

Vote 32

Trade and Industry

Adjusted budget summary

| R thousand | 2009/10 | | | |
|----------------------------------|--|------------------------|-----------|---------------|
| | Main appropriation | Adjusted appropriation | Decrease | Increase |
| Amount to be appropriated | 6 344 192 | 6 402 076 | - | 57 884 |
| <i>of which:</i> | | | | |
| Current payments | 979 792 | 1 155 144 | - | 175 352 |
| Transfers and subsidies | 5 329 858 | 5 203 944 | (125 914) | - |
| Payments for capital assets | 34 542 | 42 988 | - | 8 446 |
| Executive authority | Minister of Trade and Industry | | | |
| Accounting officer | Director-General of Trade and Industry | | | |
| Website address | www.thedti.gov.za | | | |

Aim

The aim of the Department of Trade and Industry 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 future economic trends. The department 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 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.

Reorganisation of department

In terms of the revised government structure, certain functions of the Department of Trade and Industry will be shifted to the new Economic Development Department. It is anticipated that the shifting of functions will be completed before the beginning of 2010/11.

Mid-year performance status

| Indicator | Programme | Annual performance | | |
|---|--|--|--|--------------------------------|
| | | Projected for 2009/10 as published in the 2009 ENE | Achieved in the first six months of 2009/10 (April to September) | Change of estimate for 2009/10 |
| As published in the 2009 ENE | Programme linked to the indicator | | | |
| Total number of new projects implemented under the national industrial participation programme | Industrial Development | 250 | 5 | - |
| Total value of investment and export credits under the national industrial participation programme | Industrial Development | US\$14bn | US\$785m | - |
| Total number of direct jobs created through the national industrial participation programme | Industrial Development | 18 500 | - 1 | - |
| Number of new companies implementing cleaner production activities including energy efficiency each year | Industrial Development | 20 | 10 | - |
| Number of new companies receiving cleaner production audits, including energy efficiency each year | Industrial Development | 80 | 14 | - |
| Number of new projects receiving grants through the support programme for industrial innovation each year | Empowerment and Enterprise Development | 100 | 22 | - |

| Indicator | Programme | Annual performance | | |
|--|--|--|--|--------------------------------|
| | | Projected for 2009/10 as published in the 2009 ENE | Achieved in the first six months of 2009/10 (April to September) | Change of estimate for 2009/10 |
| As published in the 2009 ENE | Programme linked to the indicator | | | |
| Value of support programme for industrial innovation projects | Empowerment and Enterprise Development | R160m | R43.4 m | R100m |
| Number of new project receiving funding through the technology and human resources for industry programme each year | Empowerment and Enterprise Development | 330 | 233 | - |
| Number of additional students supported under the technology and human resources for industry programme each year | Empowerment and Enterprise Development | 2 500 | 1 794 | - |
| Number of additional researchers supported under the technology and human resources for industry programme each year | Empowerment and Enterprise Development | 750 | 793 | 793 |
| Number of companies assisted each year with: | The Enterprise Organisation | | | |
| export market and Investment assistance programme | The Enterprise Organisation | 1 500 | 692 | - |
| business process outsourcing and off-shoring | The Enterprise Organisation | 12 | 4 | - |
| black business supplier development programme | The Enterprise Organisation | 1 600 | 1 299 | 2 800 |
| enterprise development programme | The Enterprise Organisation | 1 800 | 904 | - |
| enterprise investment programme | The Enterprise Organisation | 300 | 194 | 350 |
| cooperatives incentive scheme | The Enterprise Organisation | 220 | 120 | - |
| Number of new film and television productions assisted each year | The Enterprise Organisation | 80 | 30 | 60 |
| Number of new bilateral and regional trade and investment agreements signed each year | International Trade and Economic Development | 12 | 0 | 6 |
| Number of successful technical and business trips to foreign countries and companies undertaken each year | International Trade and Economic Development | 15 | 3 | - |
| Key performance indicators for Coega industrial development zone: | The Enterprise Organisation | | | |
| Number of new foreign investors each year | | 10 | 1 | - |
| Value of new investments each year | | R5bn | R265m | |
| Number of new jobs created each year | | 2 000 | 80 | |
| Key performance indicators for East London industrial development zone: | The Enterprise Organisation | | | |
| Number of new foreign investors each year | | 5 | 0 | - |
| Value of new investments each year | | R250m | R0 | |
| Number of new jobs created each year | | 360 | 0 | |
| Key performance indicators for Richards Bay industrial development zone: | The Enterprise Organisation | | | |
| Number of new foreign investors each year | | 4 | 0 | - |
| Value of new investments each year | | R1.9bn | R0 | |
| Number of new jobs created each year | | 375 | 0 | |
| Value of investment generated through enterprise investment programme each year | The Enterprise Organisation | R68bn | R3bn | R6.8bn |
| Key performance indicators for the critical infrastructure programme: | The Enterprise Organisation | | | |
| Number of new projects each year | | 12 | 5 | - |
| Value of new investments each year | | R6bn | R24.7bn | - |
| Number of new jobs created each year | | 2 510 | 6 408 | - |
| Number of new direct jobs created further each year through: | The Enterprise Organisation | | | |
| enterprise investment programme | | 1 025 | 5 989 | 10 000 |
| business process outsourcing and off-shoring | | 2 340 | 6 266 | 8 000 |

1. This information is only updated annually.

The number of new projects implemented under the national industrial participation programme in the first six months of 2009/10 is significantly lower than the target for the year because it depends on the number of business plans received and approved and the performance of the economy. The target for the year as a whole will be achieved.

