

Vote 36

Trade and Industry

Adjusted budget summary

2012/13				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	9 092 055	8 351 086	(740 969)	–
of which:				
Current payments	1 303 366	1 422 232	–	118 866
Transfers and subsidies	7 774 579	6 862 863	(911 716)	–
Payments for capital assets	14 110	65 991	–	51 881
Executive authority	Minister of Trade and Industry			
Accounting officer	Director-General of Trade and Industry			
Website address	www.thedti.gov.za			

Aim

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 future economic trends. The department also aims to catalyse economic transformation and development, and provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for economic citizens. In this way, the department will contribute to achieving government's vision of an adaptive and restructured economy, characterised by accelerated economic growth, employment creation and greater equity by 2014.

Mid-year performance status

Indicator	Programme	Annual performance		
As published in the 2012 ENE	Programme linked to the indicator	Projected for 2012/13 as published in the 2012 ENE	Achieved in the first six months of 2012/13 (April to September)	Changed estimate for 2012/13
Number of projects supported under the support programme for industrial innovation per year	Broadening Participation	20	26	–
Value for support for industrial innovation projects per year	Broadening Participation	R20m	R49.9m	–
Number of technology incubators supported per year	Broadening Participation	44	38	–
Number of technology transfer interventions supported per year	Broadening Participation	40	4	–
Number of the students supported by the technology and human resources for industry programme per year	Broadening Participation	2 200	1 259	–
Number of researchers supported by technology and human resources for industry programme per year	Broadening Participation	700	609	–
Number of companies financially assisted per year through:	Industrial Development: Incentive Administration	870	692	–
- Export market and investment assistance		1 600	283	
- Black business supplier development		200	0	
- Enterprise development programme		750	316	
- Enterprise investment programme cooperatives		135	96	
Number of film and television productions assisted per year	Industrial Development: Incentive Administration	63	36	–

Indicator	Programme	Annual performance		
		Projected for 2012/13 as published in the 2012 ENE	Achieved in the first six months of 2012/13 (April to September)	Changed estimate for 2012/13
As published in the 2012 ENE	Programme linked to the indicator			
Number of successful technical and business missions to foreign countries and companies undertaken per year	International trade and Economic Development	15	14	–
Number of government-to-government platforms per year	International trade and Economic Development	18	19	–
Number of target internal and external events and exhibitions per year	Administration	60		–
Key performance indicators for Coega industrial development zone:	Industrial Development: Incentive Administration			–
- total value of investment per year		R800m	0	
- number of jobs facilitated per year		800	0	
- number of further investors expected per year		5	0	
Key performance indicators for East London industrial development zone:	Industrial Development: Incentive Administration			–
- number of foreign investors per year		3	0	
- value of investments per year		R500m	0	
- number of jobs facilitated per year		100	0	
Key performance indicators for Richards Bay industrial development zone:	Industrial Development: Incentive Administration			–
- number of foreign investors per year		1	0	
- value of investment per year		R200m	0	
- number of jobs facilitated per year		200	0	
Key performance indicators for the critical infrastructure programme:	Industrial Development: Incentive Administration			–
- number of new projects per year		12	3	
- value of investments per year		R6bn	R8 2 bn	
- number of jobs facilitated per year		3 600	3 533	
Number of direct jobs facilitated per year	Industrial Development: Incentive Administration			–
- enterprise investment programme		11582	6 024	
- business process services and off-shoring		6 000	2 583	
Number of quarterly reports on industrial policy action plan tabled at Cabinet	Industrial Development: Policy Development	4	2	–
Number of templates submitted to National Treasury for designation of sector or sub-sectors per year	Industrial Development: Policy Development	3	2	–
Number of students enrolled in the tool making apprenticeship programme per year	Industrial Development: Policy Development	420	465	–
Number of workers trained through the industrial skills upgrading programme per year	Industrial Development: Policy Development	200	469	–

Mid-year progress

Within the first half of the year, the value of the support programme for industrial innovation projects exceeded the estimate for the whole year because of higher than expected participation in the matching grant scheme. The value is anticipated to be even higher (R55 million) by the end of the financial year. The number of projects, students, researchers and enterprises supported by the technology and human resources for industry programme for the first half of 2012/13 is higher than anticipated at mid-year; this was due to greater participation than anticipated. The corresponding targets will be revised in the 2013 ENE process. The number of projects receiving grants under the support programme for industrial innovation already exceeded the annual target within the first six months of the year, due to higher than expected participation by firms doing research and development.

Performance of the number of companies financially assisted with the enterprise investment programme and the cooperatives incentive scheme was higher than projected in the first half of 2012/13; this is because more claims were received than had been anticipated. The number of companies financially assisted with the business process outsourcing programme, and the black business supplier development programme in the first half of 2012/13 is lower than the estimate for the year as a whole because fewer claims were received than anticipated. With regard to the enterprise development programme, there has been no performance as of mid-2012 because the programme has been replaced by a new ‘Manufacturing Competitive Enterprise Programme’. This scheme was launched in June 2012 and to date, has received 144 applications. The claims are expected to be paid from October 2012.

