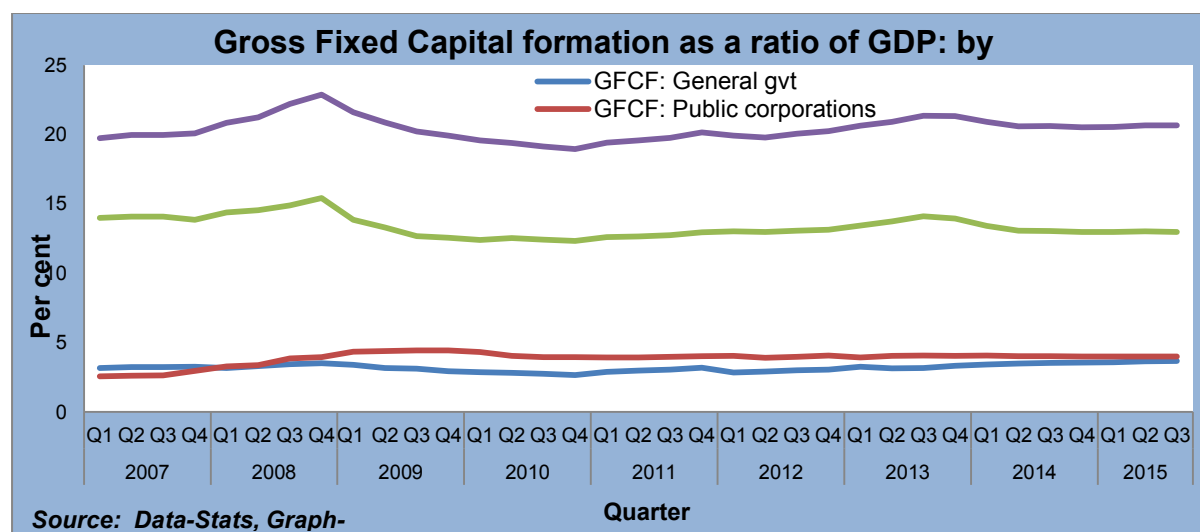
The implementation of IPAP has resulted in stabilisation of sectors such as clothing and textiles, automotives and agro-processing which were under threat of being eroded in the past few years. Over the medium term, the implementation of the higher impact IPAP will focus on three additional growth sectors with strong backward and forward linkages in the economy. These sectors are Oil and Gas, Agro-processing and Metal products, engineering and capital equipment.

### Gross Fixed Capital Formation as a ratio of GDP

Total Gross Fixed Capital Formation (GFCF) as a ratio of GDP has averaged 20 per cent in the period 2007 to the third quarter 2015. The private sector contributed around 14 per cent; Public corporations contributed an average of 4 per cent of the total GFCF while general government contributed between 2 and 3 per cent of the

total average growth. The fourth quarter of 2008 saw the highest ratio of GFCF as a percentage of GDP at around 23 per cent, probably attributable to the government stimulus package to stem the global financial crisis in the country.

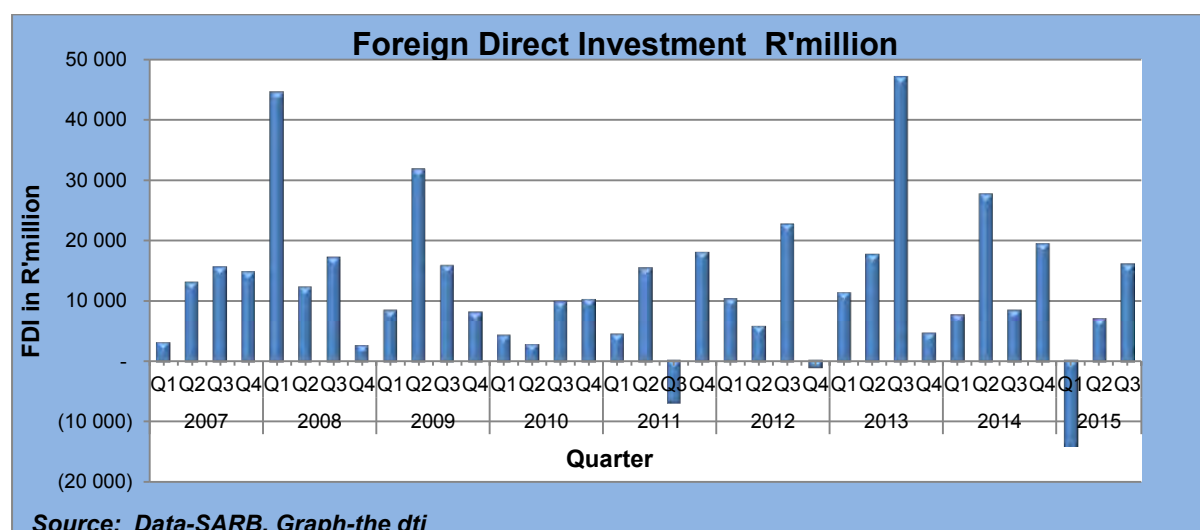
**Figure 5: Real Gross Fixed Capital Formation as a ratio of GDP**



## Foreign Direct Investment

Foreign direct investment (FDI) has on average, been clocking positive inflows per annum from the first quarter of 2007 to the third quarter of 2015. However, the third quarter of 2011, fourth quarter of 2012 and the first quarter of 2015 recorded high outflows of R6.7 billion, R981 million and R13.9 billion respectively. The first quarter of 2008 registered a positive R44.4 billion of inflows (at the beginning of the Global Financial Crisis) while a significant R46.9 billion of FDI in the third quarter of 2013 was invested by foreigners in South Africa. Notably, the 2008 GFC had no immediate impact on FDI inflows to South Africa.

Generally, given the positive FDI inflows post the GFC, it would appear that the South African economy has been one of the preferred FDI destinations on the African continent, notwithstanding that South Asia is one of the leading destinations for global FDI. In November 2015, South Africa hosted the Forum on Cooperation between Africa and China. At this Forum, China announced that it will be investing US\$50 billion in the continent and South Africa will receive US\$10 billion for infrastructure, industrialisation and skills development. Key investments were also announced in the automotive sectors by Mercedes, BMW, Goodyear, VW, Beijing Auto Works, the Metair group and General Motors. Multinational companies such as Nestle, Unilever, Hisense and Samsung have also affirmed South Africa as the regional manufacturing hub by investing in the country.

**Figure 6: Foreign Direct Investment**


## Employment

According to the Labour Force Survey, about 171 000 jobs were created in the third quarter compared to the second quarter of 2015. On a year-on-year basis, the figures show that 712 000 jobs were created in Q3 of 2015 compared to Q2 of 2014. The formal sector accounted for over 55 per cent of the jobs created in 2015 whilst the informal sector accounted for 35 per cent. Overall total employment increased by 1.3 million in the period starting Q1 2007 and ending in Q3 of 2015.

**Figure 7: Quarterly Labour Force Survey: Employment statistics**

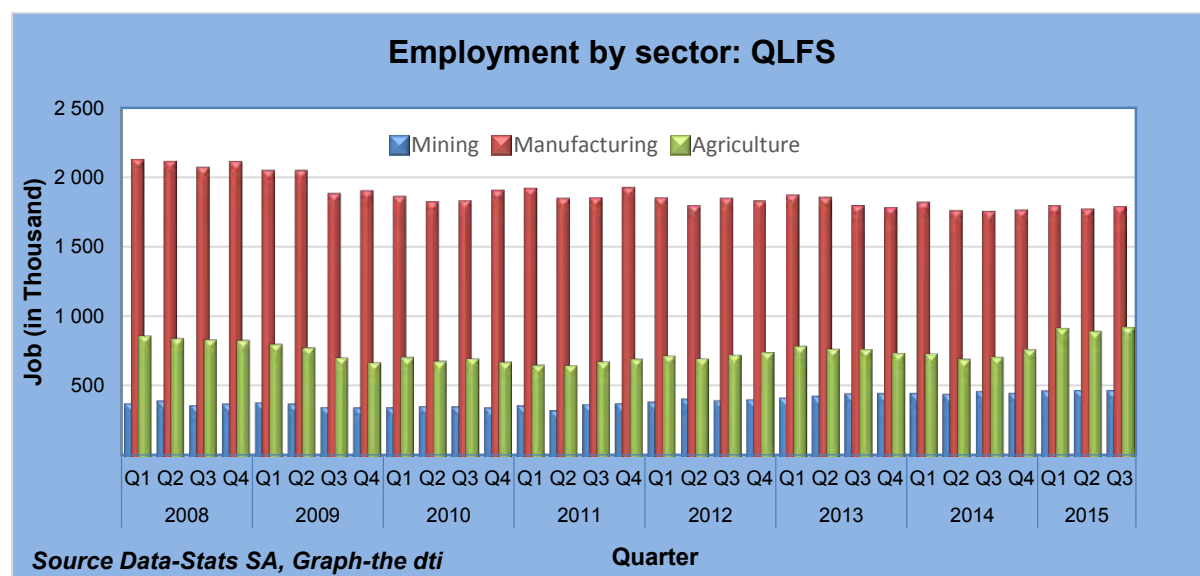



## Employment by sector

The manufacturing sector shed jobs for the past nine years. The highest job losses occurred in textiles, clothing and leather goods subsector. Between 2000 and 2010, the sector lost 45 000 jobs due to import infiltration. Imports in real terms grew from R 2.9 billion in 2000 to over R 11 billion by 2010. In order to stabilise the sector the dti introduced the Clothing and Textile Competitiveness Programme (CTCP) in 2010. As a result, 68 000 jobs have been saved and 6 900 new jobs created. Additionally, 22 new factories in leather and footwear have been opened. Overall, the sector has been successfully stabilised and is steadily regaining domestic market share. The manufacturing sector created 18 000 jobs in the third quarter of 2015.

Although, agriculture lost jobs during the GFC of 2008/09 it is still showing resilience and reached its peak in the third quarter of 2015. The sector created 59 000 jobs in the third quarter of 2015 compared to the first quarter of 2015. It has regained more than 167 000 jobs that were lost during the recession reaching a record level of 897 000 in the third quarter of 2015. The mining sector employment has been steadily growing from approximately 353 000 jobs in the first quarter of 2008 to 443 000 in the third quarter of 2015.

**Figure 8: Employment by sector (QLFS)**



## TRADE

### South Africa's Trade from Q1 2007 to Q3 2015

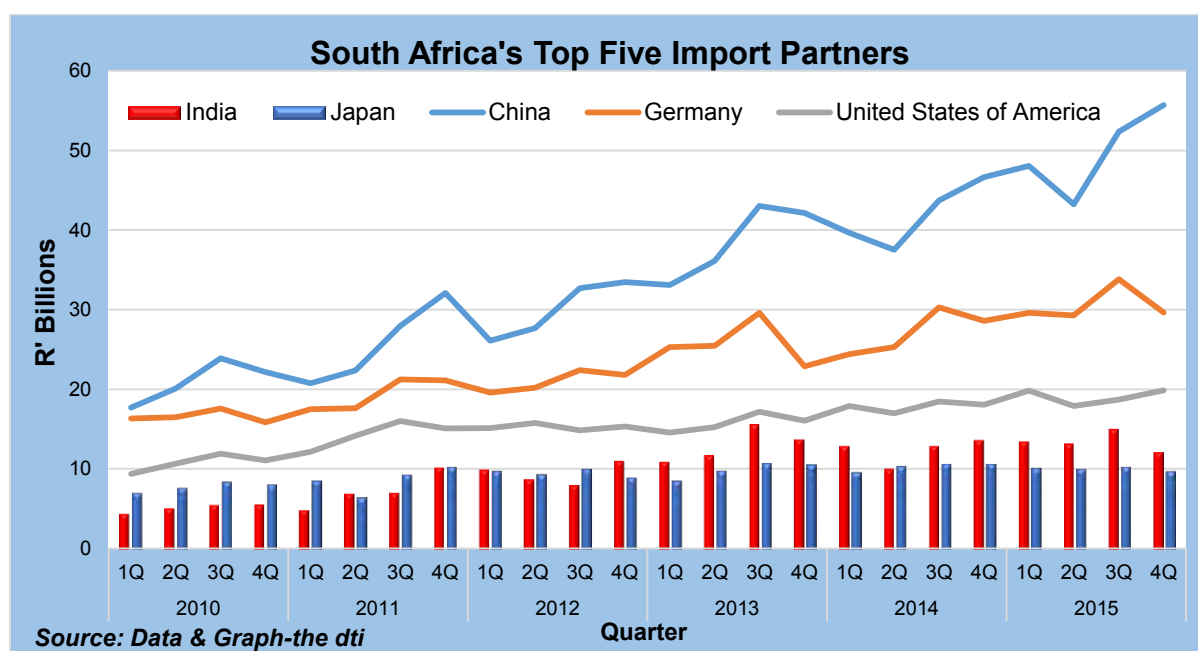
In the third quarter of 2015, South Africa's exports grew by R10 billion or 3.9 per cent, from R255 billion in the previous quarter. Significant contribution to this growth came from the manufacturing and mining sectors which reported growth rates of 4.8 per cent and 0.1 per cent to account for 49 per cent and 34 per cent of the total exports, respectively. South Africa's imported goods surged by 11.9 per cent to reach R285 billion in the third quarter of 2015, after trending downwards in the first two quarters of 2015. The growth in imports accelerated faster than exports and resulted in the trade deficit widening by R20.5 billion in the third quarter of 2015 from R300 million in the second quarter. It is worth noting that South Africa is ranked number 41 with a total export of R981 billion out of 242 countries in terms of global export.

**Figure 9: South Africa's Trade from Q1 2007 to Q3 2015**



### South Africa's top five import partners

South Africa's top five import partners from Q1 to Q4 2014 have been China, Germany, United States of America, India and Japan. China's and Germany's imports to SA totalled R51 billion and R33 billion in the third quarter of 2015, respectively. About 99 per cent of South Africa's total imports from China were from the manufacturing sector (R50.2 billion), mostly from the following industries; metals, metal products, machinery and equipment (R14 billion) and electrical machinery and apparatus (R12 billion). Imports from Germany comprised of manufactured products and transport equipment. In the third quarter of 2015, South Africa's demand for US and India imports grew by 4.5 per cent and 14.3 per cent, after reported decreases of 9.7 percent and 2.2 per cent in the previous quarter, respectively.

**Figure 10: South Africa's top five imports partners from Q1 2010 to Q3 2015**

### South Africa's top five export partners

China remained South Africa's leading export trading partner for the past six years. In the fourth quarter of 2013, the exports to China reached R33.5 billion resulting mainly from increased exports of base metals and articles of base metal increasing by 22.6 per cent; and Mineral products by 21.9 per cent. South Africa's exports to China decreased to below R25 billion since 2013 driven by a notable average decline of 45 per cent in exports of mineral products, and 10 per cent of base metals and articles of base metal in 2014 compared to 2013. However, in the third quarter of 2015 exports to China improved by 17 per cent year on year due to the rise in demand of the above mentioned commodities by China.

