

# Vote 25

## Economic Development

### Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	86.5	82.8	–	3.7	92.2	98.1
Growth Path and Social Dialogue	34.4	33.8	–	0.6	37.0	39.8
Investment, Competition and Trade	951.7	18.6	932.9	0.2	887.1	929.3
<b>Total expenditure estimates</b>	<b>1 072.6</b>	<b>135.2</b>	<b>932.9</b>	<b>4.5</b>	<b>1 016.2</b>	<b>1 067.2</b>

Executive authority

Minister of Economic Development

Accounting officer

Director General of Economic Development

Website address

[www.economic.gov.za](http://www.economic.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.*

### Vote purpose

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

### Mandate

The Economic Development Department was established in 2009 and has assumed responsibilities relating to the creation of decent employment through inclusive growth, as captured in outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework. This includes the implementation of certain aspects of the National Development Plan (NDP), the new growth path and the national infrastructure plan, as well as the framework's outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 7 (comprehensive rural development and land reform).

The department is also responsible for five public entities, comprising three regulatory bodies (the Competition Commission, the Competition Tribunal and the International Trade Administration Commission of South Africa) and two development finance institutions (the Industrial Development Corporation of South Africa and the Small Enterprise Finance Agency).

In line with these responsibilities, the department's mandate includes the administration of the following legislation:

- the Industrial Development Corporation Act (1940)
- the Competition Act (1998)
- the International Trade Administration Act (2002)
- the Infrastructure Development Act (2014).

## Selected performance indicators

**Table 25.1 Performance indicators by programme and related outcome**

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of analytical and public policy advocacy reports on socioeconomic development and the new growth path produced per year	Growth Path and Social Dialogue	Outcome 4: Decent employment through inclusive growth	6	5	4	4	4	4	4
Number of spatial, local and provincial initiatives to promote employment, empowerment and development per year	Growth Path and Social Dialogue		6	9	8	10	10	10	10
Number of quarterly Cabinet-level progress reports on strategic integrated projects per year	Investment, Competition and Trade		72	72	72	64	64	64	64
Number of infrastructure projects unblocked, fast-tracked or facilitated per year	Investment, Competition and Trade		14	22	9	14	14	14	14
Number of Cabinet and presidential infrastructure coordinating committee strategic decisions on infrastructure implemented per year	Investment, Competition and Trade		5	8	5	4	4	4	4
Number of ministerial and departmental oversight engagements with the Industrial Development Corporation held per year	Investment, Competition and Trade		4	8	4	4	4	4	4
Number of ministerial/parliamentary monitoring reports on the funding impact of development finance institutions produced per year	Investment, Competition and Trade		4	6	4	4	4	4	4
Number of ministerial and departmental oversight engagements with trade and competition authorities held per year	Investment, Competition and Trade		-1	7	8	5	5	5	5

1. No historical data available.

## Expenditure analysis

Chapter 3 of the National Development Plan (NDP) details a long-term vision for South Africa's economic growth trajectory. This vision is expressed in terms of outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term expenditure framework, which is closely aligned with the work of the Economic Development Department. Over the medium term, the department intends to focus on supporting provinces' economic planning, facilitating interventions in infrastructure initiatives, and providing strategic support to development finance institutions and regulatory bodies.

Transfers to the department's entities account for the bulk of its total expenditure over the MTEF period. As a result of Cabinet's approved reductions of R38.9 million to the department's total budget over the period, transfers and subsidies to the Small Enterprise Finance Agency are expected to be reduced by R25.5 million, and transfers to the International Trade Administration Commission by R8.3 million. The allocation to the *Administration* programme for goods and services is expected to be reduced by R5.1 million. To mitigate the impact of these reductions, the department plans to reduce spending on non-core items such as catering, venues and facilities, and communication. Due to the labour intensive nature of the department's work, compensation of employees is the second largest spending area, accounting for a projected 9.4 per cent (R383.5 million) of its total budget between 2017/18 and 2020/21.

### **Supporting provinces' economic planning**

Over the MTEF period, the department expects to continue providing support to provinces and municipalities to improve their economic development plans, and assess the alignment of these plans with the NDP, the new

growth path, and government's nine point plan and 2014-2019 medium-term strategic framework. The department anticipates holding 30 coordination and planning support engagements with provincial and local governments over the medium term to align their economic plans with government's broader strategic policies. The aim of these engagements is to identify and jointly support the implementation of common initiatives such as skills development, employment creation, local procurement, greening the economy, and responses to sector-wide industrial conflict and the uncertain global economic environment. Funding for these activities is provided in the *Growth Path and Social Dialogue* programme, allocations to which are set to increase at an average annual rate of 6.6 per cent, from R32.8 million in 2017/18 to R39.8 million in 2020/21.

#### ***Facilitating interventions in infrastructure initiatives***

Through the Presidential Infrastructure Coordinating Commission's secretariat, the department provides support for the implementation of the national infrastructure plan and its 18 strategic integrated projects, which include the construction of power plants, schools, health care facilities, roads, ports, water pipelines and bus route systems. Over the medium term, the secretariat expects to continue working closely with other regulatory departments to unblock or facilitate applications for permits or licences to accelerate the implementation of projects in the national infrastructure plan. During this period, the department plans to unblock 42 infrastructure projects ranging from easing regulatory challenges to ensuring municipal services are made available for new and existing investments. The secretariat's work is allocated R45.8 million over the MTEF period, budgeted for in the *Competition and Trade* programme.

#### ***Providing strategic support to development finance institutions and regulatory bodies***

The department oversees development finance institutions and trade and competition authorities to enhance their impact on economic transformation, job creation and industrial development. Through the *Investment, Competition and Trade* programme, the department plans to transfer 85.8 per cent (R2.7 billion) of its total budget over the medium term to the entities within its portfolio. The Competition Commission is set to receive the largest transfer over the MTEF period, amounting to R909.7 million.

Over the medium term, through the Industrial Development Corporation, the department plans to implement a settlement agreement that was reached in 2016 between the state and seven construction companies following investigations by the Competition Commission that found the activities of these companies to be in contravention of the Competition Act (1998). In terms of this agreement, the companies will collectively contribute R490 million to the Tirisano Construction Fund Trust over the MTEF period, and R1.5 billion over 12 years. The objectives of the trust are to: contribute to the transformation of the construction industry through the development and promotion of construction firms owned and managed by black people; provide bursary funding to previously disadvantaged people in the fields of engineering, building science or quantity surveying; provide bursaries to previously disadvantaged people training to be artisans; support and enhance mathematics and science education at public schools; fund the department's social infrastructure build programmes; and appoint professionals to provide government with assistance in engineering, project management and other services. As a result of the construction companies' contributions to the trust through the department's vote, the department's baseline budget is expected to increase at an average annual rate of 5.3 per cent, from R914.2 million in 2017/18 to R1.1 billion in 2020/21. The trust is expected to fund an estimated 75 engineers and 135 artisans through its bursary scheme over the medium term, and more than 24 000 learners are expected to benefit from the mathematics and science programme. The trust is also expected to support 12 emerging contractors through its enterprise and contractor development programme.

