Vote 32

Trade and Industry

Budget summary

	2008/09				2009/10	2010/11
R thousand	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	398 094	380 444	6 919	10 731	424 587	450 975
International Trade and Economic Development	148 767	65 931	82 329	507	156 123	164 992
Enterprise and Industry Development	1 597 612	170 938	1 425 610	1 064	1 665 314	1 331 432
Consumer and Corporate Regulation	184 589	57 636	126 267	686	202 608	221 887
The Enterprise Organisation	2 402 281	73 057	2 328 409	815	3 231 490	2 633 479
Trade and Investment South Africa	297 431	163 008	133 559	864	298 448	314 453
Marketing	73 831	73 320	–	511	78 799	90 334
Total expenditure estimates	**5 102 605**	**984 334**	**4 103 093**	**15 178**	**6 057 369**	**5 207 552**
Executive authority	Minister of Trade and Industry					
Accounting officer	Director-General of Trade and Industry					
Website address	www.thedti.gov.za					

Aim

The aim of the Department of Trade and Industry is to lead and facilitate access to sustainable economic activity and employment for all South Africans through its understanding of the economy, its knowledge of economic opportunities and potential, and its anticipation of the future. The department also aims to catalyse economic transformation and development, and to provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for economic citizens. In this way, the department will contribute to achieving government's vision of an adaptive and restructured economy, characterised by accelerated economic growth, employment creation and greater equity by 2014.

Programme purposes, objectives and measures

Programme 1: Administration

Purpose: Provide strategic leadership to the department and its agencies, and facilitate the successful implementation of the department's mandate through sustainable and integrated resource solutions and services that are customer centric.

Programme 2: International Trade and Economic Development

Purpose: Provide leadership in trade policy formulation in South Africa to promote economic development by working to build an equitable multilateral trading system and by strengthening trade and investment links with key economies, and by fostering African development through regional and continental integration and development co-operation in line with the New Partnership for Africa's Development (NEPAD).

Objectives and measures:

- Expand market access for South Africa's exports and strengthen trade and investment links by concluding 6 bilateral trade and investment agreements or memoranda of understanding a year over the MTEF period.

- Foster regional integration and economic development in Africa by facilitating: investments and increased intra-Africa trade; the consolidation of the Southern African Customs Union (SACU), the Southern African Development Community (SADC) and the African Union (AU); and institutional capacity building within the NEPAD framework.
- Promote South Africa's interests in the multilateral trade system through ongoing engagement in the negotiating process and work programme, based on ongoing national consultations with relevant government departments and stakeholders.
- Encourage economic growth and development by managing South Africa's tariff regime in collaboration with the International Trade Administration Commission (ITAC), which entails managing customs tariffs, import and export control permits, and duty credit certificates.
- Ensure compliance with international non-proliferation treaties through ongoing monitoring of relevant industries, their production and trade.

Programme 3: Enterprise and Industry Development

Purpose: Provide leadership in developing industry and enterprise policies and strategies that create an enabling environment for competitiveness, equity and growth and job creation.

Objectives and measures:

- Grow and diversify manufacturing and tradable services by meeting all targets as set out in the industrial policy action plan, including revising the motor industry development programme in 2008/09 and broadening the national tooling initiative in 2009/10.
- Foster the growth of small micro and medium enterprises (SMME) and co-operatives by creating an enabling environment and overseeing the support provided by agencies such as Khula, the Small Enterprise Development Agency (SEDA) and the South African Micro-finance Apex Fund (SAMAF) to increase the number of SMMEs (currently 2 million) and co-operatives, and their contribution to GDP from 40 per cent to 45 per cent in the next five years.
- Facilitate the increased participation of previously disadvantaged individuals through empowerment and equity policies by facilitating and gazetting BEE charters.
- Provide the legislative framework that enables industrial competitiveness through modernising South Africa's technical infrastructure by enacting the Standards Bill (2006) and the National Regulator for Compulsory Specifications Bill (2007) by 2008/09, which will improve standards setting, accreditation and metrology to meet the needs of industry.

Programme 4: Consumer and Corporate Regulation

Purpose: Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

Objectives and measures:

- Increase access to economic opportunities for historically disadvantaged citizens, enhance investor confidence and certainty in South African business regulation, and promote competitive and socially responsible business through oversight of the department's nine regulating entities and developing legislation, including:
  - enacting the Companies Bill (2007) in 2008/09 and establishing the Companies Commission in 2009/10
  - enacting the Consumer Protection Bill (2007) in 2008/09 and establishing the Consumers Commission in 2009/10
  - implementing amendments to the Competition Act (1998) in 2008/09
  - introducing the Intellectual Property Laws Amendment Act in 2008/09
  - developing and publishing a policy document on intellectual property law reform for public comment in 2009/10 and completing a draft bill by 2010/11

– reviewing the Lotteries Act (1997) and the Estate Agency Affairs Act (1976).

Programme 5: The Enterprise Organisation

Purpose: Stimulate and facilitate the development of enterprises through the provision of incentive measures that support investment, job creation and regional economic development, such as through industrial development zones.

Objectives and measures:

- Support the national industrial policy framework (NIPF) by developing and implementing 4 packages of incentives relating to manufacturing, tourism, skills and competitiveness by February 2009.
- Monitor the effectiveness of the 4 NIPF incentive schemes by developing indicators and targets and monitoring their performance by February 2009.
- Develop administrative capacity in support of the NIPF by improving the IT system by March 2009, which will improve administration.
- Assess the effectiveness of incentive schemes by conducting reviews on the impact of at least 3 schemes by March 2009.

Programme 6: Trade and Investment South Africa

Purpose: Increase South Africa's capacity to export by developing and implementing strategies for targeted markets. Increase the level of direct investment flow. Effectively manage the department's network of foreign offices.

Objectives and measures:

- Promote awareness of investment opportunities in South Africa by conducting 3 international investment conferences, 95 investment presentations, 6 South African exhibitions (pavilions) and 5 ministerial or presidential missions by March 2009.
- Improve the capacity of new exporters by training 200 new small exporters, reaching 2 000 customers and distributing 3 000 publications by March 2009.
- Promote South African products in targeted high growth markets by conducting 6 international trade initiatives and 25 pavilions, and fund 50 trade missions through export council and provincial investment promotion agencies by March 2009.
- Facilitate markets for Southern African products and services by promoting and implementing 8 export projects in high yield targeted countries by March 2009.

Programme 7: Marketing

Purpose: Promote greater awareness of the department's role and its products and services, and facilitate access to and uptake of these products and services.

Objectives and measures:

- Promote awareness of the department's impact on growth and development by increasing awareness campaigns on the department's programmes from 1 campaign per quarter in 2008 to 2 per quarter in 2010.
- Improve communication about the department's role, products and services by:
  – increasing the frequency of media updates from bi-weekly in 2008 to daily
  – reaching at least 90 per cent of economic citizens through external events by 2010
  – increasing the number of media briefings from 2 per quarter to 4 per quarter by 2010.

Strategic overview and key policy developments: 2004/05 – 2010/11

Raising investment levels, increasing labour absorption, broadening economic participation, and increasing competitiveness have been identified as key areas of intervention in the economy that inform the Department of Trade and Industry's five medium term strategic objectives, which are:

- promote the co-ordinated implementation of the Accelerated and Shared Growth Initiative for South Africa (ASGISA)
- promote direct investment and growth in the industrial and services economy, with particular focus on creating employment
- raise the level of exports and promote equitable global trade
- promote broader participation, equity and redress in the economy
- contribute to the development and regional integration of Africa within the NEPAD framework.

Fostering strategic partnerships will be crucial to the department's success in delivering on these objectives, and co-ordination with other government departments through the economic cluster, with other tiers of government, as well as through the National Economic Development and Labour Council (NEDLAC), will play an important role.

Key policy developments and selected achievements

Industrial policy

To improve the real economy's performance in terms of investment and employment, the Department of Trade and Industry is committed to promoting the economy's diversification and progression up the value chain, with an emphasis on labour intensive sectors. To this end, the national industrial policy framework (NIPF) was finalised and approved by Cabinet, and publicly launched in August 2007. The NIPF sets out government's broad approach to industrialisation in the context of ASGISA, and identifies four lead sectors in which strategic growth interventions and key actions will be undertaken: capital/transport equipment and metals; automotives and components; chemicals, plastic fabrication and pharmaceuticals; and forestry, pulp and paper, and furniture.

To facilitate the NIPF's implementation, the industrial policy action plan (IPAP) was developed and approved by Cabinet. IPAP sets out actions for immediate implementation in key sectors and cross-cutting actions such as industrial financing, as well as measures to improve government's capacity to implement industrial policy. The furniture technology incubator project in Mthata is an example of a sector specific project that has already begun and which is expected to be fully operational by the end of 2008.

The NIPF incorporates strategic issues regarding regional industrial development including proposals to address regional disparities, in particular financing regional development. Other related work involves the draft national services sector framework, which seeks to leverage the services industries for growth and employment. Augmenting these initiatives, the department will also introduce a comprehensive industrial development zones (IDZ) policy framework, aimed at addressing governance issues in the IDZ programme and new support measures to make the IDZ programme globally competitive.

Broad based participation, equity and wider access

The department's growth strategy includes a focus on broadening participation, equity and access to redress for all economic citizens, particularly for those previously marginalised. The codes of good practice for broad based black economic empowerment were gazetted in February 2007 to provide a guiding implementation framework for BEE policy and legislation. Institutional mechanisms for monitoring and evaluating BEE are currently being established nationally.

Women's empowerment will be facilitated by establishing a women's fund, which will provide financial and business development support services exclusively to female owned enterprises.

Customised sector programmes

The first phase of the department's project to review the motor industry development programme (MIDP) was completed, and included an assessment of MIDP performance against its objectives of promoting trade, creating and stabilising employment, and ensuring that vehicles are affordable to local consumers. The second phase, currently under way, seeks to redesign the MIDP to be consistent with South Africa's multilateral trade obligations, while elevating the industry to a higher growth path and greater job creation. A final report is expected in August 2008.

Having identified business process outsourcing (BPO) as a sector with the potential to create employment and attract substantial investment, the department launched a comprehensive BPO government assistance programme in March 2007, which includes incentives for investment and training in BPO. So far, six applications have been approved.

Trade policy, exports and investment

Increasing the level of exports is critical to domestic economic growth and development, and to this end government has an interest in pursuing fair trade, with the Department of Trade and Industry providing leadership on trade policy. At the multilateral level, South Africa plays a prominent and active role in the World Trade Organisation (WTO) as an important developing country member pursuing the objective of establishing a favourable developmental outcome for South Africa and other developing countries. Recently, this included playing a leadership role in the Non-Agricultural Market Access (NAMA) negotiations. In addition, South Africa concluded a trade agreement with Mercosur in the DOHA round of negotiations. Other trade initiatives were launched last year, including a trilateral arrangement between SACU-Mercosur and India and a SACU-India preferential trade agreement. At the bilateral level, key links and negotiations were developed with the EU, the European Free Trade Association (EFTA), the USA, India, and Brazil, and more recently with China via a strategic growth and development partnership which aims to provide a framework for strategic engagement with the country.

Given the importance of regional trade to the South African economy, and the implications of regional integration for domestic development, South Africa has embarked on a number of regional and bilateral trade initiatives within Africa and Southern Africa (including SACU and SADC) that will promote African economic development in the medium to long term. As part of this the department also facilitated heads of state visits to the DRC and Mozambique.

Clothing and textile quotas were instituted to provide relief to South African companies and assist in job retention in this sector.

To promote exports and provide South African exporters with exposure to foreign markets, the department manages and supports a series of events, exhibitions and communications. The department also undertakes deliberate communication and outreach activities, including in 2006/07 50 events and 2 izimbizo, approximately 38 print and electronic publications with a circulation of 95 915, 62 media releases, and 82 media events.

Small business

The department's work in rolling out the support infrastructure for small business development is very advanced, notably the Small Enterprise Development Agency's (SEDA) network of offices and Khula's partnership network. The micro finance institution (SAMAF) became fully operational in April 2006 and the co-operatives regulations received ministerial approval and presidential assent in May 2007. To support this, the Companies and Intellectual Property Registrations Office (CIPRO) has put in place new systems for co-operative registrations.

Regulation

The National Credit Act (2007), which became fully effective in June 2007, and the Consumer Protection Bill seek to entrench the rights of South African consumers, establishing new institutions to enforce these rights and providing consumers with access to redress.

The Corporate Laws Amendment Act which amends the Companies Act (1973) will be introduced in 2008 and aims to encourage entrepreneurship and enterprise development, and consequently increase employment opportunities, by simplifying the procedures for and reducing the costs of forming and maintaining companies. The new Companies Bill (2007) also encourages transparency and high standards of corporate governance, while promoting the efficiency of companies and their management.

The work on reviewing competition law has been concluded and amendments effected with a view to introduction to Parliament in 2008.

Other new legislation

Parliament approved the Standards Bill (2007) and the National Regulator for Compulsory Specifications Bill (2007), and promulgated the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act (2006) and the Measurement Units and Measurement Standards Act (2006) in May 2007.

Small medium enterprise development programme

The small medium enterprise development programme (SMEDP) offers a grant of up to 10 per cent towards the qualifying capital costs of new and expansion investment projects of not more than R100 million. The grant is available to small and medium businesses in the manufacturing and tourism industries. The objectives of the scheme are to reduce investment costs for manufacturing enterprises, facilitate and expand fixed domestic investment, and support the sustainability of recipient projects. The SMEDP was available from April 2001 to August 2006. Most of the projects receiving incentives are in Gauteng, Western Cape and KwaZulu-Natal. The scheme has been reviewed in order to eliminate weaknesses and to strengthen its positive impact and will be launched in 2008.

Summary of SMEDP incentives at December 2007*

	Manufacturing	Tourism	Total
Approvals	15 385	2 340	17 725
Jobs created	322 162	38 689	360 851
Incentives paid out	R2.52bn	R693m	R3.21bn
Investment(R billion)	R53.61bn	R8.44bn	R62.05bn

**Note: Although the window period for applications has closed, claims are still being processed and paid.*

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of projects implemented under the national industrial participation programme	130	150	173	200	225	250	275
Value of investment and export credits	US$3.5bn	US$5bn	US$8bn	US$9bn	US$10bn	US$12bn	US$14bn
Number of direct jobs created or retained	11 000	12 000	15 000	17 000	18 500	20 000	21 000
Number of companies implementing cleaner production activities	–	–	–	6	10	25	45
Number of support programme for industrial innovation (SPII) projects	61	71	84	75	85	100	110
Total value of SPII projects	R377m	R137m	R250.5m	R100m	R120m	R160m	R170m
Number of incubators supported	–	–	24	24	29	29	34
Number of new incubators established	–	–	–	5	–	5	5
Number of technology transfer interventions supported	–	–	22	40	30	40	40
Number of SMMEs supported with conformity assessments	–	–	–	–	150	150	150
Number of SMMEs supported with capacity development and skills on national and international standards	–	–	–	–	500	500	500
Number of projects supported by the technology and human resources for industry programme (THRIP)	268	333	338	297	310	330	350
Number of students supported under THRIP	2 295	2 619	3 014	2 500	2 500	2 500	2 650
Number of researchers supported under THRIP	1 388	786	744	700	730	750	795
Number of enterprises supported under THRIP	352	338	371	198	400	450	477
Number of BEE charters assisted with alignment and gazetting in terms of sections 12 and 9 of the BEE Act	–	–	–	3	7	9	18
Number of jobs created through incentives developed and administered	97 777	76 133	60 654	110 818	10 737	11 607	14 666
Number of firms assisted with incentives	5 013	3 951	5 871	6 160	4 260	5 385	6 359
Number of companies assisted with:							
- export market and investment assistance	195	215	208	206	205	221	239
- business process outsourcing and off-shoring	–	–	–	–	7	8	10
- black business supplier development programme	400	650	950	1 200	1 320	1 600	1 830
- enterprise development programme	2 500	3 500	3 600	3 500	3 200	1 800	600
- small and medium enterprise growth programme	–	–	–	–	250	800	1 000
Number of film and television productions assisted	–	20	35	40	60	80	90
Number of bilateral and regional trade and investment agreements signed	10	12	10	12	12	12	12
Number of regional intra-Africa trade agreements and successful technical and business missions undertaken	10	12	16	15	15	15	15
Number of targeted internal and external events and exhibitions	120	100	50	50	50	60	80
Number of foreign investors located in the Coega IDZ	–	–	9	3	14	14	–
Total value of investment	–	–	R20.4bn	R5.9bn	R8.6bn	R41.9bn	–
Number of further investors expected	–	–	–	6	–	–	–
Total value of further investments	–	–		R22.9bn	–	–	–
Number of foreign investors located in the East London IDZ	–	3	8	3	7	9	7
Total value of investment	–	R144m	R366m	R30m	R850m	R350m	R300m
Number of jobs created	–	200	635	–	–	–	–
Number of further investors expected	–	–	–	8	–	–	–
Total value of further investments	–	–	–	R420m	–	–	–
Number of foreign investors located in the Richards Bay IDZ	–	–	1	1	6	9	16
Total value of investment	–	–	R650m	R2bn	R2.4bn	R370m	R1.7bn
Total value of investment generated	R20.2bn	R26.3bn	R18.4bn	R1.6bn	R2.3bn	R2.8bn	R4.6bn

