

Vote 34

Trade and Industry

Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	10 327 517	10 389 517	-	62 000
of which:				
Current payments	1 529 002	1 582 199	-	53 197
Transfers and subsidies	8 765 332	8 774 015	-	8 683
Payments for capital assets	33 183	33 303	-	120
Executive authority	Minister of Trade and Industry			
Accounting officer	Director-General of Trade and Industry			
Website address	www.thedti.gov.za			

Vote purpose

Lead and facilitate access to sustainable economic activity and employment for all South Africans through an understanding of the economy, knowledge of economic opportunities and potential, and anticipation of future economic trends. Catalyse economic transformation and development, and provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for economic citizens. Contribute to achieving government's vision of an adaptive and restructured economy, characterised by accelerated economic growth, employment creation and greater equity.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Number of quarterly reports on industrial policy action plan tabled at ministerial review meetings	Industrial Development	Outcome 4: Decent employment through inclusive economic growth	4	1	-
Number of designation requests submitted per year	Industrial development		4	1	-
Value of projected investment to be leveraged from projects approved per year	Incentive Development and Administration		R20bn	R25bn	-
Projected number of new jobs supported from approved enterprises per year	Incentive Development and Administration		3 600	8 316	-
Projected number of jobs retained from approved enterprises per year	Incentive Development and Administration		3 600	39 557	-
Number of strategic infrastructure projects approved for special economic zones/industrial parks per year	Incentive Development and Administration		15	10	-
Value of projected export revenue from projects approved per year	Incentive Development and Administration		R800m	R7.1bn	-

Mid-year progress

In the first six months of 2016/17, the department leveraged R25 billion of private sector investment, exceeding the annual target of R20 billion. This was due to the high number of investment approvals granted for projects supported by the manufacturing incentive programmes such as the automotive incentive scheme and the critical infrastructure programme. These include the automotive projects with Toyota and Ford, the titanium dioxide project and the Nokeng fluorspar mining project.

In relation to the targets for the number of jobs created and jobs sustained, the approved projects under the automotive incentive schemes are expected to both create and retain a high number of jobs due to the scale

of these investments. This has led to the department exceeding the targets for new jobs to be created by 4 716, and jobs to be retained by 35 957.

Regarding the target for export revenue, the business process off-shoring incentive has attracted major investment such as Xerox and EXL Services, which have set up businesses in South Africa. These approvals resulted in the department exceeding its annual target by R6.3 billion.

Adjusted Estimates of National Expenditure 2016

Programme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Administration	736 625	-	-	(21 536)	-	62 000	40 464	777 089
International Trade and Economic Development	126 383	-	-	(7 664)	-	-	(7 664)	118 719
Special Economic Zones and Economic Transformation	108 282	-	-	12 383	-	1 227	13 610	121 892
Industrial Development	1 735 679	-	-	(7 425)	-	(1 227)	(8 652)	1 727 027
Consumer and Corporate Regulation	313 525	-	-	(19 189)	-	-	(19 189)	294 336
Incentive Development and Administration	6 922 407	-	-	(30 698)	-	-	(30 698)	6 891 709
Trade Export South Africa	336 539	-	-	74 383	-	-	74 383	410 922
Investment South Africa	48 077	-	-	(254)	-	-	(254)	47 823
Total	10 327 517	-	-	-	-	62 000	62 000	10 389 517
Economic classification								
Current payments	1 529 002	-	-	(8 803)	-	62 000	53 197	1 582 199
Compensation of employees	930 311	-	-	-	-	-	-	930 311
Goods and services	598 691	-	-	(8 803)	-	62 000	53 197	651 888
Transfers and subsidies	8 765 332	-	-	8 683	-	-	8 683	8 774 015
Departmental agencies and accounts	601 404	-	-	254 630	-	-	254 630	856 034
Higher education institutions	3	-	-	-	-	-	-	3
Foreign governments and international organisations	33 585	-	-	(1 014)	-	-	(1 014)	32 571
Public corporations and private enterprises	7 970 182	-	-	(249 796)	-	-	(249 796)	7 720 386
Non-profit institutions	158 107	-	-	5 000	-	-	5 000	163 107
Households	2 051	-	-	(137)	-	-	(137)	1 914
Payments for capital assets	33 183	-	-	120	-	-	120	33 303
Machinery and equipment	20 596	-	-	4 840	-	-	4 840	25 436
Software and other intangible assets	12 587	-	-	(4 720)	-	-	(4 720)	7 867
Total	10 327 517	-	-	-	-	62 000	62 000	10 389 517