The estimated value of the support programme for industrial innovation projects in 2009/10 has been decreased, because less industrial partners are conducting research and development and budgets have been reallocated.

The estimated numbers of companies assisted in 2009/10 have been increased because:

- unexpectedly large numbers of applications were received by the black business supplier development programme
- there was increased participation in the enterprise investment programme

The estimated number of new film and television productions assisted in 2009/10 has been decreased, many productions, local and international, find it difficult to raise money in the financial crisis.

The estimated number of new bilateral and regional trade and investment agreements signed in 2009/10 has been decreased, because South Africa is currently reviewing the bilateral investment treaty framework.

A typing mistake in the 2009 ENE under the estimated value of investments generated through the enterprise investment programme in 2009/10 has been corrected.

The estimated numbers of new direct jobs created further in 2009/10 have been changed as follows:

- the number of jobs created through the enterprise investment programme has been increased, because of increased participation by enterprises
- the number of jobs created through business process outsourcing and off-shoring has been increased, because of greater interest from larger global companies.

Adjusted Estimates of National Expenditure 2009

| Programme | 2009/10 | | | | | | | Adjusted appropriation |
|---|--------------------|--------------------------|---------------------------|------------------|----------------|-------------------|--------------------------------|------------------------|
| | Main appropriation | Additional appropriation | | | | | Total additional appropriation | |
| R thousand | | Roll-over | Unforeseeable/unavoidable | Virement | Function shift | Other adjustments | | |
| 1. Administration | 420 858 | – | 30 500 | 30 149 | – | 15 629 | 76 278 | 497 136 |
| 2. International Trade and Economic Development | 173 541 | – | 2 000 | 15 750 | – | – | 17 750 | 191 291 |
| 3. Empowerment and Enterprise Development | 1 307 854 | – | 1 000 | 2 861 | 5 469 | – | 9 330 | 1 317 184 |
| 4. Industrial Development | 414 586 | – | 537 | 17 263 | (5 469) | – | 12 331 | 426 917 |
| 5. Consumer and Corporate Regulation | 238 595 | – | 4 218 | 5 676 | – | – | 9 894 | 248 489 |
| 6. The Enterprise Organisation | 3 439 983 | – | – | (83 099) | – | – | (83 099) | 3 356 884 |
| 7. Trade and Investment South Africa | 283 051 | – | 3 000 | 8 000 | – | – | 11 000 | 294 051 |
| 8. Communications and Marketing | 65 724 | – | 1 000 | 3 400 | – | – | 4 400 | 70 124 |
| Total | 6 344 192 | – | 42 255 | – | – | 15 629 | 57 884 | 6 402 076 |
| Economic classification | | | | | | | | |
| Current payments | 979 792 | – | 34 036 | 125 687 | – | 15 629 | 175 352 | 1 155 144 |
| Compensation of employees | 450 481 | – | 23 681 | 51 500 | – | – | 75 181 | 525 662 |
| Goods and services | 529 311 | – | 10 355 | 74 187 | – | 15 629 | 100 171 | 629 482 |
| Transfers and subsidies | 5 329 858 | – | 2 218 | (128 132) | – | – | (125 914) | 5 203 944 |
| Departmental agencies and accounts | 1 407 268 | – | 2 218 | 11 171 | – | – | 13 389 | 1 420 657 |
| Universities and technikons | – | – | – | 3 000 | – | – | 3 000 | 3 000 |
| Public corporations and private enterprises | 3 880 979 | – | – | (145 209) | – | – | (145 209) | 3 735 770 |
| Foreign governments and international organisations | 37 589 | – | – | (3 567) | – | – | (3 567) | 34 022 |
| Non-profit institutions | 2 597 | – | – | 5 000 | – | – | 5 000 | 7 597 |
| Households | 1 425 | – | – | 1 473 | – | – | 1 473 | 2 898 |
| Payments for capital assets | 34 542 | – | 6 001 | 2 445 | – | – | 8 446 | 42 988 |
| Machinery and equipment | 33 885 | – | 6 001 | (1 418) | – | – | 4 583 | 38 468 |
| Software and other intangible assets | 657 | – | – | 3 863 | – | – | 3 863 | 4 520 |
| Total | 6 344 192 | – | 42 255 | – | – | 15 629 | 57 884 | 6 402 076 |

Details of adjustments to Estimates of National Expenditure 2009

Unforeseeable and unavoidable expenditure – R42.255 million

An additional R13.255 million is allocated for higher salary increases than the main budget provided for, as follows:

Programme 1: Administration

R1.5 million

Programme 2: International Trade and Economic Development

R2 million

Programme 3: Empowerment and Enterprise Development

R1 million

Programme 4: Industrial Development:

R537 000

Programme 5: Consumer and Corporate Regulation

R2 million to the department

R2.218 million to the Competition Commission

Programme 7: Trade and Investment South Africa

R3 million

Programme 8: Communications and Marketing

R1 million

Programme 1: Administration

An additional R29 million is allocated for the new Economic Development Department for salaries and operational costs until the functions and related funds have been formally shifted from the Department of Trade Industry.

