

Vote 32

Trade and Industry

Amount to be appropriated	Main appropriation R2 848 423 000	Adjusted appropriation R3 623 291 000	Decrease	Increase R774 868 000
Responsible minister	Minister of Trade and Industry			
Administering department	Department of Trade and Industry			
Accounting officer	Director-General of Trade and Industry			

Aim

*The aim of **the dti** is to lead and facilitate access to sustainable economic activity and employment for all South Africans through its understanding of the economy, its knowledge of economic opportunities and potential, and its anticipation of the future. **The dti** also aims to catalyse economic transformation and development, and to provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for economic citizens. In this way **the dti** will contribute towards achieving government's vision of an adaptive economy, characterised by accelerated economic growth, employment creation and greater equity by 2014.*

Changes to programme purposes and measurable objectives

No changes have been made to the department's programme purposes and measurable objectives.

Adjusted 2004 Estimates of National Expenditure

Table 32.1: Trade and Industry

Programme	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1 Administration	236 141	–	–	22 442	–	22 442	258 583
2 International Trade and Economic Development	97 900	–	–	2 500	–	2 500	100 400
3 Enterprise and Industry Development	1 015 878	–	–	16 876	150 000	166 876	1 182 754
4 Consumer and Corporate Regulation	130 480	–	–	(27 581)	–	(27 581)	102 899
5 The Enterprise Organisation	943 218	98 185	500 000	45 282	–	643 467	1 586 685
6 Trade and Investment South Africa	348 082	1 683	–	(79 519)	–	(77 836)	270 246
7 Marketing	76 724	25 000	–	20 000	–	45 000	121 724
Total	2 848 423	124 868	500 000	–	150 000	774 868	3 623 291

Economic classification

Current payments	639 161	–	–	15 378	–	15 378	654 539
Compensation of employees	281 945	–	–	(36 129)	–	(36 129)	245 816
Goods and services	357 216	–	–	51 507	–	51 507	408 723
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Transfers and subsidies	2 195 593	124 868	500 000	(12 646)	150 000	762 222	2 957 815
Provinces and municipalities	100 729	38 735	–	46	–	38 781	139 510
Departmental agencies and accounts	1 097 441	–	–	(85 025)	150 000	64 975	1 162 416
Universities and technikons	–	–	–	–	–	–	–
Foreign governments and international organisations	22 000	–	–	–	–	–	22 000
Public corporations and private enterprises	900 265	86 133	500 000	77 133	–	663 266	1 563 531
Non-profit institutions	75 155	–	–	(4 800)	–	(4 800)	70 355
Households	3	–	–	–	–	–	3
Payments for capital assets	13 669	–	–	(2 732)	–	(2 732)	10 937
Buildings and other fixed structures	–	–	–	–	–	–	–
Machinery and equipment	13 669	–	–	(2 732)	–	(2 732)	10 937
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
Total	2 848 423	124 868	500 000	–	150 000	774 868	3 623 291

Details of adjustments to 2004 Estimates of National Expenditure

Roll-overs – R124,868 million

Programme 5: The Enterprise Organisation

R98,185 million has been rolled over for Critical Infrastructure Programme (CIP) projects, which extend over more than one financial year. Upfront payments were not an option and payments will be made in tranches, based on expenditure incurred by the contractor. R5,602 million is for the East London Development Corporation, R33,133 million for the Richards Bay Development Corporation (John Ross Freeway), and R59,450 million for other CIP projects.

Programme 6: Trade and Investment South Africa

R1,683 million was rolled over for the Youth Internship Programme (YIP), which started eight months later than expected due to a delay in obtaining approval from the Department of Labour for the Department of Trade and Industry to run the programme for two years before it was transferred to the Department of Labour.

Programme 7: Marketing

R25 million has been rolled over to reimburse the department for its contribution to the 2010 FIFA World Cup bid.

Unforeseeable and unavoidable expenditure – R500 million

Programme 5: The Enterprise Organisation

R500 million has been allocated to finance the Pebble Bed Modular Reactor programme. The PBMR company had planned to secure external financing from a strategic partner but this did not materialise, jeopardising the integrity of the project plan. The socio-economic benefits of this

investment in developing a low-cost and safe nuclear option for the generation of electricity, will include local industrialisation of component manufacture and significant job creation.