## Expenditure trends

**Table 25.2 Vote expenditure trends by programme and economic classification**

Programmes														
1. Administration														
2. Growth Path and Social Dialogue														
3. Investment, Competition and Trade														
Programme														
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	79.5	94.9	87.4	83.2	83.2	83.1	79.2	89.2	90.4	80.7	86.5	86.5	107.7%	98.2%
Programme 2	38.3	20.9	22.0	27.9	27.9	26.7	36.0	33.1	27.8	35.6	32.8	32.8	79.3%	95.4%
Programme 3	579.1	581.1	585.5	774.7	774.7	773.9	559.4	552.3	546.9	681.0	795.0	795.0	104.1%	99.9%
<b>Total</b>	<b>696.9</b>	<b>696.9</b>	<b>694.9</b>	<b>885.8</b>	<b>885.8</b>	<b>883.7</b>	<b>674.7</b>	<b>674.7</b>	<b>665.1</b>	<b>797.2</b>	<b>914.2</b>	<b>914.2</b>	<b>103.4%</b>	<b>99.6%</b>
Change to 2017 Budget estimate										117.0				
Economic classification														
<b>Current payments</b>	<b>160.8</b>	<b>132.0</b>	<b>116.3</b>	<b>150.3</b>	<b>140.9</b>	<b>128.4</b>	<b>143.0</b>	<b>142.5</b>	<b>133.5</b>	<b>139.8</b>	<b>139.3</b>	<b>139.3</b>	<b>87.1%</b>	<b>93.3%</b>
Compensation of employees	107.8	76.9	75.7	96.1	87.8	79.4	94.0	94.0	85.0	90.1	90.0	90.0	85.1%	94.7%
Goods and services	53.0	55.0	40.6	54.2	53.1	49.0	49.0	48.5	48.5	49.7	49.2	49.2	91.0%	91.0%
<b>Transfers and subsidies</b>	<b>533.9</b>	<b>560.5</b>	<b>575.9</b>	<b>733.2</b>	<b>742.3</b>	<b>750.4</b>	<b>528.8</b>	<b>528.8</b>	<b>528.8</b>	<b>656.2</b>	<b>773.3</b>	<b>773.3</b>	<b>107.2%</b>	<b>100.9%</b>
Departmental agencies and accounts	291.3	291.6	306.8	326.8	330.8	338.8	315.7	315.7	315.7	387.5	387.5	387.5	–	–
Public corporations and private enterprises	242.6	268.8	268.8	406.4	411.4	411.4	213.1	213.1	213.1	268.8	385.8	385.8	113.1%	100.0%
Non-profit institutions	–	–	0.1	–	–	–	–	–	–	–	–	–	–	–
Households	–	–	0.2	–	0.1	0.2	–	–	0.1	–	0.0	0.0	–	422.7%
<b>Payments for capital assets</b>	<b>2.2</b>	<b>4.4</b>	<b>2.7</b>	<b>2.2</b>	<b>2.6</b>	<b>4.9</b>	<b>2.9</b>	<b>3.4</b>	<b>2.8</b>	<b>1.2</b>	<b>1.7</b>	<b>1.7</b>	<b>141.9%</b>	<b>100.0%</b>
Machinery and equipment	1.7	4.0	2.7	1.8	2.1	3.4	2.5	3.3	1.5	0.8	1.4	1.4	134.3%	83.8%
Software and other intangible assets	0.5	0.5	–	0.5	0.5	1.6	0.4	0.1	1.3	0.4	0.3	0.3	170.1%	230.6%
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>100.0%</b>
<b>Total</b>	<b>696.9</b>	<b>696.9</b>	<b>694.9</b>	<b>885.8</b>	<b>885.8</b>	<b>883.7</b>	<b>674.7</b>	<b>674.7</b>	<b>665.1</b>	<b>797.2</b>	<b>914.2</b>	<b>914.2</b>	<b>103.4%</b>	<b>99.6%</b>

## Expenditure estimates

**Table 25.3 Vote expenditure estimates by programme and economic classification**

Programmes								
1. Administration								
2. Growth Path and Social Dialogue								
3. Investment, Competition and Trade								
Programme								
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
Programme 1	86.5	-3.0%	11.0%	86.5	92.2	98.1	4.3%	8.9%
Programme 2	32.8	16.3%	3.5%	34.4	37.0	39.8	6.6%	3.5%
Programme 3	795.0	11.0%	85.5%	951.7	887.1	929.3	5.3%	87.5%
<b>Total</b>	<b>914.2</b>	<b>9.5%</b>	<b>100.0%</b>	<b>1 072.6</b>	<b>1 016.2</b>	<b>1 067.2</b>	<b>5.3%</b>	<b>100.0%</b>
Change to 2017 Budget estimate	(117.0)			227.9	112.0	111.3		
Economic classification								
<b>Current payments</b>	<b>139.3</b>	<b>1.8%</b>	<b>16.4%</b>	<b>135.2</b>	<b>144.5</b>	<b>154.3</b>	<b>3.5%</b>	<b>14.1%</b>
Compensation of employees	90.0	5.4%	10.5%	90.8	97.7	105.0	5.3%	9.4%
Goods and services	49.2	-3.7%	5.9%	44.4	46.8	49.3	0.1%	4.7%
<b>Transfers and subsidies</b>	<b>773.3</b>	<b>11.3%</b>	<b>83.2%</b>	<b>932.9</b>	<b>867.0</b>	<b>907.8</b>	<b>5.5%</b>	<b>85.5%</b>
Departmental agencies and accounts	387.5	9.9%	42.7%	419.1	450.5	475.3	7.0%	42.6%
Public corporations and private enterprises	385.8	12.8%	40.5%	513.8	416.5	432.5	3.9%	43.0%
Households	0.0	–	0.0%	–	–	–	-100.0%	0.0%
<b>Payments for capital assets</b>	<b>1.7</b>	<b>-27.3%</b>	<b>0.4%</b>	<b>4.5</b>	<b>4.7</b>	<b>5.1</b>	<b>44.0%</b>	<b>0.4%</b>
Machinery and equipment	1.4	-28.6%	0.3%	4.0	4.2	4.6	46.9%	0.4%
Software and other intangible assets	0.3	-18.1%	0.1%	0.5	0.5	0.5	25.8%	0.0%
<b>Total</b>	<b>914.2</b>	<b>9.5%</b>	<b>100.0%</b>	<b>1 072.6</b>	<b>1 016.2</b>	<b>1 067.2</b>	<b>5.3%</b>	<b>100.0%</b>