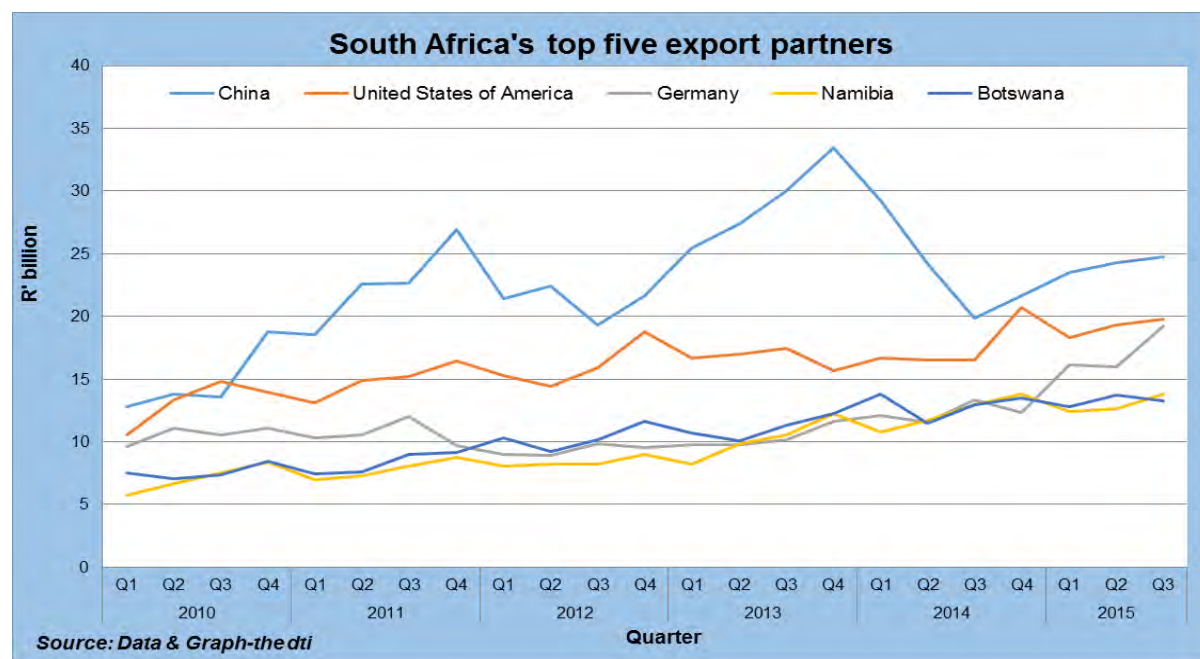
Over the past five years, the United States has been the second largest consumer of commodities from South Africa. Exports to the US increased from about R10 billion in the first quarter of 2010 to R19.2 billion in the third quarter of 2015. The top exported commodities includes natural or cultured pearls, precious or semi-precious stones, precious metals, vehicles, aircraft, vessels and associated transport equipment, and mineral products.

In the third quarter of 2015, exports to Germany increased by 44 per cent year on year making Germany the third export partner to South Africa. The value of South African exports to Germany in the third quarter of 2015 totalled R19 billion. The top export commodities to Germany includes vehicles, aircraft, vessels and associated transport equipment, natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof. South Africa's exports to Namibia increased from R6.7 billion in the first quarter of 2007 to R13.6 billion in the third quarter of 2015. The top export commodities were machinery and mechanical appliances; electrical equipment, vehicles, aircraft, vessels and associated transport equipment, prepared foodstuffs; beverages, spirits and vinegar; tobacco and manufactured tobacco substitutes, products of the chemical or allied industries and base metals and articles of base metal.

South Africa's exports to Botswana grew steadily from R7.5 billion in the first quarter of 2007 reaching R13.3 billion in the third quarter of 2015 but dropped slightly in the third quarter of 2015. The top export commodities to Botswana were mineral products, machinery and mechanical appliances; electrical equipment, natural or cultured

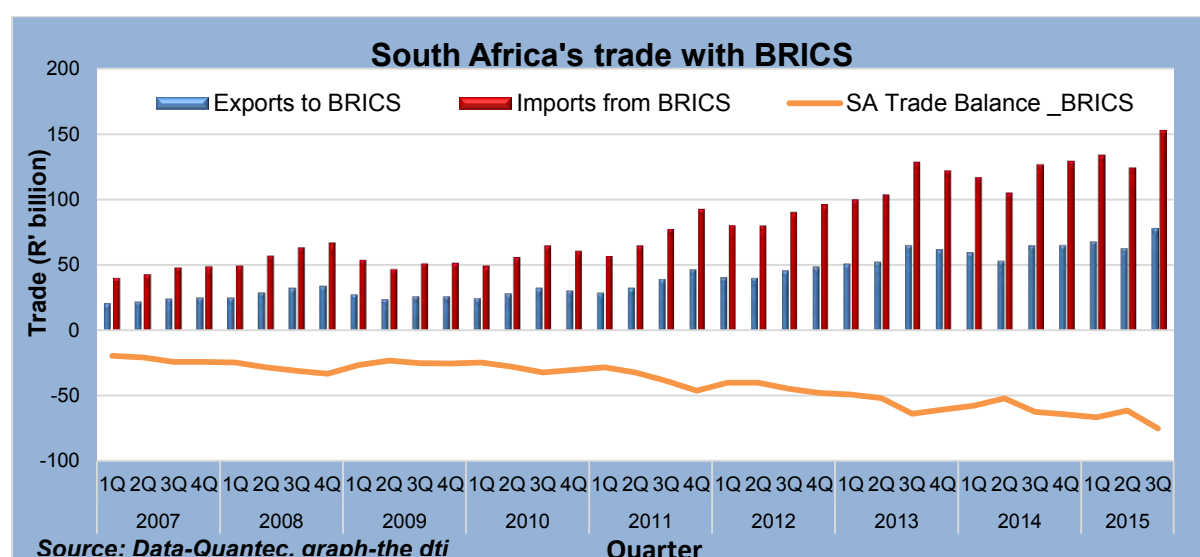
pearls, precious or semi-precious stones, vehicles, aircraft, vessels and associated transport equipment, and products of the chemical or allied industries and constitutes 65 per cent of the exported goods.

**Figure 11: South Africa's top five imports partners from Q1 2010 to Q3 2015**



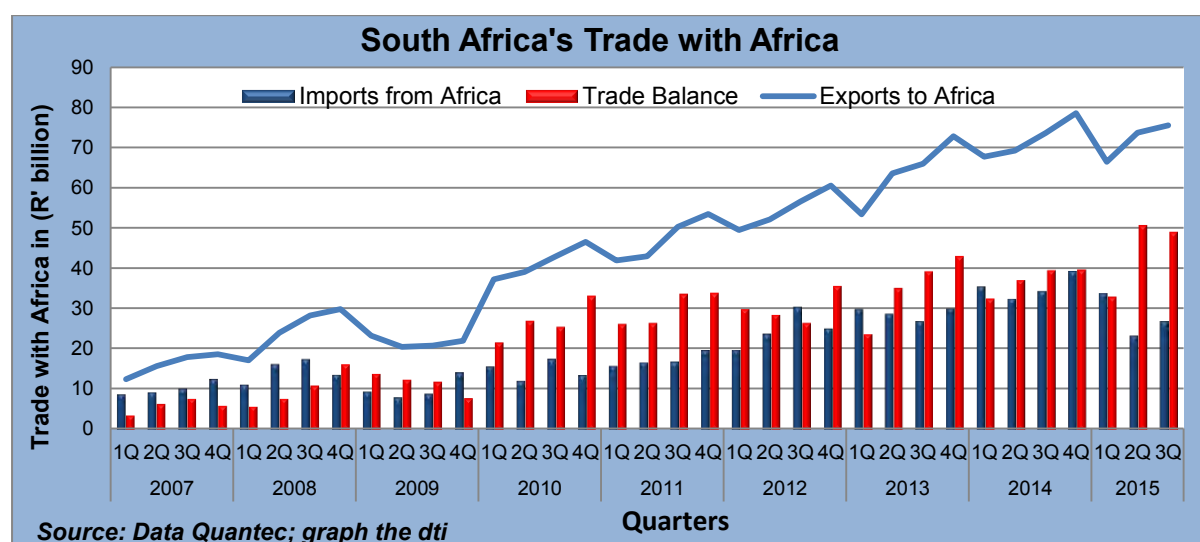
### South Africa's Trade with BRICS

In the third quarter of 2015, exports of goods to BRICS from South Africa dropped by 4.3 per cent, whereas imports soared by 22 per cent. Exports to BRICS were weighed down by China and India's weak demand of 11 per cent and 21 per cent, respectively. South Africa's exports to BRICS comprised largely mining sector commodities. Leading industries were; other mining and quarrying and coal and lignite, majority of these products were exported to China, Brazil and India. The high demand for BRICS's goods by South Africa in the third quarter of 2015 has widened the trade deficit to R38 billion, the highest since the first quarter of 2007.

**Figure 12: South Africa's Trade with BRICS from Q1 2007 to Q3 2015**


### South Africa's Trade with Africa

South Africa's exports to Africa grew to R76 billion in the third quarter of 2015, the highest record since the first quarter of 2007. SADC is the largest importer of South Africa's manufactured goods, accounting for over 85 per cent of SA's total exports to the continent. South Africa's trade with Africa remained in surplus. However, the trade surplus dropped to R1.7 billion in the third quarter of 2015 from R50 billion recorded in the previous quarter.

**Figure 13: South Africa's Trade with Africa from Q1 2007 to Q3 2015**


### South Africa's export partners by region

The exports to Southern African Development Countries (SADC) increased from R7.8 billion in the first quarter of 2007 to R64 billion in the third quarter of 2015 mainly due to high demand of South African exports of machinery, chemical product and products of iron and steel. This indicates that there are opportunities to be leveraged in the metal fabrication, capital and transport equipment.

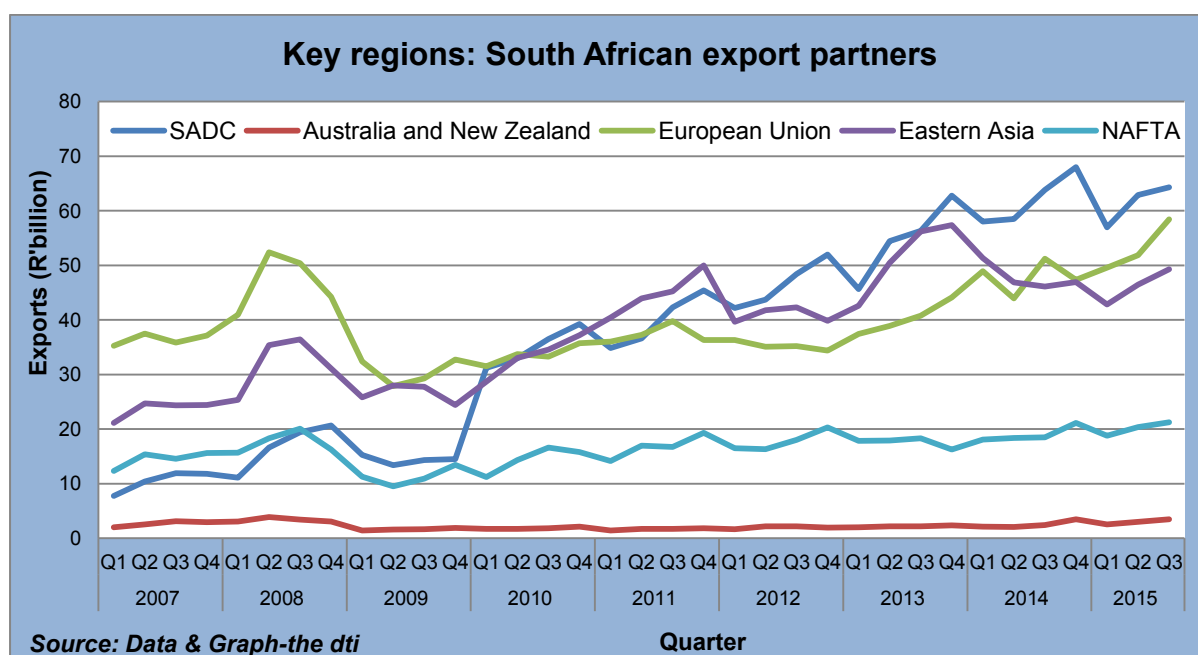


South African exports to the EU increased from approximately R35 billion in the first quarter of 2007 to R58 billion in the third quarter of 2015 driven by the high demand of South African exports of precious metals, mineral products, vehicles and aircraft commodities. However, precious metals growth decreased by 8 per cent in the third quarter of 2015. The highest demand for these commodities was from the following countries: Netherlands, Germany, Italy, Spain, Belgium, Austria and the United Kingdom (UK).

The exports to Eastern Asia have steadily increased from R21 billion in the first quarter of 2007 to R49 billion in the third quarter of 2015. The top three commodities that Eastern Asia has been importing from SA are minerals, precious metals, products of iron and steel. The average proportion of China's imports comprised 28 per cent of the minerals products and the remaining is shared across other countries. Japan is the largest importer of precious metals from South Africa approximated at an average of 13 per cent in the period under review.

North Atlantic Free Trade Agreement (NAFTA) is the fourth largest importer of South African goods importing approximately R21 billion in the third quarter of 2015. United State of America (USA) is the largest importer with a share of 94 per cent of the SA exports to the region. The main commodities were, namely: vehicle and aircraft, machinery, products of iron and steel, mineral and chemical products constituting about 87 per cent of total. Australia and New Zealand imported R3.8 billion commodities from South Africa in the third quarter of 2015. The most bought goods in this region are mainly vehicles and aircraft (36 per cent), chemical products (16 per cent) and machinery (11 per cent).

**Figure 14: Key regions South Africa's export partners by region**

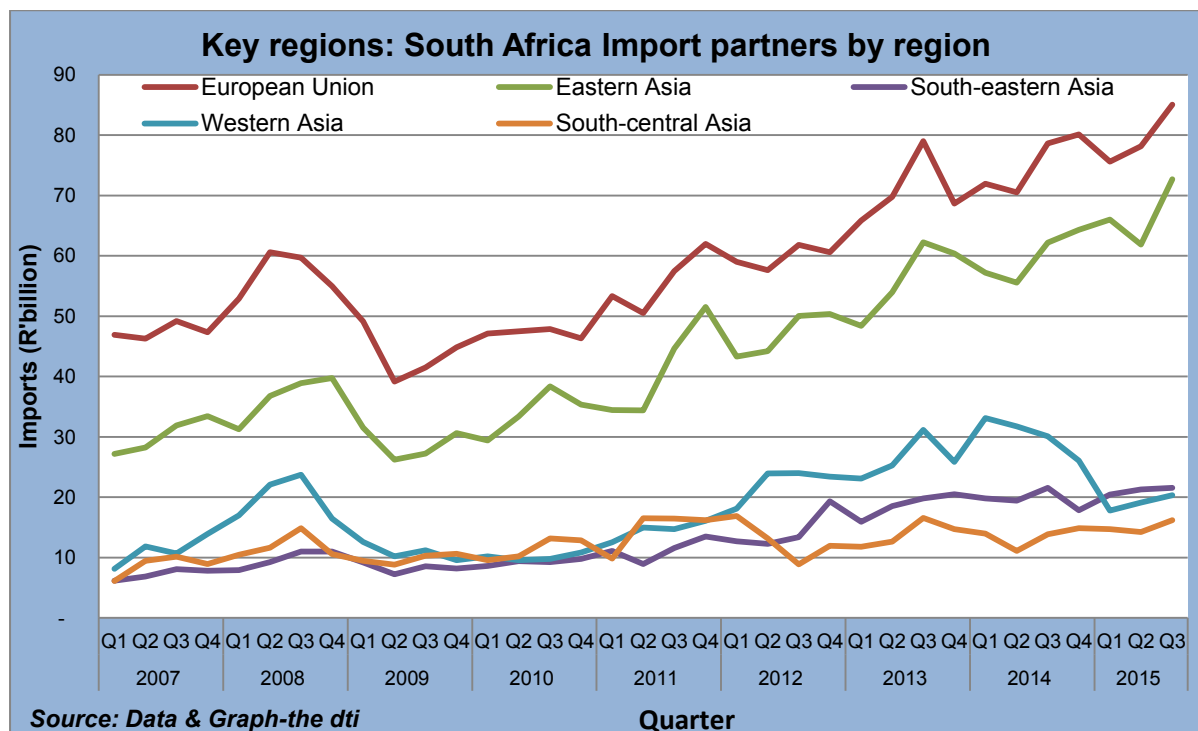


### South Africa's Imports Partners by regions

The imports from the European Union increased from R 46 billion in the first quarter of 2007 to R85 billion in the third quarter of 2015. Almost 40 per cent of the goods imported were from Germany, 10 per cent from the United Kingdom and 8 per cent from Italy, making the three countries account for 58 per cent of total imports in the third quarter of 2015. This increase can be attributed to the growth in the imports of machinery (4 per cent), and vehicle and aircraft (15 per cent). South Africa imported goods amounting to R72.7 billion from Eastern Asia in the third

quarter of 2015. About 75 per cent of the goods were imported from China followed by Japan with 18 per cent. The most imported goods were machinery (45 per cent), vehicles aircraft and vessels (9 per cent), products of iron and steel (7 per cent). The imports from Western Asia increased from R11.9 billion in the first quarter of 2007 to R20 billion in the third quarter of 2015. The imports from South-eastern Asia have increased significantly from R9 billion in the first quarter of 2007 to R20 billion in the third quarter of 2015. South-central Asia is the fifth largest exporter to South Africa with approximately R16 billion in the third quarter of 2015.