Virement

Table 32.2: Trade and Industry

From programme R thousand	Amount	To programme	Amount
4 Consumer and Corporate Regulation	27 581	1 Administration	22 442
6 Trade and Investment South Africa	79 519	2 International Trade and Economic Development	2 500
		3 Enterprise and Industry Development	16 876
		5 The Enterprise Organisation	45 282
		7 Marketing	20 000

Details of savings realised on the above programmes

Programme 4: Consumer and Corporate Regulation

Savings of R27,581 million were mainly due to unfilled vacancies.

Programme 6: Trade and Investment South Africa

The R79,519 million savings were mainly surplus funds identified by the Export Credit Insurance Corporation (ECIC) due to the introduction of the new interest make-up scheme. There were also savings as a result of vacant positions not being filled.

Utilisation of savings to augment the above programmes

Programme 1: Administration

R22,442 million was used to defray payments to transactional and facility advisors for public-private partnerships (PPP), for professional services for the learning centre, and for the finalisation of the cleaning and security services at the House of Trade and Industry and Fedlife buildings.

Programme 2: International Trade and Economic Development

R2,500 million was used to finance increased operational expenditure relating to technical teams established to enhance international negotiations.

Programme 3: Enterprise and Industry Development

R16,576 million was used to partly fund the recapitalisation of the National Empowerment Fund to finance the increased demand for projects in agribusiness, aquaculture, tourism, mining and agro-biodiversity, among others, and to augment the allocation to the Development Bank of Southern Africa for the community PPP programme.

R300 000 will be used to finance the new transfer payment to the Council for Science and Industrial Research in respect of the Aerospace Industry Support Initiative.

Programme 5: The Enterprise Organisation

R30,282 million was used to increase the transfer payment to Enterprise Development for the significant increase in the number of new applications to the Small Medium Enterprise Development Programme.

R15 million will be used to partly finance the new transfer payment to the Pebble Bed Modular Reactor which will offer South Africa a state-of-the-art and cost-competitive alternative for generating electrical energy and processing heat on an environmentally friendly and sustainable basis.

Programme 7: Marketing

R20 million was used to fund economically active citizens' increasing demand for the dti's products and services.

Funds shifted within a programme

Programme 3: Enterprise and Industry Development

R1 million was shifted from goods and services to the transfer payment to the National Research Foundation: Centres of Excellence Programme.

Programme 5: The Enterprise Organisation

R45 million was shifted from the transfer payment: Small and Medium Manufacturing Development Programme and R40 million from goods and services to the new transfer payment: Pebble Bed Modular Reactor.

Programme 6: Trade and Investment South Africa

R19 million was shifted from the transfer payment: Export Credit Insurance Corporation to the new transfer payment: Aichi Exposition 2005.

Other adjustments – R150 million

Expenditure announced in the 2004 Budget but not allocated

R150 million has been allocated to augment the transfer to the National Empowerment Fund. The funds will be used within the framework of the Broad Based Black Economic Empowerment Act (2003) to finance medium-sized transactions.

Actual expenditure and revised spending projections for the remainder of the financial year

Table 32.3: Trade and Industry

Programme	Adjusted appropriation	Preliminary expenditure outcome		Projected expenditure	
		April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
R thousand					
1 Administration	258 583	86 406	33,4	172 166	66,6
2 International Trade and Economic Development	100 400	28 683	28,6	71 717	71,4
3 Enterprise and Industry Development	1 182 754	528 409	44,7	654 345	55,3
4 Consumer and Corporate Regulation	102 899	42 404	41,2	60 495	58,8
5 The Enterprise Organisation	1 586 685	352 273	22,2	1 234 412	77,8
6 Trade and Investment South Africa	270 246	88 992	32,9	181 254	67,1
7 Marketing	121 724	64 080	52,6	57 644	47,4
Special Programme: Thefts and Losses	–	4 761	–	(4 761)	–
Total	3 623 291	1 200 769	33,1	2 422 522	66,9