## Expenditure trends and estimates for significant spending items

**Table 25.4 Expenditure trends and estimates for significant spending items**

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Competition											
Commission	198 212	231 045	208 541	258 354	9.2%	28.4%	281 788	305 576	322 383	7.7%	28.7%
Competition Tribunal	19 911	19 102	20 115	30 041	14.7%	2.8%	35 086	37 051	39 089	9.2%	3.5%
International Trade Administration	88 374	88 701	87 001	99 065	3.9%	11.5%	102 191	107 913	113 848	4.7%	10.4%
Commission											
Small Enterprise Finance Agency	242 608	407 103	213 124	223 780	-2.7%	34.4%	228 837	241 453	254 733	4.4%	23.3%
<b>Total</b>	<b>549 105</b>	<b>745 951</b>	<b>528 781</b>	<b>611 240</b>	<b>25.1%</b>	<b>77.1%</b>	<b>647 902</b>	<b>691 993</b>	<b>730 053</b>	<b>26.0%</b>	<b>65.9%</b>

## Goods and services expenditure trends and estimates

**Table 25.5 Vote goods and services expenditure trends and estimates**

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	523	794	466	597	4.5%	1.3%	358	376	394	-12.9%	0.9%
Advertising	6 138	2 705	444	770	-49.9%	5.4%	1 243	1 312	1 385	21.6%	2.5%
Minor assets	62	174	42	65	1.6%	0.2%	138	145	153	33.0%	0.3%
Audit costs: External	3 037	2 669	2 609	3 221	2.0%	6.2%	3 447	3 640	3 840	6.0%	7.5%
Bursaries: Employees	97	209	270	132	10.8%	0.4%	331	331	330	35.7%	0.6%
Catering: Departmental activities	410	1 351	244	1 088	38.4%	1.7%	426	472	511	-22.3%	1.3%
Communication	1 471	1 130	1 668	1 640	3.7%	3.2%	1 853	1 955	2 062	7.9%	4.0%
Computer services	1 612	326	779	1 015	-14.3%	2.0%	899	946	998	-0.6%	2.0%
Consultants: Business and advisory services	372	833	1 807	1 494	59.0%	2.4%	2 957	3 055	3 223	29.2%	5.7%
Legal services	3 355	6 636	18 918	10 020	44.0%	20.8%	12 253	12 925	13 604	10.7%	25.7%
Contractors	237	460	96	1 083	65.9%	1.0%	634	667	702	-13.5%	1.6%
Agency and support/outsourced services	202	21	280	238	5.6%	0.4%	238	252	266	3.8%	0.5%
Entertainment	9	-	1	23	36.7%	-	25	26	27	5.5%	0.1%
Fleet services (including government motor transport)	1 085	917	1 059	807	-9.4%	2.1%	721	760	801	-0.2%	1.6%
Inventory: Clothing material and accessories	429	-	-	155	-28.8%	0.3%	112	119	125	-6.9%	0.3%
Inventory: Materials and supplies	4	-	-	12	44.2%	-	8	8	8	-12.6%	-
Inventory: Medical supplies	-	-	-	-	-	-	4	4	4	-	-
Consumable supplies	100	98	112	172	19.8%	0.3%	176	186	196	4.5%	0.4%
Consumables: Stationery, printing and office supplies	1 035	703	656	1 445	11.8%	2.1%	862	900	948	-13.1%	2.2%
Operating leases	9 185	10 924	9 592	13 689	14.2%	23.2%	10 521	11 122	11 734	-5.0%	24.8%
Rental and hiring	10	90	-	31	45.8%	0.1%	121	127	133	62.5%	0.2%
Property payments	-	-	-	43	-	-	47	49	51	5.9%	0.1%
Transport provided: Departmental activity	1	55	-	25	192.4%	-	27	28	29	5.1%	0.1%
Travel and subsistence	9 561	11 295	6 964	8 693	-3.1%	19.5%	6 008	6 349	6 721	-8.2%	14.6%
Training and development	221	348	808	1 037	67.4%	1.3%	211	243	183	-43.9%	0.9%
Operating payments	1 068	987	1 421	1 144	2.3%	2.5%	629	653	692	-15.4%	1.6%
Venues and facilities	343	6 263	239	579	19.1%	4.0%	187	174	184	-31.8%	0.6%
<b>Total</b>	<b>40 567</b>	<b>48 988</b>	<b>48 475</b>	<b>49 218</b>	<b>6.7%</b>	<b>100.0%</b>	<b>44 436</b>	<b>46 824</b>	<b>49 304</b>	<b>0.1%</b>	<b>100.0%</b>

## Transfers and subsidies expenditure trends and estimates

Table 25.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	211	150	30	29	-48.4%	-	-	-	-	-100.0%	-
Households	211	150	30	29	-48.4%	-	-	-	-	-100.0%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	306 820	338 848	315 657	387 460	8.1%	51.3%	419 065	450 540	475 320	7.0%	49.8%
Public Service Sector Education and Training Authority	323	-	-	-	-100.0%	-	-	-	-	-	-
Competition Commission	198 212	231 045	208 541	258 354	9.2%	34.1%	281 788	305 576	322 383	7.7%	33.6%
Competition Tribunal	19 911	19 102	20 115	30 041	14.7%	3.4%	35 086	37 051	39 089	9.2%	4.1%
International Trade Administration Commission	88 374	88 701	87 001	99 065	3.9%	13.8%	102 191	107 913	113 848	4.7%	12.2%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	9	1	35	-	-100.0%	-	-	-	-	-	-
Households	9	1	35	-	-100.0%	-	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	60	-	-	-	-100.0%	-	-	-	-	-	-
Non-profit organisations	60	-	-	-	-100.0%	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	268 845	411 397	213 124	385 780	12.8%	48.7%	513 837	416 453	432 482	3.9%	50.2%
Small Enterprise Finance Agency	268 845	406 397	213 124	223 780	-5.9%	42.3%	228 837	241 453	254 732	4.4%	27.3%
Industrial Development Corporation	-	5 000	-	162 000	-	6.4%	285 000	175 000	177 750	3.1%	23.0%
<b>Total</b>	<b>575 945</b>	<b>750 396</b>	<b>528 846</b>	<b>773 269</b>	<b>10.3%</b>	<b>100.0%</b>	<b>932 902</b>	<b>866 993</b>	<b>907 802</b>	<b>5.5%</b>	<b>100.0%</b>

## Personnel information

Table 25.7 Vote personnel numbers and cost by salary level and programme<sup>1</sup>