**Figure 15: Key regions South Africa's imports partners by region**



## 6.2 Performance delivery environment

The Department will continue to execute its mandate, which is to create an enabling environment for the growth and competitiveness of manufacturing and productive sectors to support job creation and transformation. This will be achieved through the implementation of a new iteration of the annual three year rolling IPAP, thereby solidifying the manufacturing and other value adding sectors with increased value in both the domestic and export markets.

One of the key priorities of the Department is the implementation of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) (B-BBEE Act) including the trumping clause. The phased-in operationalisation of the BEE Commission will aid in the effective implementation of one of the key provisions of the B-BBEE Act, 2003 such as receiving investigations of fronting cases. The advocacy and education of the revised codes will receive focus with regards to facilitating FDI for multinationals operating in SA, sectoral transformation and regulation of the BEE verification professionals.

The Department will also focus on spearheading the implementation of the Black Industrialists Programme. The Programme is part of government's broad industrialisation activities to expand the industrial base and promote sustainable economic growth and transformation, through support to black-owned entities in the manufacturing and related high value-adding services sectors. This implementation will involve collaboration with development finance institutions and state-owned companies, including the private sector, in order to facilitate access to funding, markets and other business development services.

Economic participation will further be broadened through the implementation of the SEZ Act 2014, (Act No.16 of 2014), which makes provision for procedures and processes for designation, management and operation of new and existing SEZ's in provinces.

During the 2015/16 financial year, the department embarked on several projects mandated by the Minister and Cabinet pertaining to the following areas of work: liquor policy, gambling policy and credit law. The liquor policy deals with, amongst others, harmonisation of and combating liquor regulation in all spheres of government, introducing strict liability for those who manufacture, distribute and trade illegally and allowing trading outlets in zoned areas. No new entrants will be allowed to trade within 500 metres of religious and educational institutions. The policy was approved for public consultation and it will be considered by Cabinet in the last quarter of 2015/16 financial year. The gambling policy will also be considered by Cabinet in March 2016.

In the area of credit, interest rates cap regulations have been consulted upon and issued by Minister Davies. The Credit Life Insurance Regulations are being consulted upon with the public. Regulations regarding registration of all credit providers (big and small) have been approved by the Minister for wider consultation. Affordability assessment Regulations came into force in September 2015. **the dti** is working closely with the Department of Justice and Constitutional Development in order to encourage the Magistrates to apply the affordability assessment criteria before they issue garnishee orders. The Copyright Bill that deals with the protection of performers, artists and other copyright holders will be considered by Cabinet in March 2016.

The financial crisis of 2008 resulted in world exports contracting by a massive 23% in 2009. This was followed by a pronounced recovery of 22% in 2010. This recovery was sustained in 2011 with growth in world exports of almost 19%. World trade however, slowed during 2012 and continues to be sluggish at the end of 2015. Developing economies exports, including South Africa's, followed this post financial crisis pattern, although with a consistently better performance than exports from developed economies.

Emerging countries such as China, India, as well as a number of Sub-Saharan African countries have increasingly become more important role players in South Africa's export basket. Conversely, developed economies such as Germany, the UK, and the Netherlands have all lost their footing in South Africa's export market.

Africa is experiencing its longest income boom in 30 years, with GDP growth rates averaging about 5% annually over the past decade. Africa is predicted to have the world's fastest-growing economy, during the next five years of any continent. Forecasts also show that seven of the world's 10 fastest-growing economies will be African, with Ethiopia, Mozambique, Tanzania, Congo, Ghana, Zambia and Nigeria expected to expand by more than 6% a year until 2015.

As export diversification has many benefits such as reducing the country's vulnerability to external shocks, creating learning opportunities, and correlates with high rates of economic growth, it is essential, therefore, for South Africa to enhance its export composition by diversifying into new markets with exports as well as intensifying its present export basket.

In this context, **the dti** will continue to leverage market opportunities to benefit South Africa's economic development priorities in targeted markets and building on its Market Diversification Strategy to ensure that South Africa's exports to conventional markets stabilise and ensure higher export growth to emerging markets.

The Department has proposed an amendment to the budget programme structure through the MTEF 2016 process. The changes include the spilt of Programme 7: TISA into Trade Export South Africa (TESA) and the department's eighth and new budget programme will be called Programme 8: Investment South Africa (ISA).

Sub-Sahara Africa is poised to grow at an average rate of 5% over the next 5 years and South Africa has emerged as the ideal location for investors to launch their businesses into the continent. The focus of ISA will be to capitalize on this opportunity and to increase the quality and quantum of foreign direct and domestic investment into South Africa, while encouraging South African businesses to invest in the rest of Africa. Retaining existing investors and supporting their expansion has become critical in the current global economic climate. The unit will therefore play an active role in improving the investment climate by reducing red tape, unblocking and fast tracking processes through the rollout and management of a One Stop Shop in each province which will ensure ease of doing business.

The purpose and the sub-programmes are covered under paragraph 12. It is important to note that the proposed programme is in-line with the government priorities as outlined in the State of the Nation Address (SONA).

### **6.3      Organisational environment**

During the three quarters of the 2015/16 financial year, **the dti** recruited 181 employees; i.e. 146 new appointments and 35 internal promotions were made. The vacancy rate has increased from 7.4% as at 30 September 2015 to 8.2% as at 31 December 2015 which was as a result of the number of terminations that exceeded the number of appointments as well as a high number of internal promotions. Furthermore, focus is also placed on the achievement of turnaround times, which necessitates the implementation of **the dti** Recruitment Standard Operating Procedures. Improving attraction of prime candidates will further be achieved through the communication of **the dti** Employer Value Proposition (EVP) and investing, as may be appropriate, in alternative sourcing methods such as electronic and social media.

To ensure that the Human Resource Plan is implemented effectively, various initiatives to guarantee the availability of sufficient human resource capacity will be embarked upon. The following are priority areas:

- i. The resourcing of the Special Economic Zones and Economic Transformation (SEZ and ET) Programme. This Programme originated from the restructuring of the Broadening Participation Programme and the Incentive Development and Administration Programme (IDAD). The focus of the SEZ and ET Programme is on the establishment of SEZs and the revitalisation of the Industrial Parks via the newly created Project Management Unit. The Programme will also boost private sector

investment in the industrial sector through the provision of customised incentives for enterprises located in SEZs.

- ii. The introduction of dedicated support for Black Industrialists and supplier development are envisaged to ensure that Black Economic Empowerment (BEE) takes its rightful position as a lever of inclusive economic growth. The SEZ and ET Programme will be responsible for the support to Black Industrialists over the next three years via the establishment of a Black Industrialist Programme.
- iii. The resourcing of the division ISA is also a priority. This Unit originated from the split of the Trade and Investment South Africa Programme and will function as a one stop Inter-departmental clearing house addressing investor complaints and challenges.

Funds have been reprioritised to provide for the key positions that are required for the above-prioritised areas.

The cumulative turnover rate of 5.3% as at 31 December 2015 and annualised at 7.1% compares favourably with labour trends. The converse of the turnover rate is the retention rate which is at 92.9%. Succession and retention plans will continue to be developed and implemented across the Department.

Developing the skills required to fulfill the strategic objectives of the Department has always been a priority. While various interventions are in place to attract skills from the private sector (e.g. bursaries to external candidates) focus will be on building and developing internal human resource capacity. Various interventions such as the Internship Development Programme and the Learnership Programme will continue.

The bursary and scholarship programmes are other key interventions that aim to enhance the management and operational capabilities in **the dti**. Financial assistance is offered to the following officials or prospective employees:

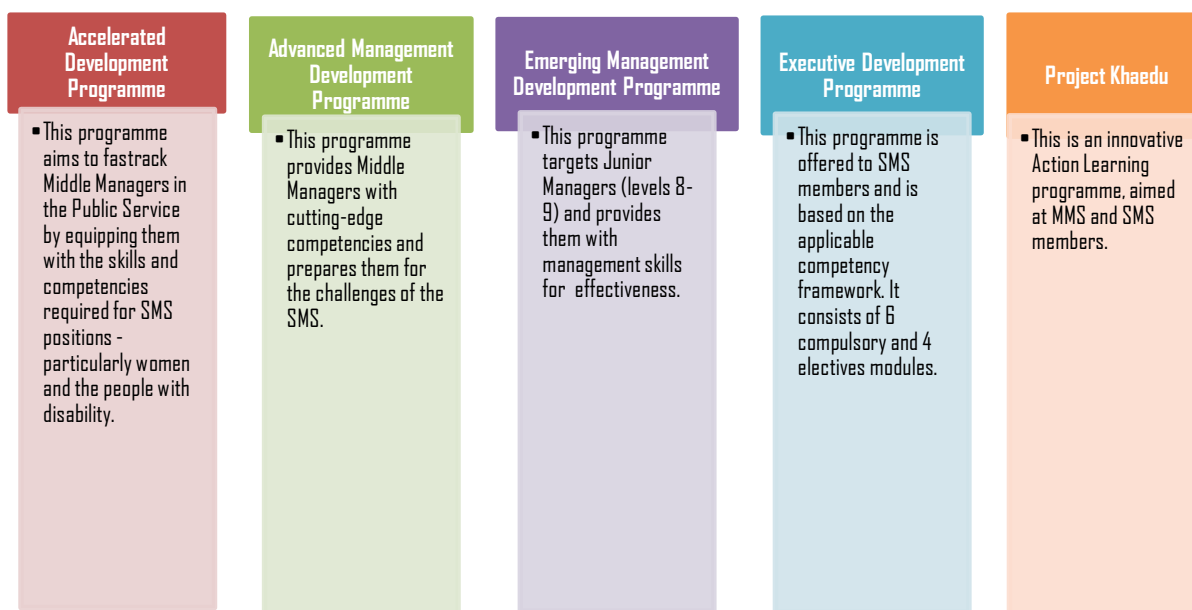
- Serving **dti** officials – completing part-time studies.
- Prospective **dti** employees – completing full-time studies (usually for under- and post graduate studies).

The design and development of training and development programmes is planned to ensure the upskilling of specialists not only within the department but also South Africans and other African nationalities within the economic environment. These include programmes such as the Economic Development and Industrial Policy Programme, Economic Diplomacy Programme, as well as the Black Industrialists Programme in collaboration with tertiary institutions and business. However, funding for these programmes (which include further development and providing bursaries) remains a challenge and funding will have to be reprioritised.

The development and implementation of leadership development programmes to implement consistent leadership development initiatives and thus establish leadership strength will continue. This should allow for leadership stability with specific reference to situations where senior executives are deployed to assist with the establishment of newly created departments or public entities that result in senior managers being responsible for protracted acting periods in “vacant positions”.



The suite of Management development programmes includes the following:



Scholarships are mainly offered by foreign donor countries and can include financial assistance for full-time post graduate studies or short courses ranging in duration from five days to three months.

Educational outreach programmes were also delivered by means of career fairs, schools visited, community outreach events and radio coverage. The afore-mentioned interventions for the end of the third quarter of the 2015/16 financial year reached approximately 2 650 students and learners.

the dti's youth development flagship initiative is the internship programme. During 2015/16 the dti recruited and placed 70 interns to provide opportunities to gain practical experience in the workplace and enhance their productivity potential. The 2015/16 intern intake has seen approximately 8 000 applications being received, indicating a keen interest in the dti as an employer of choice. 69 interns are expected for the 2016/17 financial year. As at 31 December 2015, 1 387 employees were trained.

A representative workforce remains a priority on the transformation agenda of the Department. Targets such as women in senior management, the employment of people with disabilities and complying with the Economically Active Population (EAP) are the focal areas.

Thus far, great strides have been made to appoint women in senior management positions and their representation stood at 48% as at 31 December 2015. The key challenge is that when opportunities become available for pipeline middle managers these do not result in appointments due primarily to inadequate preparation by staff, a matter that will be attended to in the ensuing year.

The Department is doing relatively well with regard to People with Disabilities. The representation was 2.98% as on 31 December 2015. A focal area is to have a fair distribution across all salary levels.

the dti continues to maintain a healthy working relationship with organised labour with a view to promoting good relations between employer and employees. Some of the matters of common interest discussed at the

Departmental Bargaining Chamber are various human resources policies, and redesigning of organisational structures.

In terms of grievances, the Department has seen an increase in the number of grievances that were handled. There were 61 grievances as at 31 December 2015. These are mainly due to the majority of cases revolving around stringent measures implemented for non-compliance to the performance management system as well as dissatisfaction around the outcomes of the recruitment processes.

The revised value proposition of **the dti** relating to women and youth-led economic involvement is designed to enhance economic transformation by addressing the persistent limitations and exclusions in the economy and their obvious impacts.

### **Gender and designated groupings**

**the dti's** plan is to produce a Single Inclusive Mainstreaming Framework (SIMF) supported by handbooks for the various designated groupings. The idea is not to reinvent these policies but rather to infuse them with vigour through well-designed implementable and viable proposals for increased participation of the targeted beneficiaries in the mainstream economy.

**the dti** acknowledges the August 2015 Report on "*The Status of Women in the South African Economy*" published by the Department of Women. There is a clear reference to inherent hindrances that require deliberate measures to enhance participation and graduation to higher value-chain levels of industrialisation for the designated groupings.

The SIMF is thus examining best practice models that will assist in addressing the priority barriers to entry, linkages, poor access to markets and information as well as enhances the competitiveness of the supply chain and future opportunities for match-making exercises where necessary, for the designated groupings. Government continues to step up its role in expanding the infrastructure of the state-owned enterprises and leveraging assets to promote urban and industrial development as well as create investment and market access opportunities both domestically and internationally.

The SIMF also proposes to drive incubation and access to information through one-stop points within SEZ and Industrial Parks across the country. Certification and affirmation of women-owned businesses and factories and products is also a main pillar of the SIMF geared towards positioning women, youth and persons with disabilities as preferred suppliers for government and SOEs in line with B-BBEE and Black Industrialists requirements for participation.

Furthermore, **the dti** intends to maintain databases of individuals accredited for reliability, integrity and excellence as well as those who have acquired the designated skills. The databases for opportunities to supply are in place and are continuously updated but will now be scrutinised to eliminate any skewed reflections.

**the dti** is currently running initiatives under Programs 5: Consumer and Corporate Regulation such as training for Board members linked to women mentorship support for leadership in decision making positions. Program 1: Administration will identify procurement and supply chain processes to have databases. The SIMF also recommends the leveraging of the capital expenditure and government-wide procurement to stimulate demand

and support of the local manufacturing base of women and youth-led factories through effective technical advice at location. Provision of access to IT and ICT services through partnership initiatives with private sector like the Techno-girl and the Take-a-girl child initiative will also receive prioritisation for mainstreaming to ensure inclusive budgeting, implementation and reporting.

The SIMF is also pursuing the design of a much more disaggregated monitoring and evaluation tool to guide reporting on the designated groupings in the economy to ensure timeous reporting and alignment with government –wide planning and monitoring processes to promote advocacy and lobbying as well as a sustained voice of the designated groupings whilst enhancing the outreach of government efforts and initiatives.