There was no achievement at mid-year for new investors, jobs created and the value of new investments in the Coega industrial development zone (IDZ) in the first half of 2012/13. This is due to the impact of the recent economic recession, which has slowed down planned investment activities in the IDZs. Only one investor was anticipated to have been secured in respect of Coega between April and September 2012, but that investor has been delayed due to the current status of the environmental impact scan pending approvals. The number of new investors, jobs created and the value of new investments in the East London IDZ in the first half of 2012/13 is zero because no new investors were anticipated for the two quarters of the year. Richards Bay IDZ is not expected to secure any investor, as the entity is still dealing with bulk earthworks and other enabling infrastructure which were delayed by the challenges of the “wetlands”. The filling up of the land to development stage had started during 2011/12 and will be completed by the end of this financial year.

Jobs facilitated and the value of investments for the critical infrastructure programme were higher than expected within the first half of the year, mainly due to more claims being received than was anticipated. Both the targets for the number of students enrolled in the tool making apprenticeship programme, and number of workers trained through the industrial skills upgrading programme were exceeded in the first six months of the year due to higher than expected uptake of these programmes. There were two templates submitted to National Treasury for designation of sectors or sub-sectors for the first half of 2012/13, and the Department is on track to meet its annual target. The number of students and researchers supported under the technology and human resources for industry programme, students and researchers supported, and the number of technology incubators supported, is also on track to reach the annual targets.

Two reports on the Industrial Policy Action Plan have been tabled at Parliament for the first half of 2012/13. Whilst the indicator reflects that the quarterly reports are to be tabled at Cabinet, this was based on the original expectation which has since changed. Quarterly reports are prepared for the Ministers review meetings and progress reports are presented to Parliament as and when requested.

Adjusted Estimates of National Expenditure 2012

Programme	2012/13							
	Main appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	
R thousand								
Administration	608 742	–	–	88 437	–	–	88 437	697 179
International Trade and Economic Development	133 462	–	–	1 201	–	–	1 201	134 663
Broadening Participation	879 891	–	–	57 174	–	2 915	60 089	939 980
Industrial Development: Policy Development	1 482 856	–	–	5 508	–	4 381	9 889	1 492 745
Consumer and Corporate Regulation	244 713	–	–	2 000	–	1 430	3 430	248 143
Industrial Development: Incentive Administration	5 437 565	–	–	(200 000)	(686 000)	9 305	(876 695)	4 560 870
Trade and Investment South Africa	304 826	–	–	45 680	–	(73 000)	(27 320)	277 506
Total	9 092 055	–	–	–	(686 000)	(54 969)	(740 969)	8 351 086
Economic classification								
Current payments	1 303 366	–	–	113 076	–	5 790	118 866	1 422 232
Compensation of employees	713 995	–	–	14 727	–	7 231	21 958	735 953
Goods and services	589 371	–	–	98 349	–	(1 441)	96 908	686 279
Transfers and subsidies	7 774 579	–	–	(164 983)	(686 000)	(60 733)	(911 716)	6 862 863
Departmental agencies and accounts	1 060 178	–	–	59 142	–	6 875	66 017	1 126 195
Higher education institutions	10 004	–	–	–	–	–	–	10 004
Foreign governments and international organisations	37 038	–	–	(600)	–	–	(600)	36 438
Public corporations and private enterprises	6 648 182	–	–	(225 900)	(686 000)	(67 608)	(979 508)	5 668 674
Non-profit institutions	17 900	–	–	–	–	–	–	17 900
Households	1 277	–	–	2 375	–	–	2 375	3 652

		2012/13						
		Adjustments appropriation						Adjusted appropriation
Main appropriation		Roll- overs	Unforeseeable/ unavoidable	Virements and shifts	Declared savings	Other Adjustments	Total adjustments appropriation	
R thousand								
Payments for capital assets	14 110	–	–	51 907	–	(26)	51 881	65 991
Machinery and equipment	11 422	–	–	27 428	–	(26)	27 402	38 824
Software and other intangible assets	2 688	–	–	24 479	–	–	24 479	27 167
Total	9 092 055	–	–	–	(686 000)	(54 969)	(740 969)	8 351 086

Programme 1: Administration

Subprogramme		2012/13						
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other Adjustments	Total adjustments appropriation	Adjusted appropriation
Ministry	37 358	—	—	—	—	—	—	37 358
Office of the Director General	87 030	—	—	(2 483)	—	—	(2 483)	84 547
Corporate Services	354 509	—	—	55 093	—	—	55 093	409 602
Office Accommodation	8 708	—	—	(3 531)	—	—	(3 531)	5 177
Financial Management	44 892	—	—	4 305	—	—	4 305	49 197
Media Relations and Public Relations	10 984	—	—	—	—	—	—	10 984
Communications	65 261	—	—	35 053	—	—	35 053	100 314
Total	608 742	—	—	88 437	—	—	88 437	697 179
Economic classification								
Current payments	597 405	—	—	62 441	—	—	62 441	659 846
Compensation of employees	224 904	—	—	(2 562)	—	—	(2 562)	222 342
Goods and services	372 501	—	—	65 003	—	—	65 003	437 504
Transfers and subsidies	1 927	—	—	1 544	—	—	1 544	3 471
Public corporations and private enterprises	650	—	—	—	—	—	—	650
Households	1 277	—	—	1 544	—	—	1 544	2 821
Payments for capital assets	9 410	—	—	24 452	—	—	24 452	33 862
Machinery and equipment	6 722	—	—	24 083	—	—	24 083	30 805
Software and other intangible assets	2 688	—	—	369	—	—	369	3 057
Total	608 742	—	—	88 437	—	—	88 437	697 179