Programmes		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2018		Medium-term expenditure estimate															Average growth rate (%)	Average: Salary level/Total (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			2018/19			2019/20			2020/21					2017/18 - 2020/21
		2016/17	Unit	Cost	2017/18	Unit	Cost	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
<b>Economic Development</b>	<b>134</b>	<b>1</b>	<b>122</b>	<b>85.0</b>	<b>0.7</b>	<b>122</b>	<b>90.0</b>	<b>0.7</b>	<b>125</b>	<b>90.8</b>	<b>0.7</b>	<b>125</b>	<b>97.7</b>	<b>0.8</b>	<b>125</b>	<b>105.0</b>	<b>0.8</b>	<b>0.8%</b>	<b>100.0%</b>
Salary level	134	1	122	85.0	0.7	122	90.0	0.7	125	90.8	0.7	125	97.7	0.8	125	105.0	0.8	0.8%	100.0%
1-6	19	-	18	4.6	0.3	18	5.0	0.3	18	5.4	0.3	18	5.8	0.3	18	6.3	0.3	-	14.5%
7-10	36	-	36	15.7	0.4	36	17.2	0.5	36	17.8	0.5	36	19.2	0.5	36	20.8	0.6	-	29.0%
11-12	34	-	30	22.3	0.7	30	22.7	0.8	30	21.3	0.7	30	23.1	0.8	30	25.0	0.8	-	24.1%
13-16	43	1	36	37.3	1.0	36	40.9	1.1	39	43.1	1.1	39	46.1	1.2	39	49.3	1.3	2.7%	30.8%
Other	2	-	2	5.1	2.6	2	4.3	2.2	2	3.2	1.6	2	3.4	1.7	2	3.7	1.8	-	1.6%
<b>Programme</b>	<b>134</b>	<b>1</b>	<b>122</b>	<b>85.0</b>	<b>0.7</b>	<b>122</b>	<b>90.0</b>	<b>0.7</b>	<b>125</b>	<b>90.8</b>	<b>0.7</b>	<b>125</b>	<b>97.7</b>	<b>0.8</b>	<b>125</b>	<b>105.0</b>	<b>0.8</b>	<b>0.8%</b>	<b>100.0%</b>
Programme 1	79	1	70	44.1	0.6	70	44.9	0.6	72	42.7	0.6	72	46.0	0.6	72	49.4	0.7	0.9%	57.5%
Programme 2	28	-	27	25.9	1.0	27	29.5	1.1	28	32.3	1.2	28	34.8	1.2	28	37.4	1.3	1.2%	22.3%
Programme 3	27	-	25	15.0	0.6	25	15.6	0.6	25	15.8	0.6	25	17.0	0.7	25	18.3	0.7	-	20.1%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

## Departmental receipts

**Table 25.8 Departmental receipts by economic classification**

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
<b>Departmental receipts</b>	<b>50 367</b>	<b>50 296</b>	<b>137 336</b>	<b>137 271</b>	<b>137 271</b>	<b>39.7%</b>	<b>100.0%</b>	<b>260 354</b>	<b>145 397</b>	<b>145 451</b>	<b>1.9%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>85</b>	<b>35</b>	<b>30</b>	<b>21</b>	<b>21</b>	<b>-37.3%</b>	<b>-</b>	<b>49</b>	<b>57</b>	<b>66</b>	<b>46.5%</b>	<b>-</b>
Sales by market establishments	85	35	17	14	14	-45.2%	-	35	40	45	47.6%	-
of which:												
Rental: Parking	85	35	17	14	14	-45.2%	-	35	40	45	47.6%	-
Other sales	-	-	13	7	7	-	-	14	17	21	44.2%	-
of which:												
Commission on insurance garnishee	-	-	13	7	7	-	-	14	17	21	44.2%	-
Fines, penalties and forfeits	-	-	117 000	117 000	117 000	-	62.4%	125 000	125 000	125 000	2.2%	85.8%
<b>Interest, dividends and rent on land</b>	<b>50 237</b>	<b>50 278</b>	<b>20 259</b>	<b>20 200</b>	<b>20 200</b>	<b>-26.2%</b>	<b>37.6%</b>	<b>20 250</b>	<b>20 280</b>	<b>20 320</b>	<b>0.2%</b>	<b>14.1%</b>
Interest	237	278	259	200	200	-5.5%	0.3%	250	280	320	17.0%	0.2%
Dividends	50 000	50 000	20 000	20 000	20 000	-26.3%	37.3%	20 000	20 000	20 000	-	14.0%
of which:												
Dividends from the Industrial Development Corporation	50 000	50 000	20 000	20 000	20 000	-26.3%	37.3%	20 000	20 000	20 000	-	14.0%
Transactions in financial assets and liabilities	45	(17)	47	50	50	3.6%	-	55	60	65	9.1%	-
<b>Total</b>	<b>50 367</b>	<b>50 296</b>	<b>137 336</b>	<b>137 271</b>	<b>137 271</b>	<b>39.7%</b>	<b>100.0%</b>	<b>145 354</b>	<b>145 397</b>	<b>145 451</b>	<b>1.9%</b>	<b>100.0%</b>

## Programme 1: Administration

### Programme purpose

Provide strategic leadership, management and support services to the department.

### Expenditure trends and estimates

**Table 25.9 Administration expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
<b>Total</b>	<b>87.4</b>	<b>83.1</b>	<b>90.4</b>	<b>86.5</b>	<b>-0.4%</b>	<b>100.0%</b>	<b>86.5</b>	<b>92.2</b>	<b>98.1</b>	<b>4.3%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				5.8			7.2	7.5	7.9		
<b>Economic classification</b>	<b>74.5</b>	<b>80.0</b>	<b>87.6</b>	<b>85.2</b>	<b>4.6%</b>	<b>94.2%</b>	<b>82.8</b>	<b>88.3</b>	<b>93.9</b>	<b>3.3%</b>	<b>96.4%</b>
<b>Current payments</b>											
Compensation of employees	39.5	41.7	44.1	44.9	4.3%	49.0%	42.7	46.0	49.4	3.3%	50.4%
Goods and services <sup>1</sup>	35.0	38.3	43.5	40.3	4.8%	45.2%	40.1	42.3	44.5	3.4%	46.0%
of which:											
Audit costs: External	3.0	2.7	2.6	3.2	2.0%	3.3%	3.4	3.6	3.8	6.0%	3.9%
Communication	1.3	1.1	1.3	1.1	-4.2%	1.4%	1.6	1.7	1.8	16.1%	1.7%
Consultants: Business and advisory services	0.4	0.6	0.5	0.4	4.8%	0.5%	2.2	2.3	2.5	82.9%	2.0%
Legal services	3.4	6.6	18.8	10.0	44.0%	11.2%	12.3	12.9	13.6	10.7%	13.4%
Operating leases	9.2	10.9	9.6	13.7	14.2%	12.5%	10.5	11.1	11.7	-5.0%	13.0%
Travel and subsistence	7.1	9.0	5.3	5.9	-5.6%	7.8%	5.1	5.3	5.6	-1.8%	6.0%
<b>Transfers and subsidies<sup>1</sup></b>	<b>10.5</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>-86.0%</b>	<b>3.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Departmental agencies and accounts	10.4	-	-	-	-100.0%	3.0%	-	-	-	-	-
Households	0.1	0.1	0.1	0.0	-28.7%	0.1%	-	-	-	-100.0%	-

**Table 25.9 Administration expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
<b>Payments for capital assets</b>	<b>2.4</b>	<b>3.0</b>	<b>2.7</b>	<b>1.3</b>	<b>-19.7%</b>	<b>2.7%</b>	<b>3.7</b>	<b>3.9</b>	<b>4.2</b>	<b>49.5%</b>	<b>3.6%</b>
Machinery and equipment	2.4	3.0	1.5	1.1	-23.1%	2.3%	3.7	3.9	4.2	55.6%	3.5%
Software and other intangible assets	–	0.1	1.3	0.2	–	0.4%	0.0	0.1	0.1	-29.8%	0.1%
<b>Total</b>	<b>87.4</b>	<b>83.1</b>	<b>90.4</b>	<b>86.5</b>	<b>-0.4%</b>	<b>100.0%</b>	<b>86.5</b>	<b>92.2</b>	<b>98.1</b>	<b>4.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>12.6%</b>	<b>9.4%</b>	<b>13.6%</b>	<b>9.5%</b>	<b>–</b>	<b>–</b>	<b>8.1%</b>	<b>9.1%</b>	<b>9.2%</b>	<b>–</b>	<b>–</b>
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
Current	10.1	–	–	–	-100.0%	2.9%	–	–	–	–	–
Competition Commission	10.1	–	–	–	-100.0%	2.9%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Programme 2: Growth Path and Social Dialogue

### Programme purpose

Strengthen the economic development capacity of government. Align economic development policies aimed at broadening participation in the economy to create decent work opportunities.