Virement

| Programmes | | | | | |
|---|--|-------------------|---|---|-------------------|
| 1. Administration | | | | | |
| 2. International Trade and Economic Development | | | | | |
| 3. Empowerment and Enterprise Development | | | | | |
| 4. Industrial Development | | | | | |
| 5. Consumer and Corporate Regulation | | | | | |
| 6. The Enterprise Organisation | | | | | |
| 7. Trade and Investment South Africa | | | | | |
| 8. Communications and Marketing | | | | | |
| FROM | | | TO | | |
| Programme by economic classification | Motivation | R thousand | Programme by economic classification | Motivation | R thousand |
| Programme 1 | | (16 530) | Programme 6 | | 2 110 |
| Goods and services | Reduction in consultant and special services | (2 110) | Goods and services | For research benchmarking and performance audit | 2 110 |
| | Reduction in consultant and special services | (750) | Programme 3 | | 750 |
| | Reduction in consultant and special services | (707) | Goods and services | For research project | 750 |
| | Reduction in consultant and special services | (556) | Programme 4 | | 1 263 |
| | Reduction in consultant and special services | (250) | Goods and services | For research project | 707 |
| | Reduction in consultant and special services | (1 000) | Goods and services | For research project | 556 |
| | Reduction in consultant and special services | (600) | Programme 3 | | 250 |
| | Reduction in consultant and special services | (887) | Goods and services | For research project | 250 |
| | Reduction in consultant and special services | (750) | Programme 4 | | 1 000 |
| | Reduction in consultant and special services | (500) | Goods and services | For research project | 1 000 |
| | Reduction in consultant and special services | (500) | Programme 5 | | 600 |
| | Reduction in consultant and special services | (500) | Goods and services | For research project | 600 |
| | Reduction in resettlement costs | (160) | Programme 3 | | 887 |
| | Reduction in stationery | (150) | Goods and services | For research project | 887 |
| | Reduction in venues and facilities | (10) | Programme 2 | | 750 |
| | Reduction in business advisory services | (50) | Goods and services | For research project | 750 |
| | Reduction in operating costs | (10) | Programme 3 | | 500 |
| | Reduction in business advisory services | (293) | Goods and services | For research project | 500 |
| | Reduction in venues and facilities | (100) | Programme 5 | | 500 |
| | Reduction in resettlement costs | (1) | Goods and services | For impact assessment of the National Credit Act (2005) | 500 |
| | Reduction in venues and facilities | (220) | Programme 1 | | 1 550 |
| | Reduction in foreign air transport | (38) | Machinery and equipment | For equipment | 160 |
| | Reduction in venues and facilities | (40) | Machinery and equipment | For computers | 150 |
| | Reduction in inventory | (15) | Software and other intangible assets | For software | 10 |
| | Reduction in venues and facilities | (180) | Machinery and equipment | For computer hardware | 50 |
| | Reduction in travel and subsistence | (222) | Machinery and equipment | For computer hardware | 10 |
| | Reduction in consultant and special services | (61) | Software and other intangible assets | For software | 293 |
| | | | Machinery and equipment | For computer hardware and office equipment | 100 |
| | | | Households (current) | For donations and gifts | 1 |
| | | | Machinery and equipment | For audio visual equipment | 220 |
| | | | Machinery and equipment | For a computer equipment | 38 |
| | | | Machinery and equipment | For office furniture | 40 |
| | | | Machinery and equipment | For a computer | 15 |
| | | | Machinery and equipment | For video conferencing facilities | 180 |
| | | | Households (current) | For leave gratuity | 222 |
| | | | Machinery and equipment | For computers | 61 |