Programme 2: International Trade and Economic Development

Programme 2: International Trade and Economic Development								
Subprogramme	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
R thousand								
International Trade	82 406	–	–	1 503	–	–	1 503	83 909
Development								
African Economic Development	51 056	–	–	(302)	–	–	(302)	50 754
Total	133 462	–	–	1 201	–	–	1 201	134 663
Economic classification								
Current payments	97 762	–	–	1 417	–	–	1 417	99 179
Compensation of employees	74 510	–	–	(1 520)	–	–	(1 520)	72 990
Goods and services	23 252	–	–	2 937	–	–	2 937	26 189
Transfers and subsidies	35 400	–	–	(496)	–	–	(496)	34 904
Foreign governments and international organisations	13 500	–	–	(600)	–	–	(600)	12 900
Public corporations and private enterprises	21 900	–	–	–	–	–	–	21 900
Households	–	–	–	104	–	–	104	104
Payments for capital assets	300	–	–	280	–	–	280	580
Machinery and equipment	300	–	–	280	–	–	280	580
Total	133 462	–	–	1 201	–	–	1 201	134 663

Programme 3: Broadening Participation

Subprogramme		2012/13						
		Adjustments appropriation						Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	
Enterprise Development	454 136	–	–	12 889	–	2 915	15 804	469 940
Equity and Empowerment	43 094	–	–	(4 619)	–	–	(4 619)	38 475
Regional Economic Development	382 661	–	–	48 904	–	–	48 904	431 565
Total	879 891	–	–	57 174	–	2 915	60 089	939 980
Economic classification								
Current payments	89 913	–	–	9 202	–	–	9 202	99 115
Compensation of employees	53 377	–	–	7 317	–	–	7 317	60 694
Goods and services	36 536	–	–	1 885	–	–	1 885	38 421
Transfers and subsidies	789 398	–	–	47 590	–	2 915	50 505	839 903
Departmental agencies and accounts	705 855	–	–	53 200	–	2 915	56 115	761 970
Higher education institutions	10 001	–	–	–	–	–	–	10 001
Public corporations and private enterprises	65 642	–	–	(5 900)	–	–	(5 900)	59 742
Non-profit institutions	7 900	–	–	–	–	–	–	7 900
Households	–	–	–	290	–	–	290	290
Payments for capital assets	580	–	–	382	–	–	382	962
Machinery and equipment	580	–	–	382	–	–	382	962
Total	879 891	–	–	57 174	–	2 915	60 089	939 980

Programme 4: Industrial Development: Policy Development

Subprogramme		2012/13						
		Adjustments appropriation						Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	
Industrial Competitiveness	500 196	–	–	–	–	7 922	7 922	508 118
Customised Sector Programmes	982 660	–	–	5 508	–	(3 541)	1 967	984 627
Total	1 482 856	–	–	5 508	–	4 381	9 889	1 492 745
Economic classification								
Current payments	105 915	–	–	(95)	–	(3 515)	(3 610)	102 305
Compensation of employees	74 019	–	–	5 592	–	(2 074)	3 518	77 537
Goods and services	31 896	–	–	(5 687)	–	(1 441)	(7 128)	24 768
Transfers and subsidies	1 376 221	–	–	5 150	–	7 922	13 072	1 389 293
Departmental agencies and accounts	184 963	–	–	5 100	–	2 530	7 630	192 593
Higher education institutions	3	–	–	–	–	–	–	3
Foreign governments and international organisations	7 200	–	–	–	–	–	–	7 200
Public corporations and private enterprises	1 184 055	–	–	–	–	5 392	5 392	1 189 447
Households	–	–	–	50	–	–	50	50
Payments for capital assets	720	–	–	453	–	(26)	427	1 147
Machinery and equipment	720	–	–	453	–	(26)	427	1 147
Total	1 482 856	–	–	5 508	–	4 381	9 889	1 492 745

Programme 5: Consumer and Corporate Regulation

Subprogramme		2012/13						
		Adjustments appropriation						Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	
Policy and Legislative Development	23 165	–	–	3 802	–	–	3 802	26 967
Enforcement and Compliance	36 363	–	–	(16 093)	–	–	(16 093)	20 270
Regulatory Services	185 185	–	–	14 291	–	1 430	15 721	200 906
Total	244 713	–	–	2 000	–	1 430	3 430	248 143

Programme 5: Consumer and Corporate Regulation (continued)