Programme 1: Administration

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Ministry	33 989	-	-	(1 467)	-	-	(1 467)	32 522
Office of the Director General	114 600	-	-	(7 560)	-	-	(7 560)	107 040
Corporate Services	421 242	-	-	5 881	-	62 000	67 881	489 123
Office Accommodation	2 427	-	-	442	-	-	442	2 869
Financial Management	69 425	-	-	3 648	-	-	3 648	73 073
Media and Public Relations	18 830	-	-	(8 475)	-	-	(8 475)	10 355
Marketing Communication and Stakeholder Relations	76 112	-	-	(14 005)	-	-	(14 005)	62 107
Total	736 625	-	-	(21 536)	-	62 000	40 464	777 089
Economic classification								
Current payments	718 988	-	-	(22 276)	-	62 000	39 724	758 712
Compensation of employees	310 050	-	-	(20 329)	-	-	(20 329)	289 721
Goods and services	408 938	-	-	(1 947)	-	62 000	60 053	468 991
Transfers and subsidies	1 251	-	-	(464)	-	-	(464)	787
Households	1 251	-	-	(464)	-	-	(464)	787
Payments for capital assets	16 386	-	-	1 204	-	-	1 204	17 590
Machinery and equipment	13 769	-	-	1 448	-	-	1 448	15 217
Software and other intangible assets	2 617	-	-	(244)	-	-	(244)	2 373
Total	736 625	-	-	(21 536)	-	62 000	40 464	777 089

Programme 2: International Trade and Economic Development

Subprogramme		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
International Trade Development	108 276	-	-	(7 303)	-	-	(7 303)	100 973
African Multilateral Economic Development	18 107	-	-	(361)	-	-	(361)	17 746
Total	126 383	-	-	(7 664)	-	-	(7 664)	118 719
Economic classification								
Current payments	100 862	-	-	(7 234)	-	-	(7 234)	93 628
Compensation of employees	82 406	-	-	(5 000)	-	-	(5 000)	77 406
Goods and services	18 456	-	-	(2 234)	-	-	(2 234)	16 222
Transfers and subsidies	24 722	-	-	(300)	-	-	(300)	24 422
Departmental agencies and accounts	1 131	-	-	-	-	-	-	1 131
Foreign governments and international organisations	19 427	-	-	(300)	-	-	(300)	19 127
Public corporations and private enterprises	4 164	-	-	-	-	-	-	4 164
Payments for capital assets	799	-	-	(130)	-	-	(130)	669
Machinery and equipment	799	-	-	(130)	-	-	(130)	669
Total	126 383	-	-	(7 664)	-	-	(7 664)	118 719

Programme 3: Special Economic Zones and Economic Transformation

Subprogramme		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Enterprise Competitiveness	26 187	-	-	500	-	-	500	26 687
Equity and Empowerment	35 731	-	-	13 717	-	-	13 717	49 448
Spatial Industrial Economic Development (Special Economic Zones)	46 364	-	-	(1 834)	-	1 227	(607)	45 757
Total	108 282	-	-	12 383	-	1 227	13 610	121 892
Economic classification								
Current payments	97 392	-	-	8 020	-	1 227	9 247	106 639
Compensation of employees	63 573	-	-	10 000	-	-	10 000	73 573
Goods and services	33 819	-	-	(1 980)	-	1 227	(753)	33 066
Transfers and subsidies	10 178	-	-	1 300	-	-	1 300	11 478
Departmental agencies and accounts	8 523	-	-	-	-	-	-	8 523
Public corporations and private enterprises	1 655	-	-	-	-	-	-	1 655
Non-profit institutions	-	-	-	1 000	-	-	1 000	1 000
Households	-	-	-	300	-	-	300	300
Payments for capital assets	712	-	-	3 063	-	-	3 063	3 775
Machinery and equipment	712	-	-	2 863	-	-	2 863	3 575
Software and other intangible assets	-	-	-	200	-	-	200	200
Total	108 282	-	-	12 383	-	1 227	13 610	121 892

Programme 4: Industrial Development

Subprogramme		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Industrial Competitiveness	685 421	-	-	212	-	-	212	685 633
Customised Sector Programmes	1 050 258	-	-	(7 637)	-	(1 227)	(8 664)	1 041 394
Total	1 735 679	-	-	(7 425)	-	(1 227)	(8 652)	1 727 027
Economic classification								
Current payments	132 317	-	-	(15 878)	-	(1 227)	(17 105)	115 212
Compensation of employees	112 191	-	-	(7 000)	-	-	(7 000)	105 191
Goods and services	20 126	-	-	(8 878)	-	(1 227)	(10 105)	10 021

Programme 4: Industrial Development (continued)