| FROM | | | TO | | |
|---|--|------------|---|--|------------|
| Programme by economic classification | Motivation | R thousand | Programme by economic classification | Motivation | R thousand |
| Programme 1 | | | Programme 3 | | |
| | Reduction in consultant and special services | (250) | Goods and services | For research projects | 250 |
| | Reduction in consultant and special services | (600) | Programme 4 | | |
| | Reduction in consultant and special services | (200) | Goods and services | For research project | 600 |
| | Reduction in consultant and special services | (900) | Programme 3 | | |
| | Reduction in computer equipment | (3 990) | Current payments | | 200 |
| Machinery and equipment | Reduction in costs in the office of the director-general | (430) | Goods and services | For research project | 200 |
| Software and other intangible assets | | | Programme 1 | | |
| | | | Households (current) | For overspending in the ministry | 900 |
| | | | Programme 1 | | |
| | | | Software and other intangible assets | For software upgrades and licences | 3 990 |
| | | | Programme 1 | | |
| | | | Machinery and equipment | For computer equipment | 430 |
| Programme 2 | | | Programme 2 | | |
| Goods and services | Reduction in venues and facilities | (275) | Foreign governments and international organisations (current) | For exchange rate fluctuations | 275 |
| Programme 3 | | | Programme 3 | | |
| Goods and services | Reduction in venues and facilities | (500) | Machinery and equipment | For operational costs | 500 |
| | Reduction in venues and facilities | (50) | Households (current) | For bursaries | 50 |
| | Reduction in venues and facilities | (30) | Machinery and equipment | For a computer | 30 |
| | Reduction in venues and facilities | (100) | Households (current) | For bursaries | 100 |
| | | | Programme 3 | | |
| Machinery and equipment | Reduction in computer equipment | (214) | Machinery and equipment | For purchase of computer equipment | 214 |
| | | | Programme 3 | | |
| Public corporations and private enterprises (current) | Incorrectly classified in 2009 ENE | (30 000) | Public corporations and private enterprises (capital) | Incorrectly classified in 2009 ENE | 30 000 |
| | | | Programme 3 | | |
| Departmental agencies and accounts (current) | Incorrectly classified in 2009 ENE | (19 300) | Departmental agencies and accounts (capital) | Incorrectly classified in 2009 ENE | 19 300 |
| | Reduction in allocation to South African Micro Finance Apex Fund | (1 521) | Compensation of employees | For an under-funded post | 1 521 |
| | Reduction in allocation to South African Micro Finance Apex Fund | (3 000) | Universities and technikons (current) | To fund centres of excellence | 3 000 |
| | Reduction in allocation to South African Micro Finance Apex Fund | (1 000) | Public corporations and private enterprises (current) | To fund centres of excellence | 1 000 |
| | Reduction in allocation to South African Micro Finance Apex Fund | (100) | Households (current) | For a leave gratuity | 100 |
| | Reduction in allocation to South African Micro Finance Apex Fund | (1 879) | Goods and services | For personnel agency fees | 1 879 |
| | | | Programme 3 | | |
| Foreign governments and international organisations (current) | Reduction in allocation to United Industrial Development Organisation | (5 000) | Non-profit institutions (current) | For South African Women Entrepreneurs' Network | 5 000 |
| | Reduction in allocation to United Industrial Development Organisation | (4 011) | Compensation of employees | For an under-funded post | 4 011 |
| | | | Programme 3 | | |
| Public corporations and private enterprises (capital) | Reduction in allocation to Industrial Development Corporation: Support Programme for Industrial Innovation | (2 000) | Compensation of employees | For an under-funded post | 2 000 |

| FROM | | | TO | | |
|---|--|---------------------------|---|--|---------------|
| Programme by economic classification | Motivation | R thousand | Programme by economic classification | Motivation | R thousand |
| Programme 4 | | (15 282) | Programme 4 | | 4 288 |
| Goods and services | Reduction in consultant and special services | (50) | Households (current) | For social benefits | 50 |
| | Reduction in consultant and special services | (20) | Machinery and equipment | For computers | 20 |
| | Reduction in consultant and special services | (688) | Compensation of employees | For an under-funded post | 688 |
| | Reduction in consultant and special services | (3 480) | Compensation of employees | For an under-funded post | 3 480 |
| | Reduction in consultant and special services | (50) | Households (current) | For social benefits | 50 |
| | | | Programme 4 | | 10 994 |
| Machinery and equipment | Reduction in computer equipment | (1 936) | Goods and services | For consultancy services | 1 936 |
| | Reduction in computer equipment | (760) | Departmental agencies and accounts (current) | For the South African Accreditation System | 760 |
| | Reduction in computer equipment | (287) | Goods and services | For travelling and subsistence | 287 |
| | Reduction in computer equipment | (2 511) | Departmental agencies and accounts (current) | For the National Metrology Institute of South Africa | 2 511 |
| | Reduction in computer equipment | (500) | Public corporations and private enterprises (current) | For the South African Bureau of Standards | 500 |
| | Reduction in computer equipment | (5 000) | Foreign governments and international organisations (current) | For the UNIDO industrial energy efficiency project | 5 000 |
| Programme 5 | | (193) | Programme 3 | | 24 |
| Goods and services | Reduction in consultant and special services | (24) | Goods and services | For a service provider for a study | 24 |
| | | | Programme 5 | | 169 |
| Machinery and equipment | Reduction in computer equipment | (169) | Foreign governments and international organisations (current) | For fees for World Intellectual Property Organisation | 169 |
| Programme 6 | | (338 950) | Programme 1 | | 8 000 |
| Goods and services | Reduction in consultant and special services | (8 000) | Goods and services | For Group Support Service System for telephone and internet services | 8 000 |
| | | | Programme 6 | | 200 |
| Compensation of employees | Reduction in consultant and special services | (200) | Machinery and equipment | For new computers | 200 |
| | Reduction due to vacant posts | (3 400) | Programme 8 | | 3 400 |
| | Reduction due to vacant posts | (1 800) | Compensation of employees | For an under-funded post | 3 400 |
| Public corporations and private enterprises (current) | Reduction due to vacant posts | (1 800) | Programme 4 | | 1 800 |
| | | | Departmental agencies and accounts (current) | For the National Regulator for Compulsory Specifications | 1 800 |
| | Reduction due to vacant posts | (3 600) | Programme 5 | | 3 600 |
| | Reduction due to vacant posts | (2 700) | Compensation of employees | For under-funded post | 3 600 |
| | | | Programme 1 | | 2 700 |
| | | Compensation of employees | For the ministry | 2 700 | |
| | | Programme 6 | | 59 000 | |
| | Reduction in Enterprise Development Programme due to delay in implementation | (20 000) | Compensation of employees | For new posts | 20 000 |
| | Reduction in Enterprise Development Programme due to delay in implementation | (20 000) | Goods and services | For recruitment of new staff | 20 000 |
| | Reduction in Enterprise Development Programme due to delay in implementation | (19 000) | Compensation of employees | For new posts | 19 000 |
| | Reduction in Enterprise Development Programme due to delay in implementation | (7 600) | Programme 4 | | 7 600 |
| | | | Departmental agencies and accounts (current) | For the National Regulator for Compulsory Specifications | 7 600 |