Programme of Consumer and Corporate Regulation (continued)								
		2012/13						
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Economic classification								
Current payments	70 653	–	–	372	–	–	372	71 025
Compensation of employees	51 909	–	–	(11 742)	–	–	(11 742)	40 167
Goods and services	18 744	–	–	12 114	–	–	12 114	30 858
Transfers and subsidies	173 360	–	–	842	–	1 430	2 272	175 632
Departmental agencies and accounts	169 360	–	–	842	–	1 430	2 272	171 632
Foreign governments and international organisations	4 000	–	–	–	–	–	–	4 000
Payments for capital assets	700	–	–	786	–	–	786	1 486
Machinery and equipment	700	–	–	786	–	–	786	1 486
Total	244 713	–	–	2 000	–	1 430	3 430	248 143

Programme 6: Industrial Development: Incentive Administration

Programme of Industrial Development Incentive Implementation								
Subprogramme		2012/13						Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other Adjustments		
Broadening Participation Incentives	147 810	–	–	31 923	–	–	31 923	179 733
Manufacturing Investment Incentives	3 507 425	–	–	(292 088)	(346 000)	9 305	(628 783)	2 878 642
Services Investment Incentives	452 519	–	–	55 535	–	–	55 535	508 054
Infrastructure Development Support	1 302 632	–	–	1 230	(340 000)	–	(338 770)	963 862
Product and Systems Development	10 557	–	–	2 777	–	–	2 777	13 334
Business Development and After Care	16 622	–	–	623	–	–	623	17 245
Total	5 437 565	–	–	(200 000)	(686 000)	9 305	(876 695)	4 560 870
Economic classification								
Current payments	158 196	–	–	(4 977)	–	9 305	4 328	162 524
Compensation of employees	117 995	–	–	–	–	9 305	9 305	127 300
Goods and services	40 201	–	–	(4 977)	–	–	(4 977)	35 224
Transfers and subsidies	5 278 319	–	–	(219 613)	(686 000)	–	(905 613)	4 372 706
Public corporations and private enterprises	5 278 319	–	–	(220 000)	(686 000)	–	(906 000)	4 372 319
Households	–	–	–	387	–	–	387	387
Payments for capital assets	1 050	–	–	24 590	–	–	24 590	25 640
Machinery and equipment	1 050	–	–	480	–	–	480	1 530
Software and other intangible assets	–	–	–	24 110	–	–	24 110	24 110
Total	5 437 565	–	–	(200 000)	(686 000)	9 305	(876 695)	4 560 870

Programme 7: Trade and Investment South Africa

Programme of Trade and Investment Development								
Subprogramme		2012/13						Adjusted appropriation
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other Adjustments		
Investment Promotion and Facilitation	44 259	–	–	16 777	–	–	16 777	61 036
Export Development and Promotion	144 720	–	–	28 903	–	(73 000)	(44 097)	100 623
International Operations	115 847	–	–	–	–	–	–	115 847
Total	304 826	–	–	45 680	–	(73 000)	(27 320)	277 506
Economic classification								
Current payments	183 522	–	–	44 716	–	–	44 716	228 238
Compensation of employees	117 281	–	–	17 642	–	–	17 642	134 923
Goods and services	66 241	–	–	27 074	–	–	27 074	93 315

Programme 7: Trade and Investment South Africa (continued)

Subprogramme	Main appropriation	2012/13 Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	
R thousand								
Transfers and subsidies	119 954	–	–	–	–	(73 000)	(73 000)	46 954
Foreign governments and international organisations	12 338	–	–	–	–	–	–	12 338
Public corporations and private enterprises	97 616	–	–	–	–	(73 000)	(73 000)	24 616
Non-profit institutions	10 000	–	–	–	–	–	–	10 000
Payments for capital assets	1 350	–	–	964	–	–	964	2 314
Machinery and equipment	1 350	–	–	964	–	–	964	2 314
Total	304 826	–	–	45 680	–	(73 000)	(27 320)	277 506

Details of adjustments to Estimates of National Expenditure 2012**Virements and shifts****Programmes**

1. Administration
2. International Trade and Economic Development
3. Broadening Participation
4. Industrial Development: Policy Development
5. Consumer and Corporate Regulation
6. Industrial Development: Incentive Administration
7. Trade and Investment South Africa

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(9 104)	Programme 1		6 514
Compensation of employees	Reprioritisation of funds	(5 463)	Goods and services	For external audit fees, travel and subsistence and inventory	5 463
	Reprioritisation of funds	(180)	Machinery and equipment	For office furniture	180
Goods and services	Reduction in consultants, operating payments, resettlement costs and travel and subsistence	(193)	Households	For the purchase of gifts during Mandela Day and a leave gratuity	193
	Reduction in travel and subsistence, advertisements, operating payments and consultancy services	(356)	Machinery and equipment	For computers and office equipment	356
	Reduction in entertainment and consultancy services	(322)	Software and other intangible assets	For computer software	322
	Reduction in communication	(25)	Programme 3		775
	Reduction in consultancy services	(750)	Households	For donations and gifts	25
	Reduction in consultancy services	(908)	Goods and services	For appointment of consultants	750
	Reduction in consultancy services	(800)	Programme 4		908
	Reduction on computer equipment	(77)	Goods and services	For research project for the review and amendment of legislation	908
Machinery and equipment	Reduction on computer equipment	(77)	Programme 2		800
	Reduction on computer software	(30)	Goods and services	For appointment of consultants	800
Software and other intangible assets	Reduction on computer software	(30)	Programme 1		107
			Software and other intangible assets	For AutoCAD computer software	77
			Machinery and equipment	For audio-visual equipment	30
Shifts within the programme as percentage of programme budget		1.1%			
Virements to other programmes as percentage of programme budget		0.4%			

