

Vote 31

Trade and Industry

To be appropriated by Vote	R2 214 649 000
Statutory appropriations	-
Responsible Minister	Minister for Trade and Industry
Administering Department	Department of Trade and Industry
Accounting Officer	Director-General of Trade and Industry

Aim

The aim of the Department of Trade and Industry is to facilitate access to sustainable economic activity and employment for all South Africans through higher levels of investment and increased access for South African products in international markets, and to create a fair, competitive and efficient market place for domestic and foreign businesses, as well as for consumers.

Key objectives and programmes

The key objectives of the Department of Trade and Industry are the following:

- To provide an environment conducive to the promotion of higher levels of investment, for both foreign direct investment and domestic investment
- To increase access to international markets for South African products
- To create a fair, competitive and efficient market place in South Africa for domestic and foreign business and consumers

All the Department's objectives incorporate assisting South African industries to become globally competitive; assisting small, medium and microenterprise development; promoting economic empowerment; and encouraging regional growth.

Strategic overview and key policy developments: 1997/98 – 2003/04

After the 1994 elections, the Department of Trade and Industry embarked on a process of revising its incentive schemes and introduced new schemes, such as the tax holiday scheme. From 1997/98 onwards, the Department began to evaluate the effectiveness of the new schemes, but also developed strategies and policies for competitiveness in a global environment. Meanwhile, Government's macroeconomic strategy had been introduced, and it became necessary to review its successes (or lack thereof). These changes prompted the restructuring of the Department.

The restructuring focuses on creating a world-class institution, which is service orientated and delivery driven. It incorporates international best practice and is benchmarked against this, and it emphasises ease of access for the economic citizenry. It also seeks to accelerate trade and investment in South Africa and the region. The Department is focusing on developing policies for certain industries but with due consideration for the impact that such policies will have on the SADC region and possible gains from the Africa Growth Bill.

Closer cooperation between the Department of Trade and Industry family of institutions (including the Council for Scientific and Industrial Research, the South African Bureau of Standards, Ntsika and Khula) allows direct linkages between the goals of the respective institutions and the policy direction of Government. To this effect, the Department's Policy Board has been established under

the chairmanship of the Minister of Trade and Industry. The Department aims at creating an integrated, policy-driven institutional family with a specialised head office and specialised associated institutions that will deal with regulations, financing and service delivery. Interaction within the family of institutions is also now more formalised, with regular meetings. Investment South Africa was incorporated into Trade and Investment South Africa, and Ntsika is due to be incorporated shortly.

A strong management support unit has been established to assist the executive of the Department in policy decisions. This included the appointment of several Deputy Directors-General, a Chief Economist and a Chief Information Officer. Several “programme managers” will also be tasked to address certain focus areas, e.g. black economic empowerment, social equity, investment and the new economy, Africa and industrial sector development, among others.

Spending by programme has been reclassified to correspond to the revised programme structure.

Incentives and industrial support

The Department shifted its focus from demand-driven to supply-side measures. Technology is being promoted through programmes such as the Support Programme for Industrial Innovation, Partnership in Industrial Innovation, Technology and Human Resources for Industry programme, technology incubators and the latest addition, Technology through Women in Business.

The Department maintains a number of incentives aimed at promoting job creation, but it is relying on the private sector to take the lead in this respect, or at least to be Government’s partner in the process. Government sees its role as providing an environment (including incentives) conducive to the promotion of sustainable jobs. The new suite of incentives that is being introduced relies on private sector investment and skills development initiatives, but also encourages a wider range of industries, particularly those industries (e.g. tourism, agriculture, recycling, biotechnology, aquaculture, cultural, etc.) that were previously excluded. The incentives provide scope for small and medium-sized industries to participate. Programmes that were not successful, e.g. the tax holiday scheme, have been discontinued, while the Third and Fourth Schedule incentives are being phased out. The budget of the Small and medium manufacturing development programme is being increased.

Export assistance through the Export Marketing and Investment Assistance Scheme has also increased over the past few years. To assist industry in complying with environmental legislation and becoming globally more competitive, the Department is developing an environmental support policy with the possible introduction of an environmental support fund. The Department has decided to establish an Export Credit Agency that will take over the functions of the Export Credit Reinsurance Fund. The Department is also involved with the Department of Transport in developing a taxi recapitalisation scheme to assist the taxi industry and to increase public transport safety.

Regulatory environment and services

Over the past few years, the Department successfully established a number of regulatory institutions, such as the Competition Commission, the Competition Tribunal, and the Gambling and Lotteries Boards. The National Inspectorate also obtained storage sites and appointed several investigators to assist with the confiscation of grey products. Taxation on company earnings was reduced to promote investments.

The Department is reviewing its interface with the public and is considering opening offices in strategically placed centres. This applies especially to its foreign offices, some of which are being combined with the resources of Investment South Africa to render better services to potential

investors and to exporters. Part of the activities of Investment South Africa will include promoting South Africa as a growing economy with excellent investment opportunities.

The departmental restructuring is also aimed at promoting productivity. The Companies and Intellectual Property Office is being commercialised and transformed into a trading account. The budget allocation to the National Measuring Laboratory has been increased to make provision for the purchase of capital equipment.

Table 31.1: Trade and Industry

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00	Adjusted appropriation 2000/01	Revised estimate	2001/02	2002/03	2003/04
R thousand								
Administration	135 638	65 847	89 052	107 452	97 452	148 732	148 664	173 579
International trade and economic development	11 376	13 723	13 243	23 373	14 373	28 044	28 027	28 012
Enterprise, commerce and industry development	662 562	940 044	975 360	955 408	885 408	835 854	884 473	895 180
Enterprise organisation	1 442 188	641 515	527 401	819 688	784 688	942 222	1 151 285	1 268 940
Trade and Investment South Africa	218 194	252 743	221 969	339 506	334 506	259 797	252 661	260 278
Total	2 469 958	1 913 872	1 827 025	2 245 427	2 116 427	2 214 649	2 465 110	2 625 989
Change to 2000 Budget Estimate				41 870	(87 130)	(49 515)	132 863	

Economic classification

Current	2 401 042	1 859 653	1 808 731	2 226 455	2 107 455	2 158 243	2 409 155	2 545 256
Personnel	138 638	145 422	161 219	224 559	189 559	258 191	272 564	288 281
Transfer payments	2 081 508	1 605 904	1 514 333	1 835 987	1 780 987	1 773 160	2 030 741	2 166 773
Other current	180 896	108 327	133 179	165 909	136 909	126 892	105 850	90 202
Capital	68 916	54 219	18 294	18 972	8 972	56 406	55 955	80 733
Transfer payments	56 458	43 044	-	-	-	10 001	10 001	10 001
Acquisition of capital assets	12 458	11 175	18 294	18 972	8 972	46 405	45 954	70 732
Total	2 469 958	1 913 872	1 827 025	2 245 427	2 116 427	2 214 649	2 465 110	2 625 989

Standard items of expenditure

Personnel	138 638	145 421	161 219	224 559	189 559	258 191	272 564	288 281
Administrative	42 417	36 211	40 734	55 152	45 152	35 041	23 819	21 159
Inventories	12 687	13 117	12 473	16 718	13 718	22 000	22 849	19 643
Equipment	18 619	12 421	19 434	31 484	21 484	41 152	40 705	40 666
Land and buildings	1 035	1 046	1 362	3 365	365	10 367	10 367	35 394
Professional and special services	37 526	49 985	58 902	74 035	61 035	62 669	53 778	43 754
Transfer payments	2 137 966	1 648 948	1 514 333	1 835 987	1 780 987	1 783 161	2 040 742	2 176 774
Miscellaneous	81 070	6 723	18 568	4 127	4 127	2 068	286	318
Total	2 469 958	1 913 872	1 827 025	2 245 427	2 116 427	2 214 649	2 465 110	2 625 989

Departmental receipts

Departmental receipts originate mainly from services rendered in the registration of patents, trademarks and copyrights, and companies and close corporations. Interest is received on shares held in the Industrial Development Corporation. Other receipts are of a miscellaneous nature, and include interest on debts to be recovered, transfer costs, recovery of incidental costs and General Export Incentive Scheme debt.

Departmental receipts total R11,9 million in 2000/01 and are estimated to amount to R12,5 million in 2001/02, R14 million in 2002/03 and R16 million in 2003/04.

Expenditure trends

The Department has been restructured and the budget structure changed accordingly. All programmes are designed to support of economic empowerment and to promote the region. An Executive Management Unit was added to the *Administration* programme, which includes capacity for strategy development and management support.

The previous programme *Trade, policy and global repositioning* is renamed the *International trade and economic development* programme. This will focus on trade relations and agreements, issues surrounding import and export control, developing the Southern African Development Community region and the position of South Africa at the World Trade Organisation. The International trade administration subprogramme includes the previous subprogramme: Industrial development and promotion.