Economic classification		2016/17						
		Adjustments appropriation					Total	Adjusted
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	adjustments appropriation	appropriation
Transfers and subsidies	1 602 577	-	-	7 854	-	-	7 854	1 610 431
Departmental agencies and accounts	372 819	-	-	-	-	-	-	372 819
Higher education institutions	3	-	-	-	-	-	-	3
Foreign governments and international organisations	6 459	-	-	2 058	-	-	2 058	8 517
Public corporations and private enterprises	1 065 189	-	-	1 782	-	-	1 782	1 066 971
Non-profit institutions	158 107	-	-	4 000	-	-	4 000	162 107
Households	-	-	-	14	-	-	14	14
Payments for capital assets	785	-	-	599	-	-	599	1 384
Machinery and equipment	785	-	-	599	-	-	599	1 384
Total	1 735 679	-	-	(7 425)	-	(1 227)	(8 652)	1 727 027

Programme 5: Consumer and Corporate Regulation

Subprogramme		2016/17						
		Adjustments appropriation					Total	Adjusted
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	adjustments appropriation	appropriation
Policy and Legislative Development	21 427	-	-	(6 495)	-	-	(6 495)	14 932
Enforcement and Compliance	46 495	-	-	(4 847)	-	-	(4 847)	41 648
Regulatory Services	245 603	-	-	(7 847)	-	-	(7 847)	237 756
Total	313 525	-	-	(19 189)	-	-	(19 189)	294 336
Economic classification								
Current payments	89 567	-	-	(17 876)	-	-	(17 876)	71 691
Compensation of employees	71 139	-	-	(8 316)	-	-	(8 316)	62 823
Goods and services	18 428	-	-	(9 560)	-	-	(9 560)	8 868
Transfers and subsidies	223 858	-	-	(1 357)	-	-	(1 357)	222 501
Departmental agencies and accounts	218 931	-	-	(1 370)	-	-	(1 370)	217 561
Foreign governments and international organisations	4 927	-	-	-	-	-	-	4 927
Households	-	-	-	13	-	-	13	13
Payments for capital assets	100	-	-	44	-	-	44	144
Machinery and equipment	100	-	-	44	-	-	44	144
Total	313 525	-	-	(19 189)	-	-	(19 189)	294 336

Programme 6: Incentive Development and Administration

Subprogramme		2016/17						
		Adjustments appropriation					Total	Adjusted
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	adjustments appropriation	appropriation
Broadening Participation Incentives	65 010	-	-	259	-	-	259	65 269
Manufacturing Incentives	4 490 875	-	-	(23 831)	-	-	(23 831)	4 467 044
Services Investment Incentives	615 254	-	-	(1 478)	-	-	(1 478)	613 776
Infrastructure Investment Support	1 711 642	-	-	(225)	-	-	(225)	1 711 417
Product and Systems Development	18 192	-	-	(2 325)	-	-	(2 325)	15 867
Strategic Partnership and Customer Care	21 434	-	-	(3 098)	-	-	(3 098)	18 336
Total	6 922 407	-	-	(30 698)	-	-	(30 698)	6 891 709
Economic classification								
Current payments	182 029	-	-	(30 460)	-	-	(30 460)	151 569
Compensation of employees	147 829	-	-	(16 875)	-	-	(16 875)	130 954
Goods and services	34 200	-	-	(13 585)	-	-	(13 585)	20 615
Transfers and subsidies	6 728 408	-	-	4 422	-	-	4 422	6 732 830
Departmental agencies and accounts	-	-	-	256 000	-	-	256 000	256 000
Public corporations and private enterprises	6 727 608	-	-	(251 578)	-	-	(251 578)	6 476 030
Households	800	-	-	-	-	-	-	800
Payments for capital assets	11 970	-	-	(4 660)	-	-	(4 660)	7 310
Machinery and equipment	2 000	-	-	16	-	-	16	2 016
Software and other intangible assets	9 970	-	-	(4 676)	-	-	(4 676)	5 294
Total	6 922 407	-	-	(30 698)	-	-	(30 698)	6 891 709

Programme 7: Trade Export South Africa

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
African Bilateral Economic Development	21 167	–	–	1 166	–	–	1 166	22 333
Export Promotion and Marketing	40 294	–	–	2 642	–	–	2 642	42 936
Trade Export South Africa	257 351	–	–	71 162	–	–	71 162	328 513
Executive Management Unit								
Export Development and Support	17 727	–	–	(587)	–	–	(587)	17 140
Total	336 539	–	–	74 383	–	–	74 383	410 922
Economic classification								
Current payments	160 148	–	–	77 155	–	–	77 155	237 303
Compensation of employees	112 103	–	–	47 520	–	–	47 520	159 623
Goods and services	48 045	–	–	29 635	–	–	29 635	77 680
Transfers and subsidies	174 338	–	–	(2 772)	–	–	(2 772)	171 566
Foreign governments and international organisations	2 772	–	–	(2 772)	–	–	(2 772)	–
Public corporations and private enterprises	171 566	–	–	–	–	–	–	171 566
Payments for capital assets	2 053	–	–	–	–	–	–	2 053
Machinery and equipment	2 053	–	–	–	–	–	–	2 053
Total	336 539	–	–	74 383	–	–	74 383	410 922

