

## Economic Development

### Adjusted budget summary

R thousand	2018/19			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 072 597</b>	<b>1 072 597</b>	<b>(220)</b>	<b>220</b>
<i>of which:</i>				
Current payments	135 209	134 989	(220)	–
Transfers and subsidies	932 902	933 122	–	220
Payments for capital assets	4 486	4 486	–	–
Executive authority	Minister of Economic Development			
Accounting officer	Director General of Economic Development			
Website address	www.economic.gov.za			

### Vote purpose

Promote economic development policy formulation and planning for the benefit of all South Africans.

### Mid-year performance status

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2018/19 as published in the 2018 ENE	Achieved in the first six months of 2018/19 (April to September)	Changed target for 2018/19
Number of analytical and public policy advocacy reports on socioeconomic development and the new growth path produced per year	Growth Path and Social Dialogue	Outcome 4: Decent employment through inclusive growth	4	5	–
Number of reports on support provided to provinces per year <sup>1</sup>	Growth Path and Social Dialogue		10	1	–
Number of quarterly Cabinet-level progress reports on strategic integrated projects per year	Investment, Competition and Trade		64	33	–
Number of infrastructure projects evaluated, unblocked, fast-tracked or facilitated or project assessments completed per year <sup>1</sup>	Investment, Competition and Trade		8 <sup>1</sup>	2	–
Number of Cabinet and presidential infrastructure coordinating committee strategic decisions on infrastructure implemented per year	Investment, Competition and Trade		4	0	–
Number of ministerial or departmental oversight engagements with the Industrial Development Corporation held per year	Investment, Competition and Trade		4	2	–
Number of reports on the level and impact of industrial finance by development finance institutions and departments per year <sup>1</sup>	Investment, Competition and Trade		4	0	–
Number of ministerial or departmental oversight engagements with trade and competition authorities held per year <sup>1</sup>	Investment, Competition and Trade		5	2	–

1. Indicator or target changed to align with the department's 2018/19 annual performance plan, which was finalised after the 2018 ENE had been published.

### Mid-year progress

The department planned to produce 4 analytical and public policy advocacy reports on socioeconomic development and the new growth path in 2018/19, and produced 5 by mid-year after receiving additional requests from Cabinet.

Mid-year performance for the following indicators was low: the number of reports on support provided to provinces; the number of infrastructure projects unblocked, fast-tracked or facilitated, or project assessments completed; the number of Cabinet and presidential infrastructure coordinating committee

strategic decisions on infrastructure implemented; and the number of reports on the level and impact of industrial finance by development finance institutions and departments. However, these are annual targets and the department expects to achieve them by the end of the financial year.

## Adjusted Estimates of National Expenditure 2018

Programme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	86 516	–	–	(165)	–	–	(165)	86 351
Growth Path and Social Dialogue	34 425	–	–	70	–	–	70	34 495
Investment, Competition and Trade	951 656	–	–	95	–	–	95	951 751
<b>Total</b>	<b>1 072 597</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 072 597</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>135 209</b>	<b>–</b>	<b>–</b>	<b>(220)</b>	<b>–</b>	<b>–</b>	<b>(220)</b>	<b>134 989</b>
Compensation of employees	90 773	–	–	–	–	–	–	90 773
Goods and services	44 436	–	–	(220)	–	–	(220)	44 216
<b>Transfers and subsidies</b>	<b>932 902</b>	<b>–</b>	<b>–</b>	<b>220</b>	<b>–</b>	<b>–</b>	<b>220</b>	<b>933 122</b>
Departmental agencies and accounts	419 065	–	–	–	–	–	–	419 065
Public corporations and private enterprises	513 837	–	–	–	–	–	–	513 837
Households	–	–	–	220	–	–	220	220
<b>Payments for capital assets</b>	<b>4 486</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4 486</b>
Machinery and equipment	4 016	–	–	–	–	–	–	4 016
Software and other intangible assets	470	–	–	–	–	–	–	470
<b>Total</b>	<b>1 072 597</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 072 597</b>

### Programme 1: Administration

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	23 896	–	–	10	–	–	10	23 906
Office of the Director General	11 152	–	–	800	–	–	800	11 952
Corporate Management Services	37 100	–	–	(1 005)	–	–	(1 005)	36 095
Financial Management	14 368	–	–	30	–	–	30	14 398
<b>Total</b>	<b>86 516</b>	<b>–</b>	<b>–</b>	<b>(165)</b>	<b>–</b>	<b>–</b>	<b>(165)</b>	<b>86 351</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>82 813</b>	<b>–</b>	<b>–</b>	<b>(220)</b>	<b>–</b>	<b>–</b>	<b>(220)</b>	<b>82 593</b>
Compensation of employees	42 718	–	–	–	–	–	–	42 718
Goods and services	40 095	–	–	(220)	–	–	(220)	39 875
<b>Transfers and subsidies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>55</b>	<b>–</b>	<b>–</b>	<b>55</b>	<b>55</b>
Households	–	–	–	55	–	–	55	55
<b>Payments for capital assets</b>	<b>3 703</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3 703</b>
Machinery and equipment	3 654	–	–	–	–	–	–	3 654
Software and other intangible assets	49	–	–	–	–	–	–	49
<b>Total</b>	<b>86 516</b>	<b>–</b>	<b>–</b>	<b>(165)</b>	<b>–</b>	<b>–</b>	<b>(165)</b>	<b>86 351</b>