| FROM | | | TO | | |
|---|---|------------------|---|--|----------------|
| Programme by economic classification | Motivation | R thousand | Programme by economic classification | Motivation | R thousand |
| Programme 6 | | | Programme 1 | | 18 400 |
| | Reduction in Enterprise Development Programme due to delay in implementation | (3 000) | Goods and services | For additional fees for auditor general account | 3 000 |
| | Reduction in Enterprise Development Programme due to delay in implementation | (3 065) | Goods and services | For PPP projects | 3 065 |
| | Reduction in Enterprise Development Programme due to delay in implementation | (2 992) | Goods and services | For HR recruitment projects | 2 992 |
| | Reduction in Enterprise Development Programme due to delay in implementation | (802) | Goods and services | For corporate governance expenditure | 802 |
| | Reduction in Enterprise Development Programme due to delay in implementation | (940) | Goods and services | For computer software | 940 |
| | Reduction in Enterprise Development Programme due to delay in implementation | (1 500) | Machinery and equipment | For new vehicles for minister and deputy minister | 1 500 |
| | Reduction in Enterprise Development Programme due to delay in implementation | (6 101) | Goods and services | For computer licences | 6 101 |
| | | | Programme 5 | | 1 000 |
| | Reduction in Automotive Production and Development Programme due to delay in implementation | (1 000) | Departmental agencies and accounts (current) | For National Gambling Board | 1 000 |
| | | | Programme 1 | | 10 709 |
| Public corporations and private enterprises (capital) | Reduction in Automotive Production and Development Programme due to delay in implementation | (10 709) | Machinery and equipment | For upgrading network | 10 709 |
| | | | Programme 6 | | 50 000 |
| | Reduction in Automotive Production and Development Programme due to delay in implementation | (50 000) | Public corporations and private enterprises (current) | For Small and Medium Enterprise Development Programme | 50 000 |
| | | | Programme 7 | | 28 000 |
| | Reduction in Automotive Production and Development Programme due to delay in implementation | (25 400) | Goods and services | For presidential visits, the World Economic Forum and 2010 FIFA World Cup activities to promote investment | 25 400 |
| | Reduction in Automotive Production and Development Programme due to delay in implementation | (2 600) | Compensation of employees | For filling vacant posts | 2 600 |
| | | | Programme 6 | | 144 541 |
| | Reduction in Automotive Production and Development Programme due to delay in implementation | (144 541) | Public corporations and private enterprises (current) | For Small and Medium Enterprise Development Programme | 144 541 |
| Programme 7 | | 20 464 | Programme 7 | | 464 |
| Machinery and equipment | Reduction in computer equipment | (425) | Goods and services | For travelling and subsistence | 425 |
| | Reduction in computer equipment | (39) | Goods and services | For travelling and subsistence | 39 |
| | | | Programme 2 | | 15 000 |
| Public corporations and private enterprises (current) | Reduction in Export Credit Insurance Corporation | (15 000) | Goods and services | For international legal fees | 15 000 |
| | | | Programme 4 | | 5 000 |
| | Reduction in Export Credit Insurance Corporation | (5 000) | Departmental agencies and accounts (current) | For National Regulator for Compulsory Specifications | 5 000 |
| Total | | (460 399) | | | 460 399 |

Function shift – R5.469 million

Programme 3: Empowerment and Enterprise Development

R5.469 million is shifted from Programme 4: Industrial Development for the Council for Scientific and Industrial Research: Technology Venture Capital following the shift of the function.

Other adjustments - R15.629 million

Self financing expenditure

Programme 1: Administration

Departmental revenue of R15.629 million from the various public entities for unitary payment commitments for the department's PPP campus accommodation will be used to pay the total unitary payment amount due.

Gifts, donations and sponsorships – R150 000

The department will make a payment of R150 000 to non-departmental employees for science and engineering studies bursaries.