Programme 8: Investment South Africa

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Investment Promotion	40 055	–	–	(254)	–	–	(254)	39 801
Investment and Inter-Departmental Clearing House	4 011	–	–	–	–	–	–	4 011
Investment Support and After Care	4 011	–	–	–	–	–	–	4 011
Total	48 077	–	–	(254)	–	–	(254)	47 823
Economic classification								
Current payments	47 699	–	–	(254)	–	–	(254)	47 445
Compensation of employees	31 020	–	–	–	–	–	–	31 020
Goods and services	16 679	–	–	(254)	–	–	(254)	16 425
Payments for capital assets	378	–	–	–	–	–	–	378
Machinery and equipment	378	–	–	–	–	–	–	378
Total	48 077	–	–	(254)	–	–	(254)	47 823

Details of adjustments to the Estimates of National Expenditure 2016**Virements and shifts within votes****Programmes**

- Administration
- International Trade and Economic Development
- Special Economic Zones and Economic Transformation
- Industrial Development
- Consumer and Corporate Regulation
- Incentive Development and Administration
- Trade Export South Africa
- Investment South Africa

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(32 009)	Programme 1		1 881
Goods and services	Cost containment measures effected on travel and subsistence, and business and advisory services Reduction in spending on property management	(1 720)	Machinery and equipment	Vehicle for the minister and the replacement of ageing computer equipment	1 720

2016 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Households	Cost containment measures effected on travel and subsistence	(161)	Households	Leave gratuities	161
	Reallocation of funds from printing and publications due to cost containment measures effected		Programme 4		4 000
	Cost containment measures effected on consultants	(4 000)	Non-profit institutions	Research on capacity building, policy briefs and development dialogues to be undertaken by Trade and Industrial Policy Strategies	4 000
	Cost containment measures effected on travel and subsistence, operating payments and communications	(500)	Programme 5		500
	Reallocation of funds from consultants and advisory services due to the delayed appointment of a public relations company	(1 650)	Goods and services	Research to be conducted on the level of indebtedness of South African tertiary students	500
	Cost containment measures effected on travel and subsistence, operating payments and communications	(2 485)	Programme 6		1 650
	Reallocation of funds due to a lower intake of bursaries for non-employees	(23)	Public corporations and private enterprises	Support for Export Market and Investment Assistance due to an increase in applications	1 650
	Reallocation of funds due to a lower intake of bursaries for non-employees	(602)	Programme 7		2 485
			Goods and services	Foreign vouchers for travel and subsistence and other allowances payable to posted foreign officials	2 485
			Programme 1		1 164
Software and other intangible assets	Reclassification of funds incorrectly classified in the 2016 ENE ¹	(244)	Machinery and equipment	Replacement of ageing computer equipment	23
Machinery and equipment	Reallocation of funds due to reduced spending on computer hardware, desktops and laptops ¹	(295)	Goods and services	Payment to the Department of Public Works for office accommodation in the department's regional offices, ICT services and renewal of licence	602
Compensation of employees	Realignment of personnel budget to PERSAL	(20 329)	Goods and services	Payment to the Department of Public Works for office accommodation in the department's regional offices	244
			Goods and services	Computer software	295
			Programme 7		20 329
			Compensation of employees	Realignment of personnel budget for the inclusion of locally recruited personnel in the foreign offices	20 329
Shifts within the programme as a percentage of the programme budget		0.4%			
Virements to other programmes as a percentage of the programme budget		3.9%			
Programme 2		(8 094)	Programme 1		517
Goods and services	Reallocation due to funds for stationery being centralised	(517)	Goods and services	Centralisation of the stationery budget	517
	Cost containment measures effected on legal advice services	(2 147)	Programme 7		2 147
			Goods and services	Foreign vouchers for travel and subsistence and other allowances payable to officials posted to foreign offices	2 147
Machinery and equipment	Reduced spending on computer hardware, and desktop and laptop computers ¹	(130)	Programme 2		430
			Goods and services	Contributions to the Southern African Customs Union summit scheduled for 2016/17	130
Foreign governments and international organisations	Reduced spending due to the lower than anticipated transfer payment to the Organisation for the Prohibition of Chemical Weapons ¹	(300)	Goods and services	Contributions to the Southern African Customs Union summit scheduled for 2016/17	300