## 7 Legislative and Other Mandates

the dti's work is governed by a broad legislative framework, as outlined below:

**Table 1: Key Legislation**

<b>Name of Act</b>	<b>Purpose</b>
<b>1.</b> Abolition of the Fuel Research Institute and Coal Act, 1983 (Act No. 30 of 1983)	To repeal the Fuel Research Institute and Coal Act, 1963, and provide for the vesting of the assets and liabilities, and the transfer of the employees of the Fuel Research Institute in and to the Council for Scientific and Industrial Research (CSIR).
<b>2.</b> Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	To provide for an internationally recognised and effective accreditation and monitoring system for the Republic of South Africa by establishing SANAS as a juristic person; to recognise SANAS as the only accreditation body in the Republic for the accreditation of conformity assessment and calibration as well as monitoring of good laboratory practice.
<b>3.</b> Alienation of Land Act, 1981 (Act No. 68 of 1981)	To regulate the alienation of land in certain circumstances and to provide for matters connected therewith.
<b>4.</b> Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue Codes of Good Practice and publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.
<b>5.</b> Companies Act, 2008 (Act No. 71 of 2008)	To provide a new legislative framework for the incorporation, registration and management of companies; to establish a Companies and Intellectual Property Commission (CIPC) and Companies Tribunal; and to provide for matters connected therewith.
<b>6.</b> Consumer Protection Act, 2008 (Act No. 68 of 2008)	To promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection; to provide for improved standards of consumer information; to prohibit certain unfair marketing and business practices; to promote responsible consumer behaviour; to promote a consistent legislative and enforcement framework relating to consumer transactions and

Name of Act	Purpose
	agreements; to establish the National Consumer Commission (NCC); and to repeal certain laws.
7. Convention on Agency in the International Sale of Goods Act, 1986 (Act No. 4 of 1986)	To provide for the application in the Republic of the Convention on Agency in the International Sale of Goods adopted by the International Institute of the United Nations Organisation for the unification of Private Law.
8. Copyright Act, 1978 (Act No. 98 of 1978)	To regulate copyright in respect of, inter alia, artistic works, dramatic works, computer programs, musical and literary works.
9. Counterfeit Goods Act, 1997 (Act No. 37 of 1997)	To strengthen prohibitions on trade in counterfeit goods; confer powers on inspectors and the police to enter and search premises, with and without a warrant; and confer powers on Customs and Excise to seize and detain suspected counterfeit goods.
10. Designs Act, 1993 (Act No. 195 of 1993)	To consolidate the law relating to designs; to provide for the registration of designs; and to delineate the rights pertaining thereto.
11. Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	To promote 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.
12. Expropriation (Establishment of Undertakings) Act, 1951 (Act No. 39 of 1951)	To provide for the expropriation of land and the taking of the right to use land temporarily for or in connection with the objects or undertakings of national importance.
13. Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988)	To regulate the alienation of certain interests in housing development schemes for retired persons and to provide for matters connected therewith.
14. Intellectual Property Laws Rationalisation Act, 1996 (Act No. 107 of 1996)	To provide for the integration of intellectual property rights subsisting in the ex-TBVC (Transkei, Bophuthatswana, Venda and Ciskei) into the national system; to extend the South African intellectual property rights legislation throughout the Republic; and to repeal certain intellectual property laws.
15. International Convention for Safe Containers Act, 1985 (Act No. 11 of 1985)	To provide for the application in the Republic of the International Convention for Safe Containers so as to maintain a high level of safety of human life in the handling, stockpiling and transporting of containers.
16. Legal Metrology Act, 2014 (Act No. 9 of 2014)	To provide for the administration and maintenance of legal metrology technical regulations in order to promote fair trade and protect public health and safety and the environment; and to provide for matters connected therewith.
17. Liquor Act, 2003 (Act No. 59 of 2003)	To establish national norms and standards to maintain economic unity within the liquor industry; to provide for essential national standards and minimum standards required for the rendering of services; to provide for measures to promote co-operative government in the area of liquor regulation; and to provide for matters connected therewith.

Name of Act	Purpose
<b>18.</b> Lotteries Act, 1997 (Act No. 57 of 1997)	To establish a National Lotteries Board and regulate and prohibit lotteries and sports pools.
<b>19.</b> Manufacturing Development Act, 1993 (Act No. 187 of 1993)	To establish the Manufacturing Development Board; to provide for the establishment of programmes for manufacturing development; and for matters incidental thereto.
<b>20.</b> Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	To provide for the use of measurement units of the International System of Units; to provide for the designation, keeping and maintenance of national measurement units and standards; to provide for the establishment and functions of the National Metrology Institute; and to provide for the repeal of certain laws.
<b>21.</b> Merchandise Marks Act, 1941 (Act No. 17 of 1941)	To make provision concerning the marking of merchandise and of coverings in or with which merchandise is sold and the use of certain words and emblems in connection with business.
<b>22.</b> National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards.
<b>23.</b> National Credit Act, 2005 (Act No. 34 of 2005)	To promote a fair and non-discriminatory marketplace for access to consumer credit and for that purpose to provide for the general regulation of consumer credit and improved standards of consumer information.
<b>24.</b> National Empowerment Fund Act, 1998 (Act No. 105 of 1998)	To establish a trust to promote and facilitate ownership of income-generating assets by historically disadvantaged persons, particularly assets in state-owned enterprises made available at a discount as part of restructuring programmes; gives powers to the trust to enable it to establish sub-trusts and investment companies to promote black economic empowerment.
<b>25.</b> National Gambling Act, 2004 (Act No. 7 of 2004)	To provide for the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and to provide for the continued regulation of those matters; for that purpose to establish certain uniform norms and standards applicable to national and provincial regulation and licensing of certain gambling activities; to provide for the creation of additional uniform norms and standards applicable throughout the Republic; to retain the National Gambling Board; to establish the National Gambling Policy Council; to repeal the National Gambling Act, 1996; and to provide for matters incidental thereto.
<b>26.</b> National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	To provide for the administration and maintenance of compulsory specifications in the interest of public safety, health and environmental protection; and to provide for the establishment of the National Regulator for Compulsory Specifications.

Name of Act	Purpose
<b>27.</b> National Supplies Procurement Act, 1970 (Act No. 89 of 1970)	To empower the responsible Minister to manufacture, produce, acquire, hire or import goods; to acquire, hire or supply services; and to exercise control over goods and services and the manufacture, production, processing and treating of goods; and to provide for the establishment and administration of a National Supplies Procurement Fund.
<b>28.</b> Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993)	To provide for control over weapons of mass destruction and to establish a council to control and manage matters relating to the proliferation of such weapons in the Republic; to determine its objectives and functions; and to prescribe the manner in which it is to be managed and controlled.
<b>29.</b> Patents Act, 1978 (Act No. 57 of 1978)	To provide for the registration and granting of letters, patents for inventions and for the rights of a patentee.
<b>30.</b> Performers Protection Act, 1967 (Act No. 11 of 1967)	To provide for the protection of the rights of performers of literary and artistic works.
<b>31.</b> Property Time Sharing Control Act, 1983 (Act No. 75 of 1983)	To regulate the alienation of time-sharing interests pursuant to property time-sharing schemes.
<b>32.</b> Protection of Businesses Act, 1978 (Act No. 99 of 1978)	To restrict the enforcement in the Republic of certain foreign judgments, orders, directions, arbitration awards and letters of request; to prohibit the furnishing of information relating to businesses in compliance with foreign orders, directions or letters of request.
<b>33.</b> Rationalisation of Corporate Laws Act, 1996 (Act No. 45 of 1996)	To provide that certain corporate laws shall apply throughout the Republic of South Africa, to repeal certain corporate laws and provide for the retrospective incorporation of certain putative close corporations.
<b>34.</b> Registration of Copyright in Cinematograph Films Act, 1977 (Act No. 62 of 1977)	To provide for the registration of copyright in cinematograph films and for matters connected therewith.
<b>35.</b> Share Blocks Control Act, 1980 (Act No. 59 of 1980)	To control the operation of share block schemes, i.e. any scheme in terms of which a share, in any manner whatsoever, confers a right to or an interest in the use of immovable property.
<b>36.</b> Space Affairs Act, 1993 (Act No. 84 of 1993)	To provide for the establishment of a Council to manage and control certain space affairs in the Republic; to determine its objects and functions; and to prescribe the manner in which it is to be managed and controlled.
<b>37.</b> SEZ Act, 2014 (Act No. 16 of 2014) [Enacted on 19 May 2014, but has not yet commenced]	To provide for the designation, development and management of SEZ; to establish an advisory board and a fund; to regulate the issuing, suspension, withdrawal and transfer of permits; and to provide for matters connected therewith.
<b>38.</b> Standards Act, 2008 (Act No. 8 of 2008)	To provide for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services; and for that

Name of Act	Purpose
	purpose to provide for the continued existence of the SABS, as the peak national institution; to provide for the repeal of the Standards Act, 1993; and to provide for transitional arrangements.
39. Sugar Act, 1978 (Act No. 9 of 1978)	To consolidate and amend the laws relating to the sugar industry; and to provide for matters incidental thereto.
40. Temporary Removal of Restrictions on Economic Activities Act, 1986 (Act No. 87 of 1986)	To empower the President to suspend temporarily laws or conditions, limitations or obligations there under, if their application unduly impedes economic development or competition.
41. Trade Marks Act, 1993 (Act No. 194 of 1993)	To consolidate the law relating to trademarks and to provide for the registration of trademarks, certification of trademarks and collective trademarks and for the protection of rights relating thereto.
42. Unauthorised Use of Emblems Act, 1961 (Act No. 37 of 1961)	To provide for the continued operation of certain laws relating to the use of certain emblems and representations, and to extend the scope of such laws.

## 8 **Future Policy Development**

An extensive consultative process of the review of the Integrated National Export Strategy (INES) which is aimed at increasing South Africa's capacity to export diversified and value added products to various global markets and strengthening the country's export performance by enhancing the trade and business environment and improving the competitiveness of companies and sectors, has been completed.

Following the consultative process, the Department is currently embarking on conducting research, assessing alternative public policy options and coordinating the call for evidence to a White Paper process on the proposed National Export Development and Promotion Bill in South Africa and to propose recommendations, including the institutional framework. The Socio-Economic impact assessment system (SEIAS) seeks to improve South Africa's export environment and international competitiveness by advocating for the introduction of a legislative instrument such as the proposed Bill which would give weight and substance to the implementation of the export strategy. The SEIAS outcome will be followed by a National Consultative Workshop that will consolidate and report on all inputs from the stakeholders impacted by the proposed INES. Thereafter the consolidated INES will be launched.

The Department will continue under the National Exporter Development Programme (integral part of INES) to develop a pool of export ready companies, enhancing the exporter base through the Global Exporter Passport Programme. An accredited Passport Programme by the South African Qualification Authorities will be rolled out across the country which will give impetus to the increase in the export of value-added products, realise employment gains and induce economic growth.



## 9 Recent Court Rulings

### 9.1 **Gidani vs Minister of Trade and Industry and Three Others**

Gidani lodged an application in the Northern Gauteng High Court to review and set aside the decision of the Minister to appoint Ithuba (Pty) Ltd as the preferred applicant and to award the license agreement to Ithuba.

The Court upheld the decision of the Minister to appoint Ithuba as the preferred applicant, but found the decision to award the license agreement to Ithuba to be irrational as the Minister could not have concluded that Ithuba had the financial resources to conduct the lottery in the light of the performance guarantee on the solvency of Ithuba, as well as the failure to insist on the payment of the required performance bond. The matter is remitted to the Minister for reconsideration and the order of invalidity was suspended for a period of one month.

### 9.2 **Business Partners Limited vs Minister of Trade and Industry and others**

The first Respondent joined the Minister of Trade and Industry and filed a counter application seeking an order that the provision of section 133 of the Companies Act, 2008 (Act No 78 of 2008) (the Act) be declared unconstitutional and in conflict with the provisions of the Constitution, 1996 in so far as Section 133 of the Act precludes legal proceedings against a company or close corporation during business rescue proceedings, but does not preclude legal proceedings, alternatively insolvency proceedings against a guarantee or surety of the same company or close corporation during such business rescue proceedings. The Court dismissed the constitutional challenge of Section 133 with costs.

## 10 Financial Plan (Expenditure Estimates)

The Department has proposed amendments to the budget programme structure through the MTEF 2016 process. The changes include the spilt of Programme 7: TISA into Trade Export South Africa and Programme 8: Investment South Africa.

The purpose and the sub-programmes are covered under paragraph 12. It is important to note that the proposed programme is in-line with the government priorities as outlined in the SONA.

<b>Trade and Industry</b>							
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>Audited outcome</b>	<b>Audited outcome</b>	<b>Audited outcome</b>	<b>Adjusted Budget</b>	<b>Medium-term estimates</b>		
Administration	695 900	686 918	699 945	768 304	736 625	756 453	788 840
International Trade and Economic Development	114 911	121 018	124 108	116 576	126 383	123 288	127 858
Special Economic Zones and Economic Transformation	227 458	231 221	235 120	89 704	108 282	108 971	112 488
Industrial Development	1 518 071	1 591 182	1 775 154	1 964 268	1 735 679	1 814 083	1 776 411
Consumer and Corporate Regulation	223 568	256 698	281 122	296 385	313 525	326 895	345 727
Incentive Development and Administration	4 387 296	5 101 863	5 176 717	5 827 591	6 922 407	5 772 956	5 095 242
Trade Export South Africa	237 923	306 648	329 638	386 762	336 539	339 386	333 624
Investment South Africa	29 716	32 370	37 959	48 254	48 077	48 448	51 195
<b>Total</b>	<b>7 434 843</b>	<b>8 327 918</b>	<b>8 659 763</b>	<b>9 497 844</b>	<b>10 327 517</b>	<b>9 290 480</b>	<b>8 631 385</b>

<b>Current payments</b>	<b>1 188 766</b>	<b>1 392 490</b>	<b>1 442 611</b>	<b>1 560 988</b>	<b>1 529 002</b>	<b>1 548 565</b>	<b>1 593 487</b>
Compensation of employees	623 456	734 013	815 309	897 730	930 311	912 451	938 361
Salaries and wages	553 897	655 700	728 738	792 282	792 607	774 572	790 255
Social contributions	69 559	78 313	86 571	105 448	137 704	137 879	148 106
Goods and services	564 823	658 477	627 302	663 258	598 691	636 114	655 126
Administrative fees	4 226	5 243	3 625	4 010	5 602	5 885	6 019
Advertising	29 208	41 374	29 644	29 323	31 914	32 839	33 295
Minor Assets	666	272	1 859	857	738	558	588
Audit costs: External	9 095	8 123	8 857	11 535	8 791	8 992	9 514
Bursaries: Employees	2 326	1 392	995	2 148	1 949	2 054	2 172
Catering: Departmental activities	4 207	5 618	1 815	4 384	4 753	5 193	5 501
Communication (GandS)	10 709	10 561	10 575	11 730	11 902	12 368	13 187
Computer services	17 155	18 318	17 107	28 198	18 965	19 203	20 975
Consultants: Business and advisory services	33 801	38 294	82 654	72 191	65 634	80 010	81 920
Infrastructure and planning services	-	-	281	-	-	-	-
Laboratory services	-	-	-	-	-	-	-
Legal services (GandS)	9 754	10 536	22 474	8 052	10 355	10 844	11 013
Science and technological services	-	-	-	-	-	-	-
Contractors	28 140	19 221	14 468	39 130	15 966	16 883	17 257
Agency and support/outsourced services	220	762	1 606	3 348	2 763	2 605	2 669
Entertainment	1 303	1 917	1 570	1 158	1 240	1 321	1 395
Fleet services (including government motor transport)	390	545	549	783	1 173	1 090	1 162
Inventory: Fuel, oil and gas	1	-	-	-	-	-	-
Inventory: Materials and supplies	422	-	-	-	-	-	-
Inventory: Other supplies	777	-	-	-	-	-	-
Consumable supplies	3	1 713	1 380	3 595	5 535	6 026	6 632
Consumables: Stationery, printing and office supplies	10 454	11 664	8 146	12 850	12 902	14 033	14 883
Operating leases	217 706	276 979	279 077	248 317	219 868	231 211	235 953
Rental and hiring	-	171	134	150	195	190	171
Property payments	12 763	8 055	7 983	13 825	9 559	9 482	10 200
Transport provided: Departmental activity	-	-	-	8	42	26	27
Travel and subsistence	100 161	110 709	84 301	103 661	105 881	107 382	111 124
Training and development	15 624	9 164	7 184	13 590	13 983	14 531	14 689
Operating payments	20 421	33 048	23 973	28 150	28 028	31 507	33 336
Venues and facilities	35 291	44 798	17 045	22 265	20 953	21 881	21 444
Interest and rent on land	487	-	-	4 010	-	-	-
Interest (Incl. interest on unitary payments (PPP))	487	-	-	29 323	-	-	-
Rent on land	-	-	-	857	-	-	-
<b>Transfers and subsidies</b>	<b>6 123 868</b>	<b>6 916 670</b>	<b>7 192 503</b>	<b>7 901 203</b>	<b>8 765 332</b>	<b>7 707 972</b>	<b>7 002 498</b>
Departmental agencies and accounts	533 425	639 895	731 758	591 879	601 404	651 876	657 178
Social security funds	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	533 425	639 895	731 758	591 879	601 404	651 876	657 178
Higher education institutions	22 600	-	-	3	3	3	3
Foreign governments and international organisations	37 344	36 737	26 598	31 738	33 585	34 523	36 524
Public corporations and private enterprises	5 445 518	6 140 913	6 295 176	7 128 588	7 970 182	6 868 544	6 163 293
Public corporations	1 929 311	1 635 897	1 326 700	1 483 449	1 242 574	1 295 836	1 277 781
Subsidies on products and production (pc)	2 000	1 500	1 501	1 572	1 655	1 738	1 839
Other transfers to public corporations	1 927 311	1 634 397	1 325 199	1 481 877	1 240 919	1 294 098	1 275 942
Private enterprises	3 516 207	4 505 016	4 968 476	5 645 139	6 727 608	5 572 708	4 885 512
Subsidies on products and production (pe)	3 117 507	3 964 498	4 557 687	5 187 312	6 176 716	5 096 771	4 379 071
Other transfers to private enterprises	398 700	540 518	410 789	457 827	550 892	475 937	506 441
Non-profit institutions	80 168	94 784	134 018	146 600	158 107	151 187	143 608
Households	4 813	4 341	4 953	2 395	2 051	1 839	1 892
Social benefits	1 846	1 574	2 249	1 060	800	800	846
Other transfers to households	2 967	2 767	2 704	1 335	1 251	1 039	1 046
<b>Payments for capital assets</b>	<b>40 078</b>	<b>17 594</b>	<b>19 933</b>	<b>35 653</b>	<b>33 183</b>	<b>33 943</b>	<b>35 400</b>
Machinery and equipment	36 215	10 979	19 438	30 700	20 596	20 767	21 698
Transport equipment	2 321	500	1 686	2 250	500	500	529
Other machinery and equipment	33 894	10 479	17 752	28 450	20 096	20 267	21 169
Software and other intangible assets	3 863	6 615	495	4 953	12 587	13 176	13 702
<b>Payments for financial assets</b>	<b>82 131</b>	<b>1 164</b>	<b>4 716</b>		-	-	-
<b>Total economic classification</b>	<b>7 434 843</b>	<b>8 327 918</b>	<b>8 659 763</b>	<b>9 497 844</b>	<b>10 327 517</b>	<b>9 290 480</b>	<b>8 631 385</b>

## **Expenditure analysis**

The work of the dti supports Outcome 4 (decent employment through inclusive growth), Outcome 7 (comprehensive rural development and land reform) and Outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium term strategic framework.