The previous programme *Trade, investment and entrepreneurial development* was divided into two programmes: *Enterprise and industry development*, and *Enterprise organisation*. The previous subprogrammes: Investment support, Competitiveness Fund and Spatial development initiatives and investment facilitation were transferred to the new programme *Enterprise organisation*. The remainder of the previous programme *Trade, investment and entrepreneurial development* became the programme *Enterprise and industry development*. The previous programme *Business regulation and consumer affairs* was also transferred to the new *Enterprise and industry development programme*. The previous subprogrammes: Trade facilitation and Foreign investment promotion and international marketing of the previous programme *Trade, investment and entrepreneurial development* were transferred to the programme *Trade and Investment South Africa*.

The economic climate and the stability of the region, the strength of the rand and the oil price, to mention but a few external factors, affect the expenditure trends of the Department. Some influence the level of participation in incentives schemes (e.g. profits, labour market and other input costs) while the exchange rate affects exports and the personnel budget of the Department in terms of its foreign offices.

The main cost driver, with the most significant impact on the Department's budget, is transfer payments, which represent 82,5 per cent of the total budget. This item will increase by with 5,6 per cent from 2000/01 to 2003/04.

The Department's 2000/01 budget allocation was reduced by R100 million in recognition of the phasing in of the new incentive schemes. Changes in the local, SADC and global economies, and the strength of the rand may also influence the participation in schemes. In some instances, the effects of the previous year's economic climate are being reflected through claims submitted a year later. An increase of R23,5 million on the Vote of the Department for 2001/02 allows for inflation and other related adjustments.

The personnel budget increased by 4,5 per cent from 2000/01 to 2003/04 to make provision for the effects of the restructuring process. The impact of the weakening of the rand against the dollar increases the costs of personnel in foreign offices.

Programme 1: Administration

The programme conducts the overall management of the Department. It includes policy formulation by the Minister, Deputy Minister, Director-General and executive management. Other activities comprise organising the Department; rendering centralised administrative, legal and office support services; managing departmental, personnel and financial administration; determining working methods and procedures; and exercising control through head office and

regional offices. The *Administration* programme also purchases vehicles for departmental use, as well as for allocation under the subsidised motor transport scheme.

Contributions to the Diplomacy, Intelligence, Defence and Trade Education and Training Authority (DIDTETA) are included to support the development of skills in the South African workforce. The programme contributes to the Council for Scientific and Industrial Research to fund a Master Systems Information Technology Plan (The Delight project) for the Department, and technology support for its restructuring process.

Expenditure estimates

Table 31.2: Administration

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	
Minister ¹	538	567	518	518	634	669	702	
Deputy Minister ²	543	400	421	421	469	494	519	
Management	55 029	18 505	13 218	24 858	32 009	31 988	31 962	
Corporate services	79 528	46 375	74 895	81 455	115 420	115 313	140 196	
Government motor transport	-	-	-	200	200	200	200	
Total	135 638	65 847	89 052	107 452	148 732	148 664	173 579	
Change to 2000 Budget Estimate				16 067	57 347	57 279		

¹ Payable as from 1 April 2000 salary: R478 530 car allowance: R119 632

² Payable as from 1 April 2000 salary: R342 584 car allowance: R99 396

³ Spending on land, buildings and maintenance subject to Public Works agreement

Economic classification

Current	132 989	62 444	78 406	100 201	113 367	113 540	113 137
Personnel	19 724	23 008	28 410	48 853	50 840	52 936	55 530
Transfer payments	-	1 500	-	1	7 501	7 501	7 501
Other	113 265	37 936	49 996	51 347	55 026	53 103	50 106
Capital	2 649	3 403	10 646	7 251	35 365	35 124	60 442
Transfer payments	-	-	-	-	1	1	1
Acquisition of capital assets	2 649	3 403	10 646	7 251	35 364	35 123	60 441
Total	135 638	65 847	89 052	107 452	148 732	148 664	173 579

Standard items of expenditure

Personnel	19 724	23 008	28 410	48 853	50 840	52 936	55 530
Administrative	12 423	11 694	13 576	8 981	9 671	8 623	9 135
Inventories	6 490	4 875	4 129	7 509	10 562	9 899	10 326
Equipment	5 396	3 730	10 947	12 913	27 766	27 480	27 896
Land and buildings	925	982	1 282	2 982	10 000	10 000	35 015
Professional and special services	10 860	14 744	13 616	25 627	32 260	32 117	28 055
Transfer payments	-	1 500	-	1	7 502	7 502	7 502
Miscellaneous							
Civil Pensions Stabilisation Fund	79 820	5 314	17 092	402	-	-	-
Minor expenses	-	-	-	184	131	107	120
Total	135 638	65 847	89 052	107 452	148 732	148 664	173 579

Policy developments

Management support to the Minister, Deputy Minister and Director-General has been strengthened significantly through the establishment of the Executive Management Unit consisting of various high-level posts, including a Chief Economist. This will enable the Department to focus on new initiatives aimed at improving the economy. The Department intends building a closer relationship with its related institutions to create a positive group image over the medium term.

Expenditure trends

The *Administration* programme grew mainly because of the acquisition of capital assets and personnel expenditure. The acquisition of capital assets increased significantly from R7,3 million in 2000/01 to R60,4 million in 2001/02. The share spent on personnel rises notably from R28,4 million in 1999/00 to R55,5 million in 2003/04, owing to the new Executive Management Unit.

Programme 2: International trade and economic development

The programme promotes and maintains South Africa's trade relations and agreements with other countries in order to stimulate internal growth and empowerment, and maximise foreign exchange earnings through policy and strategy development, programme development, monitoring and evaluation, negotiations and relationship building. It also aims to promote the quality of life of people in South Africa and the common customs areas of the Southern African Customs Union by promoting the international competitiveness of industries in the Customs Union through customs tariffs, including anti-dumping and countervailing import and export control measures.

The programme comprises three subprogrammes:

- International economic development focuses on multilateral and bilateral trade relations. The multilateral trade section undertakes and maintains trade relations and agreements with other countries and organisations, as well as contributing to the International Customs Bureau and the World Trade Organisation. The bilateral trade relations section undertakes and maintains bilateral trade relations and agreements, as well as bilateral investment treaties with Asian, American, European, Middle Eastern, Caribbean, African and Pacific Ocean Rim countries.
- African economic development focuses on southern African economic integration. The subprogramme undertakes and maintains bilateral and multilateral trade relations and agreements within the SADC and the Southern African Customs Union.
- International trade administration provides for the following activities of the Commission for International Trade Administration:
 - Tariff and trade investigations promote industrial and trade development through appropriate customs and excise duties, tariffs and trade investigations in terms of the Board on Tariffs and Trade Act of 1986 and provides for a contributions to the Board of Tariffs and Trade.
 - Anti-dumping promotes industrial fairness through actions against dumping and other forms of disruptive competition.
 - Import and export control regulates imports and exports of certain goods in terms of the Import and Export Control Act of 1963.

Expenditure estimates

Table 31.3: International trade and investment policy and development

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00	Adjusted appropriation 2000/01	2001/02	2002/03	2003/04
R thousand							
International economic development	8 638	11 087	7 789	12 474	12 361	12 349	12 339
African economic development	2 738	2 636	5 454	5 664	5 683	5 678	5 673
International trade administration	–	–	–	5 235	10 000	10 000	10 000
Total	11 376	13 723	13 243	23 373	28 044	28 027	28 012
Change to 2000 Budget Estimate				4 537	9 208	9 191	

Economic classification							
Current	11 376	13 432	13 013	22 804	27 592	27 542	27 392
Personnel	6 279	7 375	8 561	14 812	8 685	9 328	10 016
Transfer payments	2 118	3 038	–	3 068	13 068	13 068	13 068
Other	2 979	3 019	4 452	4 924	5 839	5 146	4 308
Capital	–	291	230	569	452	485	620
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	291	230	569	452	485	620
Total	11 376	13 723	13 243	23 373	28 044	28 027	28 012

Standard items of expenditure							
Personnel	6 279	7 375	8 561	14 812	8 685	9 328	10 016
Administrative	2 391	2 799	4 007	3 498	4 497	2 887	1 985
Inventories	42	21	117	20	258	258	267
Equipment	252	315	258	720	688	728	873
Land and buildings	–	13	3	6	–	–	–
Professional and special services	193	90	151	1 044	848	1 758	1 803
Transfer payments	2 118	3 038	–	3 068	13 068	13 068	13 068
Miscellaneous							
Civil Pensions Stabilisation Fund	101	72	146	205	–	–	–
Minor expenses	–	–	–	60	–	–	–
Total	11 376	13 723	13 243	23 373	28 044	28 027	28 012

Policy developments

The Department intends expanding its multilateral trade network by opening offices in Geneva, Brussels and Washington, as well as New Delhi and Brazil over the next three years. Further expansion, particularly within Africa, is also under consideration.