Expenditure estimates

Table 32.1 Trade and Industry

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
1. Administration	233 810	257 550	278 914	343 879	331 279	398 094	424 587	450 975
2. International Trade and Economic Development	106 226	106 947	123 872	140 680	136 180	148 767	156 123	164 992
3. Enterprise and Industry Development	778 063	1 205 155	1 554 871	1 808 022	1 806 485	1 597 612	1 665 314	1 331 432
4. Consumer and Corporate Regulation	99 584	103 132	149 515	154 969	150 204	184 589	202 608	221 887
5. The Enterprise Organisation	910 736	1 026 717	1 434 265	2 704 238	2 593 738	2 402 281	3 231 490	2 633 479
6. Trade and Investment South Africa	256 085	284 282	197 441	258 494	272 494	297 431	298 448	314 453
7. Marketing	137 391	72 657	65 842	69 151	55 651	73 831	78 799	90 334
Total	**2 521 895**	**3 056 440**	**3 804 720**	**5 479 433**	**5 346 031**	**5 102 605**	**6 057 369**	**5 207 552**
Change to 2007 Budget estimate				633 850	500 448	435 241	765 946	1 255 321
Economic classification								
Current payments	**637 839**	**585 293**	**659 021**	**795 055**	**772 153**	**984 334**	**1 025 214**	**1 089 211**
Compensation of employees	203 946	230 555	283 591	310 708	322 708	375 386	396 397	437 253
Goods and services	386 503	333 911	367 290	484 347	449 445	608 948	628 817	651 958
of which:								
Communication	*12 890*	*13 674*	*12 406*	*14 991*	*14 991*	*10 384*	*10 671*	*13 022*
Computer services	*9 008*	*11 492*	*4 855*	*9 731*	*9 731*	*11 488*	*12 281*	*12 009*
Consultants, contractors and special services	*209 983*	*89 098*	*76 725*	*83 749*	*71 447*	*140 709*	*155 369*	*160 907*
Inventory	*12 519*	*9 100*	*8 082*	*8 522*	*8 522*	*11 217*	*12 558*	*13 267*
Maintenance, repairs and running costs	*4 921*	*1 490*	*5 554*	*4 125*	*4 125*	*7 607*	*7 955*	*8 400*
Operating leases	*16 501*	*17 065*	*23 443*	*18 230*	*18 230*	*155 935*	*162 277*	*172 276*
Travel and subsistence	*37 091*	*50 633*	*66 377*	*81 190*	*78 690*	*66 352*	*75 692*	*84 670*
Advertising	*28 879*	*7 776*	*11 482*	*12 767*	*12 767*	*16 338*	*14 837*	*17 195*
Municipal services	*718*	*775*	*–*	*986*	*986*	*6 462*	*7 110*	*7 821*
Financial transactions in assets and liabilities	47 390	20 827	8 140	–	–	–	–	–
Transfers and subsidies	**1 877 980**	**2 465 329**	**3 118 381**	**4 652 691**	**4 542 191**	**4 103 093**	**5 014 489**	**4 098 806**
Provinces and municipalities	495	578	58 361	–	–	–	–	–
Departmental agencies and accounts	523 520	913 087	1 369 077	1 450 290	1 450 290	1 253 597	1 299 840	944 257
Universities and technikons	–	–	6 000	2	2	–	–	–
Public corporations and private enterprises	1 328 003	1 533 118	1 649 529	3 170 355	3 059 855	2 822 604	3 671 563	3 098 984
Foreign governments and international organisations	18 784	13 721	20 082	26 128	26 128	23 217	38 689	50 412
Non-profit institutions	5 500	4 120	14 747	5 000	5 000	2 475	2 597	2 753
Households	1 678	705	585	916	916	1 200	1 800	2 400
Payments for capital assets	**6 076**	**5 818**	**27 318**	**31 687**	**31 687**	**15 178**	**17 666**	**19 535**
Buildings and other fixed structures	–	–	4 005	4 426	4 426	–	–	–
Machinery and equipment	5 826	5 818	15 807	24 049	24 049	13 216	15 571	17 314
Software and other intangible assets	250	–	7 506	3 212	3 212	1 962	2 095	2 221
Total	**2 521 895**	**3 056 440**	**3 804 720**	**5 479 433**	**5 346 031**	**5 102 605**	**6 057 369**	**5 207 552**

Expenditure trends

Expenditure increased rapidly from R2.5 billion in 2004/05 to R5.4 billion in 2007/08, at an average annual rate of 29.5 per cent. Over the medium term, expenditure first declines to R5.1 billion in 2008/09, rises to a peak of R6.1 billion in 2009/10 before stabilising at R5.2 billion in 2010/11. The reasons for the decrease are the slowdown in payouts of the small and medium enterprise development programme (SMEDP) scheme, which closed, and second, the decrease in the last year is fewer funds allocated to the IDZ programmes and the National Empowerment Fund (NEF).

The main cost drivers over the period are in the *Enterprise and Industry Development* and *The Enterprise Organisation* programmes. Expenditure in the *Enterprise and Industry Development* programme more than doubled between 2004/05 and 2007/08, from R778.1 million to R1.8 billion in 2007/08 before declining to R1.3 billion in 2010/11. The peak in 2006/07 and 2007/08 is due to increased funding to the Small Enterprise Development Agency (SEDA), the support programme for industrial innovation, the South African Micro Finance Fund, the NEF and Khula. *The Enterprise Organisation* programme is the largest programme in terms of allocation and expenditure, whose expenditure increases from R910.7 million in 2004/05 to a projected R2.6 billion in 2010/11, an average annual increase of 19.4 per cent. The increase mainly represents more spending on incentive schemes aimed at small and medium business enterprises, and infrastructure development in the various IDZs, and transfers to different public entities and programmes. Total programme expenditure over the medium term is R8.3 billion, or 50.6 per cent of the department's total allocation of R16.4 billion over the medium term.

An allocation of R2.3 billion over the MTEF period has been added to the baseline to support industrial development initiatives flowing from the national industrial policy framework. This includes investment in IDZs amounting to R500 million. A further additional amount of R240 million was allocated for broadening participation in the economy, including small enterprise development (R90 million), improving competition regulation (R90 million) and international trade and investment promotion (R60 million). An inflation adjustment has also been made to the department, consisting of personnel and non-personnel future expenditure amounting to R128.5 million.

Efficiency savings of R20 million in each of 2008/09 and 2009/10 have been identified in the *Administration* programme under items such as hiring venues and travelling, from the existing baseline provision for goods and services.

Infrastructure spending

Infrastructure spending relates primarily to the critical infrastructure programme (CIP) and the IDZs. Private sector investment in infrastructure and contributions through the CIP already generated more than R30 billion worth of investments in the country and contributed to creating more than 10 000 jobs indirectly and directly during infrastructure construction and operations. Government investment in infrastructure development on the IDZs has captured the interest of major investors, especially in Eastern Cape where the Coega and East London IDZs are located. The two IDZs are targeting more investors over the MTEF period, with an estimated investment value in excess of R18 billion combined. This is anticipated to boost the regional economy of the province. The positive spin-offs associated with infrastructure investment could boost the Eastern Cape economy and improve the country's competitiveness in terms of manufacturing and exports in line with the objectives of the Accelerated and Shared Growth Initiative for South Africa (ASGISA).

Mega infrastructure projects and programmes (over R300 million)

- Coega IDZ

To date, the Coega IDZ has been able to generate commitments for private sector investments in excess of R26 billion. The pace of infrastructure investment has therefore been influenced by the need to service an increasing number of investors interested in the Coega IDZ. Investments include the R20 billion Alcan aluminium smelter project. The Coega Development Corporation has a target of 10 new investors a year for the next three years. So far, infrastructure construction in the core-development area (6 500 ha) of Coega is about 80 per cent complete, including access roads and bridges (inter-change), telecom lines, bulk water and sewerage systems. To date, 15 567 direct jobs have been created. Over the MTEF period, expenditure for Coega initially rises from R725.9 million in 2007/08 and R635.6 million in 2008/09 to R865.9 million in 2009/10, before declining to R500 million for 2010/11, a 42.3 per cent decrease over the previous year. The decrease is as a result of an anticipated increase in revenue by Coega, which will reduce the demand for government support. The requested funds are mainly used for infrastructure development relating to water, sewerage, electricity, facilities and services.

Large infrastructure projects and programmes (between R50 million and R300 million)

- East London IDZ

The East London IDZ has, to date, secured 15 investors with an approximate total investment value of R570 million, creating approximately 953 direct jobs. To date, more than 20 infrastructure projects have been completed, 4 267 direct jobs created during construction and 91 learnerships placed, mostly at the Automotive Supplier Park. Infrastructure development includes internal storm water systems, electrical power lines and underground electrical cables, fencing and walling, water and sewerage systems. Most of the infrastructure development was incurred for the Automotive Supplier Park, which primarily supplies components to Mercedes Benz for the new C class that reached the market in August 2007. Allocations are expected to increase from R124.9 million in 2007/08 to R251.1 million in 2009/10, an average annual increase of 41.8 per cent. Further projects in the IDZ involved the completion of the Automotive Supplier Park, various tenant factories, a waste sorting station, and landscaping and ICT infrastructure. Intense negotiations with more than 40 potential investors have been held and 6 new advance investment contracts for location during the next three years on the East London IDZ were completed during 2006/07. Estimated investment value of the projects is in excess of R2 billion for the next three years. This is expected to create more job opportunities and benefit SMMEs in the area.

- Richards Bay IDZ

Basic infrastructure, including water and sewerage systems, and telecommunication and power lines, already exists. During 2005/06 and 2006/07, nine intentions were signed with potential investors. including the Indian Tata Ferrochrome Smelter, with an investment value of R650 million, which was located at the Richards Bay IDZ during October 2006. It is estimated that 1 155 new jobs will be created during the construction phase. Richards Bay IDZ requires minimal infrastructure funding as basic bulk infrastructure, such as the municipal services, already exists. There are two allocations over the MTEF period: R44.7 million in 2008/09, which grows by 54.1 per cent to an anticipated R68.9 million for 2009/10. The funding will contribute towards investor driven specific infrastructure as well as factory buildings to rent out to some investors. This IDZ is projected to support 13 300 new jobs and contribute an additional 2.6 per cent to the provincial GDP in the next five years.

The critical infrastructure programme

During 2007/08, infrastructure developments in the IDZs were no longer funded under the CIP but rather through their own separate budget allocations. Since its inception in 2002, the programme has committed R1.7 billion in funding, paid R523 million and has a total of R1.2 billion in outstanding claims. Expenditure to date is for 24 approved infrastructure projects, which are distributed across the provinces. The total infrastructure supported by the programme is R9.9 billion (including certain infrastructure supported by the IDZ programme). The sector split of the CIP supported investments is as follows: mining 42 per cent, tourism 19 per cent, metal 14 per cent, automotive 9.5 per cent, textile 9.5 per cent, and chemicals 6 per cent.

It is projected that over 36 000 jobs will be created during the construction phase of the approved projects. To date, 7 161 jobs have been created during the construction phase. Projections show that approximately 19 000 permanent jobs will be created during the operational phase of the CIP supported investments. To date, 5 434 permanent jobs have been created during the operational phase of these investments.

The approved projects have committed to spend over R3.7 billion towards upstream and downstream industries – creating positive spin-offs for the economy. The budget allocation for 2007/08 is R66.4 million. This excludes the Alcan project, which has been allocated R300 million for 2007/08. The baseline allocations for the CIP increase to R125.7 million in 2010/11, at an average annual rate of 23.7 per cent.

Departmental receipts

Receipts relating to departmental activities for 2006/07 comprised mainly interest and debt settlements on the incentive schemes and other receipts of a miscellaneous nature, such as debts recovered from employees and fees related to liquor licences. Amounts received from public corporations and public entities formed the largest part of receipts, and included dividends on A and B shares to the value of R75.2 million received from the Industrial Development Corporation, and penalties of R107. 5 million imposed by the Competition Commission. Over the medium term, departmental receipts are expected to increase from R130.1 million in 2007/08 to R301 million in 2010/11, an average annual increase of 32.4 per cent. This increase is primarily because projected departmental receipts includes fines and penalties, although this type of receipt cannot be predicted.

Table 32.2 Departmental receipts

	Audited outcome			Estimate	Medium-term receipts estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Departmental receipts	**166 969**	**203 288**	**244 137**	**130 100**	**251 504**	**282 840**	**302 210**
Sales of goods and services produced by department	21 042	3 566	27 009	3 150	3 307	3 340	3 540
Transfers received	72 914	38 767	45	–	–	–	–
Fines, penalties and forfeits	–	47 543	107 483	–	100 000	125 000	140 000
Interest, dividends and rent on land	66 452	75 017	75 237	81 950	100 947	106 000	107 260
Sales of capital assets	–	–	55	–	–	–	–
Financial transactions in assets and liabilities	6 561	38 395	34 308	45 000	47 250	48 500	51 410
Total	**166 969**	**203 288**	**244 137**	**130 100**	**251 504**	**282 840**	**302 210**

Programme 1: Administration

Purpose: Provide strategic leadership to the department and its agencies, and facilitate the successful implementation of the department's mandate through sustainable and integrated resource solutions and services that are customer centric.

Expenditure estimates

Table 32.3 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Minister[1]	788	799	845	908	973	1 023	1 075
Deputy Minister[2]	545	609	690	738	790	832	874
Deputy Minister[3]	–	608	690	738	790	832	874
Ministry	13 917	19 603	21 944	23 374	23 831	25 024	26 323
Office of the Director-General	33 775	28 251	28 066	52 540	66 460	70 283	84 976
Corporate Services	180 039	201 276	221 130	259 581	298 788	319 483	329 032
Government Motor Transport	–	1 268	–	–	–	–	–
Property Management	4 746	5 136	5 549	6 000	6 462	7 110	7 821
Total	**233 810**	**257 550**	**278 914**	**343 879**	**398 094**	**424 587**	**450 975**
Change to 2007 Budget estimate				(17 488)	31 193	40 724	49 712

1. Payable as from 1 April 2007. Salary: R726 465. Car allowance: R181 616.

2. Payable as from 1 April 2007. Salary: R590 459. Car allowance: R147 614.

3. Payable as from 1 April 2007. Salary: R590 459. Car allowance: R147 614.

Table 32.3 Administration (continued)

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Economic classification							
Current payments	**223 225**	**248 927**	**257 953**	**312 242**	**380 444**	**405 567**	**428 289**
Compensation of employees	52 012	56 947	61 952	76 119	89 057	96 844	99 932
Goods and services	171 063	191 980	195 994	236 123	291 387	308 723	328 357
of which:							
Communication	*1 190*	*10 418*	*8 397*	*11 172*	*6 188*	*6 451*	*6 818*
Computer services	*7 849*	*10 332*	*3 717*	*8 443*	*9 010*	*9 752*	*10 024*
Consultants, contractors and special services	*125 168*	*36 633*	*28 760*	*23 518*	*29 968*	*31 345*	*44 090*
Inventory	*2 266*	*3 780*	*3 049*	*3 246*	*4 553*	*5 889*	*6 088*
Maintenance, repairs and running costs	*3 731*	*492*	*4 496*	*2 966*	*6 242*	*6 430*	*6 834*
Operating leases	*6 009*	*8 024*	*8 786*	*6 783*	*150 075*	*155 871*	*161 137*
Travel and subsistence	*8 171*	*14 678*	*14 549*	*16 331*	*18 065*	*19 120*	*19 893*
Advertising	*764*	*654*	*1 556*	*676*	*1 491*	*1 281*	*1 323*
Municipal services	*718*	*775*	*–*	*986*	*6 462*	*7 110*	*7 821*
Financial transactions in assets and liabilities	150	–	7	–	–	–	–
Transfers and subsidies	**7 694**	**5 349**	**5 204**	**6 166**	**6 919**	**7 917**	**8 884**
Provinces and municipalities	153	166	44	–	–	–	–
Departmental agencies and accounts	191	41	–	–	–	–	–
Public corporations and private enterprises	7 000	5 000	5 000	5 250	5 719	6 117	6 484
Households	350	142	160	916	1 200	1 800	2 400
Payments for capital assets	**2 891**	**3 274**	**15 757**	**25 471**	**10 731**	**11 103**	**13 802**
Buildings and other fixed structures	–	–	4 005	4 426	–	–	–
Machinery and equipment	2 816	3 274	4 246	18 150	8 898	9 152	11 734
Software and other intangible assets	75	–	7 506	2 895	1 833	1 951	2 068
Total	**233 810**	**257 550**	**278 914**	**343 879**	**398 094**	**424 587**	**450 975**
Details of major transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	**191**	**41**	**–**	**–**	**–**	**–**	**–**
Diplomacy, Intelligence, Defence and Trade Education Training Authority	191	41	–	–	–	–	–
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	**7 000**	**5 000**	**5 000**	**5 250**	**5 719**	**6 117**	**6 484**
Industrial Development Corporation: Fund for Research into Industrial Development, Growth and Equity	7 000	5 000	5 000	5 250	5 719	6 117	6 484

Expenditure trends

Expenditure has increased steadily, rising from R233.8 million in 2004/05 to R343.9 million in 2007/08, at an average annual rate of 13.7 per cent. Over the medium term it is set to increase by a further average annual 9.5 per cent to reach R451 million in 2010/11. Highest expenditure growth is in the *Corporate Services* subprogramme, which increases from R180 million to R329 million over the period under review and accounts for 75.8 per cent of expenditure for the *Administration* programme. Growth relates to costs associated with the public private partnership accommodation project, through which head office accommodation and facilities management services are being provided to the department and its public entities. Expenditure growth is attributable to accommodation costs in respect of public entities located at the department's premise; these costs were previously recovered by the department from the entities and offset against the relevant expenditure.

Spending in the *Office of the Director-General* subprogramme increased by 87.2 per cent between 2006/07 and 2007/08 and increases at an average annual 17.4 per cent over the MTEF period, as a result of extending the strategic planning unit and increasing the general capacity in the office. The bigger budget is also a result of the anticipated increased expenditure on research in policy implementation and in respect of the industrial policy of the department, as well as related government initiatives.

Programme 2: International Trade and Economic Development

Purpose: Provide leadership in trade policy formulation in South Africa to promote economic development by working to build an equitable multilateral trading system and by strengthening trade and investment links with key economies, and by fostering African development through regional and continental integration and development co-operation in line with the New Partnership for Africa's Development (NEPAD).

- *International Trade Development* facilitates bilateral and multilateral trade relations and agreements.
- *African Economic Development* facilitates bilateral and multilateral African trade relations aimed at deepening regional integration.
- *International Trade Administration* oversees South Africa's system for international trade administration and compliance with international non-proliferation treaties.