Further, the Department is committed to implementing the State President's 2015 9-point plan to ignite growth and create jobs. The Department plays a critical role in facilitating three of these nine priority interventions: beneficiation through adding value to mineral resources; a more effective implementation of a higher impact IPAP; and encouraging private sector investment. These national priorities inform the Department's spending priorities over the medium term, which are: increased investment facilitation, manufacturing incentives, supporting exports, and industrial spatial development.

The Department will also focus on developing a programme to promote the long term sustainable development of black industrialists. The programme will accelerate the participation of black industrialists in the national economy, both in terms of their numbers and their influence. The Department will create multiple, diverse instruments for black industrialists to enter targeted industrial sectors and value chains that are aligned with government developmental priorities and specifically the IPAP. A related medium term priority for the department is the establishment of a B-BBEE Commission to enforce the BEE regulatory framework. The Commission will strengthen and foster collaboration between the public and private sector in safeguarding the objectives of the B-BBEE Act, 2013.

The Department's compensation of employee's budget has been decreased by R95.3 million for 2017/18 and R144.8 million for 2018/19 due to the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. The Department's goods and services budget has been similarly reduced by R20 million for 2017/18 and R39 million for 2018/19. The reductions will adversely impact on the department's ability to deliver on the set up of the B-BEE Commission, the Investment Promotion and Inter-Departmental Clearing House and also the implementation of the black industrialist programme.

## **Increased investment facilitation**

The Department will manage the new Investment Promotion and Inter-Departmental Clearing House, a one-stop shop to facilitate investment, which is part of the 9-point plan. Government agencies involved in any aspect of investment, such as regulations, permits, licensing, infrastructure, and incentives, are to be brought into a single cohesive structure that coordinates and streamlines processes to provide prompt, efficient and transparent services to investors. Funds were reprioritised internally to provide partial funding for the new Investment South Africa programme. Additional funding for the full implementation of the programme will be sourced during the 2016 MTEF.

## **Manufacturing incentives**

58.1 per cent of the Department's budget goes to its manufacturing development incentives, that is, R10.2 billion over the medium term in the IDAD programme. Spending in the programme declines at an average annual rate of 4.4 per cent over the medium term due to the ending of the economic competitiveness and support package in 2017/18.

The Manufacturing Competitiveness Enhancement Programme (MCEP) provides enhanced manufacturing support aimed at encouraging manufacturers to upgrade their production facilities to sustain employment and

maximise value addition in the short to medium term. R45 billion in private sector investment over the medium term is expected to be leveraged through the programme. Due to significant demand, the funds in the MCEP are currently fully committed, as announced in October 2015, and subsequent openings for receiving of applications will be subject to the availability of funding.

### **Supporting exports**

The Department will continue to support South African exports through the Export Marketing and Investment Assistance scheme, which strengthens the export capabilities of assisted companies, by providing marketing assistance to grow existing export markets and develop new ones, and facilitates foreign direct investment through trade missions, among other forms of support. The scheme receives an allocation of over R640.3 million over the medium term in the Manufacturing Incentive sub-programme of the IDAD programme.

### **Industrial Infrastructure development**

The Department will continue with the implementation of its Special Economic Zones programme, which aims to attract investment in the existing industrial development zones and the newly proposed special economic zones.

To date, seven industrial development zones have been designated- two in Eastern Cape and KwaZulu-Natal, one in Western Cape and one in Gauteng with the seventh zone designated in September 2015 in Free State. Currently, there are 33 capital projects at various stages of development in these zones. Bulk infrastructure and top structures are financed through the special economic zones allocation in the Infrastructure Investment Support sub-programme within the IDAD programme linked to specific investors located in the zones. The department envisages expanding the programme over the medium term by designating more zones, with a SEZ proposed in each province. The Department is engaged in preparatory investigations into the viability of designating four new special economic zones in Northern Cape, Limpopo, Gauteng and Mpumalanga over the medium term. These zones will focus on sectors such as renewable energy, ICT and mineral beneficiation in line with priorities articulated in the 9-point plan and the IPAP, among others. R3.4 billion over the medium term is allocated to the special economic zones programme, including an additional R1.5 billion in 2018/19 in the Infrastructure Investment Support sub-programme of the IDAD programme. The allocation for the special economic zones programme has been decreased by R320 million over the medium term as part of Cabinet's decision to lower the national aggregate expenditure ceiling. This will reduce the number of infrastructure projects the programme can support.

To further support a regionally diverse industrial economy, in 2016/17 the Department will start reviving and establishing industrial parks hubs in underdeveloped regions of South Africa through its cluster development programme which aims at promoting industrial sustainable economic growth and job creation. The programme is allocated R100 million over the medium term in the Infrastructure Investment Support sub-programme in the Incentive Development and Administration programme.

The Department will continue to implement the critical infrastructure programme, which provides the required infrastructure for leveraging investment. The critical infrastructure programme is allocated R700.6 million over the medium term in the Infrastructure Investment Support sub-programme within the IDAD programme. 14 industrial parks requiring infrastructure support have been identified in Eastern Cape, Mpumalanga, KwaZulu-Natal, Free State and Western Cape. An allocation of R260 million over the medium term in the critical infrastructure programme is expected to result in 40 strategic infrastructure projects.

## **Part B: Programme and Sub-Programme**

### **11 Strategic objectives**

the dti has identified three key strategic objectives to achieve the goals of the Department. Programmes 2, 3, 4, 6, 7 and 8 contribute in various ways to deepen industrialisation through increased growth in the manufacturing sector and are measured by the strategic objective “grow the manufacturing sector to promote industrial development, job creation, investment and exports”. Programmes 1 and 5 have specific strategic objectives “strengthened capacity to deliver on the dti mandate” and “improved conditions for consumers, artists and opening up of markets for new patents players”.

Strategic Objective	Objective Statement	Baseline	Link to Strategic Goal	Performance indicator	Target
1. Grow the Manufacturing sector to promote industrial development, job creation, investment and exports.	Develop policies, strategies and programmes focussed on manufacturing and other value-adding sectors to enable competitiveness, job creation and sustained growth.	Sixth iteration of IPAP	Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Grow the Manufacturing sector to promote industrial development, job creation, investment and exports.	Percentage increase
2. Improved conditions for consumers, artists and opening up of markets for new Patents players	To provide for harmonisation of IP laws, access to medicine and education, distribution of royalties and redress for artists	Four bills developed	Create an enabling environment which is conducive to both consumers and business and remove the unnecessary regulatory burden which negatively impacts on the economy	Number of IP Bills developed for amendment and review of Intellectual Property laws	Total Bills developed as legislation is amended
3. Strengthened capacity to deliver on the dti mandate	Effective implementation and review of the Human Resource Plans to ensure that the department has requisite skill and capacity to fulfil its legislative mandate with a vacancy rate of 5%.	Vacancy rate: 8.2% as at 31/12/2015	Create a professional, competitive and customer-focused working environment that ensures effective and efficient service delivery	Percentage (%) vacancy rate	5%

## 12 **Programmes and sub-programmes**

the dti comprises eight programmes, which are set out below:

### 12.1 **Programme 1: Administration**

- a) **Purpose:** Provide strategic leadership, management and support services to the Department, and conduct research on industrial development, growth and equity.
- b) **Description of Sub-Programmes:**
  - (i) **The Ministry** provides leadership and policy direction to **the dti**;
  - (ii) **The Office of the Director-General** (ODG) provides overall management of **the dti**'s resources;
  - (iii) **Corporate Services** provides customer-centric and integrated resource solutions in human resource management, information and communication technology, legal services and facilities management;
  - (iv) **Office Accommodation** is an allocation for accommodation services to **the dti** regional offices and ensures continued maintenance service;
  - (v) **Financial Management** provides support to **the dti**, with respect to financial resource allocation and the management thereof, to aid the fulfilment of the Department's goals and objectives;
  - (vi) **Marketing, Communication and Stakeholder Engagement** facilitates greater awareness of the Department's role and increases the uptake of its products and services through improvement of the customer touch points and ensuring strong customer relationship management; and creates consumer awareness and educational campaigns to ensure a meaningful understanding of the Department's offerings; and
  - (vii) **Media and Public Relations** ensure that the Department's image is visible by improving media relations management and public relations activities.

Strategic objective	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Strengthened capacity to deliver on the dti mandate	Annual Adjusted HR Plans approved	Annual Adjusted HR Plans approved	Annual Adjusted HR Plans approved	Annual Adjusted HR Plans approved	Annual Adjusted HR Plans approved	Annual Adjusted HR Plans approved	Annual Adjusted HR Plans approved	Annual Adjusted HR Plans approved	An efficient, effective and development-oriented public service
	100% Creditors' payments made in accordance with legislative requirements	100%	100%	100%	100%	100%	100%	100%	
	Service Delivery Improvement Plan (SDIP) Implemented	Service Delivery Improvement Plan (SDIP) Implemented	Service Delivery Improvement Plan (SDIP) Implemented	Service Delivery Improvement Plan (SDIP) Implemented	Service Delivery Improvement Plan (SDIP) Implemented	Service Delivery Improvement Plan (SDIP) Implemented	Service Delivery Improvement Plan (SDIP) Implemented	Service Delivery Improvement Plan (SDIP) Implemented	
	Public awareness platforms conducted	Public awareness platforms conducted	Public awareness platforms conducted	Public awareness platforms conducted	Public awareness platforms conducted	Public awareness platforms conducted	Public awareness platforms conducted	Public awareness platforms conducted	

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Percentage (%) of vacancy rate	8 %	9.4%	8.5%	8.2%	5%	5%	5%	An efficient, effective and development-oriented public service
Percentage (%) of staff turnover (unexpected)	6%	6.8%	5.2%	1.9%	6.8%	6.8%	6.7%	
Percentage (%) of people with disability employed	2.8%	2.7%	2.8%	2.98%	3.1%	3.1%	3.2%	
Percentage (%) of women employed in senior management positions	43%	44%	47%	48%	50%	50%	50%	
Eligible creditors' payments processed within legal timeframes	All eligible creditors' payments made within 30 days	Payments to all eligible creditors made within 30 days	All eligible creditors payments made within 30 days	All eligible creditors' payments made within 30 days	All eligible creditors' payments made within 30 days	All eligible creditors' payments made within 30 days	All eligible creditors' payments made within 30 days	



Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Implementation report for SDIP submitted to DPSA by 30 June 2016	2012-15 SDIP finalised and approved by the Minister	Implementation report for 2012/13 financial year against the 2012-2015 SDIP has been approved and submitted to DPSA	SDIP 2012-2015 implemented and a report for 2013/14 financial year produced and submitted to DPSA	2014/15 implementation report for SDIP submitted to DPSA	2015/16 Implementation report for SDIP submitted to DPSA by 30 June 2016	2016/17 Implementation report for SDIP submitted to DPSA by 30 June 2017	2017/18 Implementation report for SDIP submitted to DPSA by 30 June 2018	
Number of multi-media awareness campaigns on key sectors of IPAP and the dti strategic projects	16	27	26 multi-media campaigns implemented	20	22	22	22	
Number of outreach engagements and exhibitions	132 (including events)	76	65 outreach engagements	79	32 outreach engagements	32 outreach engagements	32 outreach engagements	
		77	43 exhibitions	43	30 exhibitions	30 exhibitions	30 exhibitions	

### Quarterly Milestones for 2016/17

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2016/17	Quarterly Milestones			
			1st	2nd	3rd	4th
Percentage (%) of vacancy rate	Quarterly	5%	5.5%	5.2%	5%	5%
Percentage (%) of staff turnover (unexpected)	Quarterly	6.8%	1.7%	1.7%	1.7%	1.7%
Percentage (%) of people with disability employed	Quarterly	3.1%	2.8%	2.9%	3%	3.1%
Percentage (%) of Women employed in senior management positions	Quarterly	50%	48%	48.5%	49%	50%
Eligible creditors' payments processed within legal timeframes	Quarterly	All eligible creditors' payments made within 30 days	All eligible creditors' payments made within 30 days	All eligible creditors' payments made within 30 days	All eligible creditors' payments made within 30 days	All eligible creditors' payments made within 30 days
Implementation Report for SDIP submitted to DPSA by 30 June 2016	Annual	2015/16 Implementation report for SDIP submitted to DPSA by 30 June 2016	2015/16 Implementation report for SDIP submitted to DPSA by 30 June 2016	Nil	Nil	Nil

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2016/17	Quarterly Milestones			
			1st	2nd	3rd	4th
Number of multi-media awareness campaigns on key sectors of IPAP and the dti strategic projects	Quarterly	22	5	6	6	5
Number of outreach engagements and exhibitions	Quarterly	32	6	10	10	6
		30	8	12	7	3

### Reconciling performance targets with the Budget and MTEF

Programme 1							
Administration	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Rand thousand	Audited outcome	Audited outcome	Audited outcome	Adjusted Budget	Medium-term estimates		
Subprogrammes							
Ministry	27 319	27 321	27 644	31 801	33 989	36 315	38 197
Office of the Director General	59 578	69 727	96 334	98 642	114 600	122 915	129 311
Corporate Services	401 564	425 949	444 841	477 505	421 242	425 145	441 227
Office Accommodation	2 177	-	-	4 500	2 427	2 494	2 227
Financial Management	120 728	46 361	57 524	70 856	69 425	71 572	75 571
Media and Public Relations	6 049	7 764	6 906	15 854	18 830	19 515	21 324
Marketing Communication and Stakeholder Relations	78 485	109 796	66 696	69 146	76 112	78 497	80 983
<b>Total</b>	<b>695 900</b>	<b>686 918</b>	<b>699 945</b>	<b>768 304</b>	<b>736 625</b>	<b>756 453</b>	<b>788 840</b>

**12.2      Programme 2: International Trade and Economic Development  
(ITED)**

- a) **Purpose:** Build an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and fostering African development, including regional and continental integration and development cooperation in line with the New Partnership for Africa's Development.
- b) **Description of Sub-Programmes**
  - (i) **International Trade Development** facilitates bilateral and multilateral trade relations and agreements.
  - (ii) **African Multilateral Economic Development** facilitates multilateral African trade relations aimed at deepening regional integration.