The Board of Tariffs and Trade has been restructured to ensure independent regulation of customs tariff, including anti-dumping, countervailing and safeguard action. In addition, the Board is establishing a world-class Commission for International Trade Administration.

Expenditure trends

Personnel and related expenditure increased by 8,1 per cent over the seven-year period due to the weakening of the currency. Transfer payments in respect of Membership fees increased significantly from R3,1 million in 2000/01 to R13,1 million in 2003/04.

Outputs and service delivery trends

Table 31.4: International trade and economic development: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
International economic development	Negotiations on entering into new and maintaining the existing trade relations and agreements within the SADC and the South African Customs Union Negotiations with countries within the World Trade Organisation regarding new contracts or agreements, and maintaining the existing contracts or agreements Trade block negotiations on dismantling of restrictive measures	Increased rate of accessibility in respect of the Nedlac forum industry interest groups web site Number of new trade agreements and number of existing trade relations maintained Increased number of interactions with groups of exporters

Subprogramme	Outputs	Service delivery indicators
Africa economic development	New offices to be opened in targeted African countries Trade negotiations and agreements to secure projects to promote economic development in Africa	Number of new offices to be opened as targeted within the specified time
International trade administration	Establishment of the Commission for International Trade Administration 200 tariff investigations 2 000 rebate permits 150 duty credit certificates 2 000 import rebate credit certificates	Successful establishment of an independent regulator Number of investigations Number of rebate permits Number of credit certificates

Key achievements relate to the activities of the Board of Tariffs and Trade under the International trade administration subprogramme. These include major tariff investigations, such as the review of the Motor Industry Development Programme, the amendment of the sugar tariff dispensation, and the abolition of the maximum sugar price dispensation. The Board considered 168 submissions on applications for amending Southern African Customs Union tariffs between January and October 2000, thus contributing to progress of tariff reform in the region. The Board also initiated nine new anti-dumping investigations and six new countervailing investigations, and made nine preliminary findings and ten final determinations with regard to anti-dumping and countervailing during this period. Appropriate action against dumping is a prerequisite for the sound development of local industries.

Programme 3: Enterprise and industry development

The programme promotes the competitiveness of the manufacturing industries through research, training, and other technology and innovation support programmes; a focus on enterprise development with an emphasis on black economic empowerment; and increasing the rate of sustainable small, medium and micro-enterprise creation. The programme also intends promoting the efficiency and competitiveness of the South African economy by judicious regulation of the activities of companies and by support for consumer rights. Programme activities are organised into seven subprogrammes:

- Competitiveness strategy formulates policy and provides support services to business and industry in environmental management, as well as in constitutional and environmental legislative compliance. Support services to facilitate standardisation and environmental management in industry are provided to a range of institutions:
 - Contributions are made to the South African Bureau of Standards in terms of the Standards Act of 1993 and to the Council for Scientific and Industrial Research in terms of the Scientific Research Council Act of 1988 to facilitate and promote scientific and industrial research.
 - The National Metrology Laboratory at the Council for Scientific and Industrial Research introduces, maintains and promotes the national measuring standards underpinning the calibration of measuring and testing instruments in terms of the Measuring Units and National Measuring Standards Act of 1993.
 - Small business technical consulting funding promotes the standardisation of quality and environmental matters for emerging small businesses.
 - Contributions towards the Made in South Africa Campaign support increased awareness of consumer demands for quality products and promotes quality products with this label.

The Competitiveness strategy subprogramme also aims to enhance industrial development and global competitiveness of South African industries through technology support measures. These include:

- Contributions to the Industrial Development Corporation for the Support Programme for Industrial Innovation and Partnership for Industrial Innovation to promote technology development in manufacturing industries. Transfers to the Corporation also support the Fund for Research into Industrial Development, Growth and Equity.
- Financial assistance supports technology incubator development in South African industries, including Furntech, Plant-fibre and other incubators.
- Support for the Industrial participation programme assists the development and expansion of South African industries.
- Contributions are made to the South African Bureau of Standards for the creation of an emissions test facility.
- Support is given to the National Productivity Institute for the Workplace challenge scheme.
- Enterprise development funds the Centre for Small Business Promotion. The Centre administers the National Small Business Act of 1996 to promote and facilitate small, medium and micro-enterprise policy development and activities. The subprogramme makes contributions to the following institutions.
 - Khula Enterprise Finance and Khula Institutional Support Services provide wholesale support services to retail financial intermediaries.
 - Ntsika Enterprise Promotion Agency provides wholesale non-financial support services for small, medium and micro-enterprise promotion and development.
 - The National Small Business Voice represents and promotes the interests of the small, medium and micro-enterprise sector and advises national, provincial and local governments.
 - The Franchise Association of South Africa provides a financial and non-financial support service and regulatory support to small, medium and micro-enterprise franchising.
 - The National Manufacturing Advisory Centre Coordinating Body supports small, medium and micro-enterprises with respect to manufacturing, information and related business development services.
 - The South African Women's Empowerment Foundation supports and empowers women in small, medium and micro-enterprises.
- Economic empowerment contributes to the National Empowerment Fund administered by the Industrial Development Corporation.
- Regional economic integration administers and manages regional production systems, special economic zones, regional development and state asset restructuring. The subprogramme is also responsible for coordinating and managing Spatial Development Initiatives.
- The Non-proliferation subprogramme maintains multilateral relations and agreements on non-proliferation of weapons of mass destruction and space matters, and controls the manufacture, import and export of chemicals, biological materials and dual-purpose nuclear and missile items in terms of the Non-proliferation of Weapons of Mass Destruction Act of 1993.
- Commerce development and consumer protection manages commercial law and consumer protection through the setting of a regulatory framework for gambling, lotteries, liquor, competition and company law, intellectual property and consumer protection through legislation and enforcement. The subprogramme also provides management and project coordination services to the South African Bureau of Standards Metrology. The subprogramme includes the following:
 - Contributions are made to the National Gambling Board in terms of the Gambling Act of 1996, the National Lotteries Board in terms of the Lottery Act of 1997 and the National Liquor Advisory Authority in terms of the Liquor Act of 1989.
 - National Consumer Affairs promote access to safe and quality products, and ensure adequate consumer recourse. Contributions are made in terms of various Consumer Affairs Acts.

- National Inspectorate monitors and investigates business compliance with commercial and consumer legislation.
- The Competition Commission and Competition Tribunal promote an environment in which competition is allowed to flourish, investigate and address anti-competitive activities, and increase economic concentration in related markets in terms of the Competition Act of 1998.
- The Company, Patent and Copyright Law Development and Management subprogramme is responsible for:
 - Registration of patents, trademarks, designs and copyright in film; protection thereof and of copyright in general; updating and safeguarding of records in this regard; and release and participation of information. Contributions are made in terms of various Acts on patents, trademarks, designs and copyright.
 - The South African Companies Registration Office provides statutory control of registration of companies, share block companies, close corporations, certain associations and names, and update and safeguard prescribed records. Contributions are made in terms of various Company Acts.
 - Trading Account: Companies and Intellectual Property Registration Office Augmentation provides for the commercialisation of the South African Companies Registration and the Patents, Trademarks, Designs and Copyright Offices into a trading account.
 - Contributions are made to the World Intellectual Property Organisation for promoting the protection of intellectual property and copyrights.

Expenditure estimates

Table 31.5: Enterprise, commerce and industry policy development

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00	Adjusted appropriation 2000/01	2001/02	2002/03	2003/04
R thousand							
Competitiveness strategy	516 170	584 820	602 651	669 319	646 905	684 879	695 651
Enterprise development	68 927	61 755	188 256	141 986	90 983	105 183	105 183
Economic empowerment	32 400	227 000	68 098	37 251	1	1	1
Regional economic integration	–	–	–	–	1 000	1 000	1 000
Non-proliferation	5 854	4 853	2 697	5 569	6 091	6 087	6 082
Commerce development and consumer protection	9 721	23 706	63 190	47 576	43 706	40 185	40 160
Company, development and copyright law development and management	29 490	37 910	50 468	53 707	47 168	47 138	47 103
Total	662 562	940 044	975 360	955 408	835 854	884 473	895 180
Change to 2000 Budget Estimate				(48 250)	(147 710)	(135 948)	

Economic classification

Current	599 216	892 609	969 710	951 298	817 077	865 911	876 956
Personnel	46 244	49 243	55 208	70 995	77 504	82 714	86 530
Transfer payments	521 193	806 775	866 693	809 330	686 208	738 707	755 933
Other	31 779	36 591	47 809	70 973	53 365	44 490	34 493
Capital	63 346	47 435	5 650	4 110	18 777	18 562	18 224
Transfer payments	56 458	43 044	–	–	10 000	10 000	10 000
Acquisition of capital assets	6 888	4 391	5 650	4 110	8 777	8 562	8 224
Total	662 562	940 044	975 360	955 408	835 854	884 473	895 180

Standard items of expenditure

Personnel expenditure	46 244	49 242	55 208	70 995	77 504	82 714	86 530
Administrative expenditure	6 077	6 367	8 690	17 658	17 816	10 820	9 473
Inventories	3 670	3 438	3 778	6 082	7 987	12 475	8 924
Equipment	8 162	4 928	6 165	8 164	10 038	10 496	10 226
Land and buildings	-	29	32	-	-	-	-
Professional and special services	20 078	25 352	33 961	42 276	26 156	19 082	13 896
Transfer payments	577 651	849 819	866 693	809 330	696 208	748 707	765 933
Miscellaneous expenditure							
Civil Pensions Stabilisation Fund	680	869	833	543	-	-	-
Minor expenses	-	-	-	360	145	179	198
Total	662 562	940 044	975 360	955 408	835 854	884 473	895 180

Policy development

The Companies and Intellectual Property Registration Office is to be established to handle all applications for the various services being offered by the current Companies and Patents offices. This will lead to the commercialisation of the two offices into a trading account. The Department will keep a contingency budget – during the transitional phase, it will budget for the offices as in the past.

