

# Vote 32

## Trade and Industry

	2003/04 To be appropriated	2004/05	2005/06
MTEF allocations	R2 674 981 000	R2 844 345 000	R3 016 359 000
Statutory amounts	-	-	-
Responsible Minister	Minister of Trade and Industry		
Administering Department	Department of Trade and Industry		
Accounting Officer	Director-General of Trade and Industry		

### Aim

*The aim of the Department of Trade and Industry (**the dti**) is to lead and facilitate access to sustainable economic activity and employment for all South Africans through higher levels of investment, and increased access for South African products in international markets, and to create a fair, competitive and efficient market place for domestic and foreign businesses as well as for consumers. In this way **the dti** contributes towards placing the South African economy on an accelerated and shared growth path.*

### Programme purpose and measurable objectives

#### Programme 1: Administration

**Purpose:** Provide strategic leadership to the Department of Trade and Industry and associated entities as well as facilitate the successful implementation of the Department's mandate.

**Measurable objective:** To position the Department of Trade and Industry as a leading voice on the real economy and, through this, leverage strategic partners in support of the Department's objectives, through among others best practice policy analysis and management, including improved stakeholder relations and strategic partnerships.

#### Programme 2: International Trade and Economic Development

**Purpose:** Negotiate international trade agreements on a bilateral and multilateral basis within the context of a global trading environment and manage South Africa's tariff regime.

**Measurable objective:** To increase market access for South African exports in predetermined countries through the successful conclusion of trade agreements aimed at ensuring fair, predictable and where possible preferential treatment for South African products in foreign markets.

#### Programme 3: Enterprise and Industry Development

**Purpose:** Develop policies and strategies aimed at improving the overall competitiveness of the South African economy through increasing the empowerment of historically disadvantaged individuals, supporting enterprise development, ensuring greater geographic spread of economic activity and improved horizontal or generic support measures.

**Measurable objective:** To contribute to an annual increase in the value-added of production in the economy and to contribute to the de-racialisation of the economy in terms of ownership and control.

#### **Programme 4: Consumer and Corporate Regulation**

**Purpose:** Develop and manage a set of policies and regulations that promote competitive, fair, efficient and transparent markets for all economically active citizens, as well as promote regulatory compliance through education and effective enforcement.

**Measurable objective:** To increase monitoring of compliance with the regulatory framework, ensure efficient processing of regulatory transactions, and promote business certainty through the development of clear policies and regulations.

#### **Programme 5: The Enterprise Organisation**

**Purpose:** Provide incentives and other support measures that improve the competitiveness of enterprises.

**Measurable objective:** To increase investment by enterprises in infrastructure, human resource development, integrated manufacturing, technology and innovation.

#### **Programme 6: Trade and Investment South Africa**

**Purpose:** Encourage investment into South Africa, and aim to develop South Africa's capacity to export goods to various markets through export development and assistance, and to provide strategic vision for the growth of sectors and value-matrices in the economy.

**Measurable objective:** To increase levels of direct investment in eight priority sectors identified by the Department, and to increase exports of South African goods and services from the eight priority sectors.

#### **Programme 7: Marketing**

**Purpose:** Initiate and manage marketing campaigns, exhibitions and special events to increase and expand awareness and accessibility of the Department's products and services, through, among others, the Department's customer care centre, publications, website and market research.

**Measurable objective:** To increase the awareness and accessibility of relevant and effective services to all of the Department's customers, both current and potential customers.

### **Strategic overview and key policy developments: 1999/00 – 2005/06**

The core business of the Department of Trade and Industry – **the dti** – is to provide economic leadership through its understanding of the economy, its knowledge of economic opportunities and its anticipation of the future. In this way, **the dti** seeks also to articulate the concerns of enterprises within Government and to act as a catalyst for the restructuring, transformation and development of the economy in order to realise Government's Vision 2014 for the economy. The dti undertakes its core business through the design and delivery of relevant, effective and accessible products and services to its customers.

The dti is working to develop an integrated and advanced manufacturing sector that leverages an increase in the number of sustainable economic opportunities available to all South Africans throughout the economy. Coupled with this is the need to grow the size of the market for South African goods and services. The dti plays a vital role in promoting and facilitating international

trade as well as regulating the environment within which enterprises operate. It works to promote the diversification of South Africa's export products and to encourage higher levels of foreign and domestic direct investment. It also strives to create a fair, competitive and efficient market place for domestic and foreign enterprises, as well as consumers, and seeks to provide opportunities to economically empower historically disadvantaged individuals and to provide support measures that enable the exploitation of these opportunities. Finally, **the dti** contributes to the economic development of all geographic regions of South Africa, as well as to the Southern African Development Community (SADC) region, and Africa in general.