		Preliminary expenditure outcome		Projected expenditure	
	Adjusted	April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
R thousand	appropriation				
Economic classification					
Current payments	654 539	260 802	39,8	393 737	60,2
Compensation of employees	245 816	89 812	36,5	156 004	63,5
Goods and services	408 723	166 229	40,7	242 494	59,3
Interest and rent on land	–	–	–	–	–
Financial transactions in assets and liabilities	–	4 761	–	(4 761)	–
Unauthorised expenditure	–	–	–	–	–
Transfers and subsidies to:	2 957 815	936 780	31,7	2 021 035	68,3
Provinces and municipalities	139 510	234	0,2	139 276	99,8
Departmental agencies and accounts	1 162 416	500 068	43,0	662 348	57,0
Universities and technikons	–	–	–	–	–
Foreign governments and international organisations	22 000	–	-	22 000	100,0
Public corporations and private enterprises	1 563 531	385 688	24,7	1 177 843	75,3
Non-profit institutions	70 355	50 612	71,9	19 743	28,1
Households	3	178	5933,3	(175)	(5833,3)
Payments for capital assets	10 937	3 187	29,1	7 750	70,9
Buildings and other fixed structures	–	–	–	–	–
Machinery and equipment	10 937	2 214	20,2	8 723	79,8
Cultivated assets	–	–	–	–	–
Software and other intangible assets	–	973	–	(973)	–
Land and subsoil assets	–	–	–	–	–
Total	3 623 291	1 200 769	33,1	2 422 522	66,9

Table 32.4: Summary of transfers and subsidies per programme

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
1 Administration	7 244	-	-	74	-	74	7 318
Provinces and municipalities							
Municipalities							
Current	90	-	-	-	-	-	90
Regional Services Council levies	90	-	-	-	-	-	90
Departmental agencies and accounts							
Entities							
Current	151	-	-	74	-	74	225
Sector Education and Training Authority	150	-	-	74	-	74	224
Council for Scientific and Industrial Research: Delight project	1	-	-	-	-	-	1
Public corporations and private enterprises							
Public corporations (Other transfers)							
Current	7 000	-	-	-	-	-	7 000
Industrial Development Corporation: Fund for Research into Industrial Development, Growth and Equity	7 000	-	-	-	-	-	7 000
Non-profit institutions							
Current	1	-	-	-	-	-	1
Integrated Business Register	1	-	-	-	-	-	1
Households							
Households (Other transfers to households)							
Current	1	-	-	-	-	-	1
National Supplies Procurement Fund	1	-	-	-	-	-	1
Capital							
Government Motor Transport	1	-	-	-	-	-	1

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand	60 527	-	-	-	-	-	60 527
2 International Trade and Economic Development							
Provinces and municipalities							
Municipalities							
Current	33	-	-	-	-	-	33
Regional Services Council levies	33	-	-	-	-	-	33
Departmental agencies and accounts							
Entities							
Current	43 828	-	-	-	-	-	43 828
International Trade Administration Commission	43 828	-	-	-	-	-	43 828
Foreign governments and international organisations							
Current	7 000	-	-	-	-	-	7 000
World Trade Organisation	4 000	-	-	-	-	-	4 000
Organisation for the Prohibition of Chemical Weapons	3 000	-	-	-	-	-	3 000
Public corporations and private enterprises							
Public corporations (Other transfers)							
Current	9 386	-	-	-	-	-	9 386
Development Bank of Southern Africa: Regional spatial development initiatives	8 000	-	-	-	-	-	8 000
ProTechnik Laboratories	1 386	-	-	-	-	-	1 386
Capital	280	-	-	-	-	-	280
ProTechnik Laboratories	280	-	-	-	-	-	280
3 Enterprise and Industry Development	947 486	-	-	4 301	150 000	154 301	1 101 787
Provinces and municipalities							
Municipalities							
Current	44	-	-	-	-	-	44
Regional Services Council levies	44	-	-	-	-	-	44