The Chief Directorate: Business Regulation and Consumer Services is also being restructured to focus on various aspects of policy and law development, including research and the determination of the effectiveness of the current legislation, policies and enforcement. New managerial positions will be introduced as a result of this process.

Expenditure trends

The most significant trend is in transfer payments, which represents 85,5 per cent of the expenditure on this programme. This item increased significantly from R557,6 million in 1997/98 to R809,3 million in 2000/01. This trend points to the growing importance of technology promotion and small business support. However, since 2000/01, the transfer payments have decreased owing to the financial independence of the Competition Commission and the cessation of contributions to the National Empowerment Fund.

Outputs and service delivery trends

Table 31.6: International trade and investment policy development: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Competitiveness strategy	A functioning South African National Accreditation System	Increase in the number of labs accredited per year Endorsement by forensic community and courts
	Recognition of South African national and legal metrology systems internationally	Increase in the number of international Mutual Recognition Arrangements in order to demonstrate equivalence of standards
	Provision of advice to emerging business on the standardisation of quality and environmental matters	Increase in the number of emerging businesses adhering to the standards
	Efficient and effective small business technical funding	Increase in the number of strategic partnerships between government, industry and research institutions
	A successful technology and human research for industry programme	Increase in the number of innovative products and processes
	A successful support programme for industrial innovation through the Industrial Development Corporation	Document on the review of existing technology programmes published on planned date Number of new technology programmes developed

Subprogramme	Outputs	Service delivery indicators
	<p>Fund for research into industrial development, growth and equity</p> <p>Provision of support for successful technological transfer</p> <p>A functioning Environment Support Fund</p> <p>Implementation of a successful Workplace Challenge Scheme</p> <p>Khula Enterprise Limited</p> <p>Ntsika Enterprise Partnership Agency</p>	<p>Increase in the number of small, medium and microenterprises supported (with a focus on female entrepreneurs) through</p> <ul style="list-style-type: none"> • Improved access to local and international technology • Loan guarantees to acquire manufacturing technology • Provision of seed and early start up capital • Provision of start up and expansion of technology-based ventures <p>Increase in the number of businesses supported to switch to the development of environment, responsible technology and products</p> <p>Increase in the number of environmental technology audits</p> <p>Number of successful projects set up in:</p> <ul style="list-style-type: none"> • Innovations for Disabled Entrepreneurs Awards Scheme • The Crime Buster project to train homeless people • National youth economic participation projects • The development of women in the rural areas <p>Increase in the number of new small, medium and microenterprises assisted in all provinces especially with respect to black women</p> <p>Number of existing entrepreneurs advised and trained</p> <p>Number of set-ups of the venture capital fund</p> <p>Number of successful technology-based ventures established</p> <p>Number of successful loans granted by micro credit offices in the nine provinces against planned target</p> <p>Number of sessions conducted with small, medium and microenterprises on</p> <ul style="list-style-type: none"> • Tendering • Exhibition • Investment development <p>Number of service providers and network establishments</p> <p>Survey of participants on the quality of training and capacity building obtained</p> <p>Increase in the number of service providers, networks and small, medium and microenterprises in the programme across all nine provinces.</p> <p>Number of projects launched</p> <p>Number of jobs created / investments realised in each of the projects</p>
Regional economic development	<p>Provision of advice, support, coordination and promotion on the development of special economic zones and regional production systems including spatial development initiatives</p> <p>Provision of advice, support and control over international agreements on non-proliferation of weapons of mass destruction and space matters, and the manufacture, import and export of chemicals, biological materials and dual-purpose nuclear and missile items</p>	<p>Increase in the level of compliance with international treaties and agreements.</p> <p>Number of biological meetings held</p> <p>Number of import and export permits processed</p> <p>Number of industries and plants visited to investigate permit applications.</p>
Non-proliferation	<p>Provision of regulations with respect to gambling, lotteries, and liquor</p>	<p>Efficient and effective functioning of the:</p> <ul style="list-style-type: none"> • National Gambling Board • National Lotteries Board • National Liquor Authority

Subprogramme	Outputs	Service delivery indicators
Commerce development and consumer protection	Creation of compliance structures to assist with enforcing legislative measures and policies with respect to consumer protection	Number of planned amendments completed Number of successfully passed amendments in accordance with business requirements Total number of consumer complaints successfully resolved per year Results of a survey to gauge the awareness of consumers with respect to their rights
Company, patent and copyright law development and management	Competition Commission / Tribunal	Increase in the number of cases brought to conclusion against the planned target
	South African Patents and Trademarks Organisation	Increase in the number of registrations of patents and trademarks against planned target Implementation of new legislation on counterfeit goods and piracy. Percentage decrease in the turnaround time to register trademarks against planned target Increase in number of counterfeit products confiscated Increase in the number of companies registered and supported per year
	South African Companies Office	Increase in the number of name reservations and name rejections processed per month Percentage decrease in the turn around time to process applications against planned target Number of legislation pieces reviewed against planned target

The Department is working towards establishing and maintaining a sound Standards, Quality Assurance, Accreditation and Metrology framework to promote industrial competitiveness and export-led growth. It has commissioned a mid-term review of the national strategy for the development and promotion of small business in South Africa. This will ensure that corrective action is taken to ensure that the strategy contributes to national objectives of job creation, income generation and economic growth.

Programme 4: Enterprise organisation

The programme provides financial support to various enterprises, including small, medium and microenterprises through incentives, matching grants and other cost-sharing grants. The programme also aims to promote investment in infrastructure, human capacity, development in the manufacturing sector and related industries, and to assist with exports. The programme comprises the following subprogrammes:

- Investment programme support is responsible for:
 - Investment support activities provide management, advisory, publicity and administrative auxiliary services in support of the manufacturing development programmes.
 - The manufacturing development programme incentive schemes aim to advance development in the manufacturing sector.
 - The small and medium manufacturing development programme provides grants and profit or output incentives to small and medium manufacturers.
 - The tax holiday scheme provides a foreign investment grant, which incorporates incentives in terms of relocation cost for industrialists relocating to South Africa.
 - Special industrial economic zones are identified for globally competitive manufacturing and high-technology services.
 - The Strategic investment programme provides grants to support globally competitive investments.

- The Critical infrastructure and Environmental programme subsidises key economic infrastructure that unlocks private investment opportunities.
- The Enterprise development programme provides cash grants to qualifying small and medium enterprises.
- The Micro investor programme provides cash grants to qualifying micro-enterprises.
- The Labour induction programme provides grants to companies to support its workforce.
- The Skills support programme provides a cash grant to companies for skills development through the Department of Labour.
- The Competitiveness fund provides cost-sharing grants to groups of companies (small, medium and micro-enterprises) to promote competitiveness.
- The Taxi scrapping allowance will facilitate financial assistance to the taxi industry in the form of a scrapping allowance.
- Sectoral partnership fund: As an outcome of the presidential Job Summit of 1998, the Department established the Sector Partnership Fund – Trade Union Facility scheme to assist trade unions in different subsectors to carry out specific research to enhance the economic performance of firms in their subsectors.
- Exporter assistance provides for:
 - Export marketing and investment assistance reimburses costs with regard to market research, in- and outward trade, and investment missions and exhibitions.
 - The General Export Incentive Scheme provides assistance to manufacturing exporters, and will be phased out over the medium term.