Expenditure for 2008/09 and preliminary expenditure for 2009/10

| Programme | 2008/09 | | | | | 2009/10 | | |
|---|------------------------|------------------|---|------------------|---|-------------------------|------------------|---|
| | Expenditure outcome | | | | | Preliminary expenditure | | |
| R thousand | Adjusted appropriation | Apr 08 - Sep 08 | Apr 08 - Sep 08 % of adjusted appropriation | Apr 08 - Mar 09 | Apr 08 - Mar 09 % of adjusted appropriation | Adjusted appropriation | Apr 09 - Sep 09 | Apr 09 - Sep 09 % of adjusted appropriation |
| 1. Administration | 395 201 | 147 721 | 37.4 | 345 522 | 87.4 | 497 136 | 176 431 | 35.5 |
| 2. International Trade and Economic Development | 151 343 | 57 539 | 38.0 | 167 000 | 110.3 | 191 291 | 70 132 | 36.7 |
| 3. Empowerment and Enterprise Development | 1 609 939 | 764 494 | 47.5 | 1 580 756 | 98.2 | 1 317 184 | 717 556 | 54.5 |
| 4. Industrial Development | – | – | 0.0 | – | 0.0 | 426 917 | 217 613 | 51.0 |
| 5. Consumer and Corporate Regulation | 184 322 | 38 991 | 21.2 | 176 655 | 95.8 | 248 489 | 120 084 | 48.3 |
| 6. The Enterprise Organisation | 2 416 557 | 1 231 467 | 51.0 | 2 400 699 | 99.3 | 3 356 884 | 1 585 154 | 47.2 |
| 7. Trade and Investment South Africa | 297 813 | 125 250 | 42.1 | 310 233 | 104.2 | 294 051 | 139 672 | 47.5 |
| 8. Communications and Marketing | 71 718 | 48 933 | 68.2 | 76 124 | 106.1 | 70 124 | 18 956 | 27.0 |
| Total | 5 126 893 | 2 414 395 | 47.1 | 5 056 989 | 98.6 | 6 402 076 | 3 045 598 | 47.6 |
| Economic classification | | | | | | | | |
| Current payments | 938 522 | 391 647 | 41.7 | 912 012 | 97.2 | 1 155 144 | 382 575 | 33.1 |
| Compensation of employees | 399 440 | 173 860 | 43.5 | 383 078 | 95.9 | 525 662 | 195 750 | 37.2 |
| Goods and services | 539 082 | 217 569 | 40.4 | 525 028 | 97.4 | 629 482 | 186 822 | 29.7 |
| Transactions in financial assets and liabilities | – | 218 | 0.0 | 3 906 | 0.0 | – | 3 | 0.0 |
| Transfers and subsidies | 4 148 525 | 2 012 872 | 48.5 | 4 123 903 | 99.4 | 5 203 944 | 2 656 858 | 51.1 |
| Departmental agencies and accounts | 1 269 710 | 549 044 | 43.2 | 1 269 549 | 100.0 | 1 420 657 | 823 657 | 58.0 |
| Universities and technikons | 10 500 | – | 0.0 | 10 500 | 100.0 | 3 000 | – | 0.0 |
| Public corporations and private enterprises | 2 832 320 | 1 461 771 | 51.6 | 2 802 963 | 99.0 | 3 735 770 | 1 831 208 | 49.0 |
| Foreign governments and international organisations | 20 761 | – | 0.0 | 29 616 | 142.7 | 34 022 | 163 | 0.5 |
| Non-profit institutions | 9 149 | 1 000 | 10.9 | 6 075 | 66.4 | 7 597 | – | 0.0 |
| Households | 6 085 | 1 057 | 17.4 | 5 200 | 85.5 | 2 898 | 1 830 | 63.1 |
| Payments for capital assets | 39 846 | 9 876 | 24.8 | 21 074 | 52.9 | 42 988 | 6 165 | 14.3 |
| Machinery and equipment | 29 674 | 8 945 | 30.1 | 14 850 | 50.0 | 38 468 | 4 413 | 11.5 |
| Software and other intangible assets | 9 506 | 931 | 9.8 | 6 224 | 65.5 | 4 520 | 1 752 | 38.8 |
| Total | 5 126 893 | 2 414 395 | 47.1 | 5 056 989 | 98.6 | 6 402 076 | 3 045 598 | 47.6 |

Main expenditure trends for the first half of 2009/10

Total expenditure for 2008/09 was 98.6 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 was R3.046 billion or 47.6 per cent of the adjusted appropriation of R6.402 billion for the year as a whole. In comparison, mid-year expenditure in 2008/09 was R2.414 billion, or 47.1 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 increased by R631.2 million or 26.1 per cent, compared to expenditure in the first six months of 2008/09.

The main expenditure increase compared to 2008/09 is due to increases in the value of transfer payments and incentive scheme payments. The following are some of the larger increases: National Empowerment Fund (R130 million), Small and Medium Enterprise Development Programme (R65 million), Coega Industrial Development Zone (R156 million), East London Industrial Development Zone (R68 million), Industrial Development Corporation: Customised Sector Programmes (R34 million), and Film and Television Production Incentive (R31 million).

Departmental receipts

| | 2008/09 | | | | | 2009/10 | | | |
|--|-------------------|-----------------|--|-----------------|--|-----------------|-------------------|-----------------|--|
| | Adjusted estimate | Audited outcome | | | Actual receipts | | | | |
| | | Apr 08 - Sep 08 | Apr 08 - Sep 08 % of adjusted estimate | Apr 08 - Mar 09 | Apr 08 - Mar 09 % of adjusted estimate | Budget estimate | Adjusted estimate | Apr 09 - Sep 09 | Apr 09 - Sep 09 % of adjusted estimate |
| R thousand | | | | | | | | | |
| Departmental receipts | 289 794 | 141 256 | 48.7 | 302 753 | 104.5 | 311 540 | 551 499 | 343 540 | 62.3 |
| Sales of goods and services produced by department | 3 597 | 1 242 | 34.5 | 3 037 | 84.4 | 3 540 | 38 913 | 1 128 | 2.9 |
| Fines, penalties and forfeits | 110 000 | 102 660 | 93.3 | 144 395 | 131.3 | 125 000 | – | 305 725 | – |
| Interest, dividends and rent on land | 95 947 | 102 | 0.1 | 101 912 | 106.2 | 101 000 | 500 781 | 780 | 0.2 |
| Financial transactions in assets and liabilities | 80 250 | 37 252 | 46.4 | 53 409 | 66.6 | 82 000 | 11 803 | 35 907 | 304.2 |
| Total | 289 794 | 141 256 | 48.7 | 302 753 | 104.5 | 311 540 | 551 499 | 343 540 | 62.3 |