### Objectives

- Coordinate job drivers, sector/spatial projects and the implementation of the new growth path for job creation, inclusive growth, industrialisation and social inclusion by ensuring regular reviews of systemic obstacles over the medium term.
- Increase employment at the sectoral and workplace levels through the facilitation of social dialogue and the implementation of social accords; and support productivity, innovation and entrepreneurship by engaging in public policy forums over the medium term.

### Subprogrammes

- *Growth Path and Job Drivers* monitors and supports the unblocking of job drivers in the new growth path as central to the implementation of the NDP, and engages with the relevant structures.
- *Social Dialogue, Productivity and Innovation* supports social dialogue to address workplace, sectoral and national economic requirements.

### Expenditure trends and estimates

**Table 25.10 Growth Path and Social Dialogue expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Growth Path and Job Drivers	12.8	16.8	19.7	24.5	24.2%	67.4%	22.4	24.0	25.8	1.8%	67.1%
Social Dialogue, Productivity and Innovation	9.3	9.9	8.1	8.4	-3.3%	32.6%	12.1	13.0	14.0	18.6%	32.9%
<b>Total</b>	<b>22.0</b>	<b>26.7</b>	<b>27.8</b>	<b>32.8</b>	<b>14.2%</b>	<b>100.0%</b>	<b>34.4</b>	<b>37.0</b>	<b>39.8</b>	<b>6.6%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				(2.8)			(5.2)	(5.4)	(5.7)		

**Table 25.10 Growth Path and Social Dialogue expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
<b>Current payments</b>	<b>21.8</b>	<b>24.9</b>	<b>27.8</b>	<b>32.6</b>	<b>14.2%</b>	<b>97.9%</b>	<b>33.8</b>	<b>36.4</b>	<b>39.1</b>	<b>6.3%</b>	<b>98.5%</b>
Compensation of employees	18.4	22.3	25.9	29.5	17.1%	87.9%	32.3	34.8	37.4	8.1%	93.0%
Goods and services <sup>1</sup>	3.4	2.7	1.9	3.0	-4.0%	10.0%	1.5	1.6	1.7	-16.7%	5.5%
of which:											
<i>Catering: Departmental activities</i>	0.2	0.5	0.1	0.1	-12.1%	0.8%	0.1	0.1	0.1	-5.7%	0.3%
<i>Communication</i>	0.1	0.0	0.2	0.2	33.2%	0.4%	0.2	0.2	0.2	-2.0%	0.5%
<i>Computer services</i>	1.2	0.0	0.5	0.5	-26.7%	2.0%	0.4	0.4	0.4	-4.5%	1.2%
<i>Rental and hiring</i>	0.0	–	–	0.0	6.3%	–	0.1	0.1	0.1	109.3%	0.2%
<i>Travel and subsistence</i>	1.2	1.1	0.8	1.4	6.3%	4.1%	0.3	0.4	0.4	-33.6%	1.7%
<i>Operating payments</i>	0.1	0.1	0.1	0.1	-9.2%	0.3%	0.1	0.1	0.1	3.8%	0.3%
<b>Transfers and subsidies<sup>1</sup></b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>–</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Households	0.1	0.1	0.0	–	-100.0%	0.2%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>0.1</b>	<b>1.7</b>	<b>0.0</b>	<b>0.3</b>	<b>26.3%</b>	<b>1.9%</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>35.6%</b>	<b>1.5%</b>
Machinery and equipment	0.1	0.2	0.0	0.2	6.2%	0.4%	0.2	0.2	0.2	6.4%	0.5%
Software and other intangible assets	–	1.5	–	0.1	–	1.5%	0.4	0.4	0.5	63.7%	1.0%
<b>Total</b>	<b>22.0</b>	<b>26.7</b>	<b>27.8</b>	<b>32.8</b>	<b>14.2%</b>	<b>100.0%</b>	<b>34.4</b>	<b>37.0</b>	<b>39.8</b>	<b>6.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>3.2%</b>	<b>3.0%</b>	<b>4.2%</b>	<b>3.6%</b>	<b>–</b>	<b>–</b>	<b>3.2%</b>	<b>3.6%</b>	<b>3.7%</b>	<b>–</b>	<b>–</b>

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Programme 3: Investment, Competition and Trade

### Programme purpose

Coordinate infrastructure development. Provide oversight and coordinate policy regarding identified development finance institutions and economic regulatory bodies.

### Objectives

- Promote investments, expand industrial funding and entrepreneurship, and improve the performance of development finance institutions by ensuring that these institutions support the development of industrial and small, medium and micro enterprises (SMMEs) over the medium term.
- Promote competition, trade and other economic regulation by ensuring the promotion of the effective management of competition authorities and trade administration over the medium term.
- Coordinate infrastructure development over the medium term by:
  - providing regular reports on each strategic infrastructure project
  - unblocking specific projects
  - providing secretariat support to the presidential infrastructure coordinating commission.

### Subprogrammes

- *Development Investment, Industrial Funding and Entrepreneurship* focuses on unblocking productive investments and overseeing the development finance institutions that fall under the department.
- *Competition, Trade and other Economic Regulation* focuses on strengthening the economic regulators and overseeing the regulatory bodies that fall under the department.
- *Infrastructure Development Coordination* provides support to the Presidential Infrastructure Coordinating Commission in line with the Infrastructure Development Act (2014).