Expenditure estimates

Table 32.4 International Trade and Economic Development

Subprogramme		Audited outcome		Adjusted appropriation		Medium-term expenditure estimate	
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
International Trade Development	44 979	29 375	42 345	44 415	53 837	55 147	61 691
African Economic Development	17 419	31 114	32 282	40 558	36 253	39 662	42 131
International Trade Administration	43 828	46 458	49 245	55 707	58 677	61 314	61 170
Total	**106 226**	**106 947**	**123 872**	**140 680**	**148 767**	**156 123**	**164 992**
Change to 2007 Budget estimate				–	1 231	1 390	1 460
Economic classification							
Current payments	**45 721**	**36 124**	**45 344**	**61 532**	**65 931**	**64 925**	**68 263**
Compensation of employees	19 181	22 049	28 336	35 598	39 416	41 460	43 534
Goods and services	10 376	14 075	17 008	25 934	26 515	23 465	24 729
of which:							
Communication	*409*	*705*	*749*	*886*	*1 249*	*1 327*	*1 407*
Computer services	*–*	*5*	*–*	*20*	*–*	*–*	*–*
Consultants, contractors and special services	*117*	*166*	*714*	*371*	*1 631*	*2 036*	*2 158*
Inventory	*263*	*493*	*509*	*369*	*457*	*478*	*507*
Maintenance, repairs and running costs	*3*	*–*	*3*	*14*	*–*	*–*	*–*
Operating leases	*72*	*49*	*–*	*77*	*40*	*64*	*68*
Travel and subsistence	*7 217*	*10 517*	*13 320*	*14 730*	*10 805*	*11 453*	*12 825*
Advertising	*50*	*290*	*305*	*184*	*1 560*	*1 204*	*1 819*
Financial transactions in assets and liabilities	16 164	–	–	–	–	–	–
Transfers and subsidies	**60 346**	**70 508**	**78 131**	**78 498**	**82 329**	**90 667**	**96 108**
Provinces and municipalities	56	66	17	–	–	–	–
Departmental agencies and accounts	46 368	50 597	53 445	57 655	60 470	63 459	67 267
Public corporations and private enterprises	8 000	18 436	13 831	14 524	15 231	15 983	16 942
Foreign governments and international organisations	5 802	1 328	10 798	6 319	6 628	11 225	11 899
Households	120	81	40	–	–	–	–
Payments for capital assets	**159**	**315**	**397**	**650**	**507**	**531**	**621**
Machinery and equipment	159	315	397	633	484	500	588
Software and other intangible assets	–	–	–	17	23	31	33
Total	**106 226**	**106 947**	**123 872**	**140 680**	**148 767**	**156 123**	**164 992**

Table 32.4 International Trade and Economic Development (continued)

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Details of major transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	**44 993**	**47 837**	**50 772**	**57 405**	**60 209**	**63 459**	**67 267**
International Trade Administration Commission	43 828	46 458	49 245	55 707	58 427	61 314	64 993
ProTechnik Laboratories	1 165	1 379	1 527	1 698	1 782	2 145	2 274
Capital	**1 375**	**2 760**	**2 673**	**250**	**261**	**–**	**–**
ProTechnik Laboratories	1 375	2 760	2 673	250	261	–	–
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	**8 000**	**18 436**	**13 831**	**14 524**	**15 231**	**15 983**	**16 942**
Development Bank of Southern Africa: Regional Spatial Development Initiatives	8 000	18 436	13 831	14 524	15 231	15 983	16 942
Foreign governments and international organisations							
Current	**5 802**	**1 328**	**10 798**	**6 319**	**6 628**	**11 225**	**11 899**
Organisation for the Prohibition of Chemical Weapons	1 551	1 328	1 560	1 600	1 679	6 032	6 394
World Trade Organisation	4 251	–	9 238	4 719	4 949	5 193	5 505

Expenditure trends

Expenditure increased consistently between 2004/05 and 2007/08, rising from R106.2 million to R140.7 million at an average annual rate of 9.8 per cent. Expenditure is expected to rise to R165 million in 2010/11, at an average annual rate of 5.5 per cent over the medium term. Expenditure in transfer payments over the medium term increases from R78.5 million in 2007/08 to R96.1 million in 2010/11 at an average annual rate of 7 per cent, partly due to the increase in the transfer to the Development Bank of Southern Africa. This is to fund regional spatial development initiatives, which aim to create the conditions and opportunities for successful new fixed investment within specific areas of the region. In addition, the division is strengthening its human resources capacity to deliver on its mandate and expanded work programme.

Expenditure in the *African Economic Development* subprogramme increased significantly between 2004/05 and 2007/08, rising from R17.4 million to R40.6 million, at an average annual rate of 32.5 per cent. This is due to South Africa's numerous bilateral trade negotiations and agreements entered into with countries in Africa. Over the MTEF period, spending stabilises, and grows at an average annual 1.3 per cent to R42.1 million in 2010/11. Expenditure on capital decreases over the period under review due to the reduced financial support to the Pro Technik Laboratories project during 2007/08 and the finalisation of payment in 2008/09.

Programme 3: Enterprise and Industry Development

Purpose: Provide leadership in developing industry and enterprise policies and strategies that create an enabling environment for competitiveness, equity and growth and job creation.

- *Industrial Competitiveness* does advocacy work and develops policies and interventions to improve the industrial competitiveness of the South African economy.
- *Enterprise Development* is responsible for creating an enabling environment for SMMEs and co-operative enterprises to contribute to the country's GDP.
- *Equity and Empowerment* implements BEE and gender policies.
- *Customised Sector Programmes* builds partnerships between government and its social partners.

Expenditure estimates

Table 32.5 Enterprise and Industry Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Industrial Competitiveness	471 611	457 911	449 843	582 646	569 892	639 832	673 217
Enterprise Development	103 408	296 993	494 212	442 750	469 755	459 642	495 561
Equity and Empowerment	177 145	425 450	586 513	742 670	456 841	439 762	32 612
Customised Sector Programmes	25 899	24 801	24 303	39 956	101 124	126 078	130 042
Total	**778 063**	**1 205 155**	**1 554 871**	**1 808 022**	**1 597 612**	**1 665 314**	**1 331 432**
Change to 2007 Budget estimate				38 803	27 329	22 508	(18 415)
Economic classification							
Current payments	**78 144**	**69 906**	**85 444**	**131 355**	**170 938**	**199 371**	**209 907**
Compensation of employees	36 703	39 541	48 868	57 075	63 111	68 429	92 852
Goods and services	41 441	30 365	36 576	74 280	107 827	130 942	117 055
of which:							
Communication	*371*	*600*	*722*	*782*	*912*	*974*	*1 032*
Computer services	*4*	–	–	*59*	*428*	*383*	–
Consultants, contractors and special services	*26 349*	*13 681*	*9 910*	*30 935*	*35 584*	*64 556*	*53 400*
Inventory	*811*	*1 350*	*1 195*	*1 392*	*2 045*	*1 980*	*2 099*
Maintenance, repairs and running costs	*177*	*5*	*3*	*169*	*223*	*229*	–
Operating leases	*89*	*141*	*86*	*163*	*252*	*211*	*224*
Travel and subsistence	*7 692*	*9 562*	*15 715*	*18 360*	*13 632*	*16 468*	*25 099*
Advertising	*280*	*513*	*800*	*3 209*	*3 685*	*3 264*	*3 460*
Transfers and subsidies	**699 334**	**1 134 755**	**1 468 937**	**1 675 946**	**1 425 610**	**1 464 837**	**1 120 353**
Provinces and municipalities	108	119	24	–	–	–	–
Departmental agencies and accounts	402 406	798 796	1 232 299	1 297 375	1 080 470	1 117 526	752 204
Universities and technikons	–	–	6 000	2	–	–	–
Public corporations and private enterprises	287 671	329 037	222 875	369 869	338 461	340 303	360 720
Foreign governments and international organisations	3 192	2 353	2 854	3 700	4 204	4 411	4 676
Non-profit institutions	5 500	4 120	4 747	5 000	2 475	2 597	2 753
Households	457	330	138	–	–	–	–
Payments for capital assets	**585**	**494**	**490**	**721**	**1 064**	**1 106**	**1 172**
Machinery and equipment	571	494	490	721	1 064	1 106	1 172
Software and other intangible assets	14	–	–	–	–	–	–
Total	**778 063**	**1 205 155**	**1 554 871**	**1 808 022**	**1 597 612**	**1 665 314**	**1 331 432**
Details of major transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	**113 406**	**285 096**	**588 095**	**531 966**	**605 556**	**632 891**	**572 025**
Godisa Trust	49 654	40 573	–	–	–	–	–
National Empowerment Fund	10 000	40 000	66 023	100 000	107 000	116 000	22 960
National Manufacturing Advisory Centre Coordinating Body	37 752	–	–	–	–	–	–
National Productivity Institute: Workplace Challenge	7 000	7 420	7 865	8 258	8 660	9 087	9 632
Small Enterprise Development Agency	–	187 573	311 426	253 849	268 031	283 512	300 523
South African National Accreditation System	9 000	9 530	10 034	12 500	13 250	14 045	14 888
Small Enterprise Development Agency Technology Programme	–	–	62 747	73 360	61 522	68 802	77 030
South African Micro Finance Apex Fund	–	–	130 000	83 999	88 093	92 445	97 992
Centurion Aerospace Village	–	–	–	–	20 000	–	–
Industrial Development Corporation: Customised Sector Programmes	–	–	–	–	39 000	49 000	49 000

Table 32.5 Enterprise and Industry Development (continued)

R thousand	Audited outcome 2004/05	2005/06	2006/07	Adjusted appropriation 2007/08	Medium-term expenditure estimate 2008/09	2009/10	2010/11
Capital	**289 000**	**513 700**	**644 204**	**765 409**	**474 914**	**484 635**	**180 179**
National Empowerment Fund	150 000	370 600	495 104	609 954	312 932	314 657	–
National Research Foundation: Technology and Human Resources for Industry Programme	139 000	143 100	149 100	155 455	161 982	169 978	180 179
Universities and technikons							
Current	**–**	**–**	**6 000**	**2**	**–**	**–**	**–**
Witwatersrand Business School: Centre for Entrepreneurship	–	–	3 000	1	–	–	–
University of Pretoria: Advanced Engineering Centre of Excellence	–	–	3 000	1	–	–	–
Public corporations and private enterprises							
Public corporations							
Subsidies on production or products							
Current	**39 500**	**35 796**	**39 962**	**46 769**	**49 657**	**52 664**	**55 824**
National Metrology Institute of South Africa	39 500	34 832	36 922	46 768	49 657	52 664	55 824
National Automotive Industrial Development Centre	–	964	1 040	–	–	–	–
Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence	–	–	2 000	1	–	–	–
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	**159 871**	**208 498**	**172 213**	**260 388**	**231 785**	**226 719**	**240 321**
Council for Scientific and Industrial Research: Maritime Industry Project	–	–	–	1	1	1	–
Council for Scientific and Industrial Research: National Cleaner Production Centre	1 500	1 380	4 124	4 500	4 800	5 100	5 406
Council for Scientific and Industrial Research: Technology for Women in Business	2 500	1 860	6 404	1	6 171	–	–
Council for Scientific and Industrial Research: Technology Transfer Centre	2 000	2 120	–	–	–	–	–
Development Bank of Southern Africa: Community Public Private Partnership	5 000	–	–	–	–	–	–
Industrial Development Corporation: Regional Industrial Development	–	–	–	30 000	–	–	–
Industrial Development Corporation: Women Empowerment Fund	–	–	–	10 000	10 000	10 000	10 600
Ntsika Enterprise Promotion Agency	25 180	–	–	–	–	–	–
South African Bureau of Standards: Research Contribution	98 099	102 734	126 446	138 612	139 508	143 731	152 355
South African Bureau of Standards: Small Business Technical Consulting	592	521	649	1 309	1 373	1 441	1 527
Khula Enterprise Finance Limited	25 000	99 883	34 090	73 495	69 932	66 446	70 433
MINTEK: Customised Sector Programmes	–	–	500	2 470	–	–	–
Capital	**88 300**	**84 743**	**10 700**	**62 712**	**57 019**	**60 920**	**64 575**
Council for Scientific and Industrial Research: Aerospace Industry	300	3 763	5 700	10 001	1	1	1
Council for Scientific and Industrial Research: Technology Transfer Capital Guarantee Fund	2 000	–	–	–	–	–	–
Council for Scientific and Industrial Research: Technology Venture Capital	3 000	–	–	5 830	6 001	5 508	5 838
Industrial Development Corporation: Support Programme for Industrial Innovation	83 000	80 980	5 000	46 881	51 017	55 411	58 736
Foreign governments and international organisations							
Current	**3 192**	**2 353**	**2 854**	**3 700**	**4 204**	**4 411**	**4 676**
United Nations Industrial Development Organisation	3 192	2 353	2 854	3 700	4 204	4 411	4 676
Non-profit institutions							
Current	**5 500**	**4 120**	**4 747**	**5 000**	**2 475**	**2 597**	**2 753**
National Co-operatives Association of South Africa	3 500	–	–	–	–	–	–
South African Women Entrepreneurs' Network	2 000	4 120	4 747	5 000	2 475	2 597	2 753

Expenditure trends

Expenditure between 2004/05 and 2007/08 increased significantly, at an average annual rate of 32.5 per cent, rising from R778.1 million in 2004/05 to R1.8 billion in 2007/08. The increase relates mainly to expenditure growth in the *Equity and Empowerment* and *Enterprise Development* subprogrammes, where expenditure increased by R565.6 million and R339.3 million respectively. The National Empowerment Fund falls under the *Equity and Empowerment* subprogramme, which received increasing contributions over the period. Increases in the *Enterprise Development* subprogramme relate to the small medium enterprise development programme (SMEDP) scheme, where more than 2 000 claims were received during the past two years. Total programme expenditure declines to R1.3 billion in 2010/11, falling at an average annual rate of 9.7 per cent over the medium term. This largely reflects the phasing out and eventual cessation of capital allocations to the NEF, which fall from R610 million in 2007/08 to R312.9 million and R314.7 million in 2008/09 and 2009/10 respectively, before being removed at the end of the medium term.

Over the medium term, expenditure on the *Customised Sector Programmes* subprogramme rises strongly from R40 million in 2007/08 to R130 million in 2010/11, at an average annual rate of 48.2 per cent. Much of this is accounted for by the introduction of the customised sector programmes in 2008/09, which will be administered by the Industrial Development Corporation (IDC). This receives allocations of R39 million in 2008/09 and R49 million for each of 2009/10 and 2010/11 and represents on average 58.4 per cent of the increase in expenditure in this subprogramme between 2008/09 and 2010/11.

Programme 4: Consumer and Corporate Regulation Division

Purpose: Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

- *Policy and Legislative Development* develops coherent, predictable and transparent regulatory solutions.
- *Enforcement and Compliance* ensures that participants in economic activities comply with consumer and corporate rules.
- *Regulatory Services* monitors a number of regulatory agencies, such as the competition authorities, the National Gambling Board and the Estate Agency Affairs Board.

Expenditure estimates

Table 32.6 Consumer and Corporate Regulation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Policy and Legislative Development	2 709	5 787	8 597	13 450	11 000	17 570	18 552
Enforcement and Compliance	14 765	19 663	31 220	30 065	42 927	21 548	22 317
Regulatory Services	82 110	77 682	109 698	111 454	130 662	163 490	181 018
Total	**99 584**	**103 132**	**149 515**	**154 969**	**184 589**	**202 608**	**221 887**
Change to 2007 Budget estimate				7 871	30 593	41 270	51 350
Economic classification							
Current payments	**24 740**	**30 778**	**45 859**	**46 403**	**57 636**	**58 751**	**61 199**
Compensation of employees	13 128	18 705	29 001	29 538	34 357	36 145	37 469
Goods and services	11 612	12 073	16 858	16 865	23 279	22 606	23 730
of which:							
Communication	*44*	*122*	*176*	*213*	*217*	*114*	*121*
Computer services	–	–	–	*89*	*574*	*574*	–
Consultants, contractors and special services	*4 717*	*5 313*	*7 413*	*9 457*	*11 531*	*4 536*	*4 808*
Inventory	*467*	*503*	*660*	*348*	*456*	*221*	*234*
Maintenance, repairs and running costs	–	*3*	*2*	–	–	–	–
Operating leases	*12*	*78*	–	–	–	–	–
Travel and subsistence	*1 858*	*2 338*	*4 164*	*3 425*	*2 784*	*1 931*	*2 047*
Advertising	*704*	*1 169*	*133*	*1 161*	*1 217*	*209*	–

Table 32.6 Consumer and Corporate Regulation (continued)

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Transfers and subsidies	**74 612**	**71 980**	**103 393**	**108 239**	**126 267**	**143 137**	**159 925**
Provinces and municipalities	38	57	22	–	–	–	–
Departmental agencies and accounts	63 755	60 653	82 832	95 260	112 657	118 855	124 786
Public corporations and private enterprises	9 000	9 540	18 313	10 619	11 136	11 685	12 386
Foreign governments and international organisations	1 790	1 640	1 979	2 360	2 474	12 597	22 753
Households	29	90	247	–	–	–	–
Payments for capital assets	**232**	**374**	**263**	**327**	**686**	**720**	**763**
Machinery and equipment	232	374	263	327	686	720	763
Total	**99 584**	**103 132**	**149 515**	**154 969**	**184 589**	**202 608**	**221 887**
Details of major transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	**63 755**	**60 653**	**82 832**	**95 260**	**112 657**	**118 855**	**124 786**
Companies and Intellectual Property Registration Office	3 578	4 251	–	–	–	–	–
Competition Commission	28 177	28 240	17 333	23 221	44 000	44 824	46 313
Competition Tribunal	–	–	8 000	8 670	9 909	10 851	11 502
Micro Finance Regulatory Council	16 200	15 900	–	–	–	–	–
National Credit Regulator	–	–	37 854	44 514	34 082	36 850	39 061
National Gambling Board	15 800	12 262	19 645	18 855	17 274	18 371	19 473
National Consumer Tribunal	–	–	–	–	7 392	7 959	8 437
Public corporations and private enterprises							
Public corporations							
Subsidies on production or products							
Current	**9 000**	**9 540**	**18 313**	**10 619**	**11 136**	**11 685**	**12 386**
South African Bureau of Standards: Trade Metrology	9 000	9 540	18 313	10 619	11 136	11 685	12 386
Foreign governments and international organisations							
Current	**1 790**	**1 640**	**1 979**	**2 360**	**2 474**	**12 597**	**22 753**
World Intellectual Property Organisation	1 790	1 640	1 979	2 360	2 474	2 597	2 753
National Consumer Commission	–	–	–	–	–	10 000	20 000

Expenditure trends

Expenditure has increased steadily, from R99.6 million in 2004/05 to R155 million in 2007/08, at an average annual rate of 15.9 per cent. Funding rose particularly markedly in 2006/07, increasing by 45 per cent, mainly due to the establishment of the National Credit Regulator (NCR) and the incorporation of the Micro Finance Regulatory Council into the NCR.