Strategic objective	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Trade negotiations concluded: EPA with the EU, SACU India PTA, SADC-EAC-COMESA FTA (T-FTA)	Status report produced on trade negotiations	Status report produced on trade negotiations	Status report produced on trade negotiations	Status report produced on trade negotiations	Status report produced on trade negotiations	Status report produced on trade negotiations	Status report produced on trade negotiations	Create a better South Africa and a better world
	Africa regional development programme implemented	Progress reports produced	Progress reports produced	Progress reports produced	Progress reports produced	Progress reports produced	Progress reports produced	Progress reports produced	
	Bilateral engagements with Rest of World  Status reports on Global fora (e.g. BRICS, G20, AGOA)	-	-	-	-	Status reports produced on bilateral engagements with Rest of World  Status reports produced on engagements in Global Fora	Status reports produced on bilateral engagements with Rest of World  Status reports produced on engagements in Global Fora	Status reports produced on bilateral engagements with Rest of World  Status reports produced on engagements in Global Fora	

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium-Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Status report on negotiations aimed at enhancing preferential market access	Report prepared on EPA, SACU-India PTA and T-FTA	Status reports produced on progress	Status report prepared outlining areas concluded in the T-FTA negotiations aimed at enhancing preferential market access as well as forming the basis for the decision to launch the T-FTA with a built-in agenda on outstanding issues	Status report produced	Status report produced on progress towards conclusion of trade negotiations	Status report produced on progress towards conclusion of trade negotiations. Awareness created amongst stakeholders on possible opportunities arising from agreements that have been ratified.	Status report produced on progress towards conclusion of trade negotiations. Awareness created amongst stakeholders on possible opportunities arising from agreements that have been ratified	Create a better South Africa and a better world

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium-Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
			RSA/SACU Tariff offer for the EAC approved and exchanged					
Progress reports on five priority development areas in SACU, SADC FTA	Reports prepared on: - SACU five point - SADC FTA - SDI infrastructure projects	Progress reports produced	Progress report produced on implementation of agreed work programme and projects for priority development areas in SACU, SADC FTA, SDI infrastructure projects	SADC: Annual status report on the implementation of the Trade Protocol produced.  A media release on the accession of the Seychelles to the SADC Trade Protocol was produced. Work to construct a list of SA priority products to Zimbabwe, where Zimbabwe could relax measures that impact on South African exporters, is currently underway.	Progress reports produced on implementation of agreed work programme and projects for priority development areas in SACU, SADC FTA.	Progress reports produced on implementation of agreed work programme and projects for priority development areas in SACU, SADC FTA.	Progress reports produced on implementation of agreed work programme and projects for priority development areas in SACU, SADC FTA	
Status reports on bilateral engagements with Rest of World  Status reports on Global fora (e.g. BRICS, G20, AGOA)	-	-	-	-	Status reports produced on bilateral engagements with Rest of World  Status reports produced on engagements in Global Fora	Status reports produced on bilateral engagements with Rest of World  Status reports produced on engagements in Global Fora	Status reports produced on bilateral engagements with Rest of World  Status reports produced on engagements in Global Fora	

### Quarterly Milestones for 2016/17

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2016/17	Quarterly Milestones			
			1st	2nd	3rd	4th
Status report on negotiations aimed at enhancing preferential market access	Quarterly	Status reports produced on progress towards conclusion of trade negotiations	Status reports produced on progress towards conclusion of trade negotiations	Status reports produced on progress towards conclusion of trade negotiations	Status reports produced on progress towards conclusion of trade negotiations	Status reports produced on progress towards conclusion of trade negotiations
Progress reports on five priority development areas in SACU, SADC FTA,	Quarterly	Progress reports produced on implementation of agreed work programme and projects for priority development areas in SACU, SADC FTA.	Progress reports produced on implementation of agreed work programme on development areas in SACU, SADC FTA	Progress reports produced on implementation of agreed work programme on development areas in SACU, SADC FTA	Progress reports produced on implementation of agreed work programme on development areas in SACU, SADC FTA	Progress reports produced on implementation of agreed work programme on development areas in SACU, SADC FTA
Status reports on bilateral engagements with Rest of World	Quarterly	Status reports produced on bilateral engagements with Rest of World	Status reports produced on bilateral engagements with Rest of World	Status reports produced on bilateral engagements with Rest of World	Status reports produced on bilateral engagements with Rest of World	Status reports produced on bilateral engagements with Rest of World
Status reports on Global fora (e.g. BRICS, G20, AGOA)		Status reports produced on engagements in Global Fora	Status reports produced on engagements in Global Fora	Status reports produced on engagements in Global Fora	Status reports produced on engagements in Global Fora	Status reports produced on engagements in Global Fora

### Reconciling performance targets with the Budget and MTEF

Programme 2							
International Trade and Economic Development	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Rand thousand	Audited outcome	Audited outcome	Audited outcome	Adjusted Budget	Medium-term estimates		
Subprogrammes							
International Trade Development	81 898	94 913	89 947	101 572	108 276	104 791	107 727
African Multilateral Economic Development	33 013	26 105	34 161	15 004	18 107	18 497	20 131
<b>Total</b>	<b>114 911</b>	<b>121 018</b>	<b>124 108</b>	<b>116 576</b>	<b>126 383</b>	<b>123 288</b>	<b>127 858</b>

**12.3      Programme 3: Special Economic Zones and Economic Transformation**

- a) **Purpose:** Drive economic transformation and increase participation in industrialisation.
- b) **Description of Sub-Programmes**
  - (i) **Enterprise Competitiveness** fosters and stimulates industrialisation and structural change through the development and deployment of technologies and skills development programmes.
  - (ii) **Equity and Empowerment** promotes B-BBEE and the real growth of the economy through the Black Industrialists Programme.
  - (iii) **Spatial Industrial Economic Development (SEZs)** promotes the regional economy towards a more spatially balanced economy through the development of policies, strategies and programmes, and SEZs, clusters and incubators among other things.

Strategic objective	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Implemented B-BBEE Amendment Act and Code of Good Practice for B-BBEE	Report on the implementation of the B-BBEE Amendment Act and Regulations produced	Report on the implementation of the B-BBEE Amendment Act and Regulations produced	Report on the implementation of the B-BBEE Amendment Act and Regulations produced	Report on the implementation of the B-BBEE Amendment Act and Regulations produced	Report on the implementation of the B-BBEE Amendment Act and Regulations produced	Report on the implementation of the B-BBEE Amendment Act and Regulations produced	Report on the implementation of the B-BBEE Amendment Act and Regulations produced	Decent employment through inclusive growth
	Black Industrialists development programmes implemented	-	-	-	-	Black Industrialists development programmes implemented	Black Industrialists development programmes implemented	Black Industrialists development programmes implemented	
	Revitalisation of industrial parks	-	-	-	-	Revitalisation of industrial parks	Revitalisation of industrial parks	Revitalisation of industrial parks	

Performance Indicator/ Measure	Actual performance			Estimated Performance (Baseline)	Medium-Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Number of implementation reports on the B-BBEE Amendment Act and Regulations submitted for Minister's approval	B-BBEE Amendment Act assented to by the President	Submission of the business case for approval by DPSA and NT and report produced on the phased-in operationalisation of the B-BBEE Commission	Draft Business Case developed  Position for the B-BBEE Commissioner advertised	One	One	One	Impact Assessment Report conducted on B-BBEE Amendment Act and report produced for Minister's approval	Decent employment through inclusive growth
Number of new BIs supported in IPAP sectors and report produced	-	-	-	New Indicator	25 new BIs supported in IPAP sectors and report produced	30 new BIs supported in IPAP sectors and report produced	45 new BIs supported in IPAP sectors and report produced. Conduct impact assessment	



Performance Indicator/ Measure	Actual performance			Estimated Performance (Baseline)	Medium-Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Number of implementation reports on the identified Industrial Parks submitted for Ministers approval	-	-	-	One	Two	Industrial Parks strategy produced	Report on impact evaluation assessments	

### Quarterly Milestones for 2016/17

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2016/17	Quarterly Milestones			
			1st	2nd	3rd	4th
Number of implementation reports on of the B-BBEE Amendment Act and Regulations submitted for Minister's approval	Annual	One	-	-	-	One
Number of new BIs in IPAP sectors and report produced	Quarterly	25 new BIs supported in IPAP sectors and report produced	Nil	5 new BIs supported in IPAP sectors	10 new BIs in IPAP sectors	10 new BIs supported in IPAP sectors and report produced
Number of implementation reports on the identified Industrial Parks submitted for Ministers approval	Bi-Annually	Two	Nil	One	0	One

### Reconciling performance targets with the Budget and MTEF

Programme 3							
Special Economic Zones and Economic Transformation	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Rand thousand	Audited outcome	Audited outcome	Audited outcome	Adjusted Budget	Medium-term estimates		
Subprogrammes							
Enterprise Competitiveness	175 813	188 764	189 106	19 343	26 187	27 984	29 606
Equity and Empowerment	14 188	12 953	20 578	26 910	35 731	32 112	31 211
Spatial Industrial Economic Development (Special Economic Zones)	37 457	29 504	25 436	43 451	46 364	48 875	51 671
<b>Total</b>	<b>227 458</b>	<b>231 221</b>	<b>235 120</b>	<b>89 704</b>	<b>108 282</b>	<b>108 971</b>	<b>112 488</b>

## **12.4      Programme 4: Industrial Development**

- a) **Purpose:** Design and implement policies, strategies and programmes to strengthen the ability of the manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness in both the domestic and export markets.
- b) **Description of Sub-Programmes**
  - (i) **Industrial Competitiveness** develops policies, strategies and programmes to strengthen the ability of manufacturing and other value-adding sectors to create decent jobs and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP.
  - (ii) **Customised Sector Programmes** develops and implements high-impact sector strategies focused on manufacturing and other value adding sectors to create decent jobs and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP.

Strategic objective	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Annual rolling IPAP, aimed at facilitating a process of structural change involving upgrading and diversification to achieve sustained growth and job creation, implemented	Annual rolling IPAP implemented	Annual rolling IPAP implemented	Annual rolling IPAP implemented	Annual rolling IPAP implemented	Annual rolling IPAP implemented	Annual rolling IPAP implemented	Annual rolling IPAP implemented	Decent employment through inclusive growth
	Instruments rolled out to facilitate strategic use of public procurement to enhance local productive capabilities	Designation requests submitted to Minister per year	Designation requests submitted to Minister per year	Designation requests submitted to Minister per year	Designation requests submitted to Minister per year	Designation requests submitted to Minister per year	Designation requests submitted to Minister per year	Designation requests submitted to Minister per year	

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium-Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
New iteration of IPAP tabled in Cabinet annually	IPAP approved by Cabinet on 28 March 2012 and launched on 2 April 2012	IPAP 2013/14-2015/16 was successfully approved by Cabinet in March 2013 and successfully launched on 4 April 2013	IPAP 2015/16 endorsed by the Economic Cluster and awaiting Cabinet approval	The Industrial Policy Action was tabled in by Cabinet in April 2015 and launched in May 2015	Annual Rolling IPAP 2017/18 tabled in Cabinet by March 2017	Annual Rolling IPAP 2018/19 tabled in Cabinet by March 2018	Annual Rolling IPAP 2019/20 tabled in Cabinet by March 2019	Decent employment through inclusive growth
Number of quarterly implementation reports on IPAP tabled at Minister's Review Meetings per year	Four	Four implementation reports tabled at IPAP Review Meeting in June 2013, September 2013, November 2013 and February 2014  Additionally, IPAP Annual Report prepared and approved by DG and Minister	Four implementation reports tabled at IPAP review meetings in July, October and November 2014 and in January 2015  Annual Report for 2013/14 was tabled in Parliament in September 2014	Three Implementation reports on IPAP tabled at Minister's Review Meetings per year	Four implementation reports on IPAP tabled at Minister's Review Meetings per year	Four Implementation reports on IPAP tabled at Minister's Review Meetings per year	Four Implementation reports on IPAP tabled at Minister's Review Meetings per year	

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium-Term Targets			Linkage to Government's Outcome			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19				
Number of designation requests submitted to Minister per year	Four	Five designation reports completed and submitted	1) Six sector/ product templates were submitted to NT for designation and awaiting publication Transformers Power line hardware and structures Building and construction materials Two-way radios Mining and construction vehicles Steel conveyance pipes  Note: The Instruction Note for Power Pylons is being amended to include Power line hardware and structures	Two sector-specific action plans were developed:- i) Food map developed in three provinces (North West, Northern Cape, Western Cape)  ii) Cosmetics - personal care manufacturing where IDC has confirmed investment in Le-Sel Research and Prime Products with an acquisition 25.1% shareholding in the company	Four designation requests submitted to Minister per year	Four designation requests submitted to Minister per year	Four designation requests submitted to Minister per year				
			2) Published Instruction Notes <ul style="list-style-type: none"><li>Working Vessels (boats) in August 2014, a R1.4 billion tender for the procurement of tug boats by Transnet was awarded to Southern African Shipyards.</li><li>Residential Electricity Meters</li></ul>								
			3) Amended Instruction Notes that were published <ul style="list-style-type: none"><li>Rail rolling stock</li><li>Solar water heaters</li></ul>								

### Quarterly Milestones for 2016/17

Performance Indicator/ Measure	Reporting Period	Annual Targets 2016/17	Quarterly Milestones			
			1st	2nd	3rd	4th
New iteration of IPAP tabled in Cabinet annually	Annually	Annual Rolling IPAP 2017/18 tabled in Cabinet by March 2016	Launch the Annual Rolling IPAP 2016/17	Nil	Nil	Annual Rolling IPAP 2017/18 tabled in Cabinet by March 2017
Number of quarterly implementation reports on IPAP tabled at Minister's Review Meetings per year	Quarterly	Four implementation reports on IPAP tabled at Minister's Review Meetings per year	One implementation report on IPAP tabled at Minister's Review Meeting per quarter	One implementation report on IPAP tabled at Minister's Review Meeting per quarter	One implementation report on IPAP tabled at Minister's Review Meeting per quarter	One implementation report on IPAP tabled at Minister's Review Meeting per quarter
Number of designation requests submitted to Minister per year	Quarterly	Four designation requests submitted to Minister per year	Nil	Two designation requests submitted to Minister per quarter	One designation request submitted to Minister per quarter	One designation request submitted to Minister per quarter

### Reconciling performance targets with the Budget and MTEF

Programme 4							
Industrial Development	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Rand thousand	Audited outcome	Audited outcome	Audited outcome	Adjusted Budget	Medium-term estimates		
Subprogrammes							
Industrial Competitiveness	476 771	595 746	650 947	687 283	685 421	798 159	779 257
Customised Sector Programmes	1 041 300	995 436	1 124 207	1 276 985	1 050 258	1 015 924	997 154
<b>Total</b>	<b>1 518 071</b>	<b>1 591 182</b>	<b>1 775 154</b>	<b>1 964 268</b>	<b>1 735 679</b>	<b>1 814 083</b>	<b>1 776 411</b>

## **12.5      Programme 5: Consumer and Corporate Regulation**

- a) **Purpose:** Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.
- b) **Description of Sub-Programmes**
  - (i) **Policy and Legislative Development** develops policies, laws and regulatory frameworks.
  - (ii) **Enforcement and Compliance** conducts trends analyses, impact assessments and market surveys, and monitors the effectiveness of regulation.
  - (iii) **Regulatory Services** executes oversight of and transfers funds to the following regulatory agencies: the National Consumer Tribunal, the National Credit Regulator, the National Gambling Board, the National Consumer Commission, the Companies and Intellectual Property Commission and the Companies Tribunal. The department exercises oversight of, but does not transfer funds to: the National Lotteries Board, which regulates the lotteries sector and facilitates the distribution of lottery funds to worthy organisations that serve the public interest; and the Takeover Regulation Panel and the Financial Reporting Standards Council, which are responsible for regulating applicable transactions and issuing standards.