**Programme 2: Growth Path and Social Dialogue**

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Growth Path and Job Drivers	22 375	–	–	25	–	–	25	22 400
Social Dialogue, Productivity and Innovation	12 050	–	–	45	–	–	45	12 095
<b>Total</b>	<b>34 425</b>	<b>–</b>	<b>–</b>	<b>70</b>	<b>–</b>	<b>–</b>	<b>70</b>	<b>34 495</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>33 835</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>33 835</b>
Compensation of employees	32 296	–	–	–	–	–	–	32 296
Goods and services	1 539	–	–	–	–	–	–	1 539
<b>Transfers and subsidies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>70</b>	<b>–</b>	<b>–</b>	<b>70</b>	<b>70</b>
Households	–	–	–	70	–	–	70	70
<b>Payments for capital assets</b>	<b>590</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>590</b>
Machinery and equipment	169	–	–	–	–	–	–	169
Software and other intangible assets	421	–	–	–	–	–	–	421
<b>Total</b>	<b>34 425</b>	<b>–</b>	<b>–</b>	<b>70</b>	<b>–</b>	<b>–</b>	<b>70</b>	<b>34 495</b>

**Programme 3: Investment, Competition and Trade**

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Development Investment, Industrial Funding and Entrepreneurship	263 106	–	–	–	–	–	–	263 106
Competition, Trade and other Economic Regulation	423 263	–	–	–	–	–	–	423 263
Infrastructure Development Coordination	265 287	–	–	95	–	–	95	265 382
<b>Total</b>	<b>951 656</b>	<b>–</b>	<b>–</b>	<b>95</b>	<b>–</b>	<b>–</b>	<b>95</b>	<b>951 751</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>18 561</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>18 561</b>
Compensation of employees	15 759	–	–	–	–	–	–	15 759
Goods and services	2 802	–	–	–	–	–	–	2 802
<b>Transfers and subsidies</b>	<b>932 902</b>	<b>–</b>	<b>–</b>	<b>95</b>	<b>–</b>	<b>–</b>	<b>95</b>	<b>932 997</b>
Departmental agencies and accounts	419 065	–	–	–	–	–	–	419 065
Public corporations and private enterprises	513 837	–	–	–	–	–	–	513 837
Households	–	–	–	95	–	–	95	95
<b>Payments for capital assets</b>	<b>193</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>193</b>
Machinery and equipment	193	–	–	–	–	–	–	193
<b>Total</b>	<b>951 656</b>	<b>–</b>	<b>–</b>	<b>95</b>	<b>–</b>	<b>–</b>	<b>95</b>	<b>951 751</b>

## Details of adjustments to Estimates of National Expenditure 2018

### Virements and shifts within the vote

Programmes					
1. Administration					
2. Growth Path and Social Dialogue					
3. Investment, Competition and Trade					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 1</b>		<b>(220)</b>	<b>Programme 1</b>		<b>55</b>
Goods and services	Legal services <sup>1</sup>	(55)	Households	Leave payouts	55
	Legal services <sup>1</sup>	(70)	<b>Programme 2</b>		<b>70</b>
	Legal services <sup>1</sup>	(95)	Households	Leave payouts	70
			<b>Programme 3</b>		<b>95</b>
			Households	Leave payouts	95
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.2%			
<b>Total</b>		<b>(220)</b>			<b>220</b>