Spending is projected to grow at an average annual 12.7 per cent over the medium term to reach an expected R221.9 million in 2010/11.

The substantial average annual increase of 70.6 per cent in the allocation to the *Policy and Legislative Development* subprogramme, from R2.7 million in 2004/05 to R13.5 million in 2007/08, in part reflects a low base but also the growing legislative workload in consumer and corporate regulation. This included the drafting of the Companies Bill (2007), the review of competition policy in 2005/06, and the introduction of the Companies Bill and Consumer Protection Bill (2006) in 2007/08. Over the medium term, expenditure growth moderates to an average annual 11.3 per cent, with funding increasing to R18.6 million in 2010/11. This expenditure reflects policy and legislative developments in relation to the enactment of the Companies and Consumer Protection bills in 2008/09, the anticipated establishing of the Consumers Commission and Companies Commission in 2009/10 and various planned legislative developments in intellectual property over the MTEF period.

Expenditure in the *Enforcement and Compliance* subprogramme rose by an average annual 26.7 per cent between 2004/05 and 2007/08, from R14.8 million to R30.1 million. This relates to the rapid development of capacity for this subprogramme as evidenced by the almost tripling of staff over the period. After 2008/09 expenditure falls by 49.8 per cent as staff are transferred to the Consumer Commission and the Companies Commission, which are due to be established in 2009/10.

Increased funding over the medium term reflects the department's drive to improve regulatory oversight, consumer awareness and law enforcement as indicated by the increasing allocations for all three subprogrammes. The increase over the medium term is, however, concentrated in the *Regulatory Services* subprogramme. This subprogramme accounts for the majority of spending on consumer and corporate regulation and its share of total programme expenditure rises over the MTEF period, from 71.9 per cent to 81.6 per cent, with spending rising from R111.5 million in 2007/08 to R181 million in 2010/11, at an average annual rate of 17.5 per cent.

Programme 5: The Enterprise Organisation

Purpose: Stimulate and facilitate the development of enterprises through the provision of incentive measures that support investment, job creation and regional economic development, such as through industrial development zones.

- *Incentive Administration* manages and implements existing incentive schemes.
- *New Incentive Development* develops packages of incentives to support the national industrial development policy and sector strategies.
- *Business Development and After-Care* facilitates access to targeted enterprises.

Expenditure estimates

Table 32.7 The Enterprise Organisation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Incentive Administration	910 550	1 016 791	1 425 334	2 693 711	2 386 900	3 215 338	2 623 136
New Incentive Development	42	2 262	2 815	3 771	3 397	3 449	4 226
Business Development and After-Care	144	7 664	6 116	6 756	11 984	12 703	6 117
Total	**910 736**	**1 026 717**	**1 434 265**	**2 704 238**	**2 402 281**	**3 231 490**	**2 633 479**
Change to 2007 Budget estimate				621 432	340 086	655 137	1 160 190
Economic classification							
Current payments	**42 156**	**36 709**	**41 773**	**53 642**	**73 057**	**76 577**	**82 365**
Compensation of employees	29 043	26 893	32 281	39 864	54 473	57 060	62 002
Goods and services	13 113	9 816	9 492	13 778	18 584	19 517	20 363
of which:							
Communication	*80*	*160*	*155*	*259*	*418*	*445*	*485*
Computer services	*890*	*909*	*833*	*1 111*	*1 476*	*1 572*	*1 603*
Consultants, contractors and special services	*6 061*	*2 989*	*2 218*	*4 506*	*10 624*	*10 951*	*9 841*
Inventory	*703*	*560*	*1 084*	*590*	*786*	*831*	*1 711*
Maintenance, repairs and running costs	*5*	*4*	*1*	*20*	*116*	*124*	*133*
Operating leases	*49*	*67*	*40*	*168*	*175*	*186*	*199*
Travel and subsistence	*2 653*	*2 112*	*3 324*	*4 968*	*3 170*	*3 422*	*4 562*
Advertising	*610*	*128*	*158*	*360*	*369*	*393*	*429*
Transfers and subsidies	**868 164**	**989 807**	**1 391 882**	**2 649 526**	**2 328 409**	**3 154 071**	**2 550 444**
Provinces and municipalities	84	83	58 222	–	–	–	–
Public corporations and private enterprises	867 801	989 703	1 333 660	2 649 526	2 328 409	3 154 071	2 550 444
Households	279	21	–	–	–	–	–
Payments for capital assets	**416**	**201**	**610**	**1 070**	**815**	**842**	**670**
Machinery and equipment	409	201	610	1 070	815	842	670
Software and other intangible assets	7	–	–	–	–	–	–
Total	**910 736**	**1 026 717**	**1 434 265**	**2 704 238**	**2 402 281**	**3 231 490**	**2 633 479**

Table 32.7 The Enterprise Organisation (continued)

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Details of major transfers and subsidies							
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Capital	**–**	**–**	**58 200**	**–**	**–**	**–**	**–**
Industrial development zones grant	–	–	58 200	–	–	–	–
Public corporations and private enterprises							
Public corporations							
Other transfers							
Capital	**93 043**	**76 555**	**379 812**	**850 814**	**834 356**	**1 185 987**	**500 000**
Coega Development Corporation	55 375	58 873	249 812	725 963	635 636	865 951	500 000
East London Industrial Development Zone (Pty) Limited	37 668	17 682	130 000	124 850	154 030	251 131	–
Richards Bay Industrial Development Zone Company	–	–	–	1	44 690	68 905	–
Public corporations and private enterprises							
Private enterprises							
Subsidies on production or products							
Current	**612 756**	**789 624**	**759 937**	**1 287 136**	**1 228 704**	**1 654 412**	**1 716 553**
Business Process Outsourcing	–	–	–	110 000	110 000	210 000	250 060
Enterprise Development	561 688	723 764	676 565	1 040 369	854 701	916 929	733 248
Film and Television Production Incentive	–	41 299	72 400	96 020	179 240	232 899	253 873
Manufacturing Development Programme Incentives	3 905	–	–	–	1	1	1
Sector Development Programme	–	–	–	–	20 000	30 000	31 800
Small and Medium Manufacturing Development Programme	47 163	24 561	10 972	5 746	9 661	1 157	1 226
Staple Food Fortification Programme	–	–	–	35 001	10 001	1	1
Industrial Development Zones-Other	–	–	–	–	5 000	14 475	15 644
Enterprise Investment Programme	–	–	–	–	40 100	248 950	430 700
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	**127 006**	**98 578**	**105 698**	**145 149**	**158 344**	**192 865**	**208 236**
Black Business Supplier Development Programme	11 992	15 943	25 000	32 250	32 529	38 888	40 621
Competitiveness Fund	16 606	382	–	–	–	–	–
Co-operatives Incentive Scheme	–	–	3 753	14 129	19 330	39 544	46 617
Export Market and Investment Assistance	85 706	81 813	75 669	90 769	106 485	114 433	120 998
Micro-Investor Fund	–	–	–	–	–	–	–
Sector Partnership Fund	12 702	440	–	–	–	–	–
South African Capital Goods Feasibility Study Fund	–	–	1 276	8 001	–	–	–
Capital	**34 996**	**24 946**	**88 213**	**366 427**	**107 005**	**120 807**	**125 655**
Critical Infrastructure Programme	34 996	24 946	88 213	66 427	107 005	120 807	125 655
Critical Infrastructure Programme: ALCAN Aluminium Smelter	–	–	–	300 000	–	–	–

Expenditure trends

Expenditure has increased consistently over the reporting period, rising from R910.7 million in 2004/05 to an expected R2.6 billion in 2010/11. Between 2004/05 and 2007/08, expenditure growth was fast, reaching R2.7 billion, rising by an average annual 43.7 per cent. Much of this increase was in 2007/08, with the allocation rising by R1.3 billion. The increase largely related to larger capital injections into the IDZs, at a combined R470 million: R300 million for the infrastructure investment to support the Alcan aluminium smelter, and a R110 million allocation to establish business process outsourcing.

Over the medium term, expenditure growth stagnates, falling to an average annual 0.9 per cent. This largely disguises a volatile trend over the medium term, where expenditure declines to R2.4 billion in 2008/09, and reaches a peak of R3.2 billion in 2009/10 before falling to R2.6 billion at the end of the period. A large portion of the increase in 2009/10I is for transfer payments to companies assisted through the small medium enterprise development programme (SMEDP), the critical infrastructure programme (CIP), as well as those companies located in the three industrial development zones, namely Coega IDZ, East London IDZ and Richards Bay IDZ. For 2008/09, R1.4 billion will be paid to cover incentive schemes and R834 million towards the IDZs.

Programme 6: Trade and Investment South Africa

Purpose: Increase South Africa's capacity to export by developing and implementing strategies for targeted markets. Increase the level of direct investment flow. Effectively manage the department's network of foreign offices.

- *Investment Promotion and Facilitation* is responsible for facilitating the increase in the quality and quantum of foreign and domestic direct investment by providing an efficient and effective investment recruitment, problem solving and information service in order to retain and expand investment in South Africa and into Africa.
- *Export Development and Promotion* is responsible for the development of new and existing South African exporter capabilities in order to grow exports through the provision of information, financial support and practical assistance to sustain organic growth in traditional markets and to penetrate new high growth markets.
- *International Operations* is responsible for the effective management and administration of the department's foreign office network.

Expenditure estimates

Table 32.8 Trade and Investment South Africa

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Investment Promotion and Facilitation	58 720	35 320	28 380	23 416	37 409	37 505	41 971
Export Development and Promotion	197 365	248 962	169 061	161 372	179 531	180 099	186 804
International Operations	–	–	–	73 706	80 491	80 844	85 678
Total	**256 085**	**284 282**	**197 441**	**258 494**	**297 431**	**298 448**	**314 453**
Change to 2007 Budget estimate				(1 617)	18 076	18 170	18 260
Economic classification							
Current payments	**111 970**	**90 241**	**133 636**	**123 030**	**163 008**	**141 768**	**149 431**
Compensation of employees	43 813	56 271	71 682	55 781	79 652	80 289	84 306
Goods and services	37 081	33 970	53 821	67 249	83 356	61 479	65 125
of which:							
Communication	*1 808*	*1 542*	*2 128*	*1 491*	*980*	*980*	*2 809*
Computer services	*265*	*246*	*305*	*–*	*–*	*–*	*382*
Consultants, contractors and special services	*2 425*	*1 362*	*3 050*	*2 762*	*9 639*	*12 000*	*8 268*
Inventory	*2 345*	*1 680*	*1 138*	*2 057*	*2 250*	*2 530*	*1 961*
Maintenance, repairs and running costs	*1 004*	*985*	*1 042*	*866*	*1 010*	*1 170*	*1 431*
Operating leases	*10 096*	*8 632*	*14 450*	*10 998*	*5 350*	*5 900*	*10 600*
Travel and subsistence	*8 082*	*10 255*	*14 116*	*21 817*	*16 581*	*22 000*	*18 868*
Advertising	*448*	*1 306*	*2 171*	*86*	*570*	*497*	*1 696*
Financial transactions in assets and liabilities	31 076	–	8 133	–	–	–	–
Transfers and subsidies	**142 686**	**192 898**	**60 826**	**134 316**	**133 559**	**153 860**	**163 092**
Provinces and municipalities	26	55	24	–	–	–	–
Departmental agencies and accounts	10 800	3 000	501	–	–	–	–
Public corporations and private enterprises	123 531	181 402	55 850	120 567	123 648	143 404	152 008
Foreign governments and international organisations	8 000	8 400	4 451	13 749	9 911	10 456	11 084
Households	329	41	–	–	–	–	–
Payments for capital assets	**1 429**	**1 143**	**2 979**	**1 148**	**864**	**2 820**	**1 930**
Machinery and equipment	1 371	1 143	2 979	1 148	864	2 820	1 930
Software and other intangible assets	58	–	–	–	–	–	–
Total	**256 085**	**284 282**	**197 441**	**258 494**	**297 431**	**298 448**	**314 453**

Table 32.8 Trade and Investment South Africa (continued)

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Details of major transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	**10 800**	**3 000**	**501**	**–**	**–**	**–**	**–**
Trade and Investment South Africa	10 800	3 000	501	–	–	–	–
Public corporations and private enterprises							
Public corporations							
Subsidies on production or products							
Current	**23 531**	**25 764**	**4 010**	**–**	**–**	**–**	**–**
Aichi Exposition	12 790	25 207	4 010	–	–	–	–
Youth Internship Programme	10 741	557	–	–	–	–	–
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	**100 000**	**155 638**	**51 840**	**120 567**	**123 648**	**143 404**	**152 008**
Export Credit Insurance Corporation	100 000	155 638	51 840	120 567	123 648	143 404	152 008
Foreign governments and international organisations							
Current	**8 000**	**8 400**	**4 451**	**13 749**	**9 911**	**10 456**	**11 084**
Export Consultancy Trust Fund: International Bank for Reconstruction and Development (World Bank)	4 000	4 200	–	9 075	4 956	5 228	5 542
Export Consultancy Trust Fund: International Finance Corporation	4 000	4 200	4 451	4 674	4 955	5 228	5 542

Expenditure trends

Expenditure increases moderately over the period under review, from R256.1 million in 2004/5 to an expected R314.5 million in 2010/11, an average annual increase of 3.5 per cent. This increase is mainly due to increased funding of export and investment promotion where most of the funding was spent on reviewing and developing export related policies and providing for the interest make-up scheme for export reinsurance.

In general, the *Trade and Investment South Africa* budget is also influenced by the fluctuating transfer payment to the Export Credit Insurance Corporation, because of the implementation of the favourable interest make-up scheme and favourable exchange rates in relation to expenses in foreign mission offices.

Expenditure in the *Investment Promotion and Facilitation* subprogramme experiences a considerable increase in expenditure of 59.8 per cent in 2008/09, from R23.4 million in 2007/08 to R37.4 million. This is due to an additional allocation of R20 million for the development of an investment promotion and facilitation strategy and supporting research. The strategy intends to raise the level of South Africa's direct investment and the exports of its goods and services to and from priority markets. It is also the aim of the department to establish an investment call centre.

Programme 7: Marketing

Purpose: Promote greater awareness of the department's role and its products and services, and facilitate access to and uptake of these products and services.

- *Brand Management* brands and markets the department and its offerings. It is responsible for the department's corporate identity and for communicating with target groups through trade and investment events and exhibitions.
- *Marketing Communications* is responsible for internal and external communication, including media management and monitoring, the production of publications, and the services provided by the department's design studio. Selected audiences are reached through targeted advertising. The subprogramme is also responsible for operating the customer contact centre, managing access channels and outreach programmes.

- *Distribution* facilitates the department's outreach programmes, conducts customer surveys, manages access channels, and facilitates the department's Batho Pele initiatives.

Expenditure estimates

Table 32.9 Marketing

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Brand Management	42 670	11 781	7 978	17 984	11 449	12 044	29 504
Marketing Communications	44 526	18 907	12 003	19 596	22 806	24 014	9 530
Distribution	50 195	41 969	45 861	31 571	39 576	42 741	51 300
Total	**137 391**	**72 657**	**65 842**	**69 151**	**73 831**	**78 799**	**90 334**
Change to 2007 Budget estimate				(15 151)	(13 267)	(13 253)	(7 236)
Economic classification							
Current payments	**111 883**	**72 608**	**49 012**	**66 851**	**73 320**	**78 255**	**89 757**
Compensation of employees	10 066	10 149	11 471	16 733	15 320	16 170	17 158
Goods and services	101 817	41 632	37 541	50 118	58 000	62 085	72 599
of which:							
Communication	*8 988*	*127*	*79*	*188*	*420*	*380*	*350*
Computer services	*–*	*–*	*–*	*9*	*–*	*–*	*–*
Consultants, contractors and special services	*45 146*	*28 954*	*24 660*	*12 200*	*41 732*	*29 945*	*38 342*
Inventory	*5 664*	*734*	*447*	*520*	*670*	*629*	*667*
Maintenance, repairs and running costs	*1*	*1*	*7*	*90*	*16*	*2*	*2*
Operating leases	*174*	*74*	*81*	*41*	*43*	*45*	*48*
Travel and subsistence	*1 418*	*1 171*	*1 189*	*1 559*	*1 315*	*1 298*	*1 376*
Advertising	*26 023*	*3 716*	*6 359*	*7 091*	*7 446*	*7 989*	*8 468*
Financial transactions in assets and liabilities	–	20 827	–	–	–	–	–
Transfers and subsidies	**25 144**	**32**	**10 008**	**–**	**–**	**–**	**–**
Provinces and municipalities	30	32	8	–	–	–	–
Public corporations and private enterprises	25 000	–	–	–	–	–	–
Non-profit institutions	–	–	10 000	–	–	–	–
Households	114	–	–	–	–	–	–
Payments for capital assets	**364**	**17**	**6 822**	**2 300**	**511**	**544**	**577**
Machinery and equipment	268	17	6 822	2 000	405	431	457
Software and other intangible assets	96	–	–	300	106	113	120
Total	**137 391**	**72 657**	**65 842**	**69 151**	**73 831**	**78 799**	**90 334**
Details of major transfers and subsidies							
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	**25 000**	**–**	**–**	**–**	**–**	**–**	**–**
2010 FIFA Soccer World Cup Bid	25 000	–	–	–	–	–	–
Nonprofit institutions							
Current	**–**	**–**	**10 000**	**–**	**–**	**–**	**–**
Proudly South African Campaign	–	–	10 000	–	–	–	–

Expenditure trends

The decrease in spending in the *Marketing* programme was mainly between 2004/05 and 2005/06, where expenditure dropped from R137.4 million in 2004/05 to R72.7 million in 2005/06. The higher expenditure during 2004/05 was mainly attributed to the once-off R25 million contribution made by the department towards the 2010 FIFA World Cup bid. From 2006/07 onwards, there is a steady increase in expenditure, which is set to reach R90.3 million in 2010/11, at an average annual rate of 9.3 per cent over the medium term. Increases in spending are mainly due to inflationary related marketing costs such as publications and other media related costs.