Strategic objective	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Improved conditions for consumers, artists and opening up of markets for new patents players	Impact assessment of regulation on businesses and economic citizens	Impact assessment conducted	Impact assessment conducted	Impact assessment conducted	Impact assessment conducted	Impact assessment conducted	Impact assessment conducted	Impact assessment conducted	Decent employment through inclusive growth
	Policies, Bills and Regulations to enforce fair business practices drafted	Policies, Bills and Regulations, framework drafted	Policies, Bills and Regulations, framework drafted	Policies, Bills and Regulations, framework drafted	Policies, Bills and Regulations, framework drafted	Policies, Bills and Regulations, framework drafted	Policies, Bills and Regulations, framework drafted	Policies, Bills and Regulations, framework drafted	
	Establishment of Trading Entities and Copyright Tribunal (repositioning)	-	-	-	-	Institutions/entities repositioned and established	Institutions/entities repositioned and established	Institutions/entities repositioned and established	

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Number of Socio-Economic Impact Assessment System (SEIAS) reports (previously RIA reports) developed for Minister's approval	Final RIA report on the NCA produced. Second draft RIA report on Licensing of Businesses Bill finalised	Liquor: RIA was finalised to incorporate the new policy  Gambling: A draft RIA report was produced	One RIA report on IP developed for Minister's approval  Two RIA reports on liquor and gambling policies developed for approval	3 <sup>rd</sup> Draft report on the review of the NCA exemptions developed.	Two SEIAS reports on Companies, and Copyright/Performers Protection Amendment Acts developed for Minister's approval	Four SEIAS reports on regulations developed for Minister's approval on Liquor, Gambling, Companies, and Copyright/Performers Protection Amendment Acts	Nil	Decent employment through inclusive growth

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Number of Evaluation reports developed for Ministers approval			New indicator	New Indicator	Two evaluation reports on Consumer Protection Act (Exemptions and Industry Codes) and Companies Act (Cost of doing business) developed for Minister's approval.	One evaluation report on the Consumer Protection Act developed for Minister's approval	One evaluation report on the Lotteries/ National Credit Act Amendment Act developed for Minister's approval.	Decent employment through inclusive growth
Number of monitoring reports on implementation of legislation developed for Minister's approval	-	-	New Indicator	Second draft monitoring report on the impact of CCRD agencies was developed	One monitoring report on implementation of legislation developed for Minister's approval	One monitoring report on implementation of legislation developed for Minister's approval	One monitoring report on implementation of legislation developed for Minister's approval	
Number of policy frameworks developed for Minister's approval	Five draft policy frameworks developed for approval (IP, Licensing of Businesses Bill, Lotteries Act, Business Reform Registration and National Credit Act)	Three policies developed for approval (Gambling Act, Liquor and IP)	Three policy frameworks on liquor, gambling and Licensing of Businesses developed for Minister's approval	Desktop research conducted and 1 <sup>st</sup> draft Policy Framework on legislative audit currently being developed	One policy framework on legislative audit report developed for Minister's approval (policy position on policies to retain or migrate)	Nil	Nil	
Number of Bills developed for Minister's approval	Three Bills developed for approval (Licensing of Businesses Bill, Lotteries, Business Reform Registration)	Four Bills developed for approval: NCA Amendment Bill to be assented by President; Lotteries Amendment Bill assented; Licensing of Business Bill done and referred back for consultation and establishment of Task Team by Minister; Liquor Amendment Bill developed, but not yet approved	Four Bills on Licensing of Businesses, Liquor Amendment, Gambling Amendment and Copyright Amendment developed, but not approved by Minister  Companies Amendment Bill not developed	IP Policy completed and Cabinet memo submitted to Minister. Companies Amendment Act: Policy developed and proposed amendments on (2 <sup>nd</sup> Draft) Bill in progress. Copyright Bill (Performers Protection Bill produced and analysis of public comments	Two Bills on Companies Amendment and Copyright/Performers Protection Act) developed for Minister's approval	Nil	Nil	Decent employment through inclusive growth



Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Number of Regulations developed for Minister's approval and published	Liquor Regulations developed and published for public comment	<p>CHAN 2014 Liquor Regulations developed and published</p> <p>Liquor Amendment Regulations developed and published</p> <p>Regulations for Protected Event status and Prohibited Marks (liquor) developed and published</p> <p>Labelling of meat regulations developed and published</p>	<p>Lotteries Amendment Act Regulations and the National Credit Amendment Act and the Affordability Assessment Regulations approved by Minister and published</p> <p>IP Amendment Act (IK) Regulations developed, but not approved by Minister</p> <p>SEZ Regulations and draft BEE Regulations developed</p>	<p>Four Regulations (1st drafts) on Liquor, Gambling, Licensing of Businesses and Copyright not developed.</p> <p>Draft liquor regulations in line with norms and standards developed. (Over and above quarterly milestone).</p> <p>Draft amendments of regulations regarding exclusions register and re-certification of gambling machines developed.</p>	Four regulations on Liquor, Companies, Gambling and Copyright developed for Minister's approval and published	Seven regulations developed for Minister's approval on IP (Trade Marks Act, Designs Act, Merchandise Act, Unauthorised Use of Emblems Act, Counterfeit Goods Acts, Patents Act and Performers Protection Act) and published	Nil <sup>1</sup>	
Number of business cases developed for approval by Minister	-	-	-	New indicator	Two business cases (National Liquor and Gambling Trading Entities) developed for approval by Minister	One business case on Copyright Tribunal developed for approval by Minister	Nil	
Number of institutions/Entities repositioned and established (National Liquor and Gambling Trading Entities)	Nil	Nil	Nil	New Indicator	Two institutions/entities repositioned and established (National Liquor and Gambling Trading Entities)	Nil	Nil	Decent employment through inclusive growth

### Quarterly Milestones for 2016/17

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2016/17	Quarterly Milestones			
			1st	2nd	3rd	4th
Number of Socio-Economic Impact Assessment System (SEIAS) reports (previously RIA reports) developed for Minister's approval	Quarterly	Two SEIAS reports on Companies and Copyright/Performers Protection Amendment Acts developed for Minister's approval	Nil	First Draft SEIAS reports on Companies and Copyright/Performers Protection Amendment Acts developed	Second Draft SEIAS reports on Companies and Copyright/Performers Protection Amendment Acts developed	Final SEIAS reports on Companies and Copyright/Performers Protection Amendment Acts developed for Minister's approval
Number of Evaluation reports developed for Ministers approval	Quarterly	Two evaluation reports on Consumer Protection Act (Exemptions and Industry Codes) and Companies Act (Cost of doing business) developed for Minister's approval	TOR for evaluations developed	First draft evaluation reports on Consumer Protection Act (Exemptions and Industry Codes) and Companies Act (Cost of doing business) developed	Second draft evaluation reports on Consumer Protection Act (Exemptions and Industry Codes) and Companies Act (Cost of doing business) developed	Final evaluation reports on Consumer Protection Act (Exemptions and Industry Codes) and Companies Act (Cost of doing business) developed for Minister's approval
Number of monitoring reports on implementation of legislation developed for Minister's approval	Quarterly	One monitoring report on implementation of legislation developed for Minister's approval	Consultations, research and collation of data conducted	First draft monitoring report on implementation of legislation developed	Second draft monitoring report on implementation of legislation developed	Final monitoring report on implementation of legislation developed for Minister's approval
Number of policy Frameworks developed for Minister's approval	Quarterly	One Policy Framework on legislative audit report developed for Minister's approval (policy position on policies to retain or migrate)	Nil	(1 <sup>st</sup> Draft) Policy on legislative audit developed	(2 <sup>nd</sup> Draft) Policy on legislative audit developed	Final Policy on legislative audit developed for Minister's approval
Number of Bills developed for Minister's approval	Quarterly	Two Bills on Companies Amendment and Copyright/Performers Protection Act developed for Minister's approval	Nil	Two (1 <sup>st</sup> Drafts) Bills on Companies Amendment and Copyright/Performers Protection Act developed for approval (	Two (2 <sup>nd</sup> Drafts) Bills on Companies Amendment and Copyright/Performers Protection Act developed for approval	Two Bills on Companies Amendment and Copyright/Performers Protection Act finalised for Minister's approval (
Number of regulations developed for Minister's approval and published	Quarterly	Four regulations on Liquor, Companies, Gambling and Copyright developed for Minister's approval and published	Nil	Four (First Draft) regulations on Liquor, Gambling, Copyright and Companies developed	Four (Second Draft) regulations on Liquor, Gambling, Copyright and Companies developed	Final regulations on Liquor, Gambling, Copyright and Companies developed for Minister's approval and published
Number of business cases developed for approval by Minister	Quarterly	Two business cases (National Liquor and Gambling Trading Entities) developed for approval by Minister	Nil	Two (First Drafts) business cases (National Liquor Authority and Gambling Trading Entities ) developed	Two (Second Drafts) business cases (National Liquor Authority and Gambling Trading Entities) developed Consultations conducted with DPSA and NT and other identified stakeholders like NGB, NLA, CIPC	Final business cases for establishment of the National Liquor Authority and Gambling Trading Entities developed for approval by Minister

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2016/17	Quarterly Milestones			
			1st	2nd	3rd	4th
Number of institutions/Entities repositioned and established (National Liquor and Gambling Trading Entities )	Annual	Two institutions/entities repositioned and established (National Liquor and Gambling Trading Entities)	Nil	Nil	Nil	Two institutions/ entities repositioned and established (National Liquor and Gambling Trading Entities)

### Reconciling performance targets with the Budget and MTEF

Programme 5							
Consumer and Corporate Regulation	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Rand thousand	Audited outcome	Audited outcome	Audited outcome	Adjusted Budget	Medium-term estimates		
Subprogrammes							
Policy and Legislative Development	14 421	19 206	17 639	17 747	21 427	23 834	26 063
Enforcement and Compliance	14 458	23 156	31 441	43 304	46 495	47 442	49 283
Regulatory Services	194 689	214 336	232 042	235 334	245 603	255 619	270 381
<b>Total</b>	<b>223 568</b>	<b>256 698</b>	<b>281 122</b>	<b>296 385</b>	<b>313 525</b>	<b>326 895</b>	<b>345 727</b>

## 12.6 Programme 6: Incentive Development and Administration

- a) **Purpose:** Stimulate and facilitate the development of sustainable and competitive enterprises, through the efficient provision of effective and accessible incentive measures that support national priorities.
- b) **Description of Sub-Programmes**
  - (i) **Broadening Participation Incentives** provides incentive programmes that promote broader participation in the mainstream economy of businesses owned by individuals from historically disadvantaged communities and marginalised regions.
  - (ii) **Manufacturing Incentives** provides incentives to promote additional investment in the manufacturing sector. The manufacturing investment cluster comprises the following programmes and schemes: the MCEP, the Capital Projects Feasibility Programme, Automotive Investment Scheme, the Export Marketing and Investment Assistance scheme, the sector Specific Assistance Scheme and the Section 12I tax incentive scheme.
  - (iii) **Services Investment Incentives** provides incentive programmes that promote increased investment and job creation in the services sector. The programmes include the Business Process Services programme, and the Film and Television Production Incentive Support Programme for South African and foreign productions.
  - (iv) **Infrastructure Investment Support** provides grants for two industrial infrastructure initiatives; the SEZs and Critical Infrastructure Programme, which are aimed at enhancing infrastructure and industrial development, and increasing investment and exports of value added commodities.
  - (v) **Product and Systems Development** reviews, monitors and develops incentive programmes to support the IPAP, and develops sector strategies to address market failures.
  - (vi) **Strategic Partnership and Customer Care** facilitates access to targeted enterprises by reviewing the success of incentive schemes and improving such schemes.

Strategic objective	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Private Sector Investment leveraged across all incentives	Private Sector Investment leveraged	Private Sector Investment leveraged	Private Sector Investment leveraged	Private Sector Investment leveraged	Private Sector Investment leveraged	Private Sector Investment leveraged	Private Sector Investment leveraged	Decent employment through inclusive growth
	Jobs supported	Jobs supported	Jobs supported	Jobs supported	Jobs supported	Jobs supported	Jobs supported	Jobs supported	
	Industrial skills upgraded	-	-	-	New target	Industrial skills upgraded	Industrial skills upgraded	Industrial skills upgraded	
	Industrial Decentralisation facilitated	-	-	-	New target	Strategic infrastructure projects approved for SEZ/industrial parks	Strategic infrastructure projects approved for SEZ/industrial parks	Strategic infrastructure projects approved for SEZ/industrial parks	
	Facilitating Transition towards low emission and climate resilient economy	-	-	-	New target	Value of Greener investment	Value of Greener investment	Value of Greener investment	
	Export revenue leveraged	-	-	Value of projected export revenue from projects approved	Value of projected export revenue from projects approved	Value of projected export revenue from projects approved	Value of projected export revenue from projects approved	Value of projected export revenue from projects approved	
	Risk financing for innovative enterprises	-	-	-	New target	Value of Innovative ventures supported from approved enterprises	Value of Innovative ventures supported from approved enterprises	Value of Innovative ventures supported from approved enterprises	

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium-Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Value (Rand) of projected investments to be leveraged from projects/ enterprises approved	R29.8bn	R40bn	R20.4bn	R14.4bn	R20 bn	R15bn	R10bn	Decent employment through inclusive growth
Projected number of new jobs supported from projects/enterprises approved	22 085	15 079	12 568	6 850	3 600	3 000	3 000	
Projected number of jobs to be retained from approved enterprises	33 551	106 539	33 551	28 000	3 600	3 000	3 000	
Value (Rand) of support provided to upgrade Industrial skills from approved projects	-	-	-	New indicator	R100m	R100m	R100m	
Number of strategic infrastructure projects approved for SEZ/industrial parks	-	-	-	New indicator	15	10	15	
Value (Rand) of Greener investment approved	-	-	-	New indicator	R800m	R300m	..**	
Value (Rand) of projected export revenue from projects approved	R1.3bn	R541.4m	R3.7bn	R2bn	R800m	R600m	R600m	
Value (Rand) of innovative venture supported from approved enterprises	-	-	-	New indicator	R50m	R60m	R65m	

\*The strategic objective is being measured with a different set of performance indicators when compared to the previous financial year. While the performance of each incentive can be tracked for budget purposes, the new indicators were developed to improve measurability and efficiency of the indicators.

\*\* The 12I programme will be coming to an end in 2017/18.

### Quarterly Milestones for 2016/17

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2016/17	Quarterly Milestones			
			1st	2nd	3rd	4th
Value (Rand) of projected investments to be leveraged from projects approved	Quarterly	R20 bn	R4bn	R6bn	R4bn	R6bn
Projected number of new jobs supported from enterprises approved	Quarterly	3 600	600	1 100	900	1 000
Projected number of jobs to be retained from approved enterprises	Quarterly	3 600	600	1 100	900	1 000
Value (Rand) of support provided to upgrade Industrial skills from approved projects	Quarterly	R100m	R25m	R35m	R10m	R30m
Number of strategic infrastructure projects approved for SEZ/industrial parks	Quarterly	15	5	3	3	4
Value (Rand) of Greener investment approved	Quarterly	R800m	R100m	R200m	R300m	R200m
Value (Rand) of projected export revenue from projects approved	Quarterly	R800m	R150m	R300m	R150m	R200m
Value (Rand) of Innovative venture supported from approved enterprises	Quarterly	R50m	R10m	R8m	R15m	R17m

### Reconciling performance targets with the Budget and MTEF

Programme 6							
Incentive Development and Administration	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Rand thousand	Audited outcome	Audited outcome	Audited outcome	Adjusted Budget	Medium-term estimates		
Subprogrammes							
Broadening Participation Incentives	85 325	129 317	2 369	61 555	65 010	68 333	72 296
Manufacturing Incentives	2 954 767	3 338 623	3 612 338	3 925 526	4 490 875	4 051 610	2 693 294
Services Investment Incentives	427 027	564 364	728 118	838 718	615 254	646 560	684 061
Infrastructure Investment Support	893 649	1 038 639	801 392	966 309	1 711 642	965 000	1 601 734
Product and Systems Development	12 701	13 000	14 985	15 942	18 192	19 387	20 512
Strategic Partnership and Customer Care	13 827	17 920	17 515	19 541	21 434	22 066	23 345
<b>Total</b>	<b>4 387 296</b>	<b>5 101 863</b>	<b>5 176 717</b>	<b>5 827 591</b>	<b>6 922 407</b>	<b>5 772 956</b>	<b>5 095 242</b>

## **12.7      Programme 7: Trade Export South Africa**

- a) **Purpose:** Increase export capacity through an effectively managed network of foreign trade offices and strategies for targeted markets.
- b) **Description of Sub-Programmes**
  - (i) African Bilateral Economic Development facilitates bilateral African trade relations aimed at deepening regional integration.
  - (ii) **Export Promotion and Marketing** promotes exports of South African value-added goods and services to increase market share in targeted high-growth markets and sustain market share in traditional markets.
  - (i) **Trade Export South Africa** Executive Management Unit promotes trade, and administers and provides corporate services to the department's foreign office network of 27 foreign economic representatives in 43 countries to enable South African businesses to access global markets.
  - (ii) **Export Development and Support** manages the National Exporter Development Programme (NEDP), which is designed to contribute to positioning South Africa as a reliable trade partner and improve and expand the country's exporter base.