## Expenditure trends and estimates

Table 25.11 Investment, Competition and Trade expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Development Investment, Industrial Funding and Entrepreneurship	273.6	415.5	220.6	258.9	-1.8%	43.3%	263.1	281.0	296.6	4.6%	30.9%
Competition, Trade and other Economic Regulation	302.1	343.1	318.1	391.6	9.0%	50.2%	423.3	455.1	480.2	7.0%	49.1%
Infrastructure Development Coordination	9.8	15.3	8.1	144.5	145.5%	6.6%	265.3	151.0	152.6	1.8%	20.0%
<b>Total</b>	<b>585.5</b>	<b>773.9</b>	<b>546.9</b>	<b>795.0</b>	<b>10.7%</b>	<b>100.0%</b>	<b>951.7</b>	<b>887.1</b>	<b>929.3</b>	<b>5.3%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				114.0			225.9	109.9	109.1		
<b>Economic classification</b>											
<b>Current payments</b>	<b>19.9</b>	<b>23.4</b>	<b>18.1</b>	<b>21.5</b>	<b>2.6%</b>	<b>3.1%</b>	<b>18.6</b>	<b>19.9</b>	<b>21.3</b>	<b>-0.4%</b>	<b>2.3%</b>
Compensation of employees	17.7	15.4	15.0	15.6	-4.2%	2.4%	15.8	17.0	18.3	5.3%	1.9%
Goods and services <sup>1</sup>	2.2	8.0	3.1	5.9	39.4%	0.7%	2.8	2.9	3.0	-19.9%	0.4%
<i>of which:</i>											
Advertising	–	2.2	0.0	0.7	–	0.1%	0.5	0.5	0.6	-5.5%	0.1%
Consultants: Business and advisory services	0.0	–	1.3	1.0	262.7%	0.1%	0.7	0.7	0.7	-9.9%	0.1%
Contractors	0.1	0.0	–	0.8	147.2%	–	0.4	0.4	0.4	-20.2%	0.1%
Inventory: Clothing material and accessories	0.4	–	–	0.1	-29.1%	–	0.1	0.1	0.1	-7.9%	–
Consumables: Stationery, printing and office supplies	0.0	0.1	0.0	0.2	63.0%	–	0.1	0.1	0.1	-18.9%	–
Travel and subsistence	1.3	1.2	0.8	1.4	0.6%	0.2%	0.6	0.7	0.7	-20.5%	0.1%
<b>Transfers and subsidies<sup>1</sup></b>	<b>565.4</b>	<b>750.2</b>	<b>528.8</b>	<b>773.2</b>	<b>11.0%</b>	<b>96.9%</b>	<b>932.9</b>	<b>867.0</b>	<b>907.8</b>	<b>5.5%</b>	<b>97.7%</b>
Departmental agencies and accounts	296.4	338.8	315.7	387.5	9.3%	49.5%	419.1	450.5	475.3	7.0%	48.6%
Public corporations and private enterprises	268.8	411.4	213.1	385.8	12.8%	47.4%	513.8	416.5	432.5	3.9%	49.1%
Non-profit institutions	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Households	0.1	–	–	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>7.2%</b>	<b>–</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>6.4%</b>	<b>–</b>
Machinery and equipment	0.1	0.2	0.0	0.2	7.2%	–	0.2	0.2	0.2	6.4%	–
<b>Total</b>	<b>585.5</b>	<b>773.9</b>	<b>546.9</b>	<b>795.0</b>	<b>10.7%</b>	<b>100.0%</b>	<b>951.7</b>	<b>887.1</b>	<b>929.3</b>	<b>5.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>84.2%</b>	<b>87.6%</b>	<b>82.2%</b>	<b>87.0%</b>	<b>–</b>	<b>–</b>	<b>88.7%</b>	<b>87.3%</b>	<b>87.1%</b>	<b>–</b>	<b>–</b>
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>296.4</b>	<b>338.8</b>	<b>315.7</b>	<b>387.5</b>	<b>9.3%</b>	<b>49.5%</b>	<b>419.1</b>	<b>450.5</b>	<b>475.3</b>	<b>7.0%</b>	<b>48.6%</b>
Competition Commission	188.1	231.0	208.5	258.4	11.2%	32.8%	281.8	305.6	322.4	7.7%	32.8%
Competition Tribunal	19.9	19.1	20.1	30.0	14.7%	3.3%	35.1	37.1	39.1	9.2%	4.0%
International Trade Administration Commission	88.4	88.7	87.0	99.1	3.9%	13.4%	102.2	107.9	113.8	4.7%	11.9%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>268.8</b>	<b>411.4</b>	<b>213.1</b>	<b>385.8</b>	<b>12.8%</b>	<b>47.4%</b>	<b>513.8</b>	<b>416.5</b>	<b>432.5</b>	<b>3.9%</b>	<b>49.1%</b>
Small Enterprise Finance Agency	268.8	406.4	213.1	223.8	-5.9%	41.2%	228.8	241.5	254.7	4.4%	26.6%
Industrial Development Corporation	–	5.0	–	162.0	–	6.2%	285.0	175.0	177.8	3.1%	22.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity<sup>1</sup>

## Industrial Development Corporation

## Mandate

The Industrial Development Corporation is a national development finance institution established in terms of the Industrial Development Act (1940) with the objective of leading industrial capacity development. The corporation aligns its priorities with those identified in terms of government policies and programmes related

<sup>1</sup> This section has been compiled with the latest available information from the entity concerned.

to industrial development, including relevant elements of the NDP, the new growth path and the industrial policy action plan.

### **Selected performance indicators**

**Table 25.12 Industrial Development Corporation performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Value of funding disbursed per year	Administration	Outcome 4: Decent employment through inclusive growth	R10.9bn	R11.4bn	R11bn	R14.5bn	R17.2bn	R19.7bn	R21.9bn
Number of jobs expected to be created or saved per year	Administration		20 388	18 010	20 155	23 951	28 262	32 501	32 501
Value of funding to black industrialists signed per year	Administration		R2.1bn	R4.5bn	R4.9bn	R4.9bn	R5.5bn	R5.5bn	R5.5bn
Funding for localisation initiatives signed per year	Administration		R2.8bn	R4.7bn	R4.8bn	R4.4bn	R4.7bn	R4.9bn	R4.9bn
Turnaround time for non-complex transactions per year	Administration	Outcome 12: An efficient, effective and development oriented public service	14 days	16.5 days	17.3 days	17 days	17 days	17 days	17 days

### **Expenditure analysis**

Over the medium term, the Industrial Development Corporation will continue to focus on the development of sustainable industrial capacity, in line with outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework. Through mainly financial support mechanisms, in partnership with the private sector, the corporation promotes industrialisation in the manufacturing sector.

The corporation's strategy over the MTEF period is aimed at strengthening sectors that have significant potential for contributing to economic growth. Disbursements to priority sub-sectors such as metals and mining, chemicals and pharmaceuticals, agro-processing, and agriculture are set to increase from R14.5 billion in 2017/18 to R21.9 billion in 2020/21. As a result, 93 264 jobs are expected to be saved or created over the MTEF period. An estimated 63 per cent (R35 billion) of the corporation's expenditure over the medium term is allocated to developing value chains in the priority sectors.

The black industrialists programme, which facilitates the participation of black industrialists in productive sectors of the economy, remains a focus area for the corporation over the medium term. More than R16.5 billion over the MTEF period is expected to be provided to black industrialists who operate within the metals and mining, chemicals and pharmaceuticals and agro-processing and agriculture sectors. Since the programme's inception in 2014, funding of R11.5 billion has been provided to 185 black industrialists.

The corporation is set to derive 52.6 per cent (R42.2 billion) of its revenue over the medium term from interest income on loans. Other revenue is derived from fees and dividends from equity investments, which account for 46.4 per cent (R32.7 billion) of revenue over the period; and transfers from the department for the Small Enterprise Finance Agency, which accounts for 1 per cent. Total revenue is expected to increase at an average annual rate of 15.1 per cent over the medium term, from R18.5 billion in 2017/18 to R28.3 billion in 2020/21, mainly due to a projected increase in interest income derived from increased lending to industries and an increase in dividend income from equity investments.