2012 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2		(2 120)	Programme 2		2 120
Compensation of employees	Vacant posts	(90)	Households	For leave gratuity	90
	Vacant posts	(1 430)	Goods and services	For international travel	1 430
Foreign Governments and International Organisations	Savings on membership fees to the World Trade Organisation due to foreign exchange rate movements	(14)	Households	For leave gratuity	14
	Savings on membership fees for World Trade Organisation due to foreign exchange rate movements	(306)	Goods and services	For professional legal services	306
	Savings on membership fees for World Trade Organisation due to foreign exchange rate movements	(280)	Machinery and equipment	For computer equipment	280
Shifts within the programme as percentage of programme budget		1.6%			
Virements to other programmes as percentage of programme budget		0.0%			
Programme 3		(14 583)	Programme 1		1 053
Goods and services	Reduction in business and advisory services	(1 053)	Goods and services	For hosting of small business congress to be held in September	1 053
	Reduction in travel and subsistence	(100)	Programme 3		13 530
	Savings from reduction in registration fees, travel and subsistence, venues and facilities and consultancy services	(407)	Households	For the sponsorship of the national conference for the Progressive Women's Movement of South Africa	100
	Reduction in business and advisory services	(2 098)	Machinery and equipment	For computers, furniture and equipment	407
Machinery and equipment	Reduction in computer equipment	(25)	Compensation of employees	To employ personnel to implement amended legislation	2 098
Public corporations and private enterprises	Reprioritisation of funds ¹	(2 200)	Goods and services	For outsourced agency support services	25
	Reprioritisation of funds	(165)	Departmental agencies and accounts	For small enterprise development agencies and Independent Regulatory Board of Auditors	2 200
	Reprioritisation of funds	(4 768)	Households	For leave gratuity and donations and gifts	165
	Reprioritisation of funds	(3 767)	Goods and services	For venues, training and travel and subsistence and Bavumile Women Projects	4 768
			Compensation of employees	For improved conditions of service costs	3 767
Shifts within the programme as percentage of programme budget		1.5%			
Virements to other programmes as percentage of programme budget		0.1%			
Programme 4		(7 271)	Programme 4		7 271
Compensation of employees	Vacant posts ¹	(593)	Departmental agencies and accounts	For National Metrology Institute of South Africa	593
	Vacant posts	(33)	Goods and services	For travel and subsistence	33
	Vacant posts	(17)	Machinery and equipment	For computer software	17
Goods and services	Reduction in consultancy services ¹	(4 507)	Departmental agencies and accounts	For the National Metrology Institute of South Africa	4 507
	Reduction in consultancy services	(50)	Households	For leave gratuity	50
	Reduction in venues and facilities, operating payments and consultancy services	(436)	Machinery and equipment	For the purchase of computer equipment	436
	Reduction in consultancy services	(1 635)	Compensation of employees	To fill vacant posts	1 635
Shifts within the programme as percentage of programme budget		0.5%			
Virements to other programmes as percentage of programme budget		0.0%			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 5		(12 900)	Programme 5		12 900
Compensation of employees	Vacant posts	(11 742)	Goods and services	For venues and facilities and consultancy services	11 742
Departmental agencies and accounts	Reduction in transfers to Companies and Intellectual Property Commission	(372)	Goods and services	For venues and facilities and consultancy services	372
	Reduction in transfers to Companies and Intellectual Property Commission	(786)	Machinery and equipment	For computer equipment	786
Shifts within the programme as percentage of programme budget		5.3%			
Virements to other programmes as percentage of programme budget		0.0%			
Programme 6		(371 003)	Programme 6		9 902
Compensation of employees	Vacant posts	(1 450)	Goods and services	For travel and subsistence and lease payment	1 450
	Vacant posts ¹	(1 101)	Public corporations and private enterprises	For investment services	1 101
Goods and services	Reduction in consultancy services	(250)	Households	For leave gratuity	250
	Reduction in venues and facilities, consultancy services and inventory	(480)	Machinery and equipment	For purchase of office and computer equipment	480
	Reduction in travel and subsistence	(2 511)	Compensation of employees	For additional incentive administrative capacity	2 511
	Reduction in consultancy services	(4 110)	Software and other intangible assets	For purchase of computer software	4 110
Public corporations and private enterprises	Reduction in transfers to Export Marketing and Investment Assistance Scheme	(1 351)	Programme 1		89 867
			Households	For leave gratuity and bursaries	1 351
			Goods and services	For external audit fees, the South African Business Award: Big Break Legacy and for International Trade Initiatives for multimedia campaigns	61 841
			Machinery and equipment	For machinery and equipment	23 594
			Compensation of employees	For implementation of salary levels 9 and 10	3 081
			Programme 3		57 452
			Departmental agencies and accounts	For Small Enterprise Development Agencies Technology programme, the Red Door and Hotline and the Small Enterprise Development Agency Incubators	51 000
			Compensation of employees	For vacant posts	1 452
			Public corporations and private enterprises	For technology venture capital	5 000
			Programme 5		2 000
			Departmental agencies and accounts	For National Consumer Commission	2 000
			Programme 6		161 101
			Households	For employee social benefits	137
			Goods and services	For travel and subsistence and communication	924
			Compensation of employees	For employee social benefits	40
	Reduction in Manufacturing Investment Incentives ¹	(51 000)	Software and other intangible assets	For purchase of computer equipment and software	20 000
	Reduction in Broadening Participation Development Incentives	(1 452)	Public corporations and private enterprises	For Richards Bay Industrial Development Zone	140 000
	Reduction in Manufacturing Investment Incentives ¹	(5 000)			
	Reduction in Manufacturing Investment Incentives ¹	(2 000)			
	Reduction in Manufacturing Investment Incentives	(137)			
	Reduction in Manufacturing Investment Incentives	(924)			
	Reduction in Manufacturing Investment Incentives	(40)			
	Reduction in Manufacturing Investment Incentives	(20 000)			
	Reduction in Special Economic Zones ¹	(140 000)			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
	Reduction in Manufacturing Investment Incentives	(4 600)	Programme 4		4 600
			Compensation of employees	For vacant posts	4 600
	Reduction in Manufacturing Investment Incentives	(401)	Programme 2		401
			Goods and services	For international travel	401
	Reduction in Manufacturing Investment Incentives	(28 038)	Programme 7		45 680
			Goods and services	For travel, venue, operations and consultancy services	28 038
	Reduction in Manufacturing Investment Incentives	(17 642)	Compensation of employees	For vacant posts	17 642
Shifts within the programme as percentage of programme budget		3.1%			
Virements to other programmes as percentage of programme budget		3.7%			
Programme 7		(964)	Programme 7		964
Goods and services	Reduction in venues and facilities	(964)	Machinery and equipment	For purchase of computer equipment and leave gratuity	964
Shifts within the programme as percentage of programme budget		0.3%			
Virements to other programmes as percentage of programme budget		0.0%			
Total		(417 945)	417 945		