The dti's key customers include enterprises of different types and sizes, investors, entrepreneurs and consumers. Its key stakeholders and potential partners include other government structures and statutory organisations, organised labour, organised business and community organisations, as well as academia, the donor community and non-governmental organisations (NGOs).

The dti will attain its objectives through providing a set of relevant and effective offerings to its customers. Its offerings fall into several categories: policy and strategy, legislation and regulation, incentive schemes and other financial support measures for enterprises, information and advice, policy advocacy and strategic partnerships.

Two critical policy developments occurred in 2002/03: the publication of the Integrated Manufacturing Strategy (IMS) and the introduction of a new marketing function in **the dti**.

#### *Integrated Manufacturing Strategy*

In April 2002, **the dti** released its Integrated Manufacturing Strategy (IMS) for discussion. This strategy sets out **the dti's** vision for the economy and a broad framework for how **the dti** would seek to attain this vision. The vision is the attainment, by 2014, of an adaptive economy characterised by growth, employment and equity, and built on the full potential of all persons, communities and geographic areas.

Attaining this vision will require: an equitable geographic spread of social and productive investment; integrated manufacturing capable of high value-added production; an extensive information communications technology (ICT) and logistics system capable of speed and flexibility; a high degree of knowledge and technology capacity; a greater diversity of enterprise type and size; skilled, informed and adaptable citizens that participate more equitably in the economy; and an efficient, strong and responsive **dti**. At the centre of the strategy is the assertion that an integrated manufacturing sector acts as a fulcrum to leverage economic growth, employment generation, and greater equity throughout the entire economy.

The dti will therefore promote the development of an integrated, and increasingly advanced, manufacturing sector in South Africa, by building upon the successes of the previous eight years through the provision of economic leadership, customised sector and value-matrix development programmes, generic offerings to **the dti's** customers, and the implementation of selected projects in critical priority areas. The foundation for the Integrated Manufacturing Strategy is Government's Microeconomic Reform Strategy.

The IMS has been through an extensive consultation process, negotiations in the National Economic Development and Labour Council (Nedlac), and public hearings in Parliament. The strategy is currently being elaborated upon to provide greater detail on how it will be implemented by **the dti**. The IMS provides the platform for **the dti's** programmes and projects in the MTEF period. Institutional arrangements have been introduced to promote the strategic and operational alignment of the various divisions of **the dti** and the public entities comprising **the dti** Group with the objectives of the IMS. The revised draft will be finalised and published before the end of the 2002/03 financial year.

*Introduction of a marketing function*

The incubation of a new marketing function in **the dti** began in July 2001. A marketing division was established in early 2002 to develop and implement a marketing strategy that gave effect to **the dti's** commitment to becoming a customer-focused and responsive organisation. The marketing division plays an integral role in meeting this commitment as it is responsible for customer surveys, market research into customer's needs, developing accessible delivery channels, as well as advertising and promoting **the dti**. Exciting developments championed by the marketing division in the 2002/03 financial year include the launch of **the dti** customer care centre and toll-free number, a **dti** train – 'the business express' – that takes business services and advice to small towns in provinces, and the first annual **dti** business awards. The results of the second annual customer survey – independent market research commissioned by **the dti** – reflects significant improvements in awareness of **the dti's** products and services since the establishment of a fully-fledged marketing function.