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Compensation of employees	Realignment of the personnel budget to PERSAL	(5 000)	Programme 7		5 000
			Compensation of employees	Realignment of personnel budget for the inclusion of locally recruited personnel deployed to foreign offices	5 000
Shifts within the programme as a percentage of the programme budget		0.3%			
Virements to other programmes as a percentage of the programme budget		6.1%			
Programme 3		(5 412)	Programme 1		1 049
Goods and services	Reallocation due to funds for stationery being centralised	(1 049)	Goods and services	Centralisation of the stationery budget	1 049
	Reallocation of funds from consultants and advisory services due to delayed projects			Infrastructure for setting up the Broad-Based Black Economic Empowerment Commission	
	Reallocation of funds from consultants and advisory services due to delayed projects	(597)	Programme 3		4 363
	Reallocation of funds from consultants and advisory services due to delayed projects	(2 266)	Machinery and equipment	Replacement of ageing computer equipment	597
	Reallocation of funds from consultants and advisory services due to delayed projects	(1 000)	Machinery and equipment	Infrastructure for the Broad-Based Black Empowerment Commission ¹	2 266
	Cost containment measures effected on consultants	(200)	Non-profit institutions	The Black Business Council for advocacy work on B-BBEE legislation	1 000
	Cost containment measures effected on consultants	(100)	Households	Progressive Youth in Business	200
	Reallocation of funds from consultants and advisory services due to delayed projects	(200)	Households	The 2016 South African Innovation Summit to promote industrialisation, manufacturing and economic growth	100
			Software and other intangible assets	Computer software for the B-BBEE Commission	200
Shifts within the programme as a percentage of the programme budget		4.0%			
Virements to other programmes as a percentage of the programme budget		1.0%			
Programme 4		(17 600)	Programme 1		669
Goods and services	Reallocation due to funds for stationery being centralised	(669)	Goods and services	Centralisation of the stationery budget	669
	Reallocation of funds from consultants and advisory services due to delays in finalising the service level agreement for research on the industrial participation database system, and the green transport study	(599)	Programme 4		949
	Reallocation of funds from consultants and advisory services due to delays in finalising the service level agreement for research on the industrial participation database system, and the green transport study	(14)	Machinery and equipment	Replacement of ageing computer equipment	599
	Reallocation of funds from consultants and advisory services due to delays in finalising the service level agreement for research on the industrial participation database system, and the green transport study	(336)	Households	Leave gratuities	14
			Foreign governments and international organisations	Various institutions for the Treaty Organisation for Metrology for the difference between exchange rate projections when the department compiled its budget, and the prevailing foreign exchange rate when payments are processed ¹	336

2016 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
			Programme 7		7 260
	Reallocation of funds from catering, communication consultants, contractors, stationery, travel and subsistence, and venues and facilities, and business advisory services due to cost containment measures	(7 260)	Goods and services	Foreign vouchers for travel and subsistence and other allowances payable to posted foreign officials	7 260
			Programme 4		1 722
Public corporations and private enterprises	Reclassification of transfer payment from South Bureau of Standards ¹	(1 722)	Foreign governments and international organisations	Reclassification of transfer payment to various institutions for the Treaty Organisation for Metrology ¹	1 722
			Programme 7		7 000
Compensation of employees	Realignment of the personnel budget to PERSAL	(7 000)	Compensation of employees	Realignment of the personnel budget for the inclusion of locally recruited personnel in the foreign offices	7 000
Shifts within the programme as a percentage of the programme budget		0.2%			
Virements to other programmes as a percentage of the programme budget		0.9%			
Programme 5		(21 880)	Programme 1		761
Goods and services	Reallocation due to funds for stationery being centralised	(761)	Goods and services	Centralisation of the stationery budget	761
	Cost containment measures effected on travel and subsistence	(44)	Programme 5		2 191
	Reallocation of funds from travel and subsistence due to the cancellation of parliamentary meetings	(5)	Machinery and equipment	Replacement of ageing computer equipment	44
	Cost containment measures effected on travel and subsistence	(8)	Households	Leave gratuities	5
	Reallocation of funds from travel and subsistence due to the cancellation of parliamentary meetings	(2 134)	Households	Leave gratuities	8
	Reallocation of funds from consultant and business advisory services, and travel and subsistence, advertising, stationery, and venues	(7 108)	Departmental agencies and accounts	Establishment of an inquiry panel to investigate allegations of unfair labour and business practices in the vacation ownership and timeshare industry	2 134
			Programme 7		7 108
Departmental agencies and accounts	Reduced spending on the transfer payment to the National Consumer Commission	(3 504)	Goods and services	Foreign vouchers for travel and subsistence and other allowances payable to posted foreign officials	7 108
			Programme 4		3 504
Compensation of employees	Realignment of the personnel budget to PERSAL	(8 316)	Public corporations and private enterprises	Office accommodation for the National Consumer Commission within the South African Bureau of Standards ¹	3 504
			Programme 7		8 316
			Compensation of employees	Realignment of the personnel budget for the inclusion of locally recruited personnel in the foreign offices	8 316
Shifts within the programme as a percentage of the programme budget		0.7%			
Virements to other programmes as a percentage of the programme budget		6.3%			
Programme 6		(356 704)	Programme 1		1 993
Goods and services	Reallocation due to funds for stationery being centralised	(1 993)	Goods and services	Centralisation of the stationery budget	1 993
	Cost containment measures effected on venues and facilities	(3 432)	Programme 3		3 432
	Reallocation due to funds for stationery being centralised	(16)	Goods and services	Infrastructure for setting up the Broad-Based Black Economic Empowerment Commission	3 432
			Programme 6		16
			Machinery and equipment	Procurement of audio-visual equipment for employees with disabilities	16