Public entities and other agencies

Companies and Intellectual Property Registration Office

The Companies and Intellectual Property Registration Office (CIPRO) was established as a trading entity of the Department of Trade and Industry in 2002. CIPRO's mandate is to register and administer co-operatives, companies, close corporations and intellectual property rights (patents, trademarks, copyrights and designs). CIPRO is a member of a number of international treaties and bodies.

In 2006/07 new company registrations declined by 13.9 per cent, while new close corporation registrations increased by 23.4 per cent. Electronic documents processes and awareness campaigns (izimbizo programmes and road-shows) on the need to participate in the formal business economy contributed to these increases. The proposed decentralisation of CIPRO's services is likely to further increase registrations of new close corporations. The new Co-operatives Act (2005) was rolled out in May 2007. 6 765 new co-operatives were registered in 2006/07, increasing the total number of registered co-operatives to 13 245. Statistics indicate growth of 2.8 per cent in patent applications and 13.6 per cent in design applications between 2005/06 and 2006/07. The growth can be partially attributed to an increase in public awareness about the importance of registering intellectual property rights, through CIPRO's numerous roadshows and exhibitions, as well as World Intellectual Property Day. 30 149 trade mark applications were received in 2006/07, a 6.4 per cent increase over 2005/06.

Selected performance indicators

	Annual performance						
	Past			Current	Projected		
Indicators	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of companies registered	36 845	48 900	42 090	33 269	38 513	40 438	48 416
Number of close corporations registered	135 438	197 307	243 557	251 996	250 000	200 000	180 000
Number of co-operatives registered	511	2 829	6 765	3 140	3 297	3 462	3 289
Number of trade mark applications processed	24 193	28 331	30 149	32 717	34 353	36 071	34 267
Number of patent applications processed	10 493	10 460	10 753	10 667	11 200	11 760	11 172
Number of design applications processed	1 774	1 817	2 065	2 321	2 437	2 559	2 431
Number of enterprises that paid annual returns	4 082	62 664	146 504	162 553	178 809	196 690	216 358

Expenditure estimates

Table 32.10 Companies and Intellectual Properties Property Registration Off

	Audited outcome			Estimated outcome	Medium-term estimate		
R thousand	**2004/05**	**2005/06**	**2006/07**	**2007/08**	**2008/09**	**2009/10**	**2010/11**
Revenue							
Non-tax revenue	**111 348**	**208 859**	**256 047**	**308 476**	**308 562**	**327 959**	**350 481**
Sale of goods and services other than capital assets *of which:*	109 130	204 119	236 557	280 549	298 362	322 809	347 881
Admin fees	*109 130*	*204 119*	*236 557*	*280 549*	*298 362*	*322 809*	*347 881*
Other non-tax revenue	2 218	4 740	19 490	27 927	10 200	5 150	2 600
Transfers received	**3 578**	**4 496**	–	–	–	–	–
Total revenue	**114 926**	**213 355**	**256 047**	**308 476**	**308 562**	**327 959**	**350 481**

Table 32.10 Companies and Intellectual Properties Property Registration Off (continued)

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Expenses							
Current expense	**121 448**	**125 170**	**133 692**	**248 656**	**308 557**	**327 953**	**350 474**
Compensation of employees	49 689	52 622	54 508	82 150	103 069	113 376	124 713
Goods and services	64 264	65 678	71 822	146 311	180 518	184 043	190 496
Depreciation	7 035	6 389	7 130	7 220	11 346	16 229	20 245
Interest, dividends and rent on land	460	481	232	12 975	13 624	14 305	15 020
Transfers and subsidies	**872**	**119**	**–**	**15**	**5**	**6**	**6**
Total expenses	**122 320**	**125 289**	**133 692**	**248 671**	**308 562**	**327 959**	**350 481**
Surplus / (Deficit)	**(7 394)**	**88 066**	**122 355**	**59 805**	**–**	**–**	**–**
Acquisition of assets	**11 077**	**4 939**	**5 954**	**5 518**	**105 794**	**60 084**	**56 388**

Expenditure trends

CIPRO raises revenue through registration fees. CIPRO's revenue base has been increased substantially since 2004/05, rising from R114.9 million to R308.5 million in 2007/08, at an average annual rate of 39 per cent. CIPRO received transfer payments from the Department of Trade and Industry of R3.6 million in 2004/05 and R4.2 million in 2005/06. An additional transfer of R245 000 was also received during 2005/06 from a local private donor. Since 2005/06, no further transfers have been made to CIPRO. The increase is mainly due to the implementation of annual financial return lodgements for private companies. Revenue growth is expected to be moderate over the MTEF period, with revenue reaching R350.5 million in 2010/11. This average annual increase of 4.3 per cent from 2007/08, resulting from the combination of abolishing revenue stamps in the registration of co-operatives and the introduction of annual financial return lodgements for close corporations.

The acquisition of capital assets will be funded from the retained surplus of R210.4 million from 2005/06 and 2006/07, as approved by National Treasury, for the service delivery improvements special project. To maintain long term financial viability and to ensure that fees paid by clients are clear, transparent, fair and appropriate, a new fee structure was developed and will be implemented over the MTEF period.

Expenditure increased from R122.3 million in 2004/05 to R248.7 million in 2007/08, an average annual increase of 26.7 per cent. Expenditure is expected to increase over the MTEF period to reach R350.5 million in 2010/11, an average annual increase of 12.1 per cent since 2007/08. This increase is mainly due to expenditure on special projects to improve the institutional environment, infrastructure and the new organisational structure.

Competition Commission

The Competition Commission was established in terms of the Competition Act (1998), and is responsible for promoting competitive market conditions through investigating and prosecuting anti-competitive activities, reviewing and approving mergers and exemption applications, conducting research, and disseminating information to businesses, consumers and other stakeholders.

Recently, the commission conducted thorough investigations into the milk and bread industries: milk and bread cartel cases against 8 dairy processors and 3 bakeries were referred to the Competition Tribunal. Cartel enforcement is a priority since cartels not only prejudice consumers but, through artificially increasing the cost of primary inputs, raise the cost of doing business for producers and impede economic growth. In 2006/07, the commission evaluated 413 merger notifications and decreased the average turnaround time to 27 days, a 10 per cent improvement from 2005/06 and well within international benchmarks for merger reviews. Of these, 94 were large mergers, 317 were intermediate mergers and 2 were small mergers.

The Competition Commission also intervenes in transactions in markets that affect the end-consumer, notably in food retail, telecommunications and health care. A much publicised case has been the proposed acquisition by Telkom of Business Connexion, where the commission's recommendation for prohibiting the acquisition was accepted by the Competition Tribunal. There has been a demonstrable shift towards enforcement activities in the commission. The banking enquiry, launched in August 2006, ignited public discussion about how bank fees are determined. The enquiry has held public hearings and received written submissions from various stakeholders, including the banks themselves. To benchmark and improve its processes, the Competition Commission is well integrated in the international competition infrastructure: it hosted the annual International Competition Network conference in May 2006, and has observer status on the Organisation for Economic Cooperation and Development (OECD) competition committee.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of merger cases registered	311	408	413	420	210	223	236
Number of prohibited practices cases investigated	135	134	136	130	130	130	130
Number of advisory opinions	58	47	46	50	50	56	60

Expenditure trends

The Competition Commission's revenue is mainly from merger activities and transfers from government on the Department of Trade and Industry vote. Transfers from the Department of Trade and Industry increase over the MTEF period from R23.2 million in 2007/08 to R46.3 million in 2010/11, an average annual increase of 25.9 per cent. The competition policy review proposes a revision to the merger thresholds for merger notifications and filing fees, which will potentially reduce the income generated by the commission; hence the 2008 Budget includes additional transfers from the Department of Trade and Industry's vote of R44 million in 2008/09, R44.8 million in 2009/10 and R46.3 million in 2010/11. It is expected that total revenue will increase from R66.3 million in 2004/05 to R89.4 million in 2010/11, an average annual increase of 5.1 per cent over the period.

Competition Tribunal

The Competition Tribunal was established in terms of the Competition Act (1998) and adjudicates cases referred to it by the Competition Commission.

In 2005/06 the tribunal adjudicated 136 cases over 195 days compared to 124 cases over 107 days in 2006/07. The increase in the number of restrictive practice complaints referred to the tribunal is considered an indication of both the growing maturity of competition law and confidence in the Competition Commission as an enforcer. The tribunal continues to play a leading role in relevant international bodies such as the International Competition Network, the Organisation for Economic Co-operation and Development and the United Nations Council for Trade and Development.

While it is difficult to establish quantifiable targets due to the tribunal's reactive nature and mandate, several strategic objectives and outputs have been identified to guide performance: compliance with legislation, and fairness, objectivity and independence; timely decisions and efficient, competent and speedy service to the public; and effective communication both internally and externally, a value system, and a positive corporate image and reputation.

Expenditure trends

The tribunal receives a percentage of filing fees from businesses that file merger applications with the Competition Commission, which cover some of the Competition Tribunal's budgeted expenses. The proposed changes to the merger thresholds and filing fees will result in the tribunal's non-tax revenue decreasing over the MTEF period; hence transfers received from national government increase from R8.7 million in 2007/08 to R13.6 million in 2010/11, an average annual increase of 16.3 per cent over this period. These amounts include transfer payments received from the Department of Trade and Industry amounting to R8.7 million for 2007/08, R9.9 million for 2008/9, R10.9 million for 2009/10 and R11.5 million for 2010/11. Over the next three years the total anticipated revenue will amount to R58 million. An accumulated surplus of R2.7 million is anticipated as at 31 March 2008.

Overall, the tribunal's revenue increased at an average annual rate of 29.4 per cent from R8 million in 2004/05 to R17.4 million in 2007/08. Total revenue is projected to grow to R20.5 million in 2010/11, an average annual increase of 5.5 per cent since 2007/08.

Estate Agency Affairs Board

The Estate Agency Affairs Board (EAAB) was established by the Estate Agency Affairs Act (1976) to regulate and control certain activities of estate agents in the public interest. The mission of the board is to: regulate the environment in which members of the public and estate agents transact by building the capability of estate agents; protect the public interest; ensure that estate agents comply with the act; and build consumer awareness.

The board upgraded its call centre in 2006/07 by appointing a specialist service provider. Improvements in communication are already evident. Improvements were also made to the board's website as it is increasingly often used as a communication tool with estate agents and members of the public. As part of its ongoing awareness campaign, the board participated in television and radio interviews as well as annual roadshows or izimbizos. The board also won an international award for the best newsletter. A service level agreement was signed with the Services SETA, confirming the board as a certification partner, and the board is developing a new qualification with SAQA and the Services SETA. The qualification will be introduced in 2008, after consultations with stakeholders and changes to the regulations have been concluded.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Percentage of unqualified corporate governance audit reports	–	80%	100%	100%	100%	100%	100%
Percentage growth in the fidelity fund	–	6%	8%	8%	9%	9%	10%

Expenditure trends

Revenue comprises of management fees charged to the Estate Agency Fidelity Fund for services provided, levy fees received from estate agencies, fines and penalties charged to defaulting estate agents, as well as interest received. Revenue increased from R35.1 million in 2004/05 to an expected R87.7 million in 2007/08, an average annual rate of 35.7 per cent. Revenue is expected to increase further to R112.8 million in 2010/11 at an average annual rate of 8.7 per cent between 2007/08 and 2010/11. The board does not receive any transfers from the Department of Trade and Industry.

Expenditure decreased from R34.4 million in 2004/05 to R27.2 million in 2006/07, an average annual decrease of 11 per cent due to lower expenditure on consultants, contractors and special services and depreciation on assets. However, expenditure for 2007/08 increased by 73.6 per cent to R47.4 million as the board undertakes to improve efficiencies in the organisation and carries out its mandate in terms of the business plan. Over the medium term, expenditure is projected to increase at an average annual rate of 10.2 per cent from R47.4 million in 2007/08 to R63.3 million in 2010/11.

Export Credit Insurance Corporation of South Africa

The Export Credit Insurance Corporation of South Africa Limited (ECIC) was established in terms of the Export Credit and Foreign Investments Insurance Act (1957) to underwrite export credit loans and investments outside South Africa to enable South African contractors to win capital goods and services contracts in other countries. This is done through formulating export credit and underwriting policy, evaluating potential export projects, assessing export credit risks, structuring appropriate securities to mitigate risks, and administering the payment of the interest make up payable in terms of the South Africa export credit support agreement.

In 2007/08, ECIC attained greater diversification and significant growth in its insurance portfolio, both within and outside Africa. As a result, it reports an underwriting profit of R104.2 million for that year. With the launch of new products and a marketing drive, it is expected that this positive trend will continue. ECIC will continue to review its strategies, deepen its understanding of new and existing jurisdictions, and strengthen its risk mitigation techniques in association with its strategic partners. Through participation in the Berne Union (International Union of Credit and Investment Insurers), the Prague Club and OECD deliberations on export credit insurance, the ECIC has been able to draw on international best practice.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Value of insurance portfolio growth	R4.2bn	R5.6bn	R8.8bn	R11.5bn	R12.8bn	R14bn	R15.3bn
Value of premium income	R110.8m	R135.7m	R130.7m	R146.6m	R142.2m	R147.9m	R153.8m
Value of claims paid	R86.9m	R63.1m	R150m	R39.6m	R44m	R60.1m	R79.3m
Percentage of solvency margin	678%	670%	827%	241%	244%	179%	162%
Value of underwriting profit	R141.1m	R85.8m	R104.2m	R228.1m	R29.7m	(R43.6m)	(R14.7m)
Value of GDP contribution – South Africa	R586m	R1.6bn	R291m	R328m	R365m	R398m	R435m
Value of GDP contribution - host countries	R226m	R2.2bn	R1.1bn	R1.3bn	R1.4bn	R1.5bn	R1.7bn
Number of jobs created - South Africa	3 048	9 111	1 478	1 670	1 853	2 120	2 209
Number of jobs created - host countries	1 534	14 256	8 505	9 611	10 667	11 627	12 709

Expenditure trends

The ECIC is a self-sustained, national export credit agency. Insurance premiums are the main source of revenue, followed by interest received. Transfer payments are received from government in respect of the interest make-up scheme, which the ECIC manages and administers on behalf of the Department of Trade and Industry. It is not utilised by the ECIC but is paid over to banks in order to make export credit loans internationally competitive. As such, the transfer is not an ECIC balance item. Interest make-up transfer payments from the Department of Trade and Industry to the ECIC increases from R100 million in 2004/05 to R152 million in 2010/11, an average annual increase of 7.2 per cent.

Total revenue increased from R274.8 million in 2004/05 to R403 million in 2007/08 at an average annual rate of 13.6 per cent. Revenue growth is projected at an average annual rate of 5.9 per cent after 2007/08, reaching R479.2 million in 2010/11. Revenue received mainly relates to insurance premiums, interest and dividends received and foreign exchange gains from the revaluation of net assets.

After declining from R78.6 million to R44.5 million at an average annual rate of 17.3 per cent between 2004/05 and 2007/08, expenditure is set to increase to R242.8 million in 2010/11, an average annual increase of 76.1 per cent. The negative figure reflected under goods and services for 2007/08 is as a result of forecasted salvages of R151.1 million receivable, of which only R148 million has been received. During 2008/09, the forecasted salvages to be received will amount to R6.5 million. A further increase in expenditure also relates to investment in IT.

Industrial Development Corporation of South Africa

The Industrial Development Corporation of South Africa (IDC) was established in terms of the Industrial Development Corporation Act (1940). The IDC is a self-financing national development finance institution whose primary objectives are to contribute to economic growth in Africa and the economic empowerment of the South African population by promoting entrepreneurship through building competitive industries and enterprises based on sound business principles.

In 2006/07, the IDC approved a net amount of R5.9 billion for investments, expected to create 33 000 direct jobs in South Africa. A further 24 000 jobs are expected to be created in 2007/08. To meet its target of creating 45 800 jobs by 2010/11, among other things, it is estimated that more than R13 billion worth of investment will be needed.