**Expenditure estimates****Table 32.1: Trade and Industry**

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03				
1 Administration	89 053	106 706	161 121	192 381	142 249	202 446	208 386	221 130
2 International Trade and Economic Development	17 895	31 242	44 616	84 313	80 188	94 546	94 546	100 219
3 Enterprise and Industry Development	857 049	863 204	809 095	903 508	874 195	965 895	992 759	1 051 465
4 Consumer and Corporate Regulation	113 659	81 053	92 157	139 883	137 375	120 412	120 412	127 637
5 The Enterprise Organisation	428 708	386 058	419 332	707 425	589 217	775 468	904 926	961 193
6 Trade and Investment South Africa	320 661	691 549	489 567	470 271	463 437	466 857	473 959	502 397
7 Marketing	–	–	–	57 045	50 242	49 357	49 357	52 318
<b>Total</b>	<b>1 827 025</b>	<b>2 159 812</b>	<b>2 015 888</b>	<b>2 554 826</b>	<b>2 336 903</b>	<b>2 674 981</b>	<b>2 844 345</b>	<b>3 016 359</b>
Change to 2002 Budget Estimate				86 253	(131 670)	47 985	56 840	
<b>Economic classification</b>								
Current	1 808 732	2 151 230	2 005 972	2 534 759	2 327 123	2 466 830	2 645 524	2 807 552
Personnel	161 219	174 403	218 884	264 912	215 228	257 346	257 346	272 787
Transfer payments	1 514 333	1 824 782	1 567 865	1 989 800	1 896 423	1 883 724	2 057 006	2 182 598
Other current	133 180	152 045	219 223	280 047	215 472	325 760	331 172	352 167
Capital	18 293	8 582	9 916	20 067	9 780	208 151	198 821	208 807
Transfer payments	–	–	–	1	1	190 001	179 141	189 889
Acquisition of capital assets	18 293	8 582	9 916	20 066	9 779	18 150	19 680	18 918
<b>Total</b>	<b>1 827 025</b>	<b>2 159 812</b>	<b>2 015 888</b>	<b>2 554 826</b>	<b>2 336 903</b>	<b>2 674 981</b>	<b>2 844 345</b>	<b>3 016 359</b>
<b>Standard items of expenditure</b>								
Personnel	161 219	174 403	218 884	264 912	215 228	257 346	257 346	272 787
Administrative	40 734	51 023	72 954	70 321	72 038	71 745	71 745	76 050
Inventories	12 473	15 544	16 556	10 747	15 149	8 806	8 806	9 334
Equipment	19 434	17 883	17 851	30 057	18 770	31 111	31 111	32 977
Land and buildings	1 361	3 002	32 835	13 328	8 410	5 262	5 262	5 578
Professional and special services	58 901	59 335	67 589	174 866	110 294	226 194	233 136	246 306
Transfer payments	1 514 333	1 824 782	1 567 865	1 989 801	1 896 424	2 073 725	2 236 147	2 372 487
Miscellaneous	18 570	13 840	21 354	794	590	792	792	840
<b>Total</b>	<b>1 827 025</b>	<b>2 159 812</b>	<b>2 015 888</b>	<b>2 554 826</b>	<b>2 336 903</b>	<b>2 674 981</b>	<b>2 844 345</b>	<b>3 016 359</b>

## Expenditure trends

Total expenditure has an underlying trend increase, rising from R1,8 billion in 1999/00 to an expected R3,0 billion in 2005/06, an average annual growth rate of 8,7 per cent over the period. Transfer payments make up approximately 78 per cent of expenditure. These transfers fund a range of public entities reporting to the Department of Trade and Industry, as well as industrial and trade incentives. *International Trade and Economic Development* and *Administration* have seen the most rapid increases in expenditure. Expenditure on *International Trade and Economic Development* has risen from R17,9 million in 1999/00 to R100,2 million in 2005/06, an annual average growth rate of 33,3 per cent. This is primarily as a result of the transfer of the Board of Tariffs and Trade budget from *Enterprise and Industry Development* to *International Trade and Economic Development*. In future International Trade Administration Commission (ITAC) transfer payments will be reflected in the *International Trade and Economic Development* budget. Expenditure on *Administration* increases from R89,1 million to an expected R221,1 million over the same period, an annual average growth rate of 16,4 per cent. *Administration* now includes the policy unit of the Department, called External Relations and Policy Co-ordination. The inclusion of this unit has resulted in a significant increase in the budget, whilst expenditure on corporate services has increased marginally.

In the MTEF period, the successes of the initial marketing programme will be consolidated through focusing on expanding the Department's outreach and reviewing the relevance and accessibility of the Department's products and services to all of its customers.

Expenditure on personnel rises from R161,2 million in 1999/00 to an expected R272,8 million in 2005/06, an annual average increase of 9,2 per cent, whilst expenditure on professional and special services increases at a faster rate, rising from R58,9 million in 1999/00 to R246,3 million in 2005/06, an annual average increase of 26,9 per cent. The former is related to the improvement of skills and increased management capacity, as well as the impact of the volatility of the rand-dollar exchange rate on foreign allowances. The latter is due in part to preparatory work for improving the Department's working environment, increased file storage facilities and back-up units for information technology (IT).

## Departmental receipts

A large portion of departmental receipts originates from the incentive scheme debts and the interest on them, as well as dividends received on shares held in the Industrial Development Corporation. Other receipts are of a miscellaneous nature and include debts recovered from employees and the recovery of incidental costs.