## Programmes/Objectives/Activities

Table 25.13 Industrial Development Corporation expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	20 478.0	19 185.0	15 172.0	17 434.0	-5.2%	100.0%	20 744.0	22 196.0	23 750.0	10.9%	100.0%
<b>Total</b>	<b>20 478.0</b>	<b>19 185.0</b>	<b>15 172.0</b>	<b>17 434.0</b>	<b>-5.2%</b>	<b>100.0%</b>	<b>20 744.0</b>	<b>22 196.0</b>	<b>23 750.0</b>	<b>10.9%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

Table 25.14 Industrial Development Corporation statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>20 697.7</b>	<b>21 443.2</b>	<b>19 967.9</b>	<b>19 001.6</b>	<b>23 110.0</b>	<b>17 158.9</b>	<b>25 546.8</b>	<b>18 308.0</b>	<b>85.0%</b>
Sale of goods and services other than capital assets	13 629.7	14 005.2	14 615.9	12 908.6	15 670.0	9 916.9	16 555.8	9 969.0	77.4%
<i>of which:</i>									
Administrative fees	710.1	707.0	684.8	–	–	–	313.0	–	41.4%
Sales by market establishment	–	–	33.1	–	–	–	–	–	–
Other sales	12 919.6	13 298.2	13 898.0	12 908.6	15 670.0	9 916.9	16 242.8	9 969.0	78.5%
Other non-tax revenue	7 068.0	7 438.0	5 352.0	6 093.0	7 440.0	7 242.0	8 991.0	8 339.0	100.9%
<b>Transfers received</b>	<b>242.6</b>	<b>242.6</b>	<b>407.1</b>	<b>406.4</b>	<b>213.1</b>	<b>213.1</b>	<b>223.8</b>	<b>223.8</b>	<b>99.9%</b>
<b>Total revenue</b>	<b>21 011.1</b>	<b>22 131.0</b>	<b>20 375.0</b>	<b>19 408.0</b>	<b>23 276.1</b>	<b>17 372.0</b>	<b>25 770.6</b>	<b>18 531.8</b>	<b>85.6%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>19 269.9</b>	<b>20 309.0</b>	<b>20 297.6</b>	<b>18 988.0</b>	<b>21 447.8</b>	<b>15 547.0</b>	<b>22 287.9</b>	<b>17 035.0</b>	<b>86.3%</b>
Compensation of employees	887.8	885.2	926.0	840.0	887.4	811.3	817.2	1 260.7	107.9%
Goods and services	17 112.5	17 423.9	16 431.5	16 108.0	17 752.3	14 005.7	18 522.1	13 137.3	86.9%
Depreciation	495.5	598.0	576.2	723.0	618.2	730.0	649.1	730.0	118.9%
Interest, dividends and rent on land	774.2	1 402.0	2 363.9	1 317.0	2 190.0	–	2 299.5	1 907.0	60.6%
<b>Total expenses</b>	<b>19 755.2</b>	<b>20 478.0</b>	<b>20 577.9</b>	<b>19 185.0</b>	<b>21 780.1</b>	<b>15 172.0</b>	<b>22 636.8</b>	<b>17 434.0</b>	<b>85.3%</b>
<b>Surplus/(Deficit)</b>	<b>1 256.0</b>	<b>1 653.0</b>	<b>(203.0)</b>	<b>223.0</b>	<b>1 496.0</b>	<b>2 200.0</b>	<b>3 134.0</b>	<b>1 098.0</b>	
<b>Statement of financial position</b>									
Carrying value of assets	5 646.0	10 557.0	10 540.6	11 456.0	11 168.9	10 074.0	11 834.7	7 837.8	101.9%
<i>of which:</i>									
Acquisition of assets	(1 728.1)	(1 268.0)	(1 675.3)	(2 548.0)	(1 757.8)	(934.0)	(1 844.4)	(1 844.4)	94.1%
Investments	92 652.0	73 179.0	97 751.3	71 704.0	103 052.3	79 672.0	106 088.5	110 645.5	83.9%
Inventory	2 310.0	3 853.0	4 249.0	3 599.0	4 461.5	2 771.0	4 684.6	2 201.2	79.1%
Loans	33 608.0	22 412.0	17 985.0	23 928.0	16 408.7	26 673.0	17 592.9	30 936.0	121.4%
Receivables and prepayments	1 595.0	3 702.0	4 203.8	3 305.0	4 414.0	2 224.0	4 634.7	1 664.8	73.4%
Cash and cash equivalents	5 655.4	8 257.0	10 152.0	6 865.0	9 810.0	7 699.0	9 688.0	8 749.0	89.4%
Taxation	132.0	325.0	433.5	422.0	461.2	647.0	490.7	–	91.9%
Derivatives financial instruments	–	4.0	–	69.0	–	76.0	–	–	–
<b>Total assets</b>	<b>141 598.4</b>	<b>122 289.0</b>	<b>145 315.3</b>	<b>121 348.0</b>	<b>149 776.5</b>	<b>129 836.0</b>	<b>155 014.0</b>	<b>162 034.3</b>	<b>90.5%</b>
Accumulated surplus/(deficit)	39 763.4	39 187.0	40 269.9	39 717.0	42 537.3	42 143.0	45 438.7	45 438.7	99.1%
Capital and reserves	55 485.4	50 735.0	69 856.5	45 100.0	66 249.8	46 147.0	65 265.9	65 265.9	80.7%
Borrowings	33 938.0	24 049.0	23 991.7	28 022.0	29 233.9	30 470.0	31 967.4	39 466.0	102.4%
Trade and other payables	2 514.6	3 748.0	3 924.9	3 727.0	4 121.1	4 051.0	4 327.2	2 552.4	94.6%
Taxation	9 310.0	3 372.0	6 094.6	3 340.0	6 399.4	4 879.0	6 719.3	8 345.0	69.9%
Provisions	530.0	1 124.0	1 119.0	1 357.0	1 175.0	1 725.0	1 233.7	898.6	125.8%
Managed funds (e.g. poverty alleviation fund)	57.0	18.0	30.0	26.0	30.0	–	30.0	30.0	50.3%
Derivatives financial instruments	–	56.0	28.7	59.0	30.1	421.0	31.6	37.6	634.8%
<b>Total equity and liabilities</b>	<b>141 598.4</b>	<b>122 289.0</b>	<b>145 315.3</b>	<b>121 348.0</b>	<b>149 776.5</b>	<b>129 836.0</b>	<b>155 014.0</b>	<b>162 034.3</b>	<b>90.5%</b>

**Statements of estimates of financial performance and position****Table 25.15 Industrial Development Corporation statements of estimates of financial performance and position**