Main departmental revenue trends for the first half of 2009/10

Departmental revenue collection in the first six months of 2009/10 was R343.5 million, or 62.3 per cent of the adjusted revenue estimate of R551.5 million for the year as a whole. In comparison, mid-year revenue collection in 2008/09 was R141.3 million, or 48.7 per cent of the 2008/09 adjusted estimate. Departmental revenue collection in the first six months of 2009/10 increased by R202.3 million or 143.2 per cent, compared to revenue collected in the first six months of 2008/09.

The main revenue increase compared to 2008/09 is due to the penalties received from the Competition Commission for Sasol (R250 million).

Changes to transfers and subsidies, and conditional grants

Summary of changes to transfers and subsidies

| | | 2009/10 | | | | | | |
|--|-----------------------|--------------------------|-------------------------------|----------|-------------------|----------------------|--------------------------------------|---------------------------|
| | | Additional appropriation | | | | | Total additional appropriation | Adjusted appropriation |
| R thousand | Main appropriation | Roll- over | Unforeseeable/ unavoidable | Virement | Function shift | Other adjustments | | |
| 1. Administration | | | | | | | | |
| Households | | | | | | | | |
| Social benefits | | | | | | | | |
| Current | | | | | | | | |
| | - | - | - | 1 123 | - | - | 1 123 | 1 123 |
| Employee leave gratuity | - | - | - | 223 | - | - | 223 | 223 |
| Employee leave gratuity | - | - | - | 900 | - | - | 900 | 900 |
| 2. International Trade and Economic Development | | | | | | | | |
| Foreign governments and international organisations | | | | | | | | |
| Current | | | | | | | | |
| | 11 225 | - | - | 275 | - | - | 275 | 11 500 |
| Organisation for the Prohibition of Chemical Weapons | 6 032 | - | - | (3 032) | - | - | (3 032) | 3 000 |
| World Trade Organisation | 5 193 | - | - | 3 307 | - | - | 3 307 | 8 500 |
| 3. Empowerment and Enterprise Development | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | |
| Current | | | | | | | | |
| | 84 847 | - | - | (26 800) | - | - | (26 800) | 58 047 |
| South African Micro Finance Apex Fund | 84 847 | - | - | (26 800) | - | - | (26 800) | 58 047 |
| Capital | | | | | | | | |
| | - | - | - | 19 300 | - | - | 19 300 | 19 300 |
| South African Micro Finance Apex Fund | - | - | - | 19 300 | - | - | 19 300 | 19 300 |
| Universities and technikons | | | | | | | | |
| Current | | | | | | | | |
| | - | - | - | 3 000 | - | - | 3 000 | 3 000 |
| Witwatersrand Business School: Centre for Entrepreneurship | - | - | - | 1 500 | - | - | 1 500 | 1 500 |
| University of the Witwatersrand: National Aerospace Skills Sector Support Centre | - | - | - | 1 500 | - | - | 1 500 | 1 500 |
| Public corporations and private enterprises | | | | | | | | |
| Public corporations | | | | | | | | |
| Subsidies on production or products | | | | | | | | |
| Current | | | | | | | | |
| | - | - | - | 1 000 | - | - | 1 000 | 1 000 |
| Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence | - | - | - | 1 000 | - | - | 1 000 | 1 000 |
| Public corporations and private enterprises | | | | | | | | |
| Public corporations | | | | | | | | |
| Other transfers | | | | | | | | |
| Current | | | | | | | | |
| | 65 981 | - | - | (30 000) | - | - | (30 000) | 35 981 |
| Khula Enterprise Finance Limited | 65 981 | - | - | (30 000) | - | - | (30 000) | 35 981 |
| Capital | | | | | | | | |
| | 49 661 | - | - | 28 000 | 5 469 | - | 33 469 | 83 130 |
| Industrial Development Corporation: Support Programme for Industrial Innovation | 49 661 | - | - | (2 000) | - | - | (2 000) | 47 661 |
| Khula Enterprise Finance Limited | - | - | - | 30 000 | - | - | 30 000 | 30 000 |
| Council for Scientific and Industrial Research: Technology Venture Capital | - | - | - | - | 5 469 | - | 5 469 | 5 469 |