**Table 32.2: Departmental receipts**

	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	57 872	53 803	61 708	188 053	68 258	72 004	74 250
Interest	7 240	2 933	11 020	140 000	15 400	16 940	18 180
Dividends	49 658	50 059	50 000	48 000	52 800	55 000	56 000
Rent	-	-	-	-	-	-	-
Sales of goods and services	974	811	688	53	58	64	70
Fines, penalties and forfeits	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Sales of capital assets (capital revenue)	-	-	-	-	-	-	-
Financial transactions (recovery of loans and advances)	55 336	25 112	47 025	83 877	78 757	91 061	69 085
<b>Total departmental receipts</b>	<b>113 208</b>	<b>78 915</b>	<b>108 733</b>	<b>271 930</b>	<b>147 015</b>	<b>163 065</b>	<b>143 335</b>

## Programme 1: Administration

The programme provides strategic leadership to the Department of Trade and Industry and associated entities. Under its Management subprogramme, Executive Management provides support for the offices of the Minister, Deputy Minister, Director-General and Chief Operating Officer, and houses the External Relations and Policy Co-ordination Unit. The Group Systems and Support Services Division (GSSSD), also under the Management subprogramme, incorporates the functions of facilities management, corporate governance, financial management, and IT and human resource management.

### Expenditure estimates

Table 32.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary Outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Minister <sup>1</sup>	518	582	646	691	746	791	835
Deputy Minister <sup>2</sup>	421	427	477	511	552	585	617
Management	13 218	22 356	28 008	32 579	73 090	73 012	77 399
Corporate Services	74 896	83 341	131 990	158 400	127 858	133 798	142 067
Government Motor Transport	–	–	–	200	200	200	212
<b>Total</b>	<b>89 053</b>	<b>106 706</b>	<b>161 121</b>	<b>192 381</b>	<b>202 446</b>	<b>208 386</b>	<b>221 130</b>
Change to 2002 Budget Estimate				22 826	4 837	(1 080)	

<sup>1</sup> Payable as from 1 April 2002. Salary: R552 984. Car allowance: R138 246.

<sup>2</sup> Payable as from 1 April 2002. Salary: R408 600. Car allowance: R102 150.

#### Economic classification

Current	78 407	102 700	158 442	175 412	188 095	192 505	206 209
Personnel	28 410	34 280	36 215	50 828	50 424	50 424	53 449
Transfer payments	–	7 160	9 142	15 002	9 503	9 503	10 073
Other current	49 997	61 260	113 085	109 582	128 168	132 578	142 687
Capital	10 646	4 006	2 679	16 969	14 351	15 881	14 921
Transfer payments	–	–	–	1	1	1	1
Acquisition of capital assets	10 646	4 006	2 679	16 968	14 350	15 880	14 920
<b>Total</b>	<b>89 053</b>	<b>106 706</b>	<b>161 121</b>	<b>192 381</b>	<b>202 446</b>	<b>208 386</b>	<b>221 130</b>

#### Standard items of expenditure

Personnel	28 410	34 280	36 215	50 828	50 424	50 424	53 449
Administrative	13 576	15 425	20 801	14 316	10 752	10 752	11 397
Inventories	4 129	3 627	5 119	4 520	1 373	1 373	1 455
Equipment	10 947	9 763	6 980	20 634	20 865	20 865	22 117
Land and buildings	1 282	2 855	32 724	11 685	4 021	4 021	4 262
Professional and special services	13 616	20 304	28 968	75 214	105 432	111 372	118 296
Transfer payments	–	7 160	9 142	15 003	9 504	9 504	10 074
Miscellaneous	17 093	13 292	21 172	181	75	75	80
<b>Total</b>	<b>89 053</b>	<b>106 706</b>	<b>161 121</b>	<b>192 381</b>	<b>202 446</b>	<b>208 386</b>	<b>221 130</b>

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary		2003/04	2004/05	2005/06
	1999/00	2000/01	Outcome 2001/02				
<b>Transfer payments per subprogramme</b>							
<b>Management</b>							
Sector Wide, Enterprise, Employment and Equity Programme	-	-	-	1	1	1	1
Fund for Research into Industrial Development, Growth and Equity – contribution to Industrial Development Corporation	-	-	-	-	7 000	7 000	7 420
<b>Corporate Services</b>							
Sector Education and Training Authority	-	160	142	500	500	500	530
Council for Scientific and Industrial Research: Delight Project	-	7 000	9 000	14 500	2 000	2 000	2 120
National Supplies Procurement Fund	-	-	-	1	1	1	1
Integrated Business Register	-	-	-	-	1	1	1
Government Motor Transport	-	-	-	1	1	1	1
<b>Total</b>	<b>-</b>	<b>7 160</b>	<b>9 142</b>	<b>15 003</b>	<b>9 504</b>	<b>9 504</b>	<b>10 074</b>