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
Departmental agencies and accounts							
Entities							
Current	658 285	-	-	4 000	150 000	154 000	812 285
Council for Scientific and Industrial Research: Research contribution	348 326	-	-	-	-	-	348 326
Council for Scientific and Industrial Research: Technology Transfer Centre	2 000	-	-	-	-	-	2 000
Council for Scientific and Industrial Research: Technology for Women in Business	6 000	-	-	-	-	-	6 000
Council for Scientific and Industrial Research: National Cleaner Production Centre	1 000	-	-	500	-	500	1 500
South African Bureau of Standards: Research contribution	98 099	-	-	-	-	-	98 099
South African National Accreditation System	6 000	-	-	500	-	500	6 500
Council for Scientific and Industrial Research: National Measuring Standards	32 860	-	-	2 000	-	2 000	34 860
National Productivity Institute: Workplace Challenge	7 000	-	-	-	-	-	7 000
Khula	25 000	-	-	-	-	-	25 000
Ntseke Enterprise Promotion Agency	40 000	-	-	1 000	-	1 000	41 000
National Manufacturing Advisory Centre Co-ordinating Body	80 000	-	-	-	-	-	80 000
National Empowerment Fund	10 000	-	-	-	150 000	150 000	160 000
South African Bureau of Standards: Small business technical consulting	2 000	-	-	-	-	-	2 000
Capital	147 000	-	-	(4 699)	-	(4 699)	142 301
National Research Foundation: Technology and Human Research for Industry Programme	135 000	-	-	4 000	-	4 000	139 000
Council for Scientific and Industrial Research: Technology Transfer Capital Guarantee Fund	2 000	-	-	-	-	-	2 000
Council for Scientific and Industrial Research: Technology venture capital	10 000	-	-	(10 000)	-	(10 000)	-
National Research Foundation: Centres of excellence programme	-	-	-	1 001	-	1 001	1 001
Council for Scientific and Industrial Research: Aerospace industry support initiative	-	-	-	300	-	300	300
Foreign governments and international organisations							
Current	5 000	-	-	-	-	-	5 000
United Nations Industrial Development Organisation	5 000	-	-	-	-	-	5 000

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
Public corporations and private enterprises							
Public corporations (Other transfers)							
Current	1	-	-	5 000	-	5 000	5 001
Development Bank of Southern Africa: Community public private partnership	1	-	-	5 000	-	5 000	5 001
Capital	83 000	-	-	-	-	-	83 000
Industrial Development Corporation: Support Programme for Industrial Innovation	83 000	-	-	-	-	-	83 000
Private enterprises (Other transfers)							
Current	2	-	-	-	-	-	2
Environmental Support Fund	1	-	-	-	-	-	1
Cluster development projects	1	-	-	-	-	-	1
Non-profit institutions							
Current	54 154	-	-	-	-	-	54 154
National Co-operatives Association of South Africa	3 500	-	-	-	-	-	3 500
Proudly South African campaign	-	-	-	-	-	-	-
Godisa Trust: Technology incubator development	48 654	-	-	-	-	-	48 654
South African Women's Empowerment Network	2 000	-	-	-	-	-	2 000
4 Consumer and Corporate Regulation	71 213	-	-	-	-	-	71 213
Provinces and municipalities							
Municipalities							
Current	36	-	-	-	-	-	36
Regional Services Council levies	36	-	-	-	-	-	36

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
Departmental agencies and accounts							
Entities							
Current	48 177	-	-	4 800	-	4 800	52 977
National Gambling Board	11 000	-	-	4 800	-	4 800	15 800
Competition Commission	28 177	-	-	-	-	-	28 177
South African Bureau of Standards: Trade Metrology	9 000	-	-	-	-	-	9 000
Foreign governments and international organisations							
Current	2 000	-	-	-	-	-	2 000
World Intellectual Property Organisation	2 000	-	-	-	-	-	2 000
Non-profit institutions							
Current	21 000	-	-	(4 800)	-	(4 800)	16 200
Micro Finance Regulatory Council	15 000	-	-	-	-	-	15 000
Companies and Intellectual Property Registration Office	6 000	-	-	(4 800)	-	(4 800)	1 200
5 The Enterprise Organisation	893 345	98 185	500 000	42 979	-	641 164	1 534 509
Provinces and municipalities							
Provincial agencies and funds							
Capital	100 300	38 735	-	-	-	38 735	139 035
Coega Development Corporation	60 300	-	-	-	-	-	60 300
East London Development Corporation	40 000	5 602	-	-	-	5 602	45 602
Richards Bay Development Corporation	-	33 133	-	-	-	33 133	33 133
Municipalities							
Current	50	-	-	46	-	46	96
Regional Services Council levies	50	-	-	46	-	46	96