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
			Programme 7		12 820
	Reallocation of funds from administrative fees, consultant, agency, legal services, contractors, consumables, stationery, travel and subsistence, operating payments and venues due to cost containment measures effected	(12 820)	Goods and services	Foreign vouchers for travel and subsistence and other allowances payable to posted foreign officials	12 820
				Establishment of Trade Invest Africa	
			Programme 6		321 568
Software and other intangible assets	Reallocation of funds from computer software due to a delay in the implementation of the integrated electronic management system ¹	(4 676)	Goods and services	Appointment of specialist skills consultants, and engineers	4 676
Public corporations and private enterprises	Reclassification of funds incorrectly classified in the 2016 ENE ¹	(256 000)	Departmental agencies and accounts	Provision of support to the National Research Foundation for the technology and human resources for industry programme ¹	256 000
	Reclassification of funds incorrectly classified in the 2016 ENE ¹	(60 892)	Public corporations and private enterprises	Reclassification of funds incorrectly classified in the 2016 ENE ¹	60 892
Compensation of employees	Realignment of the personnel budget to PERSAL	(10 000)	Programme 3		10 000
	Realignment of the personnel budget to PERSAL	(6 875)	Compensation of employees	Realignment of the personnel budget to PERSAL	10 000
			Programme 7		6 875
			Compensation of employees	Realignment of the personnel budget for the inclusion of locally recruited personnel in the foreign offices	6 875
Shifts within the programme as a percentage of the programme budget		4.6%			
Virements to other programmes as a percentage of the programme budget		0.5%			
Programme 7		(4 957)	Programme 1		2 185
Goods and services	Reallocation due to funds for stationery being centralised	(2 185)	Goods and services	Centralisation of the stationery budget	2 185
Foreign governments and international organisations	Reallocation of funds due to delays in establishing a trust fund agreement between the department and the World Bank that will provide support to South African companies	(2 772)	Programme 6		2 772
			Public corporations and private enterprises	Export Market and Investment Assistance for exploring new export markets ¹	2 772
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		1.5%			
Programme 8		(254)	Programme 1		254
Goods and services	Reallocation due to funds for stationery being centralised	(254)	Goods and services	Centralisation of the stationery budget	254
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.5%			
Total		(446 910)			446 910

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement in terms of the Public Finance Management Act (1999).

Other adjustments – R62 million

Funds shifted within a vote following a function shift – R1.227 million

Programme 3: Special Economic Zones and Transformation

R1.227 million has been transferred from the *Industrial Development* programme following the shift of the South African Council for Space Affairs to the *Spatial Industrial Economic Development* subprogramme in this programme.

Self-financing expenditure – R62 million

Programme 1: Administration

R62 million has been received from the department's public entities for accommodation. The funds will be used to supplement payments due by the department for the public partnership contract for the campus, where the entities have their offices.

Gifts, donations and sponsorships – R300 000

Programme 3: Special Economic Zones and Economic Transformation

The department made donations of R200 000 to the Progressive Youth in Business to contribute to youth economic empowerment, and R100 000 to the 2016 South African Innovation Summit, which will promote the role of innovation in both the public and private sectors.

Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Programme	2015/16 Audited outcome					2016/17 Actual expenditure				
	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	
R thousand										
Administration	768 304	344 802	44.9	727 561	94.7	777 089	7.5	346 918	44.6	
International Trade and Economic Development	116 576	54 102	46.4	113 560	97.4	118 719	1.1	49 358	41.6	
Special Economic Zones and Economic Transformation	89 704	36 627	40.8	92 524	103.1	121 892	1.2	46 791	38.4	
Industrial Development	1 964 268	1 096 300	55.8	1 953 616	99.5	1 727 027	16.6	1 065 621	61.7	
Consumer and Corporate Regulation	296 385	207 935	70.2	287 420	97.0	294 336	2.8	193 694	65.8	
Incentive Development and Administration	5 827 591	1 613 095	27.7	5 795 785	99.5	6 891 709	66.3	2 526 285	36.7	
Trade Export South Africa	386 762	250 340	64.7	463 235	119.8	410 922	4.0	291 633	71.0	
Investment South Africa	48 254	19 452	40.3	37 958	78.7	47 823	0.5	19 216	40.2	
Total	9 497 844	3 622 653	38.1	9 471 659	99.7	10 389 517	100.0	4 539 516	43.7	
Economic classification										
Current payments	1 560 988	723 463	46.3	1 485 652	95.2	1 582 199	15.2	728 390	46.0	
Compensation of employees	897 730	436 363	48.6	874 175	97.4	930 311	9.0	454 160	48.8	
Goods and services	663 258	287 100	43.3	611 477	92.2	651 888	6.3	274 230	42.1	
Transfers and subsidies	7 901 203	2 894 378	36.6	7 936 488	100.4	8 774 015	84.5	3 804 609	43.4	
Departmental agencies and accounts	591 879	484 031	81.8	591 879	100.0	856 034	8.2	439 807	51.4	
Higher education institutions	3	-	-	-	-	3	-	-	-	
Foreign governments and international organisations	31 738	-	-	33 237	104.7	32 571	0.3	-	-	
Public corporations and private enterprises	7 128 588	2 317 323	32.5	7 157 693	100.4	7 720 386	74.3	3 296 385	42.7	
Non-profit institutions	146 600	90 758	61.9	148 850	101.5	163 107	1.6	67 000	41.1	
Households	2 395	2 266	94.6	4 829	201.6	1 914	-	1 417	74.0	
Payments for capital assets	35 653	4 613	12.9	37 433	105.0	33 303	0.3	6 504	19.5	
Machinery and equipment	30 700	4 056	13.2	33 017	107.5	25 436	0.2	6 504	25.6	
Software and other intangible assets	4 953	557	11.2	4 416	89.2	7 867	0.1	-	-	
Payments for financial assets	-	199	-	12 086	-	-	-	13	-	
Total	9 497 844	3 622 653	38.1	9 471 659	99.7	10 389 517	100.0	4 539 516	43.7	

Expenditure trends for the first six months of 2016/17

Total expenditure in 2015/16 was 99.7 per cent of the 2015/16 adjusted appropriation. Expenditure in the first six months of 2016/17 was R4.5 billion or 43.7 per cent of the adjusted appropriation of R10.4 billion for the year. In comparison, mid-year expenditure in 2015/16 was R3.6 billion or 38.1 per cent of the adjusted appropriation. Compared to the first six months of 2015/16, expenditure over the same period in 2016/17 increased by R916.9 million or 25.3 per cent. This was mainly due to the increase in spending on personnel remuneration emanating from the public sector wage bill agreement and transfer payments to public corporations and private enterprises.

Departmental receipts

R thousand	2015/16					2016/17				
	Adjusted estimate	Audited outcome			Actual receipts					
		Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate
Departmental receipts	81 996	22 427	27.4	61 979	75.6	85 428	82 155	100.0	47 601	57.9
Tax receipts	4 110	1 352	32.9	2 985	72.6	5 112	4 000	4.9	1 781	44.5
Sales of goods and services produced by department	455	216	47.5	535	117.6	601	616	0.7	224	36.4
Sales of scrap, waste, arms and other used current goods	-	-	-	3	-	1	5	-	4	80.0
Transfers received	-	-	-	-	-	-	244	-	-	-
Fines, penalties and forfeits	42	22	52.4	28	66.7	210	400	-	332	83.0
Interest, dividends and rent on land	400	357	89.3	3 561	890.3	450	3 570	4.3	80	2.2
Sales of capital assets	400	360	90.0	360	90.0	277	300	0.4	-	-
Transactions in financial assets and liabilities	76 589	20 120	26.3	54 507	71.2	78 777	73 020	88.9	45 180	61.9
Total	81 996	22 427	27.4	61 979	75.6	85 428	82 155	100.0	47 601	57.9

Revenue trends for the first six months of 2016/17

Revenue in the first six months of 2016/17 was R47.6 million, or 57.9 per cent of the adjusted revenue estimate of R82.2 million for the year. In comparison, mid-year revenue in 2015/16 was R22.4 million, or 27.4 per cent of the adjusted estimate. Compared to the first six months of 2015/16, revenue over the same period increased by R25.2 million, or 112.2 per cent. The increase in revenue can be attributed to the increase in debt recovered from rentals.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	2016/2017						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Administration								
Households								
Social benefits								
Current	-	-	-	236	-	-	236	236
Employee social benefits	-	-	-	236	-	-	236	236
Households								
Other transfers to households								
Current	1 251	-	-	(700)	-	-	(700)	551
Bursaries for non-employees	1 251	-	-	(700)	-	-	(700)	551
International Trade and Economic Development								
Foreign governments and international organisations								
Current	4 926	-	-	(300)	-	-	(300)	4 626
Organisation for the Prohibition of Chemical Weapons	4 926	-	-	(300)	-	-	(300)	4 626