1. National Treasury approval has been obtained.

Declared savings – R686 million

Programme 6: Industrial Development: Incentive Administration

Savings of R686 million have been declared in respect of the Economic Competitiveness and Support Package (ECSP). Funds will be budgeted for this in the 2013 Medium Term Expenditure Framework.

Other adjustments – R54.969 million

Adjustments due to significant and unforeseeable economic and financial events

An additional R21.572 million is allocated for higher personnel remunerations increases than the main budget provided for, as follows:

Programme 3: Broadening Participation

R2.915 million for the Small Enterprise Development Agency.

Programme 4: Industrial Development: Policy Development

R612 000 for the National Metrology Institute of South Africa

R1.569 million for the National Regulatory for Compulsory Specifications

R5.392 million for the South African Bureau of Standards

R349 000 for the South African National Accreditation System

Programme 5: Consumer and Corporate Regulation

R137 000 for the Companies Tribunal

R265 000 for the National Consumer Commission

R130 000 for the National Consumer Tribunal

R741 000 for the National Credit Regulator

R157 000 for the National Gambling Board

Programme 6: Industrial Development: Incentive Administration

R9.305 million for the Manufacturing Investment Incentives

Funds shifted between votes following a transfer of a function

Programme 4: Industrial Development: Policy Development

R3.541 million is shifted from programme 4 to the National Department of Tourism. This action was informed by the Cabinet decision outlined in the Industrial Policy Action Plan of 2011/12 to 2013/14 according to which the tourism work performed by the Department of Trade and Industry has to be transferred to the National Department of Tourism.

R73 million is shifted from Programme 7: Trade and Investment South Africa to the Department of International Relations and Cooperation. President Zuma announced the Cuba Economic Assistance Package during the state visit to Cuba in December 2010. The package comprises of a mix of grants and a loan.