Expenditure estimates

Table 31.7: Enterprise organisation

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation			
R thousand	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Investment support	778 864	465 742	428 709	704 011	787 222	976 285	1 093 940
Exporter assistance	663 324	175 773	98 692	115 677	155 000	175 000	175 000
Total	1 442 188	641 515	527 401	819 688	942 222	1 151 285	1 268 940
Change to 2000 Budget Estimate				63 069	145 134	76 895	

Economic classification

Current	1 442 181	640 893	526 993	817 407	940 410	1 149 501	1 267 493
Personnel	9 183	8 713	7 894	10 630	16 828	17 699	18 306
Transfer payments	1 422 718	625 118	512 639	798 584	919 383	1 129 465	1 248 271
Other	10 280	7 062	6 460	8 193	4 199	2 337	916
Capital	7	622	408	2 281	1 812	1 784	1 447
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	7	622	408	2 281	1 812	1 784	1 447
Total	1 442 188	641 515	527 401	819 688	942 222	1 151 285	1 268 940

Standard items of expenditure							
Personnel	9 183	8 713	7 894	10 630	16 828	17 699	18 306
Administrative	3 813	965	1 072	3 827	2 358	1 082	566
Inventories	119	168	119	565	200	217	126
Equipment	1 362	730	485	3 505	2 016	2 001	1 671
Land and buildings	-	-	-	-	-	-	-
Professional and special services	4 790	5 653	5 062	2 454	1 437	821	-
Transfer payments	1 422 718	625 118	512 639	798 584	919 383	1 129 465	1 248 271
Miscellaneous							
Civil Pensions Stabilisation Fund	203	168	130	80	-	-	-
Minor expenses	-	-	-	43	-	-	-
Total	1 442 188	641 515	527 401	819 688	942 222	1 151 285	1 268 940

Policy developments

The Department has revised its policies on investment incentives following an intensive exercise to evaluate the effectiveness of existing support to industry. A new suite of incentive packages will be introduced during 2001. The focused areas include the promotion of capital investment including small, medium and microenterprises, skills development programmes, and a broader definition of target industries, including aquaculture and tourism, to name a few.

The investment incentive programme is designed primarily to raise private sector investment, but will also promote public sector investments. Four new programmes that address key market failures, constrain private investment in South Africa. Investment support will cover a wider range of sectors, including tourism, certain business services, information and communication technology investments, high-value agriculture projects, agro-processing, recycling, biotechnology industries, aquaculture and cultural industries. In the short term, these incentive schemes support the international marketing campaign, reduce investment costs, encourage firms to invest more in training, encourage labour-intensive firms to take on new workers, and target infrastructure investments for additional support. Longer-term impacts include support of macroeconomic objectives and strategies.

The tax holiday scheme is being phased out and a contingency budget will be retained to provide for companies currently on the scheme to the scheme, to participate until the expiration.

The taxi recapitalisation programme is in the final stage of negotiation-related processes. The programme aims to regulate the industry by, among other measures, paying an allowance to scrap vehicles and replace current minibuses with 18- and 35-seater models.

The Department is establishing an independent Export Credit Agency, which will be responsible for the Export Credit Reinsurance Scheme and Export Credit Reinsurance Fund.

Expenditure trends

The most significant trend is the increase in transfer payments, which increases from R798,6 million in 2000/01 to R1 248,3 million in 2002/03 or by 16,5 per cent. This trend points to the growing importance of investment incentives and industrial support.

The exact take-up of the new incentive schemes cannot be predicted as the success of the schemes will depend on, inter alia, investments made by business, the extent of skills development and the degree to which various industries qualify for participation. All incentive schemes based on profit, output incentives on cash grants affect the Department's budget. As the take-up of amounts relies on the profits that companies are realising and their perceived risk in making investments or

embarking on new technologies markets, the amounts budgeted for may prove to be either insufficient or overestimated.

Outputs and service delivery trends

Table 31.8: International trade and investment policy development: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Investment support		
Small, medium manufacturing development programme	Efficient administration of existing contracts	Investment of R4,6 billion Jobs created 75 000
Tax holiday scheme	Receive claims, evaluate and make recommendations to the Board	Number of claims received and number finalised
Enterprise development	Receive claims, evaluate and make recommendations to the Board	Number of claims received and number finalised
	Receive applications and claims, evaluate and make recommendations to the Board	Number of jobs created and amount of investment
Micro investor programme	To support historical disadvantaged entrepreneurs	Number of applications and claims received and number finalised
	Networking with business mentors	Number of projects
	To offer cash grants to businesses	Number of units set up during timeframe of three years
Labour induction programme		Number of projects launched in rural areas
	Programme to be managed in conjunction with the Department of Labour	Number of employees supported
Skills development programme	Programme to be managed in conjunction with the Department of Labour	Number of firms supported on training costs and labour induction costs for five years
		Number of local workers retrained to reduce skills gap
Competitiveness fund	Approve projects to improve company competitiveness in South Africa	Number of projects that each created at least 20 sustainable jobs
Taxi recapitalisation allowance	To launch taxi recapitalisation scheme (joint project with other departments)	Number of projects awarded
		Number of claims processed
		Volume scrapped
Sectoral partnership fund	To assist partnerships in improving their competitiveness and productivity	Number of partnerships assisted
Exporter assistance		
Export marketing and investment assistance	Supporting prospective exporters with exhibitions	Number of exhibitors supported
		Number of jobs created
		Each rand spent to realise R140 worth of export sales
		Effectiveness can only be measured six to nine months after assistance rendered

Programme 5: Trade and Investment South Africa

The programme aims to promote foreign trade and investment through trade facilitation, export credit reinsurance, marketing of the South African economy as an attractive investment opportunity, and assisting potential exporters with information on the target market. It supports prospective businesses or projects in foreign countries. The programme comprises three subprogrammes:

- Investment promotion and international marketing is responsible for:
 - Export sector promotion initiates and develops exports on a sectoral basis by liaising with the private sector. The project also organises the President's Award for Export Achievement.

- Export services provide export advisory services to the business community, including an export helpdesk and management of domestic offices, and makes a contribution to Investment South Africa.
- Trade facilitation provides assistance to export development projects. It is also responsible for the provision of interest subsidies on medium-and long-term loans in terms of the export credit reinsurance scheme, to deliver capital goods and services competitively on the world markets. The subprogramme also provides assistance to the Reinsurance Fund for Export Credit and Foreign Investment. A new Export Credit Agency will also be established.
- Management of foreign offices facilitates and promotes foreign investments and international marketing, including the strategic management of foreign offices. It manages South Africa's foreign economic services and provides a range of export, investment, promotional and technology transfer services to the business community.

Expenditure estimates

Table 31.9: Trade and Investment South Africa

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00	Adjusted appropriation 2000/01	2001/02	2002/03	2003/04
R thousand							
Investment promotion and international marketing	5 500	5 200	22 600	40 533	36 000	36 000	36 000
Trade facilitation	129 979	164 273	112 401	201 973	120 000	115 000	115 000
Management of foreign projects	82 715	83 270	86 968	97 000	103 797	101 661	109 278
Total	218 194	252 743	221 969	339 506	259 797	252 661	260 278
Change to 2000 Budget Estimate				6 447	(113 494)	125 446	

Economic classification

Current	215 280	250 275	220 609	334 745	259 797	252 661	260 278
Personnel	57 208	57 083	61 146	79 269	104 334	109 887	117 899
Transfer payments	135 479	169 473	135 001	225 004	147 000	142 000	142 000
Other	22 593	23 719	24 462	30 472	8 463	774	379
Capital	2 914	2 468	1 360	4 761	-	-	-
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	2 914	2 468	1 360	4 761	-	-	-
Total	218 194	252 743	221 969	339 506	259 797	252 661	260 278

Standard items of expenditure

Personnel	57 208	57 083	61 146	79 269	104 334	109 887	117 899
Administrative	17 713	14 386	13 389	21 188	699	407	-
Stores and livestock	2 366	4 615	4 330	2 542	2 993	-	-
Equipment	3 447	2 718	1 579	6 182	644	-	-
Land and buildings	110	22	45	377	367	367	379
Professional and special services	1 605	4 146	6 112	2 634	1 968	-	-
Transfer payments	135 479	169 473	135 001	225 004	147 000	142 000	142 000
Miscellaneous							
Civil Pension Stabilisation Fund	266	300	367	137	-	-	-
Foreign exchange losses	-	-	-	2 173	1 792	-	-
Total	218 194	252 743	221 969	339 506	259 797	252 661	260 278

Policy developments

The functions of Investment South Africa are being integrated with the Export Promotion directorates of the Department. At the same time, the new Division: Trade and Investment South Africa will be restructured and headed by a Deputy Director-General. The focus of Trade and

Investment South Africa will be to support South African business in entering new markets. The overseas offices will also support business in entering markets that are strategically targeted by South Africa as a consequence of multilateral and bilateral agreements (see programme 2).

Expenditure trends

Personnel expenditure increased by 14,2 per cent from R79,3 million in 2000/01 to R117,9 million in 2003/04. Transfer payments decreased by 14,2 per cent from 2000/01 to 2003/04 owing to reduced contributions to the Export Credit Reinsurance Fund.