Summary of changes to transfers and subsidies

| R thousand | 2009/10 | | | | | | | Adjusted appropriation |
|---|--------------------|--------------------------|---------------------------|----------------|----------------|-------------------|--------------------------------|------------------------|
| | Main appropriation | Additional appropriation | | | | | Total additional appropriation | |
| | | Roll-over | Unforeseeable/unavoidable | Virement | Function shift | Other adjustments | | |
| 3. Empowerment and Enterprise Development | | | | | | | | |
| Foreign governments and international organisations | | | | | | | | |
| Current | 13 311 | – | – | (9 011) | – | – | (9 011) | 4 300 |
| United Nations Industrial Development Organisation | 13 311 | – | – | (9 011) | – | – | (9 011) | 4 300 |
| Non-profit institutions | | | | | | | | |
| Current | 2 597 | – | – | 5 000 | – | – | 5 000 | 7 597 |
| South African Women Entrepreneurs' Network | 2 597 | – | – | 5 000 | – | – | 5 000 | 7 597 |
| Households | | | | | | | | |
| Other transfers to households | | | | | | | | |
| Current | – | – | – | 250 | – | – | 250 | 250 |
| Employee leave gratuity | – | – | – | 100 | – | – | 100 | 100 |
| Bursaries non-government employees | – | – | – | 150 | – | – | 150 | 150 |
| 4. Industrial Development | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | |
| Current | 87 775 | – | – | 17 671 | – | – | 17 671 | 105 446 |
| South African National Accreditation System | 13 947 | – | – | 760 | – | – | 760 | 14 707 |
| National Metrology Institute of South Africa | 52 295 | – | – | 2 511 | – | – | 2 511 | 54 806 |
| National Regulator for Compulsory Specifications | 21 533 | – | – | 14 400 | – | – | 14 400 | 35 933 |
| Public corporations and private enterprises | | | | | | | | |
| Public corporations | | | | | | | | |
| Other transfers | | | | | | | | |
| Current | 934 | – | – | 500 | – | – | 500 | 1 434 |
| South African Bureau of Standards: Small Business Technical Consulting | 934 | – | – | 500 | – | – | 500 | 1 434 |
| Capital | 5 469 | – | – | – | (5 469) | – | (5 469) | – |
| Council for Scientific and Industrial Research: Technology Venture Capital | 5 469 | – | – | – | (5 469) | – | (5 469) | – |
| Foreign governments and international organisations | | | | | | | | |
| Current | – | – | – | 5 000 | – | – | 5 000 | 5 000 |
| United Nations Industrial Development Organisation: Automotive Component Supplier Development Programme | – | – | – | 5 000 | – | – | 5 000 | 5 000 |
| Households | | | | | | | | |
| Other transfers to households | | | | | | | | |
| Current | – | – | – | 100 | – | – | 100 | 100 |
| Gifts, donations and sponsorships | – | – | – | 100 | – | – | 100 | 100 |
| 5. Consumer and Corporate Regulation | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | |
| Current | 88 291 | – | 2 218 | 1 000 | – | – | 3 218 | 91 509 |
| Competition Commission | 67 721 | – | 2 218 | – | – | – | 2 218 | 69 939 |
| National Gambling Board | 20 570 | – | – | 1 000 | – | – | 1 000 | 21 570 |

Summary of changes to transfers and subsidies

| R thousand | 2009/10 | | | | | | | Adjusted appropriation |
|--|--------------------|--------------------------|---------------------------|------------------|----------------|-------------------|--------------------------------|------------------------|
| | Main appropriation | Additional appropriation | | | | | Total additional appropriation | |
| | | Roll-over | Unforeseeable/unavoidable | Virement | Function shift | Other adjustments | | |
| 5. Consumer and Corporate Regulation | | | | | | | | |
| Foreign governments and international organisations | | | | | | | | |
| Current | 2 597 | - | - | 169 | - | - | 169 | 2 766 |
| World Intellectual Property Organisation | 2 597 | - | - | 169 | - | - | 169 | 2 766 |
| 6. The Enterprise Organisation | | | | | | | | |
| Public corporations and private enterprises | | | | | | | | |
| Private enterprises | | | | | | | | |
| Subsidies on production or products | | | | | | | | |
| Current | 1 634 936 | - | - | 73 541 | - | - | 73 541 | 1 708 477 |
| Business Process Outsourcing | 210 000 | - | - | (80 000) | - | - | (80 000) | 130 000 |
| Enterprise Development | 916 929 | - | - | 431 591 | - | - | 431 591 | 1 348 520 |
| Film and Television Production Incentive | 246 899 | - | - | (50 000) | - | - | (50 000) | 196 899 |
| Sector Development Programme | 10 000 | - | - | (10 000) | - | - | (10 000) | - |
| Small and Medium Manufacturing Development Programme | 1 157 | - | - | 2 200 | - | - | 2 200 | 3 357 |
| Staple Food Fortification Programme | 1 001 | - | - | (250) | - | - | (250) | 751 |
| Enterprise Investment Programme | 248 950 | - | - | (220 000) | - | - | (220 000) | 28 950 |
| Capital | 248 250 | - | - | (233 250) | - | - | (233 250) | 15 000 |
| Automotive Production and Development Programme | 248 250 | - | - | (233 250) | - | - | (233 250) | 15 000 |
| Public corporations and private enterprises | | | | | | | | |
| Private enterprises | | | | | | | | |
| Other transfers | | | | | | | | |
| Current | 38 888 | - | - | 35 000 | - | - | 35 000 | 73 888 |
| Black Business Supplier Development Programme | 38 888 | - | - | 35 000 | - | - | 35 000 | 73 888 |
| 7. Trade and Investment South Africa | | | | | | | | |
| Public corporations and private enterprises | | | | | | | | |
| Public corporations | | | | | | | | |
| Other transfers | | | | | | | | |
| Current | 142 400 | - | - | (20 000) | - | - | (20 000) | 122 400 |
| Export Credit Insurance Corporation | 142 400 | - | - | (20 000) | - | - | (20 000) | 122 400 |