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

R thousand	2016/2017							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Special Economic Zones and Economic Transformation								
Public corporations and private enterprises								
Public corporations								
Subsidies on production or products								
Current	1 655	-	-	(1 655)	-	-	(1 655)	-
Council for Scientific and Industrial Research	1 655	-	-	(1 655)	-	-	(1 655)	-
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	-	-	-	1 655	-	-	1 655	1 655
Council for Scientific and Industrial Research	-	-	-	1 655	-	-	1 655	1 655
Non-profit institutions								
Current	-	-	-	1 000	-	-	1 000	1 000
Black Business Council	-	-	-	1 000	-	-	1 000	1 000
Households								
Other transfers to households								
Current	-	-	-	300	-	-	300	300
Progressive Youth in Business: Gifts and donations	-	-	-	200	-	-	200	200
South African Innovation Summit: Gifts and donations	-	-	-	100	-	-	100	100
Industrial Development								
Foreign governments and international organisations								
Current	-	-	-	2 058	-	-	2 058	2 058
Various institutions for Treaty Organisation for Metrology	-	-	-	2 058	-	-	2 058	2 058
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	210 583	-	-	1 782	-	-	1 782	212 365
South African Bureau of Standards: Research	208 861	-	-	(208 861)	-	-	(208 861)	-
South African Bureau of Standards: Small business technical consulting: Membership fees	1 722	-	-	(1 722)	-	-	(1 722)	-
South African Bureau of Standards	-	-	-	212 365	-	-	212 365	212 365
Non-profit institutions								
Current	18 712	-	-	4 000	-	-	4 000	22 712
Trade and Industrial Policy Strategies	18 712	-	-	4 000	-	-	4 000	22 712
Households								
Social benefits								
Current	-	-	-	14	-	-	14	14
Employee social benefits	-	-	-	14	-	-	14	14
Consumer and Corporate Regulation								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	58 013	-	-	(1 370)	-	-	(1 370)	56 643
National Consumer Commission	58 013	-	-	(1 370)	-	-	(1 370)	56 643
Households								
Social benefits								
Current	-	-	-	13	-	-	13	13
Employee social benefits	-	-	-	13	-	-	13	13

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

R thousand	2016/2017							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Incentive Development and Administration								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	-	-	-	256 000	-	-	256 000	256 000
National Research Foundation	-	-	-	256 000	-	-	256 000	256 000
Public corporations and private enterprises								
Public corporations								
Other transfers								
Capital	-	-	-	1 410 000	-	-	1 410 000	1 410 000
Various institutions: Critical Infrastructure programme	-	-	-	100 000	-	-	100 000	100 000
Various institutions: Special economic zones	-	-	-	1 310 000	-	-	1 310 000	1 310 000
Public corporations and private enterprises								
Private enterprises								
Subsidies on production or products								
Current	4 166 716	-	-	(276 000)	-	-	(276 000)	3 890 716
Various institutions: Manufacturing development incentives	4 166 716	-	-	(276 000)	-	-	(276 000)	3 890 716
Capital	1 310 000	-	-	(1 310 000)	-	-	(1 310 000)	-
Various institutions: Special economic zones	1 310 000	-	-	(1 310 000)	-	-	(1 310 000)	-
Public corporations and private enterprises								
Private enterprises								
Other transfers								
Current	200 000	-	-	85 314	-	-	85 314	285 314
Various institutions: Export market and investment assistance	200 000	-	-	24 422	-	-	24 422	224 422
Various institutions: Support programme for industrial innovation	-	-	-	60 892	-	-	60 892	60 892
Capital	350 892	-	-	(160 892)	-	-	(160 892)	190 000
Various institutions: Critical infrastructure programme	290 000	-	-	(100 000)	-	-	(100 000)	190 000
Various institutions: Support programme for industrial innovation	60 892	-	-	(60 892)	-	-	(60 892)	-
Trade Export South Africa								
Foreign governments and international organisations								
Current	2 772	-	-	(2 772)	-	-	(2 772)	-
Export consultancy trust funds: International Bank for Reconstruction and Development (World Bank)	1 386	-	-	(1 386)	-	-	(1 386)	-
Export consultancy trust funds: International Finance Corporation	1 386	-	-	(1 386)	-	-	(1 386)	-