Outputs and service delivery trends

Table 31.10: Trade and investment promotion: Key outputs and indicators

Subprogrammes	Outputs	Service delivery indicators
Investment South Africa	Setting up of sector marketing strategies	Number of marketing strategies setup
	Sector brochures targeting companies abroad	Number of linkages and joint ventures between foreign companies and previously disadvantaged individuals
	Generate investment	Amount of total investment realised as a consequence of Investment South Africa's involvement
	Conduct visits to sites, generate new investments in clothing, automotive and tourism projects	Number of site visits conducted; number of new investments
Trade facilitation	Create jobs in South Africa and in host countries	Number of jobs created / sustained in South Africa and host countries
Export Credit Reinsurance Scheme	Manage total contract levels across various sectors	Number of and contract levels awarded per sector
Management of foreign offices	Contributing via business support to the following: <ul style="list-style-type: none"> Inward foreign direct investment as a result of direct intervention Outward investment into Africa 	Amount of foreign direct investment per year globally.
		Amount of outward investment into Africa per year
	<ul style="list-style-type: none"> Export growth in targeted sectors via promotional work of offices Export growth in non-targeted sectors. Export enquiries referred to South Africa with possibility to secure business deals within categories that South Africa is exporting 	Percentage of export growth per year
		Percentage of export growth per year
		± 9 000 enquiries per annum and number of business deals.

Public Entities reporting to the Minister responsible for Trade and Industry

Competition Commission / Competition Tribunal

The Competition Commission and Tribunal promote a competitive environment, investigate and address anti-competitive activities, and increase economic concentration in related markets in terms of the Competition Act of 1998. The Department subsidised the establishment and initial operations of the Commission and Tribunal. The agencies are now fully self-financing and do not receive transfers from the Department. However, the Department has retained a contingency reserve each year to assist the agencies when the fee structures can not cover all costs.

During 2000, the Competition Commission was responsible for amendments to the Competition Act, and establishment of a Competition Court of Appeal, and advising the Minister of Trade and Industry on large mergers. The Department did not make any transfers to the Competition

Commission in 2000/01, as it funded itself through fees. However the fees had to be restructured, and the Department may have to retain a contingency budget.

Commission for International Trade Administration

The Commission will be established in 2001. It will consist of the Board of Tariffs and Trade, Anti-dumping, import and export control and some sectoral directorates of the Department. An amount of R10 million per year will be transferred to Commission over the medium term.

Council for Scientific and Industrial Research

Established in 1945 and currently regulated through the Scientific Research Council Act of 1988, the Council for Scientific and Industrial Research is committed to providing technological solutions and information to contribute towards realising national socio-economic priorities. The organisation's objective is to build appropriate competencies that will provide South Africa with the required technological capabilities, and to promote and develop a culture of science and technology and capabilities. The Council strives to lead technology awareness and to build strong linkages between labour and technology. Transfers to the Council decline from R315 million for 1999/00 to R301 million for 2002/03, and increase to R312 million in 2003/04.

Fund for Research into Industrial Development, Growth and Equity

The Fund is administered by the Industrial Development Corporation and receives transfers of R7 million in 2001/02, rising to R10 million in 2002/03 and in 2003/04. The Fund provides financial assistance for research directed towards:

- Improving South Africa's economic competitiveness globally
- Injecting international and local expertise into industry
- Building individual and institutional capacity among stakeholders
- Contributing to collaboration on policy and development issues

Industrial Development Corporation

The Industrial Development Corporation is a state-owned development finance institution that promotes entrepreneurship through the building of competitive industries and enterprises based on sound business principles. The Corporation is subject to the provisions of the Industrial Development Corporation Act of 1940, as amended, and certain sections of the Companies Act.

Investment South Africa

Investment South Africa aims to provide professional support to foreign investors to enhance foreign direct investment into South Africa. Investment South Africa, together with the nine provinces, has conducted extensive analysis in each region, identifying key investment opportunities available to the foreign investors. These investment opportunities are within industries where South Africa has a global comparative and competitive advantage. Investment South Africa also provides valuable information regarding investment procedures and regulatory requirements, and can direct investors to the well-developed service sector that supports the investment process. As a result of its facilitation and strategic advice regarding linkages to South African corporations and small, medium and micro-enterprises, over R9 billion of direct and indirect investment has been committed to be disbursed over the next two years. An amount of R27 million will be transferred to Investment South Africa over the medium term.

Khula

Khula was founded in 1996, and specialises in ensuring the enhanced availability of loan and equity capital to small, medium and micro-enterprises. Finance is made available by:

- Offering loans, guarantees and seed funds to retail funding intermediaries in need of capital, risk sharing and capacity
- Offering guarantees and equity capital directly and indirectly to small, medium and micro-enterprises
- Providing assistance and guidance on financing and opportunities

Khula is registered as an insurer under the Insurance Act and is governed by the regulations of the Financial Services Board. Its Credit Guarantee arm undergoes an annual actuarial valuation as required by the Financial Services Board to determine the appropriate maximum gearing. The programmes financed by Khula have developed much faster than expected owing to the demand of its services. The Department will recapitalise Khula to retain and expand its client base. Khula already received R100 million in 2000/01 as part of the recapitalisation process. The Department transferred R61 million in 2000/01 to Khula. Transfers amount to R20 million a year over the medium term.

National Manufacturing Advisory Centre Coordinating Body

The National Manufacturing Advisory Centre Coordinating Body provides manufacturing, information and related business development services through a range of support programmes to small, medium and micro-enterprises. It received R16 million in 2000/01 and is allocated R8 million in 2001/02 and R18 million in 2002/03 and 2003/04.

National Empowerment Fund

The National Empowerment Fund and the Industrial Development Corporation empower historically disadvantaged people through the wider ownership, control and management of certain income-generating assets in terms of the National Empowerment Fund Act of 1998. The Department of Trade and Industry and the Industrial Development Corporation each contributed R100 million to the Fund.

National Gambling Board

The Board was established in terms of the National Gambling Board Act of 1996 to exercise control over gambling, provide advice on the national gambling industry, and promote uniform norms and standards across provinces. The Board received R14 million in 2000/01 and is allocated R7 million a year over the medium term.

National Lotteries Board

The Board exercises national control over lottery activities in terms of the National Lotteries Act of 1997. It implemented the national lottery programme over the past year. Over the next three years, the Board intends to establish distribution agencies and a central application office for disbursement of funds. The Board received R15,5 million in 1999/00 and is allocated R1,5 million in 2001/02 and R3,5 million in 2002/03 and 2003/04.

National Liquor Authority

The new Liquor Bill (1998) was passed by the National Assembly during 1998, but was referred to the Constitutional Court by the President, owing to questions about its constitutionality. The Bill aims to restructure the liquor industry by introducing a three-tier licensing structure; creating a

National Liquor Advisory Committee, National Liquor Authority, a National Appeal Tribunal, nine provincial liquor authorities and nine provincial Panels of Appeal; and providing for a regulatory framework for easy access and empowerment, as well as addressing socio-economic and health issues. The National Liquor Authority received R1 million in 2000/01 and is allocated R1 million a year over the medium term.

National Enterprise Promotion Agency (Ntsika)

Ntsika was established under the National Small Business Act of 1996 as a Section 21 company to provide non-financial support services for small, medium and micro-enterprises. Ntsika provides access to training, information, capacity building, counselling, markets and technology. The transfers to Ntsika include R50,7 million in 2000/01, R35 million in 2001/02 and R50 million in 2002/03 and 2003/04.

National Measuring Standards

The organisation aims to promote South Africa's competitiveness through the provision of internationally acceptable measuring standards and measurements in terms Act of 1973. It received R32 million in 2000/01 and is allocated R31 million a year over the medium term.

National Research Foundation

The National Research Foundation was established in terms of the Research Development Act of 1990 to support research development through financial support and bursaries, and to liaise with the International Council of Scientific Unions. The National Research Fund may in terms of the governing legislation, make grants to universities, technikons and similar institutions to achieve its objectives. Transfers include R139,9 million in 2000/01 and R104,9 million, R129,9 million and R131,9 million respectively over the medium term.

South African Bureau of Standards

The Bureau of Standards administers the Standards Act 29 of 1993, promoting standardisation and quality control in industry and commerce and supervising trade metrology and units of measure. The Bureau targets assistance towards small and emerging business through the South African Quality Institute, building awareness of quality principles and methodologies available in South Africa. Transfer payments to the Bureau include R81,3 million in 2001/02 and R85 million a year in 2002/03 and 2003/04.

South African National Accreditation System

The South African National Accreditation System establishes laboratory, personnel and certification body accreditation in South Africa and facilitates mutual recognition agreements with international accreditation organisations. It received R4,3 million in 2000/01 and is allocated R4 million a year over the medium term.

South African Bureau of Standards Trade Metrology

The Trade Metrology Unit is a statutory body that aims at the following: to approve instrumentation to ensure that such are replicated properly, to verify measuring instruments and reference in disputes; and to control the accreditation of laboratories that do verification of instruments, the calibrating of verification standards and similar activities. Its transfers include R1,6 million in 2000/01, R2 million in 2001/02 and R3,5 million in 2002/03.