Expenditure for 2011/12 and preliminary expenditure for 2012/13

Programme	2011/12 Expenditure outcome					2012/13 Preliminary expenditure		
	Adjusted appropriation	Apr 11 - Sep 11	% of adjusted appropriation	Apr 11 - Mar 12	% of adjusted appropriation	Adjusted appropriation	Apr 12 - Sep 12	% of adjusted appropriation
R thousand								
Administration	659 286	278 879	42.3	639 375	97.0	697 179	283 849	40.7
International Trade and Economic Development	144 805	55 934	38.6	132 920	91.8	134 663	59 039	43.8
Broadening Participation	865 695	473 588	54.7	887 513	102.5	939 980	451 765	48.1
Industrial Development: Policy Development	1 311 047	911 745	69.5	1 321 671	100.8	1 492 745	1 091 770	73.1
Consumer and Corporate Regulation	229 671	118 574	51.6	218 564	95.2	248 143	123 318	49.7
Industrial Development: Incentive Administration	3 320 862	1 461 130	44.0	3 283 549	98.9	4 560 870	2 018 017	44.2
Trade and Investment South Africa	345 147	146 077	42.3	317 388	92.0	277 506	120 582	43.5
Total	6 876 513	3 445 927	50.1	6 800 980	98.9	8 351 086	4 148 340	49.7
Economic classification								
Current payments	1 299 193	537 883	41.4	1 160 791	89.3	1 422 232	586 261	41.2
Compensation of employees	621 344	274 863	44.2	566 988	91.3	735 953	325 203	44.2
Goods and services	677 849	262 947	38.8	593 730	87.6	686 279	261 057	38.0
Interest and rent on land	—	73	0.0	73	0.0	—	1	0.0
Transfers and subsidies	5 533 381	2 891 232	52.3	5 568 113	100.6	6 862 863	3 551 986	51.8
Departmental agencies and accounts	1 004 125	586 729	58.4	1 058 599	105.4	1 126 195	621 346	55.2
Higher education institutions	3 504	—	0.0	14 800	422.4	10 004	3 500	35.0
Foreign governments and international organisations	40 420	2 200	5.4	40 172	99.4	36 438	—	0.0
Public corporations and private enterprises	4 470 245	2 291 889	51.3	4 440 568	99.3	5 668 674	2 917 293	51.5
Non-profit institutions	14 700	8 925	60.7	10 125	68.9	17 900	6 975	39.0
Households	387	1 489	384.8	3 849	994.6	3 652	2 872	78.6
Payments for capital assets	43 939	16 502	37.6	36 490	83.0	65 991	8 197	12.4
Machinery and equipment	25 315	4 859	19.2	20 137	79.5	38 824	6 089	15.7
Software and other intangible assets	18 624	11 643	62.5	16 353	87.8	27 167	2 108	7.8
Payments for financial assets	—	310	—	35 586	—	—	1 896	—
Total	6 876 513	3 445 927	50.1	6 800 980	98.9	8 351 086	4 148 340	49.7

Main expenditure trends for the first half of 2012/13

Total expenditure for 2011/12 was 98.9 per cent of the 2011/12 adjusted appropriation. Expenditure in the first six months of 2012/13 was R4.148 billion or 49.7 per cent of the adjusted appropriation of R8.351 billion for the year as a whole. In comparison, mid-year expenditure in 2011/12 was R3.446 billion,

or 50.1 per cent of the 2011/12 adjusted appropriation. Expenditure in the first six months of 2012/13 increased by R702.413 million or 20.4 per cent, compared to expenditure in the first six months of 2011/12.

The main reasons for this increase compared to 2011/12 is due to an increase in compensation of employees due to: the filling of vacant posts, earlier transfers to higher education institutions, increased transfers to public corporations and households, the introduction of new incentive schemes and the payment of bursaries to non-employees.

Departmental receipts

R thousand	2011/12					2012/13			
	Adjusted estimate	Audited outcome				Actual receipts			
		Apr 11 - Sep 11	Apr 11 - Sep 11 adjusted estimate	Apr 11 - Mar 12	Apr 11 - Mar 12 adjusted estimate	Budget estimate	Adjusted estimate	Apr 12 - Sep 12	Apr 12 - Sep 12 adjusted estimate
Departmental receipts	116 921	21 603	18.5	78 707	67.3	47 321	92 410	17 154	18.6
Tax receipts	3 900	1 517	38.9	3 280	84.1	5 000	5 000	1 402	28.0
Sales of goods and services produced by department	275	111	40.4	350	127.3	320	400	194	48.5
Sales of scrap, waste, arms and other used current goods	–	–	–	–	–	1	–	–	–
Fines, penalties and forfeits	150	132	88.0	189	126.0	–	10	4	40.0
Interest, dividends and rent on land	20 596	134	0.7	20 470	99.4	25 000	25 000	57	0.2
Sales of capital assets	–	10	–	10	–	–	–	–	–
Transactions in financial assets and liabilities	92 000	19 699	21.4	54 408	59.1	17 000	62 000	15 497	25.0
Total	116 921	21 603	18.5	78 707	67.3	47 321	92 410	17 154	18.6

Main departmental revenue trends for the first half of 2012/13

Departmental revenue collection in the first six months of 2012/13 was R17.154 million, or 18.6 per cent of the adjusted revenue estimate of R92.410 million for the year as a whole. In comparison, mid-year revenue collection in 2011/12 was R21.603 million, or 18.5 per cent of the 2011/12 adjusted estimate. Departmental revenue collection in the first six months of 2012/13 decreased by R4.449 million or 20.6 per cent, compared to revenue in the first six months of 2011/12.