1. National Treasury approval has been obtained.

### Expenditure outcome for 2017/18 and actual expenditure for 2018/19

Programme	2017/18					2018/19				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted appropriation	
Administration	86 461	42 547	49.2	83 666	96.8	86 351	8.1	41 838	48.5	
Growth Path and Social Dialogue	32 822	14 922	45.5	31 126	94.8	34 495	3.2	15 275	44.3	
Investment, Competition and Trade	794 954	365 825	46.0	797 258	100.3	951 751	88.7	443 049	46.6	
<b>Total</b>	<b>914 237</b>	<b>423 294</b>	<b>46.3</b>	<b>912 050</b>	<b>99.8</b>	<b>1 072 597</b>	<b>100.0</b>	<b>500 162</b>	<b>46.6</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>139 261</b>	<b>67 033</b>	<b>48.1</b>	<b>132 632</b>	<b>95.2</b>	<b>134 989</b>	<b>12.6</b>	<b>64 805</b>	<b>48.0</b>	
Compensation of employees	90 043	43 321	48.1	88 523	98.3	90 773	8.5	45 939	50.6	
Goods and services	49 218	23 711	48.2	44 109	89.6	44 216	4.1	18 866	42.7	
<b>Transfers and subsidies</b>	<b>773 269</b>	<b>355 694</b>	<b>46.0</b>	<b>778 370</b>	<b>100.7</b>	<b>933 122</b>	<b>87.0</b>	<b>434 923</b>	<b>46.6</b>	
Departmental agencies and accounts	387 460	198 735	51.3	392 460	101.3	419 065	39.1	215 379	51.4	
Public corporations and private enterprises	385 780	156 890	40.7	385 780	100.0	513 837	47.9	219 418	42.7	
Households	29	69	237.9	130	448.3	220	0.0	126	57.3	
<b>Payments for capital assets</b>	<b>1 707</b>	<b>567</b>	<b>33.2</b>	<b>1 048</b>	<b>61.4</b>	<b>4 486</b>	<b>0.4</b>	<b>434</b>	<b>9.7</b>	
Machinery and equipment	1 444	423	29.3	904	62.6	4 016	0.4	434	10.8	
Software and other intangible assets	263	144	54.8	144	54.8	470	0.0	–	0.0	
<b>Total</b>	<b>914 237</b>	<b>423 294</b>	<b>46.3</b>	<b>912 050</b>	<b>99.8</b>	<b>1 072 597</b>	<b>100.0</b>	<b>500 162</b>	<b>46.6</b>	

### Expenditure trends for the first half of 2018/19

Total expenditure in 2017/18 was R912.1 million, 99.8 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2017/18 was R423.3 million, 46.3 per cent of the 2017/18 adjusted appropriation,

whereas expenditure in the first half of 2018/19 was R500.2 million, 46.6 per cent of the adjusted appropriation for the year. Compared to the first half of 2017/18, expenditure over the same period in 2018/19 increased by R76.9 million, 18.2 per cent, mainly due to an increased transfer payment to the Tirisano Construction Fund.

## Departmental receipts

R thousand	2017/18					2018/19				
	Adjusted estimate	Audited outcome		Apr 17 - Mar 18		Budget estimate	Adjusted estimate	Actual receipts		Apr 18 - Sep 18 adjusted estimate
		Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted estimate			Adjusted receipts estimate/ Total (%)	Apr 18 - Sep 18	
<b>Departmental receipts</b>	<b>137 271</b>	<b>117 647</b>	<b>85.7</b>	<b>167 560</b>	<b>122.1</b>	<b>145 354</b>	<b>284 964</b>	<b>100.0</b>	<b>104 439</b>	<b>36.6</b>
Sales of goods and services produced by department	21	15	71.4	31	147.6	49	49	0.0	16	32.7
Fines, penalties and forfeits	117 000	117 553	100.5	117 400	100.3	125 000	234 000	82.1	103 985	44.4
Interest, dividends and rent on land	20 200	73	0.4	50 123	248.1	20 250	50 860	17.8	427	0.8
Transactions in financial assets and liabilities	50	6	12.0	6	12.0	55	55	0.0	11	20.0
<b>Total</b>	<b>137 271</b>	<b>117 647</b>	<b>85.7</b>	<b>167 560</b>	<b>122.1</b>	<b>145 354</b>	<b>284 964</b>	<b>100.0</b>	<b>104 439</b>	<b>36.6</b>

## Revenue trends for the first half of 2018/19

Mid-year revenue in 2017/18 was R117.7 million, 85.7 per cent of the 2017/18 adjusted estimate, whereas revenue in the first half of 2018/19 was R104.4 million, 36.6 per cent of the adjusted estimate for the year. Compared to the first half of 2017/18, revenue over the same period in 2018/19 decreased by R13.2 million, 11.2 per cent, mainly due to some companies not paying penalties timeously.

## Changes to transfers and subsidies

### Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	2018/19						Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Administration</b>								
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	-	-	-	45	-	-	45	45
Households	-	-	-	45	-	-	45	45
<b>Households</b>								
<b>Other transfers to households</b>								
<b>Current</b>	-	-	-	10	-	-	10	10
Households	-	-	-	10	-	-	10	10
<b>Growth Path and Social Dialogue</b>								
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	-	-	-	70	-	-	70	70
Households	-	-	-	70	-	-	70	70
<b>Investment, Competition and Trade</b>								
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	-	-	-	95	-	-	95	95
Households	-	-	-	95	-	-	95	95