Other reporting public entities

Other entities reporting to the Minister of Trade and Industry include:

- The South African Coordinating Consumer Council promotes consumer interests.
- The South African Council for the Non-proliferation of Weapons exercises control of non-proliferation of weapons of mass destruction and space matters; and controls the manufacture, import and export of chemicals, biological materials and dual-purpose nuclear and missile items in terms of the Non-proliferation of Weapons of Mass Destruction Act of 1993.
- The South African Council of Space Affairs exercises control over space matters.

Annexure: Vote 31: Trade and Industry

Table 31.11: Summary of expenditure trends and estimates per programme

Table 31.12: Summary of expenditure trends and estimates per economic classification

Table 31.13: Summary of expenditure trends and estimates per standard item

Table 31.14: Summary of transfers and subsidies per programme

Table 31.15: Summary of personnel numbers and costs

Table 31.16: Summary of expenditure on training

Table 31.11: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00	Other adjustments	Adjusted appropriation		Current	Capital	Total	2002/03	2003/04
R thousand	1997/98	1998/99	1999/00			2000/01			2001/02				
Administration	135 638	65 847	89 052	86 385	10 969	10 098	107 452	97 452	113 367	35 365	148 732	148 664	173 579
International trade and investment policy and development	11 376	13 723	13 243	19 014	3 039	1 320	23 373	14 373	27 592	452	28 044	28 027	28 012
Enterprise, commerce and industry policy development	662 562	940 044	975 360	1 023 548	25 828	(93 968)	955 408	885 408	817 077	18 777	835 854	884 473	895 180
Enterprise organisation	1 442 188	641 515	527 401	737 751	–	81 937	819 688	784 688	940 410	1 812	942 222	1 151 285	1 268 940
Trade and Investment South Africa	218 194	252 743	221 969	331 859	1 205	6 442	339 506	334 506	259 797		259 797	252 661	260 278
Total	2 469 958	1 913 872	1 827 025	2 198 557	41 041	5 829	2 245 427	2 116 427	2 158 243	56 406	2 214 649	2 465 110	2 625 989
Change to 2000 Budget Estimate							41 870	(87 130)			(49 515)	132 863	

Table 31.12: Summary of expenditure trends and estimates per economic classification

R thousand	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00	Other adjustments	Adjusted appropriation		Current	Capital	Total	2002/03	2003/04
	1997/98	1998/99	1999/00										
Current	2 401 042	1 859 653	1 808 731	2 181 075	39 226	6 154	2 226 455	2 107 455	2 158 243	-	2 158 243	2 409 155	2 545 256
Personnel	138 638	145 422	161 219	184 939	8 500	31 120	224 559	189 559	258 191	-	258 191	272 564	288 281
Salaries and wages	138 638	145 422	161 219	115 301	800	5 269	121 370	86 370	233 953	-	233 953	248 398	269 383
Other	-	-	-	69 638	7 700	25 851	103 189	103 189	24 238	-	24 238	24 166	18 898
Transfer payments	2 081 508	1 605 904	1 514 333	1 827 302	19 085	(10 400)	1 835 987	1 780 987	1 773 160	-	1 773 160	2 030 741	2 166 773
Subsidies to business enterprises	1 625 981	893 279	736 422	1 024 438	3 500	(25 697)	1 002 241	967 241	1 206 835	-	1 206 835	1 433 916	1 554 722
Extra-budgetary institutions	347 257	401 760	460 240	795 796	14 834	15 297	825 927	805 927	451 255	-	451 255	461 755	476 981
Local government													
Households and non-profit institutions	106 152	304 667	316 299	-	-	-	-	-	108 002	-	108 002	128 002	128 002
Foreign countries and international credit institutions	2 118	6 198	1 372	7 068	751	-	7 819	7 819	7 068	-	7 068	7 068	7 068
Other	180 896	108 327	133 179	168 834	11 641	(14 566)	165 909	136 909	126 892	-	126 892	105 850	90 202
Capital	68 916	54 219	18 294	17 482	1 815	(325)	18 972	8 972	-	56 406	56 406	55 955	80 733
Transfer payments:	56 458	43 044	-	-	-	-	-	-	-	10 001	10 001	10 001	10 001
Movable capital	12 458	11 175	18 294	17 482	1 815	(325)	18 972	8 972	-	36 405	36 405	35 954	35 732
Motor vehicles(transport)	3 109	735	212	-	-	-	-	-	-	452	452	485	620
Equipment/computers	8 258	9 014	17 079	-	-	-	-	-	-	-	-	-	-
Equipment/other office equipment	992	635	681	-	-	-	-	-	-	-	-	-	-
Other	99	791	322	17 482	1 815	(325)	18 972	8 972	-	35 953	35 953	35 469	35 112
Fixed capital	-	-	-	-	-	-	-	-	-	10 000	10 000	10 000	35 000
Land	-	-	-	-	-	-	-	-	-	10 000	10 000	10 000	35 000
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2 469 958	1 913 872	1 827 025	2 198 557	41 041	5 829	2 245 427	2 116 427	2 158 243	56 406	2 214 649	2 465 110	2 625 989

Table 31.13: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00	Other adjustments	Adjusted appropriation		Current	Capital	Total	2002/03	2003/04
	1997/98	1998/99	1999/00	2000/01				2001/02					
R thousand													
Personnel	138 638	145 421	161 219	184 939	8 500	31 120	224 559	189 559	258 191	–	258 191	272 564	288 281
Administrative	42 417	36 211	40 734	54 497	2 874	(2 219)	55 152	45 152	35 041	–	35 041	23 819	21 159
Inventories	12 687	13 117	12 473	19 712	996	(3 990)	16 718	13 718	22 000	–	22 000	22 849	19 643
Equipment	18 619	12 421	19 434	28 046	3 763	(325)	31 484	21 484	4 747	36 405	41 152	40 705	40 666
Land and buildings	1 035	1 046	1 362	383	–	2 982	3 365	365	367	1 000	10 367	10 367	35 394
Professional and special services	37 526	49 985	58 902	79 837	5 623	(11 425)	74 035	61 035	62 669	–	62 669	53 778	43 754
Transfer payments	2 137 966	1 648 948	1 514 333	1 827 302	19 085	(10 400)	1 835 987	1 780 987	1 773 160	10 001	1 783 161	2 040 742	2 176 774
Miscellaneous	81 070	6 723	18 568	3 841	200	86	4 127	4 127	2 068	–	2 068	286	318
Total	2 469 958	1 913 872	1 877 025	2 198 557	41 041	5 829	2 245 427	2 116 427	2 158 243	126 892	2 214 649	2 465 110	2 625 989

Table 31.14: Summary of transfers and subsidies per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00	Other adjustments	Adjusted appropriation		Current	Capital	Total	2002/03	2003/04
	1997/98	1998/99	1999/00	2000/01				2001/02					
R thousand													
Administration	–	1 500	–	1	–	–	1	1	7 500	1	7 502	7 502	7 502
Corporate Services													
National Supplies Procurement Fund	–	1 500	–	1	–	–	1	1	1	1	1	1	1
Delight project (CSIR)	–	–	–	–	–	–	–	–	7 000	–	7 000	7 000	7 000
SETA (DIDTEDA)	–	–	–	–	–	–	–	–	500	–	500	500	500
Government motor transport	–	–	–	–	–	–	–	–	–	1	1	1	1
International trade and investment policy and development	2 118	3 038	–	3 068	–	–	3 068	3 068	13 068	–	13 068	13 068	13 068