In 2006/07, R5.9 billion was approved for 241 applications for funding, 69 per cent of which related to small and medium enterprises (SMEs), and more than 680 SMEs received training and business support. R250 million was earmarked for direct venture capital investments. The IDC also facilitated the establishment of 6 workers' trusts and 15 community foundations in IDC's investments.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of jobs expected to be created in South Africa by financing approvals	10 000	22 000	33 000	24 000	29 200	36 100	45 800
Value of funding approved for BEE acquisitions	R1.6bn	R0.3bn	R1bn	R1.6bn	R2bn	R2.5bn	R3.4bn
Value of funding approved which benefits the rest of Africa	–	R0.8bn	R0.4bn	R1.5bn	R1.5bn	R1.9bn	R2.6bn
Value of operating income	R1.3bn	R0.7bn	R4.3bn	R3.5bn	R3.6bn	R4.1bn	R4.1bn

Expenditure trends

Revenue is mainly generated from sales to customers (when the significant risks and rewards of ownership have been transferred to the customer), dividends, rentals and fees, farming, manufacturing and mining income and interest receipts. Revenue growth was an average annual 28.1 per cent between 2004/05 and 2007/8, increasing from R4.3 billion to R9 billion. Revenue is projected to further increase to R11 billion in 2010/11, an average annual increase of 6.9 per cent since 2007/08. Net operating income is expected to remain strong during the forecast period. (This is arrived at after taking into account impairment of goodwill relating to subsidiaries; amortisation of other intangible assets; auditors' remuneration fees; the surplus or deficit on revaluation of investment property; depreciation of property, plant and equipment; directors' emoluments (non-executive: fees for services as directors and executive members' remuneration.)

Total investments increased from R30.5 billion in 2004/05 to an estimated R90 billion in 2010/11, an average annual increase of 19.7 per cent. During this period, the IDC managed to significantly increase its impact on its objectives, utilising less funds than in previous years through increased efficiency in terms of number of jobs created per million rand invested. For 2007/08, the total estimated amount of funding investments is R61.1 billion, with the bulk of this allocated for investments in South Africa for new companies, and expansions at existing companies. The entity is self-financing and does not receive any grants from the Department of Trade and Industry for operational expenditure. In some cases transfer payments are received from the Department of Trade and Industry when the IDC is performing a service on behalf of the department.

Dividends on A and B shares to the value of R66.5 million for 2004/05, R75 million for 2005/06, R75.2 million for 2006/07 and R81.9 million for 2007/08 were paid to the department, an average annual increase of 7.2 per cent. Dividends payable to the department are expected to increase from R100.9 million to R107.3 million over the MTEF period, at an average annual rate of 2.1 per cent.

International Trade Administration Commission

The International Trade Administration Commission (ITAC) is governed by the International Trade Administration Act (2002), which establishes the commission as a body that is accountable for encouraging economic growth and employment in South Africa and within the broader customs union through the administration of trade regulations. The commission makes recommendations on its three core business areas:

import and export control; trade remedies (anti-dumping, countervailing duties and safeguard measures); and tariff investigations (customs tariff and rebate provisions).

A thorough review of the ITA Act and the anti-dumping regulations was started in 2007/08, and is still in progress. A number of tariff and rebate applications were considered, including an investigation of the tariff structure for maize, an important staple food for the majority of South Africans, and its downstream products. An investigation of the biofuels industry was also undertaken, in particular regarding the removal of the import duty on soya beans for extracting soya bean oil for biodiesel.

The commission signed a record of understanding with its counterparts in the People's Republic of China. This provides for better dialogue around anti-dumping investigations. The commission also finalised an import and export control policy. Since many import control measures are applied on behalf of other government departments, the commission continued discussions with these departments about rationalising the permit issuing process.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of import control permits issued	18 700	17 738	14 789	13 500	12 100	11 500	10 300
Number of export control permits issued	4 100	3 895	5 008	4 500	3 800	4 200	3 950
Number of duty credit certificates issued	1 247	3 473	1 400	1 500	1 675	1 775	1 847

Expenditure estimates

Table 32.11 International Trade Administration Commission

	Audited outcome			Estimated outcome	Medium-term estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	**266**	**558**	**830**	**836**	**861**	**887**	**914**
Sale of goods and services other than capital assets	–	–	18	–	–	–	–
of which:							
Other sales	–	–	*18*	–	–	–	–
Other non-tax revenue	266	558	812	836	861	887	914
Transfers received	**43 828**	**46 458**	**49 245**	**55 707**	**58 427**	**61 314**	**64 993**
Total revenue	**44 094**	**47 016**	**50 075**	**56 543**	**59 288**	**62 201**	**65 907**
Expenses							
Current expense	**37 173**	**44 172**	**48 635**	**49 104**	**54 829**	**58 120**	**61 543**
Compensation of employees	23 902	27 623	31 223	31 478	36 420	38 605	40 922
Goods and services	11 274	15 138	15 563	16 480	17 469	18 517	19 628
Depreciation	1 943	1 373	1 829	1 131	930	990	988
Interest, dividends and rent on land	54	38	20	15	10	8	5
Total expenses	**37 173**	**44 172**	**48 635**	**49 104**	**54 829**	**58 120**	**61 543**
Surplus / (Deficit)	**6 921**	**2 844**	**1 440**	**7 439**	**4 459**	**4 081**	**4 364**
Acquisition of assets	**933**	**1 431**	**2 014**	**–**	**1 416**	**650**	**581**

Expenditure trends

ITAC's source of revenue is the transfer payments received from the Department of Trade and Industry; which increased from R43.8 million in 2004/05 to R55.7 million in 2007/08, at an average annual rate of 8.3 per cent. Transfers will further increase to R64.9 million in 2010/11, reflecting average annual growth of 5.3 per cent from 2007/08.

Expenditure amounted to R37.2 million in 2004/05, rising by an average annual rate of 9.7 per cent to R49.1 million in 2007/08. Over the medium term, expenditure increases by an average annual rate of

7.8 per cent from 2007/08 to R61.5 million in 2010/11. Much of this increase is in the compensation of employees, which increases at an average annual rate of 9.1 per cent, from R31.5 million in 2007/08 to R40.9 million in 2010/11 and accounts for 65.9 per cent of total expenditure.

Khula Enterprise Finance

Established in 1996 as an independent and specialised agency within the Department of Trade and Industry, Khula Enterprise Finance operates as a financial facilitator for the development of South Africa's rapidly growing small and medium enterprises sector. Khula is a wholesale finance institution that has well developed ties in the public and private sectors. Through these channels (including commercial banks, retail financial institutions, specialist funds and joint ventures in which Khula is a shareholder), Khula plays a role as a complementary financial institution for the SME sector, bridging finance gaps in the commercial financial sector. Khula is also registered as an insurer under the Insurance Amendment Act (2003), and is governed by the regulations of the Financial Services Board. It is an independent, limited liability company with its own board of directors.

In 2006/07, Khula approved a record R746 million in loans to channel partners, significantly higher than the R462 million approved in 2005/06 and representing an increase of more than 60 per cent. Business loan approvals to retail financial intermediaries comprised 40 per cent of the total funds approved, up from 14 per cent in 2005/06, and for the first time exceeded approvals of the credit indemnity product distributed by banks (36 per cent). Disbursements to channel partners increased from R329 million in 2005/06 to R343 million in 2006/07. Net profit for 2006/07 grew to R31 million, from R22 million in 2005/06, representing an increase of R9 million or 41 per cent.

In 2007/08 Khula's focus was on growing the value of approvals and disbursements to its SME financing partners by introducing new products and channels and on growing the level of business it does in existing partnerships. While approvals did not increase in 2007/08, it is projected that the value of disbursements will have increased to R655 million, an increase of 91 per cent.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of disbursements to SMEs	1 665	1 859	3 558	3 550	3 905	4 296	4 725
Value of loan approvals	R471m	R462m	R746m	R736m	R810m	R890m	R980m
Value of disbursements	R308m	R316m	R343m	R655m	R551m	R605m	R666m
Percentage of priority provinces receiving SME financing	38%	41%	30%	40%	45%	45%	45%
Percentage of black owned SMEs receiving financing	50%	86%	65%	70%	70%	70%	70%
Percentage of women owned SMEs receiving financing	48%	29%	32%	45%	45%	45%	45%

Expenditure trends

Revenue includes transfer payments from the Department of Trade and Industry, which increase from R25 million in 2004/05 to R70.4 million in 2010/11, at an average annual rate of 18.8 per cent. Over the medium term, expenditure is set to fall marginally. The department provides funding each year to ensure Khula is adequately capitalised. Total revenue is expected to increase from R133.8 million in 2004/05 to R159.7 million in 2010/11, representing average annual growth of 3 per cent.

The increase in net profit was a result of increased revenue earned on business loans and financing activities. Revenue increased to R37 million representing a 26 per cent growth. Revenues derived from investments and significant growth in the fair values of investment properties also contributed to the improved financial picture. The value of the investment property portfolio grew by 6 per cent to R151.5 million from R142.8 million in 2005/06. Core business commitments at year end totalled R467 million and the capital base grew to just below R1.2 billion from R1.1 billion in 2005/06.

Expenditure is expected to increase from R113.2 million in 2004/05 to R177.3 million in 2010/11, at an average annual rate of 7.8 per cent. The main increase is under goods and services, which are expected to increase at an average annual rate of 7.4 per cent, from R86.2 million in 2004/05 to R132.6 million in 2010/11. Compensation of employees also more than doubles over the period under review, from R20.7 million in 2004/05 to R42.6 million in 2010/11, at an average annual rate of 12.8 per cent, as Khula focuses on building the skills and human capacity to conduct its business more effectively.

National Consumer Tribunal

The National Consumer Tribunal was established by the National Credit Act (2005) to adjudicate in a wide variety of applications and is responsible for hearing cases against credit providers that contravene the act. The tribunal is empowered to issue fines.

In 2006/07, the National Consumer Tribunal was in the process of being established. In 2007/08, it was involved in: setting up its systems and processes and appointing staff; capacity building workshops and reference group sessions on applying the act; and publishing the rules. The tribunal received one application, which is a consent order, and a pre-conference hearing was held. Communicating the role and mandate of the tribunal within credit regulation in South Africa has also been an important focus. The tribunal has marketed itself as well as the processes for lodging applications and referrals.

Over the medium term, the tribunal will focus on a number of objectives, including ensuring that its institutional arrangements and focus are aligned with international best practice, ensuring that the institution itself is in line with legislative requirements, and improving networking and regulatory consistency.

Selected performance indicators

Indicator	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Percentage of successful business models on institutional arrangements and substantive focus areas aligned with international best practice implemented	–	–	–	50%	80%	90%	100%
Number of joint education programmes with provinces and local offices	–	–	–	3	6	9	9
Number of reference papers based on analyses of the cases	–	–	–	4 (100%)	8 (100%)	12 (100%)	10 (100%)
Number of complaints and enquiries responded to	–	–	–	150 (100%)	300 (100%)	400 (100%)	450 (100%)

Expenditure trends

Revenue is dominated by transfer payments from the Department of Trade and Industry. Revenue is expected to increase from R7.4 million in 2008/09 to R8.4 million in 2010/11, an average annual increase of 6.6 per cent. These transfers will be spent on compensation of employees and goods and services at the same rate that revenue increases, resulting in a balanced budget.

National Credit Regulator

The National Credit Regulator (NCR) was established in June 2006 by the National Credit Act (2005) to regulate the South African consumer credit industry and support credit consumers. As a statutory body, the functions and powers of the NCR are defined in the act. The NCR developed out of the Micro Finance Regulatory Council, whose regulatory mandate came to an end in 2006/07, and whose assets, liabilities and staff were transferred to the NCR.

In a joint project with the Department of Trade and Industry, the former MFRC had been involved in a pilot debt relief programme from 2003. The project served as a basis for the implementation of debt counselling by the NCR. In 2006/07, a manual for debt counselling and training materials were developed and training service providers accredited. 162 information workshops were presented to introduce prospective debt counsellors and other stakeholders (including credit providers and credit bureaus) to the concepts in debt counselling.

In September 2006, all sections of the National Credit Act relating to credit bureaus and credit information came into effect. 8 credit bureaus were registered by March 2007. In November 2006, the regulations relating to data removal were published, which provide for a once-off removal of specified categories of consumer credit information. The regulations give consumers an opportunity to clear their credit records.

Selected performance indicators

Indicators	Annual performance				
	Past	Current	Projected		
	2006/07	2007/08	2008/09	2009/10	2010/11
Average turnaround time in days for approval of registration after receipt of all required information	15	15	15	15	15
Average turnaround time in days to resolve a complaint					
- 50% of complaints	30	30	30	30	30
- 25% of complaints	60	60	60	60	60
- balance of complaints	90	90	90	90	90
Number of consumers reached	43 780	21 890	21 890	16 890	14 890
Number of debt counsellors	–	–	300	400	600

Expenditure trends

The National Credit Regulator's revenue is mainly from administration fees charged to registered credit providers, credit bureaus and debt counsellors, and transfers received from the Department of Trade and Industry. Transfers received from the Dti are relatively stable but increase from R37.8 million in 2006/07, when the NCR was established, to R39 million in 2010/11. Augmenting the transfers from the department, the NCR earns fees from registered credit providers, credit bureaus and debt counsellors. The funding model of the NCR is based on a 40:60 proportion between revenue from these two sources respectively. Both total revenue and total expenditure are expected to grow at an average annual 5.6 per cent, from R69 million in 2007/08 to R81.3 million in 2010/11.

Compensation of employees makes provision for full capacity levels and increases at an average annual rate of 10.4 per cent, from R26.9 million in 2007/08 to R36.2 million in 2010/11, based on current projections of operations, and inclusive of normal yearly inflationary pressures. Goods and services fluctuate over the medium term with registrants' fees increasing from R28 million in 2007/08 to R31.1 million in 2010/11, and costs of education and communication decreasing between 2009/10 and 2010/11 as the need for intensive education of consumers lessens as levels of awareness of consumer issues have improved.

National Empowerment Fund

The National Empowerment Fund (NEF) was established in terms of the National Empowerment Fund Act (1998). The NEF is a development finance institution and public entity that reports to the Minister of Trade and Industry. The NEF is mandated to be an investment catalyst to support broad based black economic empowerment (BEE).

Within the NEF's fund management division, the NEF has two different funds, differentiated by the complexity and size of the funding applications they handle. The iMbewu fund is designed to promote the creation of new businesses and the provision of expansion capital to early stage businesses. It aims to cultivate a culture of entrepreneurship by offering debt, quasi-equity and equity finance from R250 000 to R5 million (in exceptional cases up to R20 million for procurement contracts) for all entrepreneurial products. The corporate fund provides complex investment debt and equity solutions from R5 million to R100 million for all products. The NEF's asset management division provides retail savings products to groups of broad based black beneficiaries based on the transfer of state allocated investments by government to the NEF. The objective is to encourage a savings and investment culture among black people.

In 2007, there was a strong increase in fund management activities, as well as non-financial support activities to buttress application quality and post-investment sustainability. The NEF also received an increasing number of requests for advice on economic transformation from other parts of Africa.

In 2007, the corporate fund disbursed 11 transactions of R187 million with a further 7 transactions of R98 million in the legal drafting stage, against its target of 17 transactions of R240 million. The iMbewu fund disbursed 12 transactions of R32 million with a further 8 transactions and R34 million in the legal drafting stage, against its target of 33 transactions of R133 million. The first major transactions on the preferential procurement product for contracts won by entrepreneurs came through the iMbewu fund. By September 2007, the NEF had disbursed a total of R552 million to 96 applicants, with a further R132 million committed to 9 applicants. 65 per cent of funding has been disbursed to black males and 35 per cent to black females.

In June 2007, the asset management division gained approval for release of the NEF's Asonge share scheme, designed to transfer half of the NEF's MTN share portfolio to targeted investment and savings groups. In accordance with the provisions of the Broad-Based Black Economic Empowerment Act (2003), the NEF offered these shares exclusively to black beneficiaries. More than 12 million MTN shares at a value of R890 million were transferred. The current market value of the shares is R1.3 billion. The retail offer was oversubscribed by 13 per cent, an indication of the interest and demand for investment products of this nature.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of loans, quasi-equity and equity finance deals granted to BEE businesses	10	52	23	60	66	73	80
Value of loans, quasi-equity and equity finance granted to BEE businesses	R20m	R251m	R219m	R450m	R495m	R544.5m	R599m

Expenditure estimates

Table 32.12 National Empowerment Fund

	Audited outcome			Estimated outcome	Medium-term estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	**39 058**	**65 171**	**104 555**	**120 814**	**273 000**	**242 690**	**336 000**
Other non-tax revenue	39 058	65 171	104 555	120 814	273 000	242 690	336 000
Transfers received	**10 000**	**40 000**	**66 023**	**100 000**	**107 000**	**116 000**	**22 960**
Total revenue	**49 058**	**105 171**	**170 578**	**220 814**	**380 000**	**358 690**	**358 960**
Expenses							
Current expense	**26 163**	**61 697**	**58 803**	**111 582**	**130 926**	**127 155**	**147 274**
Compensation of employees	15 456	25 148	37 123	57 511	68 095	71 373	75 942
Goods and services	9 294	35 719	20 678	52 432	59 336	52 287	68 069
Depreciation	1 413	827	1 002	1 639	3 495	3 495	3 263
Interest, dividends and rent on land	–	3	–	–	–	–	–
Total expenses	**26 163**	**61 697**	**58 803**	**111 582**	**130 926**	**127 155**	**147 274**
Surplus / (Deficit)	**22 895**	**43 474**	**111 775**	**109 232**	**249 074**	**231 535**	**211 686**
Balance sheet data							
Carrying value of assets	1 781	2 970	2 421	10 264	10 533	7 802	5 237
of which: Acquisition of assets	*1 002*	*2 017*	*452*	*8 978*	*3 764*	*764*	*698*
Investments	1 051 751	1 526 214	2 407 351	2 206 100	2 908 100	3 783 100	4 608 100
Loans	–	153 042	338 744	–	–	–	–
Receivables and prepayments	1 474	19 139	24 284	2 276	3 000	3 000	3 000
Cash and cash equivalents	217 416	400 122	792 958	1 787 263	1 646 458	1 321 891	711 142
Total assets	**1 272 422**	**2 101 487**	**3 565 758**	**4 005 903**	**4 568 091**	**5 115 793**	**5 327 479**
Capital and reserves	1 268 705	2 087 339	3 551 018	3 993 085	4 555 091	5 102 793	5 314 479
Borrowings	–	2 964	–	–	–	–	–
Trade and other payables	1 542	11 184	14 740	12 818	13 000	13 000	13 000
Provisions	2 175	–	–	–	–	–	–
Total equity and liabilities	**1 272 422**	**2 101 487**	**3 565 758**	**4 005 903**	**4 568 091**	**5 115 793**	**5 327 479**

Expenditure trends

Revenue is made up of transfers received from the Department of Trade and Industry and other revenue from dividends from investments, interest received from banks and interest received from originated loans. Transfers received from the department amount are R419.9 million for 2008/09 (R312.9 million for capital and R107 million for current expenditure), R430.7 million for 2009/10 (R314.7 million for capital and R116 million for current expenditure) and R23 million for 2010/11 for current expenditure. The significant decrease in funding in 2010/11 results from the phasing out of the budgetary allocations to fund operational costs. After the allocations in 2008/09 and 2009/10, the NEF will be fully capitalised and should thereafter be able to self-finance its operations. Total revenue is anticipated to increase from R220.8 million in 2007/08 to R359 million in 2010/11, an average annual increase of 17.6 per cent.