Strategic objective	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Increased manufactured exports under EMIA	Export sales facilitated	Export sales facilitated	Export sales facilitated	Export sales facilitated	Export sales facilitated	Export sales facilitated	Export sales facilitated	Create a better South Africa and a better world

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium-Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Value (Rand) of exports facilitated	R3.9 bn	R3.4 bn	R43.8 bn	R558.628 m	R3.5 bn	R4 bn	R4.5 bn	Create a better South Africa and a better world

#### Quarterly Milestones for 2016/17

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2016/17	Quarterly Milestones			
			1st	2nd	3rd	4th
Value (Rand) of exports facilitated	Quarterly	R3.5 bn	R250m	R1.1 bn	R1.3bn	R850 m

#### Reconciling performance targets with the Budget and MTEF

<b>Programme 7</b>							
<b>Trade Export South Africa</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Adjusted Budget</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Rand thousand	<b>Audited outcome</b>	<b>Audited outcome</b>	<b>Audited outcome</b>		<b>Medium-term estimates</b>		
<b>Subprogrammes</b>							
African Bilateral Economic Development	17 794	18 548	18 686	-	21 167	22 546	23 148
Export Promotion and Marketing	31 931	18 714	39 142	36 950	40 294	41 800	42 912
Trade Export South Africa Executive Management Unit	180 365	243 392	264 118	338 667	257 351	257 262	247 443
Export Development and Support	7 833	25 994	7 692	11 145	17 727	17 778	20 121
<b>Total</b>	<b>237 923</b>	<b>306 648</b>	<b>329 638</b>	<b>386 762</b>	<b>336 539</b>	<b>339 386</b>	<b>333 624</b>

## **12.8      Programme 8: Investment South Africa**

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

**b) Description of Sub-Programmes**

- (i) **Investment Promotion** facilitates the increase in the quality and quantity of foreign direct investment, and domestic and outward investment by providing investment attraction, targeted lead generation and recruitment support.
- (ii) **Investment and Inter-Departmental Clearing House** promotes and facilitates investment and provides support services to the investment and inter-departmental clearing house South Africa. This sub-programme also provides a specialist advisory service and fast tracks, unblocks and reduces red tape for investors.
- (iii) **Investment Support and Aftercare** provides specialist advisory services through research, information marketing, after care and policy advocacy to facilitate investment, retain and expand existing investment.

Strategic objective	5-year Target	Actual performance			Estimated Performance	Medium Term Targets			Linkage to Government's Outcome
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Investment facilitation in targeted sectors	Investment projects facilitated in pipeline	Investment projects facilitated in pipeline	Investment projects facilitated in pipeline	Investment projects facilitated in pipeline	Investment projects facilitated in pipeline	Investment projects facilitated in pipeline	Investment projects facilitated in pipeline	Create a better South Africa and a better world

Performance Indicator/ Measure	Actual performance			Estimated Performance	Medium-Term Targets			Linkage to Government's Outcome
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Value (Rand) of investment projects facilitated in pipeline	R53.5 bn	R60.5 bn	R2. 779 bn	R31.9 bn	R50 bn	R45 bn	R50bn	Create a better South Africa and a better world

#### Quarterly Milestones for 2016/17

Performance Indicator/ Measure	Reporting Period	Annual Targets for 2016/17	Quarterly Milestones			
			1st	2nd	3rd	4th
Value (Rand) of investment projects facilitated in pipeline	Quarterly	R50 bn	R12.5bn	R12.5bn	R12.5bn	R12.5bn

#### Reconciling performance targets with the Budget and MTEF

Programme 8							
Investment South Africa	2012/13	2013/14	2014/15	Adjusted Budget	2016/17	2017/18	2018/19
Rand thousand	Audited outcome	Audited outcome	Audited outcome		Medium-term estimates		
Subprogrammes							
Investment Promotion	10 623	25 479	30 697	38 155	40 055	40 147	42 252
Investment and Inter-Departmental Clearing House	18 395	6 487	7 120	9 863	4 011	4 150	4 472
Investment Support and After Care	698	404	142	236	4 011	4 151	4 471
<b>Total</b>	<b>29 716</b>	<b>32 370</b>	<b>37 959</b>	<b>48 254</b>	<b>48 077</b>	<b>48 448</b>	<b>51 195</b>

## **Part C: Links to Other Plans**

### **13 Asset Management Plan**

Departmental assets are managed in accordance with policies issued by NT and an asset register is maintained on the Logistical Information System (Logis). A separate system has been implemented apart from Logis to assist in managing the location of assets within the department. **the dti** complied with the minimum requirement of the Asset Management Reforms, as issued by NT.

### **14 Information Technology Plan**

The Department has developed a five-year ICT strategic plan, which will be revised annually to ensure alignment with the Department's strategy. The focus for the implementation in this period is described below:

#### **14.1 ICT Objectives**

The Departmental ICT plan is informed by the following objectives:

- To provide agile ICT solutions that address business priorities
- Provide ICT enablement capabilities for improved information management
- Ensure information security, high availability, reliability and performance
- Build a skilled, dynamic and cohesive ICT delivery team
- To ensure compliance to the ICT Governance Framework

#### **14.2 Information Management**

In line with the Departmental values, the ICT plan for the medium term will provide the following benefits:

- a) Quality Relationships:
  - Enhanced Accessibility of systems and improved service quality
  - Enhanced communication and collaboration within the Department and external clients
- b) Intellectual Excellence:
  - Skilled and competent employees
  - Improved information management
- c) Operational Excellence:
  - Modernisation of **the dti** ICT services
  - Improved ICT service delivery
  - Optimisation of Business Processes
  - Enhanced control environment

### 14.3 Key ICT Projects

To realise the aforementioned benefits, the department will roll-out the following key projects:

a) Infrastructure and Governance

- Reliable back-up and recovery capability
- Ensure high availability of systems and services
- Secure environment
  - Implementation of a Security Operations Centre
  - Systems Monitoring Centre
  - Data Encryption
  - Biometrics
- Refresh **the dti** Call Centre Infrastructure and integrate Customer Relationship Management (CRM) System with optimised processes
- CGICTPF (Corporate Governance of ICT Policy Framework)

b) Business Enablement

- Implementation of enhanced and modernised incentive management system (IEMS) assisting with improved business processes and improved validation and verification controls
- Implement integrated management reporting
- Migration from Novell (IDM) to Microsoft (Active Directory)
- Migration from Novell GroupWise to Microsoft (Outlook and Exchange)
- Upgrade to the latest Microsoft Office software and Windows Operating System v10x
- Migration of NLA system and others to optimised platform/s
- Implementation of Business Intelligence (BI) capabilities
- Implementation of a fully functional **the dti** Website

## 15 Risk Management

**the dti** continues its commitment to the management of risks and maintaining effective, efficient and transparent systems of financial, risk management and internal controls. Best practice standards and methodology, are tailored and applied to address every risk that **the dti** may be exposed to, ensuring that risks are managed and/or mitigated to an acceptable level. **the dti** will continue to ensure that risk is not only seen as a threat but also as an opportunity to enhance its commitment to continuous improvement. The Department also ensures that efficient and effective controls are in place, followed by continuous monitoring, reviewing and evaluation of mechanisms aimed at mitigating the identified strategic and operational risks.

Strategic risks that would impede the achievement of **the dti**'s strategic objectives and imperatives are contained in the strategic risk register, which is maintained and actioned by ExBo. Strategic risks impacting on **the dti** include, but are not limited to:

1. Inability to meet clients/public expectations due to the domestic and global conditions
2. Possible fraud and corruption risk due to the nature of the Department's operations

3. Reputational risk and deterioration in governance of the public entities and non-achievement of their performance targets
4. Reputational risk due to inadequate communications to the public, of the Department's achievements and success stories
5. Inability to penetrate foreign markets.

These risks are being adequately managed through, but not limited to, the following mitigating actions:

- early warning system-economic intelligence reporting;
- the prioritisation of the African continent as major source of demand (more foreign representatives, more trade missions going to Africa);
- energy efficiency programmes (clean audits) and research studies for alternate energy sources as well as participation in the electricity war room;
- skills development programmes for the country; and
- regular engagements with entity/management of entities and collective bargaining clusters in entities.

A strategic risk register is maintained and actioned by ExBo. Risks therein are those that would impede the achievement of **the dti's** strategic objectives and imperatives. Divisions within the department compile risk registers aligned to divisional operational plans. Divisions update the risk registers every quarter, with emerging risks and risks from the changing economic and internal environments and the Office of the Chief Risk Officer reviews the status of action plans quarterly. The updated risk registers together with the progress of action plans are discussed at the quarterly Risk Management Committee (RMC). The RMC is chaired by the Group Chief Operating Officer and attended by all COOs, the CFO, CRO, CIO, and CD's: Legal, Internal Audit as well as an external member of the Audit Committee.

There is also a strong focus on ethics and fraud awareness. **the dti** is committed to zero-tolerance for fraud and corruption. The fraud prevention policy, strategy and plan, assists in driving different initiatives to ensure that employees of **the dti** are encouraged to report any suspicious activities.

To further assist and enhance the ethical culture in the Department, there is a dedicated Ethics Officer, who champions the ethics mandate in the department. All employees are required to obtain approval to perform any remunerative work outside the public service and disclose all business interests. The Ethics Committee, assisted by the Ethics Officer, assesses all applications for Remunerative Work Outside the Public Service. The Committee members scrutinise all applications to ensure there are no conflicts of interest before approval can be granted by the Director-General.


## 16 Service Delivery Improvement Plan (SDIP)

The 2015-2018 SDIP will be approved for implementation and will be reported on annually to the Department of Public Service and Administration (DPSA). A Service Delivery Charter will be reviewed to be aligned to new **the dti** values.



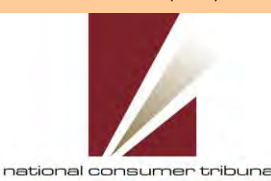

## 17 Public Entities Reporting to the Minister





Each entity has been established in terms of specific legislation. As such no evaluation of entities is planned and only the current entities under the administration of **the dti** have been captured in the table. In addition, the departments legislative programme including any changes to entities will be determined by the consultation process to amend legislation.


The table below indicates the entities that report to the Minister:

Name of the Public Entity	Enabling Legislation	Amount transferred to the public entity R'000	Mandate and Purpose
1. Companies and Intellectual Property Commission (CIPC) 	Companies Act, 2008 (Act No. 71 of 2008), as amended	Nil	CIPC was established by the Companies Act, 2008 (Act No. 71 of 2008) as a juristic person to function as an organ of state within the public administration, but as an institution outside the public service. The main functions of the Commission are the: <ul style="list-style-type: none"> <li>• Registration of Companies, Co-operatives and Intellectual Property Rights (trademarks, patents, designs and copyright) and maintenance thereof;</li> <li>• Disclosure of Information on its business registers;</li> <li>• Promotion of education and awareness of Company and Intellectual Property Law;</li> <li>• Promotion of compliance with relevant legislation;</li> <li>• Efficient and effective enforcement of relevant legislation;</li> <li>• Monitoring compliance with and contraventions of financial reporting standards, and making recommendations thereto to Financial Reporting Standards Council (FRSC);</li> <li>• Licensing of business rescue practitioners; and</li> <li>• Report, research and advise the Minister on matters of national policy relating to company and intellectual property law.</li> </ul>
2. Export Credit Insurance Corporation (ECIC)	Export Credit and Foreign Investments Insurance Act,	110 370	ECIC is established by the Export Credit and Foreign Investment Re-Insurance Amendment Act, 1957 (Act No. 78 of 1957) as amended. It promotes trade with countries outside the Republic by providing for the insurance, on



Name of the Public Entity	Enabling Legislation	Amount transferred to the public entity R'000	Mandate and Purpose
	1957 (Act No. 78 of 1957)		behalf of the Government of the Republic, of contracts in connection with export transactions, investments and loans or similar facilities connected with such transaction, and provides for matters connected therewith.
3. National Consumer Commission (NCC) 	Consumer Protection Act, 2008 (Act No.68 of 2008)	53 376	The NCC is charged with the responsibility to enforce and carry out the functions assigned to it in terms of the Act, which aims to: 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.
4. National Consumer Tribunal (NCT) 	National Credit Act, 2005 (Act No. 34 of 2005), as amended	40 164	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 (NCR), the National Consumer Commission (NCC) and single-member panels of the Tribunal. Decisions made by a three-member panel of the Tribunal may in turn be taken on appeal or review to the High Court.
5. Companies Tribunal (CT) 	Companies Act, 2008 (Act No. 71 of 2008), as amended	13 313	The CT 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 any law mentioned in Schedule 4.

Name of the Public Entity	Enabling Legislation	Amount transferred to the public entity R'000	Mandate and Purpose
<p>6. National Credit Regulator (NCR)</p> 	National Credit Act, 2005 (Act No. 34 of 2005), as amended	68 845	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 registration of credit providers, credit bureaus and debt counselling services.
<p>7. National Empowerment Fund (NEF)</p> 	National Empowerment Fund Act, 1995 (Act No. 105 of 1995)	Nil	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.
<p>8. National Gambling Board (NGB)</p> 	National Gambling Act, 2004 (Act No. 7 of 2004)	29 797	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.
<p>9. National Lotteries Commission (NLC)</p> 	National Lotteries Act, 1997 (Act No. 57 of 1997)	Nil	The NLC monitors and enforces the implementation of the national lottery. It manages the National Lottery Distribution Trust Funds, which distributes proceeds from its share of the lottery sales to worthy causes.
<p>10. National Metrology Institute of South Africa (NMISA)</p>	Measurement Units and Measurement Standards Act, 2006 (Act No. 18	202 564	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

Name of the Public Entity	Enabling Legislation	Amount transferred to the public entity R'000	Mandate and Purpose
	of 2006)		measurement equivalence.
11. National Regulator for Compulsory Specifications (NRCS) 	National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	109 734	The NRCS is responsible for the administration and maintenance of compulsory specifications and the implementation of regulatory and compliance systems for compulsory specifications.
12. South African Bureau of Standards (SABS) 	Standards Act, 2008 (Act No. 8 of 2008).	221 689	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.
13. South African National Accreditation System (SANAS) 	Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006).	35 712	The aim of SANAS is to accredit or monitor for Good Laboratory Practice (GLP) 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 Small Enterprise Development Agency (**seda**), established by the National Small Enterprise Act, 1996, was transferred to **the dsbd** in 2014/15 financial year.

## 18 Public-Private Partnership (PPP)

As part of the Public-Private Partnership (PPP) agreement, the concessionaire will, for the duration of the contract period, own and maintain assets such as the land, buildings and the majority of the furniture. Departmental assets excluded from this agreement include departmental vehicles, computer equipment and certain furniture items.

the dti is planning to attain additional office space by acquiring Block G within the dti Campus which is privately owned. the dti intends to incorporate Block G into the PPP agreement and consultation with National Treasury is underway. Due to the fact that this process is highly negotiated the timeframes and terms of the deal cannot be pegged down however it is anticipated the entire transaction will be completed in the 2016/17 financial year.

Name of PPP	Purpose	Outputs	Current value of agreement (R thousand)	Date when agreement expires
the dti campus PPP	Fully serviced office accommodation for the dti	Design, finance, build, operate and transfer of the dti campus	870 000 (NPV at financial close)	August 2028

## **Annexure A: Changes to the Strategic Plan**

The department has proposed an amendment to the budget programme structure through the MTEF 2016 process. The changes include the spilt of Programme 7: Trade Investment South Africa (TISA) into Trade Export South Africa and a new budget programme called Programme 8: Investment South Africa. These programmes will support the strategic objective- Grow the manufacturing sector to promote industrial development, job creation, investment and exports.

Movement of the Chief Directorate: Africa Bilateral Economic Relations (ABER) from Programme 2: ITED to Programme 7.

The purpose of the programmes and the sub-programmes are covered under paragraph 12 supra. It is important to note that the proposed programme is in-line with the government priorities as outlined in the SONA.

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Department:  
Trade and Industry  
**REPUBLIC OF SOUTH AFRICA**