International economic development													
World Trade Organisation	2 118	3 038	-	3 068	-	-	3 068	3 068	3 068	-	3 068	3 068	3 068
Commission for International Trade Administration	-	-	-	-	-	-	-	-	10 000	-	10 000	10 000	10 000
Enterprise, commerce and industry policy development	577 651	849 819	866 693	886 795	19 085	(96 550)	809 330	809 330	686 208	10 000	696 208	748 707	765 933
Competitiveness strategy	-	-	-	-	-	-	-	-	-	-	-	-	-
SABS (Research contribution)	76 050	80 335	77 724	78 724	-	328	79 052	79 052	81 369	-	81 369	85 000	88 825
SANAS	7 560	4 000	3 667	4 000	334	-	4 334	4 334	4 000	-	4 000	4 000	4 000
CSIR (Research contribution)	336 255	325 469	315 649	299 867	-	1 245	301 112	301 112	302 877	-	302 877	301 251	312 652
CSIR (NMS)	2 250	28 000	11 000	15 000	1 000	16 000	32 000	32 000	21 000	10 000	31 000	31 000	31 000
Small Business Technical consulting	-	-	1 476	2 800	2 500	-	5 300	5 300	2 800	-	2 800	2 800	2 800
Made in South Africa campaign	-	-	-	-	-	-	-	-	1	-	1	1	1
THRIP-contribution to NRF	49 384	98 688	109 906	100 000	-	39 999	139 999	139 999	104 999	-	104 999	129 999	131 999
SPII - contribution to IDC	-	-	-	79 000	3 500	(70 848)	11 652	11 652	48 151	-	48 151	48 151	48 151
FRIDGE - contribution to IDC	1 474	10 000	15 000	15 000	-	(14 000)	1 000	1 000	7 000	-	7 000	10 000	10 000
Technology incubator development	-	-	-	17 997	-	(4 246)	13 751	13 751	8 750	-	8 750	8 750	8 750
Technology transfer agency	-	-	-	1	-	-	1	1	3 750	-	3 750	3 750	3 750
Technology transfer capital guarantee	-	-	-	1	-	6 000	6 001	6 001	6 000	-	6 000	6 000	6 000
Technology venture capital	-	-	-	1	-	-	1	1	1	-	1	-	-
Centre for policy excellence	-	-	-	-	-	5 000	5 000	5 000	-	-	-	-	-
Technology for women in business (CSIR)	-	-	-	-	-	-	-	-	1 000	-	1 000	-	-
Environmental Support Fund (ESF)	-	-	-	20 000	-	(19 999)	1	1	3 001	-	3 001	1	1
Industrial participation - transfers	-	-	-	8 000	-	(6 000)	2 000	2 000	-	-	-	-	-
SABS Emission Facility	-	-	33 201	-	-	-	-	-	-	-	-	-	-
Workplace Challenge(NPI)	-	-	-	15 000	-	(3 000)	12 000	12 000	5 000	-	5 000	5 000	5 000
Ad hoc Economic investigation	527	2 493	-	1	-	-	1	1	1	-	1	1	1
CSIR - Motor Assembly	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemsa - CSIR	-	-	-	-	3 000	-	3 000	3 000	1	-	1	-	-
Enterprise development	-	-	-	-	-	-	-	-	-	-	-	-	-
KHULA	33 051	5 000	120 000	20 000	-	41 000	61 000	61 000	20 000	-	20 000	20 000	20 000
Ntsika Enterprise Promotion Agency	25 874	50 676	57 500	50 000	-	750	50 750	50 750	35 000	-	35 000	50 000	50 000
National Small Business Voice	8 456	1 148	-	5 000	-	(4 999)	1	1	1	-	1	-	-

Franchise Support	-	-	7 000	8000	-	(7 000)	1 000	1 000	1	-	1	5 000	5 000
NAMAC	-	-	-	3 000	8 000	5 120	16 120	16 120	8 000	-	8 000	18 000	18 000
South African Women's Empowerment Foundation	-	-	-	-	-	-	-	-	1	-	1	1	1
Swedish-South African Business Partner	-	-	-	2	-	-	2	2	-	-	-	-	-
Economic empowerment	-	-	-	-	-	-	-	-	-	-	-	-	-
National Empowerment Fund(NEF)	-	174 000	-	5 001	-	(5 000)	1	1	1	-	1	1	1
Regional economic integration	-	-	-	-	-	-	-	-	-	-	-	-	-
Spatial Development Initiatives(DBSA)	32 400	53 000	68 098	57 400	-	(21 000)	36 400	36 400	1 000	-	1 000	1 000	1 000
Non-proliferation	-	-	-	-	-	-	-	-	-	-	-	-	-
Organisation for the Prevention of Chemical Warfare	2 488	1 498	-	2 000	751	-	2 751	2 751	2 000	-	2 000	2 000	2 000
Commerce development and consumer protection	-	-	-	-	-	-	-	-	-	-	-	-	-
National Gambling board	-	2 500	-	7 000	-	7 000	14 000	14 000	7 000	-	7 000	7 000	7 000
National Lotteries Board	-	3 000	15 500	3 500	-	(1 000)	2 500	2 500	1 500	-	1 500	3 500	3 500
National Liquor Advisory Authority	-	-	-	5 000	-	(4 000)	1 000	1 000	1 000	-	1 000	1 000	1 000
National Inspectorate	-	-	-	10 000	-	(6 000)	4 000	4 000	1	-	1	-	-
SABS Trade Metrology	-	1 350	-	3 500	-	(1 900)	1 600	1 600	2 000	-	2 000	3 500	3 500
Competition Commission / Tribunal	-	7 000	29 600	50 000	-	(50 000)	-	-	7 001	-	7001	1	1
Company, patent and copyright law development	-	-	-	-	-	-	-	-	-	-	-	-	-
World Intellectual Property Organisation	1 882	1 662	1 372	2 000	-	-	2 000	2 000	2 000	-	2 000	2 000	2 000
Companies and Intellectual Property Rights Offices	-	-	-	-	-	-	-	-	1	-	1	-	-
Enterprise organisation	1 422 718	625 118	512 639	715 438	-	83 146	798 584	798 584	919 383	-	919 383	1 129 465	1 248 271
Investment support	-	-	-	-	-	-	-	-	-	-	-	-	-
MDP Incentives	759 394	413 255	292 894	379 994	-	(179 994)	200 000	200 000	161 994	-	161 994	161 994	161 994
SMMDP	-	29 256	105 322	89 010	-	60 990	150 000	150 000	275 002	-	275 002	275 507	275 507
Tax Holding Scheme	-	6 101	11 793	50 000	-	(25 000)	25 000	25 000	15 000	-	15 000	10 000	8 000
Special economics zones	-	-	-	1	-	-	1	1	1	-	1	1	1
Strategic Investment programme	-	-	-	1	-	60 000	60 001	60 001	30 000	-	30 000	30 000	30 000
Critical Infrastructure	-	-	-	1	-	69 000	69 001	69 001	39 000	-	39 000	119 000	169 000
Enterprise development	-	-	-	1	-	129 149	129 150	129 150	118 630	-	118 630	193 212	264 017
Micro Investor	-	-	-	1	-	3 000	3 001	3 001	3 001	-	3 001	3 001	3 001

Labour Induction	-	-	-	3	-	-	3	3	3	-	3	1	1
Skills Development	-	-	-	1	-	-	1	1	4	-	4	1	2
Competitiveness Fund	-	-	1 801	20 000	-	15 000	35 000	35 000	40 000	-	40 000	40 000	40 000
Taxi Recapitalisation Allowance	-	-	-	10 000	-	(9 999)	1	1	70 000	-	70 000	110 000	110 000
Sector Partnership Fund	-	733	2 137	11 748	-	-	11 748	11 748	11 748	-	11 748	11 748	11 748
Exporter Assistance	-	-	-	-	-	-	-	-	-	-	-	-	-
Export marketing and investment assistance	30 435	65 862	97 090	135 000	-	(25 000)	110 000	110 000	150 000	-	150 000	160 000	160 000
General export incentive scheme	632 889	109 911	1 602	19 677	-	(14 000)	5 677	5 677	5 000	-	5 000	15 000	15 000
Trade and Investment South Africa	135 479	169 473	135 001	222 000	-	3 004	225 004	225 004	147 000	-	147 000	142 000	142 000
Investment promotion and International marketing													
Investment South Africa	5 500	5 200	22 600	12 000	-	21 000	33 000	33 000	27 000	-	27 000	27 000	27 000
Trade Facilitation													
Export Credit and Foreign Investment Re-insurance Fund	129 979	164 273	112 401	210 000	-	(17 996)	192 004	192 004	5 000	-	5 000	110 000	110 000
Export Credit Agency									5 000		5 000	5 000	5 000
Total	2 137 966	1 648 948	1 514 333	1 827 302	19 085	(10 400)	1 835 987	1 835 987	1 773 160	10 001	1 783 161	2 465 110	2 625 989

Table 31.15: Summary of personnel numbers and costs ¹

Personnel numbers	1997/98	1998/99	1999/00	2000/01	2001/02
Administration	235	235	254	348	348
International trade and investment policy and development	50	50	79	79	79
Enterprise, commerce and industry policy development	474	474	527	609	609
Enterprise organisation	62	62	50	80	800
Trade and Investment South Africa	134	134	82	82	82
Total personnel numbers	955	955	992	1 198	1 198
Total personnel cost (R thousand)	138 638	145 422	161 219	224 559	258 191
Unit cost (R thousand)	145,2	152,3	162,5	187,4	215,5

¹ Full-time equivalent

Table 31.16: Summary of expenditure on training

R thousand	Preliminary outcome	Revised estimate	Medium-term expenditure estimate		
	1999/00	2000/01	2001/02	2002/03	2003/04
Administration	1 808	2 188	2 912	4 263	6 241
International trade and investment policy and development	618	748	996	1 458	2 348
Enterprise, commerce and industry policy development	1	1	1	1	1
Enterprise organisation	59	71	95	139	224
Trade and Investment South Africa	312	378	503	736	1 185
Total	2 798	3 386	4 507	6 597	9 999