Expenditure is projected to increase by an average annual 9.7 per cent over the MTEF period, from R111.6 million in 2007/08 to R147.3 million in 2010/11. NEF's investments are projected to increase from R1.1 billion in 2004/05 to R4.6 billion in 2010/11, at an average annual rate of 27.9 per cent over the period under review. Capital and reserves also increase considerably, in tandem with rising investment, increasing at an average annual rate of 27 per cent, from R1.3 billion in 2004/05 to R5.3 billion in 2010/11.

National Gambling Board

The National Gambling Board (NGB) was established in terms of the National Gambling Act (2004) to provide a regulatory framework and uniform norms and standards, maintain the integrity of the industry, and ensure harmonisation of national and provincial legislation in the gambling and gaming industry. The NGB also ensures transformation in the economic participation of investors.

The NGB hosted a conference in April 2006 where role-players discussed the overarching challenges facing the industry. The conference also launched the results of a research project on the socioeconomic impact of legalised gambling in South Africa. In 2007/08, the NGB began drafting interactive gambling legislation and established the South African Advisory Council on Responsible Gambling to promote responsible gambling. 1 301 people and 2 832 learners received training in responsible gambling.

The horseracing and betting forum finalised the uniform set of operational rules for totalisator operators. The draft document is currently undergoing a legal review. A report on the review of the tax structure on fixed odds sport betting has also been accepted. This will mean that taxation on fixed odds sport betting will be changed to taxation on gross profits.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of oversight inspections conducted	–	1	3	9	9	9	9
Number of Financial Intelligence Centre inspections conducted	5	32	33	76	76	84	84
Number of central electronic monitoring system audits conducted	1	10	–	1	1	1	1
Number of regulatory policies finalised	–	1	2	3	2	4	2
Number of initiatives for illegal gambling activities introduced	3	4	4	6	4	4	4

Expenditure estimates

Table 32.13 National Gambling Board of South Africa

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	**468**	**393**	**284**	**445**	**328**	**346**	**366**
Other non-tax revenue	468	393	284	445	328	346	366
Transfers received	**15 800**	**12 262**	**19 645**	**18 855**	**17 274**	**18 371**	**19 473**
Total revenue	**16 268**	**12 655**	**19 929**	**19 300**	**17 602**	**18 717**	**19 839**
Expenses							
Current expense	**12 278**	**19 361**	**20 593**	**16 864**	**17 578**	**18 710**	**19 755**
Compensation of employees	5 441	8 742	11 195	9 490	10 316	10 894	11 504
Goods and services	6 563	10 293	9 093	7 063	7 132	7 681	8 118
Depreciation	268	307	286	290	105	105	110
Interest, dividends and rent on land	6	19	19	21	25	30	23
Total expenses	**12 278**	**19 361**	**20 593**	**16 864**	**17 578**	**18 710**	**19 755**
Surplus / (Deficit)	**3 990**	**(6 706)**	**(664)**	**2 436**	**24**	**7**	**84**
Acquisition of assets	**1 836**	**342**	**965**	**622**	**760**	**310**	**429**

Expenditure trends

Transfer payments received from the Department of Trade and Industry are the National Gambling Board's main source of revenue, and increase from R18.9 million in 2007/08 to R19.5 million in 2010/11, at an average annual rate of 1.1 per cent. Total revenue is expected to increase from R16.3 million in 2004/05 to R19.8 million in 2010/11.

Expenditure increased at an average annual rate of 11.2 per cent between 2004/05 and 2007/08, from R12.3 million to R16.9 million, and is expected to rise to R19.8 million in 2010/11, an average annual rate of 5.4 per cent since 2007/08. The increase during the first period is shown in greater expenditure in compensation of employees as capacity was increased due to a broadening scope of responsibilities emanating from the implementation of the National Gambling Act (2004). This was primarily through research and information gathering functions, inspection functions, and due to increased investigating, monitoring and evaluating compliance with the act. Expenditure on goods and services increased especially in 2005/06 and 2006/07 when the national responsible gambling programme was implemented and various research projects were undertaken.

In 2007/08 it is envisaged that an impairment loss of R2 million will be written off from the assets of the organisation due to the evaluation of intangible assets. R400 000 was also de-recognised from intangible assets, also due to the evaluation of assets according to international accounting statements.

National Lotteries Board

The National Lotteries Board (NLB) was established in terms of the National Lotteries Act (1997) as amended. The board monitors and enforces the implementation of the national lottery, as well as the establishment of private lotteries and promotional competitions. In addition, it manages the National Lotteries Distribution Trust Fund (NLDTF), which distributes proceeds from its share of lottery sales to worthy causes.

The national lottery resulted in 116 new millionaires in 2006/07. Millions of South Africans have won prizes in the other six price categories. The highest level of sales recorded in any draw was R97.8 million. Since the launch of the national lottery in March 2000, 718 people have become millionaires through it. Disbursements amounted to R792 million. A study was conducted assessing the social impact of grant allocations and the performance of the NLDTF from the establishment of the national lottery to March 2006, when the tenure of the first distributing agencies came to an end, and the board completed a work management study of the grant making process, which highlights areas for improvement.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Value of operator ticket sales	R4.25bn	R4.4bn	R4.35bn	R1.47bn	R3.68bn	R3.76bn	R3.82bn
Value of contribution to NLDTF	R1.04bn	R1.24bn	R1.3bn	R500m	R1.25bn	R1.28bn	R1.3bn
Value of NLDTF grant commitments	R1.16bn	R1.19bn	R740m	R1.05bn	R1.40bn	R1.43bn	R1.45bn
Actual cash disbursed for NLDTF	R1.07bn	R1.02bn	R800	R1bn	R1.4bn	R1.43bn	R1.45bn

Expenditure estimates

Table 32.14 National Lotteries Board

	Audited outcome			Estimated outcome	Medium-term estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	**1 319 539**	**1 541 280**	**1 649 150**	**1 003 658**	**1 611 426**	**1 640 217**	**1 670 538**
Other non-tax revenue	1 319 539	1 541 280	1 649 150	1 003 658	1 611 426	1 640 217	1 670 538
Total revenue	**1 319 539**	**1 541 280**	**1 649 150**	**1 003 658**	**1 611 426**	**1 640 217**	**1 670 538**
Expenses							
Current expense	**16 985**	**20 856**	**29 839**	**41 678**	**61 446**	**65 237**	**70 558**
Compensation of employees	8 994	9 860	12 047	16 258	33 047	36 476	39 989
Goods and services	7 563	10 788	13 099	24 643	26 517	26 745	28 403
Depreciation	428	208	360	777	1 882	2 016	2 166
Interest, dividends and rent on land	–	–	4 333	–	–	–	–
Transfers and subsidies	**1 180 573**	**1 199 061**	**764 316**	**1 090 806**	**1 459 842**	**1 488 617**	**1 518 924**
Total expenses	**1 197 558**	**1 219 917**	**794 155**	**1 132 484**	**1 521 288**	**1 553 854**	**1 589 482**
Surplus / (Deficit)	**121 981**	**321 363**	**854 995**	**(128 826)**	**90 138**	**86 363**	**81 056**
Acquisition of assets	**286**	**561**	**139**	**6 090**	**1 065**	**600**	**600**

Expenditure trends

The National Lottery Board's only source of revenue is from the sale of lotto tickets and interest earned on funds received from the licence holders. Revenue increases from R1.3 billion in 2004/05 to R1.7 billion in 2010/11, at an average annual rate of 4 per cent. In 2007/08, revenue fell to R1 billion from R1.6 billion in 2006/07, due to the temporary shutdown of the national lottery in the earlier part of the year and the late establishment of the new distributing agencies. Revenue is projected to increase by 60.6 per cent, from R1 billion in 2007/08 to R1.6 billion in 2008/09, with the national lottery resuming normal operations after the appointment of the new distributing agencies.

Transfers and subsidies reflect money transferred to charities, arts and culture, and sport organisations benefiting from the National Lotteries Distribution Trust Fund. Expenditure increases from R1.2 billion in 2004/05 to R1.6 billion in 2010/11, at an average annual rate of 4.8 per cent. Current expenditure increases from R41.7 million in 2007/08 to R70.6 million in 2010/11, at an average annual rate of 19.2 per cent, due to increased organisational capacity and re-engineering of systems and procedures in order to improve overall service delivery. The systems and procedural re-engineering currently under way will facilitate accurate and reliable future performance indicators such as number of applications received, number of applications adjudicated, number of applications approved, average time in processing approved grants, number of site visits undertaken and social impact assessments.

Investments increase from R2.1 billion in 2004/05 to R3.1 billion in 2010/11, at an average annual increase of 6.5 per cent. Over the same period capital and reserves grow at an average annual rate of 9.4 per cent, from R1.8 billion to R3.1 billion.

National Metrology Institute of South Africa

The CSIR's National Metrology Laboratory became the National Metrology Institute of South Africa (NMISA) in May 2007. The NMISA is mandated by the Measurement Unit and Measurement Standards Act (2006) to: maintain the international system of units; and maintain and develop primary scientific standards of physical quantities for South Africa and compare these with other national standards to ensure global measurement equivalence. Locally, a sound measurement system is crucial for health, food health, environmental monitoring and law enforcement.

In 2007/08, NMISA participated in more than 25 international comparisons to establish measurement equivalence in all important measurement areas. Another 55 calibrations and measurement capabilities are expected to be accepted in the international database of measurement capabilities, bringing the total number of parameters officially accepted internationally to 380. Dissemination of measurement traceability to mostly accredited laboratories and industry will exceed 1 500 jobs a year. 19 of the 21 NMISA laboratories have officially been accredited to the International Organisation for Standardisation (ISO) 17025. Two laboratories have also been accredited to ISO 34 for the preparation of certified reference materials in the fields of environmental monitoring (gas primary reference mixtures) and health and safety (ethanol reference solutions for blood in alcohol analysis).

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/5	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of gazetted national standards maintained	38	39	40	40	42	44	46
Number of international comparisons	16	17	20	25	25	27	29
Number of metrologists from SADC trained	3	3	4	4	6	8	10
Number of accredited laboratories at NMISA	10	13	17	19	19	20	21
Number of interns	2	3	4	6	8	10	12
Percentage of black professionals	15%	19%	21%	28%	34%	38%	42%
Number of reference materials for the gas industry	–	–	–	5	6	7	10
Number of official membership of 10 consultative committees	6	7	8	8	9	9	10
Number of measurement traceability to SMEs provided	2	3	4	6	12	18	25

Expenditure trends

Revenue for NMISA is primarily from transfers received from the Department of Trade and Industry, which increase at an average annual rate of 6.1 per cent from R46.8 million in 2007/08 to R55.8 million in 2010/11. Other sources of revenue include grants from the CSIR and external contract income. Total revenue is expected to increase from R54.1 million to 2007/08 to R64.8 million in 2010/11, an average annual rate of 6.2 per cent.

Expenditure is projected to grow at an average annual rate of 8.1 per cent from R46.2 million in 2007/08 to R58.4 million in 2010/11. The main increase is under compensation of employees, which increases at an average annual rate of 10.1 per cent, from R27.8 million in 2007/08 to R37.1 million in 2010/11 due to the separation of this function from the CSIR and the establishment of NMISA as a separate public entity in terms of the Public Finance Management Act (1999). Between 2007/08 and 2010/11 R34.2 million will be spent on the acquisition of assets to equip the newly established entity.

Small Enterprise Development Agency

The Small Enterprise Development Agency (SEDA) was established at the end of 2004 through the merger of three organisations: Ntsika Enterprise Promotion Agency, the National Manufacturing Advisory Centre and the Community Public Private Partnership Programme. The Small Business Amendment Act (2004) mandates SEDA to integrate all government funded small enterprise support organisations across all spheres of government. In 2006/07, the Godisa Trust was integrated into SEDA and became a special programme called the SEDA technology programme. In addition, four local economic development agencies in four provinces became new Seda branches: Eastern Cape, Limpopo, Northern Cape and Mpumalanga.

SEDA has now successfully established itself in 39 districts across the 9 provinces. In addition to the 39 SEDA branches in the districts, it operates through 102 contracted enterprise information centres at the local level. The SEDA technology programme brought 13 technology centres into the SEDA network and an additional 10 were launched, established or incorporated, resulting in a total of 23 centres in 7 provinces. This network of 167 SEDA outlets in all 9 provinces provides small enterprises with access to business support and incubation services in places where these were previously unavailable. SEDA also finalised the establishment of 2 new provincial offices, in Limpopo and Western Cape, to co-ordinate its activities at a provincial level. In 2006/07, SEDA assisted more than 140 000 small enterprises or potential entrepreneurs through its branches and partners. The SEDA technology programme assisted in establishing 98 new small enterprises through its network of technology centres. The majority of clients came from the agricultural and agro-processing sector.

SEDA hosted the Small Business Tri-Nations Summit with its counterparts from India and Brazil as part of the co-operation agreements with these countries. The three institutions have started to share good practices in the development and support of small business in developing countries. SEDA also hosted the International Trade Point Federation annual general meeting and was awarded the right to host the central trade point in South Africa.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of clients accessing SEDA services	–	32 796	140 779	200 000	250 000	275 000	300 000
Number of branches established and operational	–	27	39	43	43	48	53
Number of small enterprises owners trained	–	893	1 539	12 000	15 000	20 000	25 000
Number of clients trained through the SEDA website	–	312 873	349 406	200 000	300 000	325 000	350 000

Expenditure estimates

Table 32.15 Small Enterprise Development Agency

	Audited outcome			Estimated outcome	Medium-term estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	**–**	**1 663**	**6 515**	**47 017**	**7 183**	**7 542**	**7 964**
Other non-tax revenue	–	1 663	6 515	47 017	7 183	7 542	7 964
Transfers received	**–**	**198 746**	**331 959**	**317 849**	**527 517**	**568 512**	**618 033**
Total revenue	**–**	**200 409**	**338 474**	**364 866**	**534 700**	**576 054**	**625 997**
Expenses							
Current expense	**–**	**171 948**	**301 535**	**364 866**	**534 700**	**576 054**	**625 997**
Compensation of employees	–	51 688	118 569	138 433	171 755	188 931	207 824
Goods and services	–	117 809	174 303	218 943	353 965	376 336	405 230
Depreciation	–	1 959	6 243	7 490	8 980	10 787	12 943
Interest, dividends and rent on land	–	492	2 420	–	–	–	–
Total expenses	**–**	**171 948**	**301 535**	**364 866**	**534 700**	**576 054**	**625 997**
Surplus / (Deficit)	**–**	**28 461**	**36 939**	**–**	**–**	**–**	**–**
Balance sheet data							
Carrying value of assets	–	11 584	30 023	33 894	31 730	25 033	14 542
of which: Acquisition of assets	*–*	*1 803*	*25 940*	*11 361*	*6 816*	*4 090*	*2 452*
Inventory	–	453	350	100	50	–	–
Receivables and prepayments	–	3 758	17 763	35 800	45 500	25 800	25 800
Cash and cash equivalents	–	79 001	160 645	104 890	75 425	85 125	88 477
Total assets	**–**	**94 796**	**208 781**	**174 684**	**152 705**	**135 958**	**128 819**
Capital and reserves	–	41 929	94 304	75 890	75 890	75 890	75 890
Trade and other payables	–	50 881	99 854	74 765	55 000	45 000	28 900
Provisions	–	1 986	14 623	24 029	21 815	15 068	24 029
Total equity and liabilities	**–**	**94 796**	**208 781**	**174 684**	**152 705**	**135 958**	**128 819**

Expenditure trends

Revenue is dominated by transfers received from the Department of Trade and Industry, local government, and local and international donors. These transfers increase from R198.7 million in 2005/06 to R618 million in 2010/11, at an average annual rate of 25.5 per cent. Part of these transfer amounts consist of the transfer payments received from the department, which are expected to increase at an average annual rate 9.9 per cent from R187.6 million to R300.5 million over the same period.

Total expenditure increases at an average annual rate of 19.7 per cent from R364.9 million in 2007/08 to R626 million in 2010/11. Expenditure is mainly on goods and services, which increase from R117.8 million in 2005/06 to R405.2 million in 2010/11 and compensation of employees, which increases substantially from R51.7 million in 2005/06 to R207.8 million in 2010/11. These increases mainly cover the establishment of SEDA offices in the various provinces.

South African Bureau of Standards

The South African Bureau of Standards (SABS) is a statutory authority formally recognised and enabled through the Standards Act (1993). The SABS provides value added standardisation services that uplift the African standard and empower South African industry to compete for increased market access. The SABS thus contributes to the economic growth of South Africa and Africa as a whole within a framework that protects consumers and the environment by promoting uncompromised products and services quality.

The act is currently being reviewed by the Department of Trade and Industry. Two separate pieces of legislation for two separate bodies is being considered to separate the roles of the regulator from those of the body responsible for setting standards and providing conformity assessment services.

In 2006/07, the SABS produced 558 new and revised standards and reduced the number of days to complete a standard from 185 in 2005/06 to 177 in 2006/07. Published standards include: biodiesel, bioethanol for blending petrol, metal containing and metal free unleaded petrol, and automotive diesel. A grant of R2.8 million has been allocated by the Department of Science and Technology to help the SABS petroleum laboratory develop biofuels test capabilities. Significant progress is being made in the nuclear energy and nanotechnology areas.