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate				2018/19	2019/20	2020/21	2017/18 - 2020/21	
R million	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>18 308.0</b>	<b>-5.1%</b>	<b>98.1%</b>	<b>21 438.0</b>	<b>25 460.0</b>	<b>28 006.0</b>	<b>15.2%</b>	<b>99.0%</b>
Sale of goods and services other than capital assets	9 969.0	-10.7%	60.2%	11 134.0	11 648.0	9 887.0	-0.3%	46.4%
<i>of which:</i>								
Other sales	9 969.0	-9.2%	59.4%	11 134.0	11 648.0	9 887.0	-0.3%	46.4%
Other non-tax revenue	8 339.0	3.9%	37.9%	10 304.0	13 812.0	18 119.0	29.5%	52.6%
<b>Transfers received</b>	<b>223.8</b>	<b>-2.7%</b>	<b>1.4%</b>	<b>228.8</b>	<b>241.5</b>	<b>254.7</b>	<b>4.4%</b>	<b>1.0%</b>
<b>Total revenue</b>	<b>18 531.8</b>	<b>-5.7%</b>	<b>100.0%</b>	<b>21 666.8</b>	<b>25 701.5</b>	<b>28 260.7</b>	<b>15.1%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>17 035.0</b>	<b>-5.7%</b>	<b>99.6%</b>	<b>20 339.0</b>	<b>21 786.0</b>	<b>23 335.0</b>	<b>11.1%</b>	<b>98.0%</b>
Compensation of employees	1 260.7	12.5%	5.3%	1 287.8	1 376.1	1 470.6	5.3%	6.5%
Goods and services	13 137.3	-9.0%	84.2%	15 906.8	17 144.7	21 134.4	17.2%	79.6%
Depreciation	730.0	6.9%	3.9%	730.0	730.0	730.0	0.0%	3.5%
Interest, dividends and rent on land	1 907.0	10.8%	6.2%	2 414.5	2 535.2	-	-100.0%	8.5%
<b>Total expenses</b>	<b>17 434.0</b>	<b>-5.2%</b>	<b>100.0%</b>	<b>20 744.0</b>	<b>22 196.0</b>	<b>23 750.0</b>	<b>10.9%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>1 098.0</b>			<b>923.0</b>	<b>3 505.0</b>	<b>4 511.0</b>		
<b>Statement of financial position</b>								
Carrying value of assets	7 837.8	-9.5%	7.7%	8 124.0	8 135.3	8 136.5	1.3%	4.5%
<i>of which:</i>								
Acquisition of assets	(1 844.4)	13.3%	-1.2%	(1 951.4)	(2 064.6)	(2 064.6)	3.8%	-1.1%
Investments	110 645.5	14.8%	62.1%	121 375.0	127 106.4	125 741.9	4.4%	67.8%
Inventory	2 201.2	-17.0%	2.4%	2 700.0	2 889.0	2 800.0	8.4%	1.5%
Loans	30 936.0	11.3%	19.4%	34 840.0	41 325.0	46 738.0	14.7%	21.4%
Receivables and prepayments	1 664.8	-23.4%	2.1%	1 700.0	1 700.0	1 725.0	1.2%	1.0%
Cash and cash equivalents	8 749.0	1.9%	5.9%	5 871.0	6 282.0	6 000.0	-11.8%	3.8%
Taxation	-	-100.0%	0.3%	153.0	163.7	165.0	-	0.1%
<b>Total assets</b>	<b>162 034.3</b>	<b>9.8%</b>	<b>100.0%</b>	<b>174 763.0</b>	<b>187 601.4</b>	<b>191 306.4</b>	<b>5.7%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	45 438.7	5.1%	31.3%	22 364.6	23 617.0	23 617.0	-19.6%	16.4%
Capital and reserves	65 265.9	8.8%	38.6%	98 607.2	104 129.2	104 129.2	16.8%	51.7%
Capital reserve fund	-	-	-	326.2	344.4	344.4	-	0.1%
Borrowings	39 466.0	18.0%	22.6%	45 347.1	50 826.7	54 531.7	11.4%	26.5%
Trade and other payables	2 552.4	-12.0%	2.7%	1 401.6	1 499.7	1 499.7	-16.2%	1.0%
Taxation	8 345.0	35.3%	3.6%	5 573.0	5 961.0	5 961.0	-10.6%	3.7%
Provisions	898.6	-7.2%	1.0%	1 136.4	1 215.9	1 215.9	10.6%	0.6%
Managed funds (e.g. poverty alleviation fund)	30.0	18.6%	0.0%	-	-	-	-100.0%	0.0%
Derivatives financial instruments	37.6	-12.4%	0.1%	7.0	7.5	7.5	-41.6%	0.0%
<b>Total equity and liabilities</b>	<b>162 034.3</b>	<b>9.8%</b>	<b>100.0%</b>	<b>174 763.0</b>	<b>187 601.4</b>	<b>191 306.4</b>	<b>5.7%</b>	<b>100.0%</b>

**Personnel information****Table 25.16 Industrial Development Corporation personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17	Unit cost	2017/18	Unit cost	2018/19		2019/20		2020/21				2017/18 - 2020/21					
Industrial Development Corporation		Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Unit cost					
Salary level	855	855	862	802.6	0.9	855	1 227.2	1.4	855	1 252.2	1.5	855	1 338.5	1.6	855	1 430.6	1.7	5.2%	100.0%
1-6	217	217	224	67.3	0.3	217	103.0	0.5	217	118.6	0.5	217	126.8	0.6	217	135.5	0.6	9.6%	25.4%
7-10	1	1	1	0.3	0.3	1	0.4	0.4	1	0.5	0.5	1	0.6	0.6	1	0.6	0.6	9.6%	0.1%
11-12	337	337	337	265.2	0.8	337	406.0	1.2	337	387.2	1.1	337	413.8	1.2	337	442.3	1.3	2.9%	39.4%
13-16	288	288	288	422.5	1.5	288	646.7	2.2	288	664.5	2.3	288	710.2	2.5	288	759.1	2.6	5.5%	33.7%
17-22	12	12	12	47.4	4.0	12	71.1	5.9	12	81.4	6.8	12	87.1	7.3	12	93.2	7.8	9.4%	1.4%

1. Rand million.

## Other entities

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Competition Commission** is a statutory body constituted in terms of the Competition Act (1998). It is empowered to investigate, control and evaluate restrictive business practices, including the abuse of dominant positions and mergers; and promote the advocacy of competition issues to achieve equity and efficiency in the South African economy. The commission's total budget for 2018/19 is R366.7 million.
- The **Competition Tribunal** was established in 1999 in terms of the Competition Act (1998). All large corporate mergers and allegations of restrictive practices are brought before the tribunal by the Competition Commission and interested parties for adjudication. The tribunal's total budget for 2018/19 is R55.1 million.
- The **International Trade Administration Commission of South Africa** is mandated to manage an efficient and effective trade administration system. It was established in terms of the International Trade Administration Act (2002). The commission's total budget for 2018/19 is R104.1 million.
- The **Small Enterprise Finance Agency** was established in 2012 and combines the operations of Khula Enterprise Finance, the South African Micro-Finance Apex Fund and the Industrial Development Corporation's small business operations. The agency's total budget for 2018/19 is R695.6 million.