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
Private enterprises (Subsidies on production)							
Current	503 292	-	-	66 833	-	66 833	570 125
Small and medium manufacturing development programme	130 000	-	-	(70 000)	-	(70 000)	60 000
Enterprise development	343 291	-	-	148 833	-	148 833	492 124
Manufacturing development programme incentives	15 000	-	-	(12 000)	-	(12 000)	3 000
Industrial development zones	15 000	-	-	-	-	-	15 000
Tax holiday scheme	1	-	-	-	-	-	1
Private enterprises (Other transfers)							
Current	170 002	-	500 000	76 100	-	576 100	746 102
Export market and investment assistance	112 000	-	-	(8 900)	-	(8 900)	103 100
Competitiveness Fund	45 000	-	-	(25 000)	-	(25 000)	20 000
Sector Partnership Fund	13 000	-	-	-	-	-	13 000
Black business supplier development programme	1	-	-	10 000	-	10 000	10 001
Micro-Investor Fund	1	-	-	-	-	-	1
Pebble bed modular reactor	-	-	500 000	100 000	-	600 000	600 000
Capital	119 700	59 450	-	(100 000)	-	(40 550)	79 150
Other critical infrastructure programme projects	119 700	59 450	-	(100 000)	-	(40 550)	79 150
Households							
Households (Other transfers to households)							
Current	1	-	-	-	-	-	1
Taxi recapitalisation allowance scheme	1	-	-	-	-	-	1

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
6 Trade and Investment South Africa	215 755	1 683	-	(60 000)	-	(58 317)	157 438
Provinces and municipalities							
Municipalities							
Current	153	-	-	-	-	-	153
Regional Services Council levies	153	-	-	-	-	-	153
Departmental agencies and accounts							
Entities							
Current	200 000	-	-	(89 200)	-	(89 200)	110 800
Export Credit and Insurance Corporation	200 000	-	-	(100 000)	-	(100 000)	100 000
Trade and Investment South Africa	-	-	-	10 800	-	10 800	10 800
Foreign governments and international organisations							
Current	8 000	-	-	-	-	-	8 000
International Bank for Reconstruction and Development (World Bank)	4 000	-	-	-	-	-	4 000
International Finance Corporation	4 000	-	-	-	-	-	4 000
Public corporations and private enterprises							
Public corporations (Other transfers)							
Current	2	-	-	8 000	-	8 000	8 002
Council for Scientific and Industrial Research: Maritime Industry Project	1	-	-	-	-	-	1
Industrial Development Corporation: South African Capital Goods Feasibility Study Fund	1	-	-	8 000	-	8 000	8 001
Private enterprises (Other transfers)							
Current	7 600	1 683	-	21 200	-	22 883	30 483
Youth internship programme	7 600	1 683	-	2 200	-	3 883	11 483
Aichi exposition	-	-	-	19 000	-	19 000	19 000

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
7 Marketing	23	25 000	-	-	-	25 000	25 023
Provinces and municipalities							
Municipalities							
Current	23	-	-	-	-	-	23
Regional Services Council levies	23	-	-	-	-	-	23
Public corporations and private enterprises							
Public corporations (Subsidies on production)							
Current	-	25 000	-	-	-	25 000	25 000
2010 FIFA World Cup bid	-	25 000	-	-	-	25 000	25 000
Total	2 195 593	124 868	500 000	(12 646)	150 000	762 222	2 957 815