Since the inception of the SADC-SQAM (standardisation, quality assurance, accreditation and metrology) programme, the SABS has taken a leading role in driving the harmonisation of standards. The SABS became a full member of the African Regional Standardisation Organisation (ARSO) in 2006. The SABS was made more accessible through its new online web-store, which was officially launched at the SABS conference in October 2006.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of South African national standards developed	882	884	558	450	500	550	600
Number of days taken to produce a standard	263	185	177	300	300	300	300
Percentage of South African national standard harmonised with international standards	68%	68%	56%	65%	70%	75%	78%
Number of requests for information on standards	32 000*	42 956	36 724	36 000	40 000	45 000	48 000
Value of investigation, tests and services revenue	R171.7m	R176m	R194.5m	R193.8m	R219.1m	R229.9m	R251.9m
Value of product and service certification revenue	R85.8m	R92.9m	R105.6m	R136.6m	R160.9m	R168.9m	R185.1m
Number of test reports	372 642	400 465	429 219	454 410	516 129	541 935	569 032
Number of accredited laboratories	48	52	56	60	69	72	84

** Estimates*

Expenditure estimates

Table 32.16 SA Bureau of Standards (SABS)

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	**340 916**	**381 795**	**448 163**	**444 391**	**403 150**	**426 196**	**452 304**
Sale of goods and services other than capital assets *of which:*	330 227	360 594	414 837	434 506	395 677	415 146	440 729
Admin fees	*63 705*	*81 169*	*102 439*	*90 980*	*–*	*–*	*–*
Sales by market establishments	*266 522*	*279 425*	*312 398*	*343 526*	*395 677*	*415 146*	*440 729*
Other non-tax revenue	10 689	21 201	33 326	9 885	7 473	11 050	11 575
Transfers received	**98 099**	**102 734**	**126 446**	**138 612**	**139 508**	**143 731**	**152 355**
Total revenue	**439 015**	**484 529**	**574 609**	**583 003**	**542 658**	**569 927**	**604 659**
Expenses							
Current expense	**403 289**	**459 668**	**507 804**	**554 968**	**506 788**	**540 423**	**582 159**
Compensation of employees	216 395	262 813	303 305	354 865	321 487	338 921	368 705
Goods and services	168 784	178 822	182 921	179 270	163 587	178 555	189 161
Depreciation	16 654	16 216	19 029	19 175	20 084	21 267	22 543
Interest, dividends and rent on land	1 456	1 817	2 549	1 658	1 630	1 680	1 750
Transfers and subsidies	**12 196**	**5 567**	**5 203**	**4 934**	**4 850**	**4 536**	**5 141**
Total expenses	**426 747**	**464 272**	**508 333**	**559 902**	**511 638**	**544 959**	**587 300**
Surplus / (Deficit)	**12 268**	**20 257**	**66 276**	**23 101**	**31 020**	**24 968**	**17 359**
Tax payment	11 262	(963)	(4 674)	–	–	–	–
Acquisition of assets	**12 741**	**34 396**	**37 637**	**30 402**	**103 503**	**197 613**	**46 825**

Expenditure trends

Revenue comprises income from services provided for the certification, testing and inspection of products for compliance with safety standards and sale of publications, as well as transfers received from the Department of Trade and Industry for research, which both increase steadily over the period under review. Total revenue increases from R439 million in 2004/05 to R604.7 million in 2010/11. The increase in consumer spending resulted in increased revenues in the electro-technical and automotive clusters.

Expenditure increases from R426.7 million in 2004/05 to a projected R587.3 million in 2010/11 with main spending in compensation of employees. Between 2007/08 and 2010/11, R378.3 million will be spent on the acquisition of assets, mainly to replace old and redundant laboratory equipment and to upgrade the existing SABS offices.

South African Micro-Finance Apex Fund

The South African Micro-Finance Apex Fund (SAMAF) is a departmental trading entity and became operational in April 2006. The fund provides wholesale funding and capacity building support to on-lending financial intermediaries, thus ensuring the provision of affordable financial services to the enterprising poor in South Africa. SAMAF is responsible for developing sustainable financial intermediaries to improve the reach of financial services to the enterprising poor through wholesale funding and facilitating training for micro-entrepreneurs and financial intermediaries. SAMAF's long term goal is to build a vibrant micro-finance industry ensuring the growth of micro and small businesses and thus the reduction of poverty and unemployment.

In 2006/07, SAMAF focused on establishing itself by recruiting critical staff, establishing the office infrastructure, developing products and services, refining strategy, and developing and aligning policies and procedures to do business. So far, SAMA has approved R55.2 million and disbursed R19.5 million to 31 financial intermediaries (partner organisations) countrywide. These include 28 financial service co-operatives and 3 micro-finance and micro-credit institutions. SAMAF has reached 18 500 ordinary people through its loan extension programme and mobilising micro-credit to people who could not easily access finance. The fund has offices in all provinces.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Value of poverty alleviation and enterprise development loans disbursed to financial Intermediaries	–	–	R9.1m	R25.4m	R23.1m	R23m	R26m
Number of members benefiting from loans	–	–	4 346	9 000	10 500	12 500	14 000

Expenditure trends

SAMAF received R130 million from the Department of Trade and Industry during 2006/07 for the establishment of the fund. Of this amount only R35.6 million is reflected in the income statement. The balance is captured in the balance sheet as deferred income. Thereafter, transfer payments from the department to SAMAF are expected to increase by an average annual rate of 5.3 per cent from R84 million in 2007/08 to R98 million in 2010/11 (portions of these transfers are also included in the balance sheet as deferred income). Allocations received from the department are currently the main source of income for SAMAF. Expenditure for 2007/08 amounted to R65.4 million and is expected to increase to R79.6 million in 2010/11, an average annual increase of 6.8 per cent over the MTEF period.

South African National Accreditation System

The South African National Accreditation System (SANAS) was mandated by the Accreditation for Conformity Assessment, Calibration and Goods Laboratory Practice Act (1994). SANAS is recognised by government as the single national accreditation body that gives formal recognition that laboratories, certification bodies, inspection bodies, proficiency testing scheme providers and good laboratory practice test facilities comply with internationally accepted criteria and are competent to carry out specific tasks.

There are currently 174 calibration laboratories, 196 testing laboratories, 161 verification laboratories, 268 medical laboratories, 189 blood transfusion laboratories, 8 veterinary laboratories, 5 pharmaceutical laboratories, 5 good laboratory practice test centres, 2 good clinical practice test centres, 22 certification bodies, 4 proficiency testing schemes, and 107 inspection bodies that have received SANAS accreditation.

SANAS has also been mandated by the Department of Trade and Industry to accredit BEE verification agencies, and substantial progress has been made in training assessors and aspirant BEE verification agencies. Applications have been processed for the first batch of applicants and pre-assessments were completed in October 2007. SANAS also plays an active role in SADC as part of the technical infrastructure required to make the SADC trade protocol a reality.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Percentage of applications processed within agreed timescales	–	–	–	–	100%	100%	100%
Number of administrative employees per assessor unit	–	–	–	–	1:100	1:100	1:100
Number of assessors per accredited facility	–	–	–	–	1:5	1:5	1:5

Expenditure trends

The two main sources of revenue are from fees charged to accredited facilities and transfers received from the Department of Trade and Industry. Transfers received increase at an average annual rate of 11.6 per cent, from R9 million in 2004/05 to R12.5 million in 2007/08, and increase further to R14.9 million in 2010/11, an average annual increase of 6 per cent from 2007/08. The fees charged to accredited facilities serving various industries increase at an average annual rate of 9.7 per cent, from R15.7 million in 2007/08 to R20.7 million in 2010/11. Total revenue is expected to increase from R20.9 million in 2004/05 to R34.2 million in 2007/08, an average annual increase of 17.9 per cent. It increases further to R40 million in 2010/11, at an average annual rate of 5.4 per cent.

Expenditure increased from R19 million in 2004/05 to R33.9 million in 2007/08, at an average annual rate of 21.3 per cent and is expected to grow to R39.5 million for 2010/11. The increase in expenditure is mainly due to the optimal sizing of SANAS's staff complement after extensive international benchmarking, which will ensure SANAS' sustainability going forward.

The South African Quality Institute

The South African Quality Institute (SAQI) is the national body that co-ordinates the quality effort in South Africa. SAQI was registered in 1993 as a section 21 company and acts as a global go-between to facilitate business connections, two-way trade and the exchange of information. SAQI's mission is to play a leading role in establishing and sustaining a national quality infrastructure that serves the economic system and makes South African trade competitive both locally and internationally. It also provides technical support to SMMEs and industry through promoting quality and standards and implementing systems.

SAQI trained more than 600 delegates from companies as far afield as Swaziland, Namibia and the DRC, and increased the number of delegates trained by 5 per cent in 2007/08. Quality and standards workshops were conducted in 6 of the 9 provinces. Basic quality awareness training was offered to more than 400 SMMEs in Limpopo, Eastern Cape, Gauteng, and Free State. SAQI also conducted quality and standards compliance health checks on 25 SMMEs. SAQI was tasked by the Department of Trade and Industry to spearhead a national technical intervention for a small shoe manufacturing enterprise in the Free State town of Qwa-Qwa as part of the presidential imperatives programme. Part of the intervention was to train 50 factory workers in basic quality awareness, assess the enterprise's compliance with good manufacturing practices, product specification and ISO 9001:2000, and recognise small step improvements.

SAQI piloted the Five Pillar quality schools model in 5 schools in 2006/07 and increased the number of schools supported to 20 in 2007/08. A quality in schools newsletter that reached about 3 000 school principles was piloted. SAQI has made the design of national quality management unit standards a priority area for the South African Quality Authority and Services SETA, and together the organisations will be establishing a National Quality and Conformity Assessment Chamber Board in 2008. SAQI completed basic quality training for 300 small businesses in KwaZulu-Natal, Free State and Northern Cape. It also managed 3 SMME quality and standards workshops in Gauteng in partnership with the Gauteng Enterprise Propeller (GEP), with 191 SMMEs attending.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of standards and quality workshops conducted	10	10	10	10	33	35	40
Number of small enterprises trained	200	300	400	450	500	550	600
Number of SMMEs supported with direct system implementation	–	10	5	10	100	100	120
Number of SMMEs supported with conformity assessment	–	–	–	–	150	150	200
Number of quality information booklets distributed to all SEDA information centres	–	–	–	–	5 000	10 000	15 000

Expenditure trends

SAQI's total revenue increases from R4.2 million in 2004/05 to R27 million in 2010/11, at an average annual rate of 36.1 per cent. Expenditure also increases from R5.5 million in 2004/05 to a projected R26.6 million in 2010/11, which represents an average annual increase of 30 per cent. The increases in revenue and expenditure are mainly as a result of the expected increase in the number of small businesses that requires SAQI support across the 9 provinces.

Additional tables

Table 32.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited	Appropriation			Revised
	Main	Adjusted	outcome	Main	Additional	Adjusted	estimate
R thousand	2006/07		2006/07	2007/08			2007/08
1. Administration	326 802	323 069	278 914	361 367	(17 488)	343 879	331 279
2. International Trade and Economic Development	129 219	133 067	123 872	140 680	–	140 680	136 180
3. Enterprise and Industry Development	1 234 917	1 590 064	1 554 871	1 769 219	38 803	1 808 022	1 806 485
4. Consumer and Corporate Regulation	146 355	153 407	149 515	147 098	7 871	154 969	150 204
5. The Enterprise Organisation	1 420 169	1 466 169	1 434 265	2 082 806	621 432	2 704 238	2 593 738
6. Trade and Investment South Africa	322 263	220 914	197 441	260 111	(1 617)	258 494	272 494
7. Marketing	86 188	55 338	65 842	84 302	(15 151)	69 151	55 651
Total	**3 665 912**	**3 942 028**	**3 804 720**	**4 845 583**	**633 850**	**5 479 433**	**5 346 031**

Economic classification							
Current payments	**769 869**	**790 636**	**659 021**	**871 828**	**(76 773)**	**795 055**	**772 153**
Compensation of employees	300 929	303 434	283 591	323 457	(12 749)	310 708	322 708
Goods and services	468 940	487 202	367 290	548 371	(64 024)	484 347	449 445
Financial transactions in assets and liabilities	–	–	8 140	–	–	–	–
Transfers and subsidies	**2 887 190**	**3 119 064**	**3 118 381**	**3 956 163**	**696 528**	**4 652 691**	**4 542 191**
Provinces and municipalities	166	58 433	58 361	–	–	–	–
Departmental agencies and accounts	1 043 785	1 353 063	1 369 077	1 419 291	30 999	1 450 290	1 450 290
Universities and technikons	–	–	6 000	–	2	2	2
Public corporations and private enterprises	1 811 159	1 676 021	1 649 529	2 512 475	657 880	3 170 355	3 059 855
Foreign governments and international organisations	22 832	25 780	20 082	22 037	4 091	26 128	26 128
Non-profit institutions	9 248	4 747	14 747	2 360	2 640	5 000	5 000
Households	–	1 020	585	–	916	916	916
Payments for capital assets	**8 853**	**32 328**	**27 318**	**17 592**	**14 095**	**31 687**	**31 687**
Buildings and other fixed structures	–	6 006	4 005	–	4 426	4 426	4 426
Machinery and equipment	7 071	24 636	15 807	15 720	8 329	24 049	24 049
Software and intangible assets	1 782	1 686	7 506	1 872	1 340	3 212	3 212
Total	**3 665 912**	**3 942 028**	**3 804 720**	**4 845 583**	**633 850**	**5 479 433**	**5 346 031**

Table 32.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
A. Permanent and full-time contract employees							
Compensation (R thousand)	202 920	228 449	277 116	303 910	368 247	388 902	429 553
Unit cost (R thousand)	217	208	234	255	309	286	311
Personnel numbers (head count)	934	1 098	1 182	1 193	1 193	1 360	1 381
B. Part-time and temporary contract employees							
Compensation (R thousand)	–	–	4 639	4 870	5 114	5 369	5 500
Unit cost (R thousand)	–	–	43	27	28	43	42
Personnel numbers (head count)	–	–	108	180	180	125	130
C. Interns							
Compensation of interns	1 026	2 106	1 836	1 928	2 025	2 126	2 200
Unit cost (R thousand)	54	54	54	77	53	53	44
Number of interns	19	39	34	25	38	40	50
Total for department							
Compensation (R thousand)	**203 946**	**230 555**	**283 591**	**310 708**	**375 386**	**396 397**	**437 253**
Unit cost (R thousand)	**214**	**203**	**214**	**222**	**266**	**260**	**280**
Personnel numbers (head count)	**953**	**1 137**	**1 324**	**1 398**	**1 411**	**1 525**	**1 561**

Table 32.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Compensation of employees (R thousand)	203 946	230 555	283 591	310 708	375 386	396 397	437 253
Training expenditure (R thousand)	3 668	12 183	3 202	963	2 524	2 787	2 758
Training as percentage of compensation	2%	5%	1%	0%	1%	1%	1%
Total number trained in department (head count)	1 267	790	450	545			
of which:							
Employees receiving bursaries (head count)	121	117	74	105			
Learnerships trained (head count)	–	–	15	20			
Households receiving bursaries (R thousand)	–	–	300	780	1 200	1 800	2 400
Households receiving bursaries (head count)	–	–	5	13			

Table 32.D Summary of conditional grants to provinces and municipalities[1]

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Conditional grants to provinces							
5. The Enterprise Organisation							
Industrial development zones grant	–	–	58 200	–	–	–	–
Total	**–**	**–**	**58 200**	**–**	**–**	**–**	**–**

1. Detail provided in the Division of Revenue Act (2008).

Table 32.E Summary of expenditure on infrastructure

Description	Service delivery outputs	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Infrastructure transfers to other spheres, agencies and departments								
Coega Development Corporation		55 375	58 873	249 812	725 963	635 636	865 951	500 000
East London Industrial Development Zone (Pty) Limited		37 668	17 682	130 000	124 850	154 030	251 131	–
Richards Bay Industrial Development Zone Company		–	–	34 800	1	44 690	68 905	–
Critical infrastructure programme		34 996	24 946	88 213	66 427	107 005	120 807	125 655
Critical infrastructure programme: ALCAN		–	–	–	300 000	–	–	–
Total		**128 039**	**101 501**	**502 825**	**1 217 241**	**941 361**	**1 306 794**	**625 655**

Table 32.F Summary of departmental public-private partnership projects

R thousand	Project unitary fee at time of contract	Budgeted expenditure 2007/08	Medium-term expenditure estimate 2008/09	2009/10	2010/11
Projects signed in terms of Treasury Regulation 16	**99 461**	**129 494**	**138 033**	**145 014**	**152 135**
PPP unitary charge	99 461	129 174	135 633	142 414	149 535
Advisory fees	–	320	2 400	2 600	2 600
Total	**99 461**	**129 494**	**138 033**	**145 014**	**152 135**
Brief description	Providing of office accomodation to the dti				
Date PPP agreement was signed	23 August 2003				
Duration of PPP agreement	25 Years				
Escalation index for unitary fee	Escalated Yearly with CPIX in June				
Variations/amendments to PPP agreement	None to date				
Cost implications of variations/amendments	None to date				

Table 32.G Summary of departmental public-private partnership projects

R thousand	Project unitary fee at time of contract	Budgeted expenditure 2007/08	Medium-term expenditure estimate 2008/09	2009/10	2010/11
Projects signed in terms of Treasury Regulation 16	**–**	**3 121**	**3 433**	**3 777**	**4 154**
PPP unitary charge [1]	–	3 121	3 433	3 777	4 154
Total	**–**	**3 121**	**3 433**	**3 777**	**4 154**

1. Phavis fleet services PPP. Disclosure notes for this project can be viewed in the PPP annexure table of the Department of Transport.