The main revenue decrease compared to 2011/12 is due to less revenue received from transactions in financial assets, as well as fines, penalties and forfeits, interest, dividends and rent on land.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

2012/13								
R thousand	Main appropriation	Adjustments appropriation					Total Adjustments Appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Administration								
Households								
Social benefits								
Current	1 277	–	–	1 300	–	–	1 300	2 577
Bursaries non-employees	1 277	–	–	1 300	–	–	1 300	2 577
Households								
Other transfers to households								
Current	–	–	–	244	–	–	244	244
Gifts, donations and sponsorships	–	–	–	100	–	–	100	100
Employee social benefits	–	–	–	144	–	–	144	144

Summary of changes to transfers and subsidies per programme (continued)

2012/13								
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ Unavoidable	Virements and shifts	Declared savings	Other adjustments		
International Trade and Economic Development								
Foreign governments and international organisations								
Current	4 000	–	–	(600)	–	–	(600)	3 400
Organisation for the Prohibition of Chemical Weapons	4 000	–	–	(600)	–	–	(600)	3 400
Households								
Social benefits								
Current	–	–	–	104	–	–	104	104
Employee social benefits	–	–	–	104	–	–	104	104
Broadening Participation								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	540 655	–	–	53 200	–	2 915	56 115	596 770
Small Enterprise Development Agency	427 655	–	–	11 700	–	2 915	14 615	442 270
Small Enterprise Development Agency: Technology Programme	113 000	–	–	40 000	–	–	40 000	153 000
Independent Regulatory Board For Auditors	–	–	–	1 500	–	–	1 500	1 500
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	10 900	–	–	(10 900)	–	–	(10 900)	–
Industrial Development Corporation: Isivande Women's Fund	10 900	–	–	(10 900)	–	–	(10 900)	–
Capital	1	–	–	5 000	–	–	5 000	5 001
Industrial Development Corporation: Technology venture capital	1	–	–	5 000	–	–	5 000	5 001
Households								
Social benefits								
Current	–	–	–	25	–	–	25	25
Gifts, donations and sponsorships	–	–	–	25	–	–	25	25
Households								
Other transfers to households								
Current	–	–	–	265	–	–	265	265
Employee social benefits	–	–	–	165	–	–	165	165
Gifts, donations and sponsorships	–	–	–	100	–	–	100	100
Industrial Development: Policy Development								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	184 963	–	–	5 100	–	2 530	7 630	192 593
South African National Accreditation System	30 327	–	–	–	–	349	349	30 676
National Metrology Institute of South Africa	76 521	–	–	5 100	–	612	5 712	82 233
National Regulator for Compulsory Specifications	78 115	–	–	–	–	1 569	1 569	79 684

Summary of changes to transfers and subsidies per programme (continued)

	Main appropriation	2012/13 Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
R thousand								
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	180 538	–	–	–	–	5 392	5 392	185 930
South African Bureau of Standards	180 538	–	–	–	–	5 392	5 392	185 930
Households								
Social benefits								
Current	–	–	–	50	–	–	50	50
Employee social benefits	–	–	–	50	–	–	50	50
Consumer and Corporate Regulation								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	169 360	–	–	842	–	1 430	2 272	171 632
National Credit Regulator	54 690	–	–	–	–	741	741	55 431
National Gambling Board	25 900	–	–	–	–	157	157	26 057
National Consumer Tribunal	33 035	–	–	–	–	130	130	33 165
Companies and Intellectual Property Commission	4 158	–	–	(4 158)	–	–	(4 158)	–
National Consumer Commission	41 577	–	–	5 000	–	265	5 265	46 842
Companies Tribunal	10 000	–	–	–	–	137	137	10 137
Industrial Development: Incentive Administration								
Public corporations and private enterprises								
Public corporations								
Other transfers								
Capital	42 018	–	–	140 000	–	–	140 000	182 018
Richards Bay Industrial Development Zone Company	42 018	–	–	140 000	–	–	140 000	182 018
Public corporations and private enterprises								
Private enterprises								
Subsidies on production or products								
Current	3 669 443	–	–	(300 000)	(346 000)	–	(646 000)	3 023 443
Services Sector Development Incentives	439 000	–	–	60 000	–	–	60 000	499 000
Manufacturing Development Incentives	3 227 079	–	–	(356 636)	(346 000)	–	(702 636)	2 524 443
Sector Development Programme	3 364	–	–	(3 364)	–	–	(3 364)	–
Capital	500 000	–	–	(140 000)	(340 000)	–	(480 000)	20 000
Special Economic Zones	500 000	–	–	(140 000)	(340 000)	–	(480 000)	20 000
Public corporations and private enterprises								
Private enterprises								
Other transfers								
Current	317 000	–	–	80 000	–	–	80 000	397 000
Broadening Participation Development Incentives	135 000	–	–	30 000	–	–	30 000	165 000
Export Market and Investment Assistance	182 000	–	–	50 000	–	–	50 000	232 000
Households								
Social benefits								
Current	–	–	–	387	–	–	387	387
Employee social benefits	–	–	–	387	–	–	387	387

Summary of changes to transfers and subsidies per programme (continued)

2012/13								
R thousand	Main appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/Unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	
Trade and Investment South Africa								
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	97 616	–	–	–	–	(73 000)	(73 000)	24 616
Export Credit Insurance Corporation	97 616	–	–	–	–	(73 000)	(73 000)	24 616