### Expenditure trends

Expenditure rises from R89,1 million in 1999/00 to an expected R221,1 million in 2005/06, an average annual increase of 16,4 per cent. Expenditure on the Management subprogramme has increased rapidly, rising from R13,2 million in 1999/00 to R77,4 million in 2005/06, an annual average increase of 34,3 per cent. This increase has been used to increase capacity, and provide more effective management, co-ordination and support. The increase also comes from the establishment of the External Relations and Policy Co-ordination Unit, which seeks to enhance policy coherence within the Department of Trade and Industry and to improve working relationships between the Department and its key stakeholders.

There has been a very rapid increase in expenditure on professional and special services, with expenditure rising from R13,6 million in 1999/00 to R118,3 million in 2005/06, an annual average increase of 43,4 per cent. Much of this increase has been spent on renovations of the Department's current building, preparatory work for its new building, and improvements to its working and business environment.

### Programme 2: International Trade and Economic Development

This programme is responsible for the development of South Africa's international trade strategy and promotes trade and industrial development internationally, and in particular in the Southern African Customs Union (SACU), SADC and Africa, on both a bilateral and multilateral basis. It also ensures compliance with international non-proliferation treaties.

- International Trade Development develops policy for multilateral, regional and bilateral trade market-access negotiations; it also ensures compliance with international non-proliferation treaties.
- African Economic Development focuses on promoting economic links with countries in Africa and the Middle East, through trade and investment agreements, and through the framework of the New Partnership for Africa's Development (NEPAD).
- International Trade Administration administers the tariff regime.

## Expenditure estimates

**Table 32.4: International Trade and Economic Development**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
International Trade Development	13 243	17 687	19 909	38 132	34 323	34 323	36 382
African Economic Development	–	–	5 825	7 824	16 395	16 395	17 379
International Trade Administration	4 652	13 555	18 882	38 357	43 828	43 828	46 458
<b>Total</b>	<b>17 895</b>	<b>31 242</b>	<b>44 616</b>	<b>84 313</b>	<b>94 546</b>	<b>94 546</b>	<b>100 219</b>
Change to 2002 Budget Estimate				18 371	25 995	21 732	

### Economic classification

Current	17 548	30 616	43 736	82 524	94 046	94 046	99 719
Personnel	12 144	17 564	28 078	43 614	20 783	20 783	22 030
Transfer payments	–	5 774	2 458	8 001	52 494	52 494	55 644
Other current	5 404	7 278	13 200	30 909	20 769	20 769	22 045
Capital	347	626	880	1 789	500	500	500
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	347	626	880	1 789	500	500	500
<b>Total</b>	<b>17 895</b>	<b>31 242</b>	<b>44 616</b>	<b>84 313</b>	<b>94 546</b>	<b>94 546</b>	<b>100 219</b>

### Standard items of expenditure

Personnel	12 144	17 564	28 078	43 614	20 783	20 783	22 030
Administrative	4 544	4 752	8 687	19 812	14 000	14 000	14 840
Inventories	258	371	288	1 359	572	572	606
Equipment	415	1 319	1 368	2 743	2 100	2 100	2 226
Land and buildings	4	–	–	873	–	–	–
Professional and special services	340	1 288	3 715	7 911	4 500	4 500	4 770
Transfer payments	–	5 774	2 458	8 001	52 494	52 494	55 644
Miscellaneous	190	174	22	–	97	97	103
<b>Total</b>	<b>17 895</b>	<b>31 242</b>	<b>44 616</b>	<b>84 313</b>	<b>94 546</b>	<b>94 546</b>	<b>100 219</b>

### Transfer payments per subprogramme

International Trade Development							
World Trade Organization	–	3 916	–	4 000	4 000	4 000	4 240
Organisation for the Prevention of Chemical Warfare	–	1 858	2 458	2 900	3 000	3 000	3 180
Protechnik Laboratories	–	–	–	1 100	1 666	1 666	1 766
International Trade Administration							
International Trade Administration Commission	–	–	–	1	43 828	43 828	46 458
<b>Total</b>	<b>–</b>	<b>5 774</b>	<b>2 458</b>	<b>8 001</b>	<b>52 494</b>	<b>52 494</b>	<b>55 644</b>

## Expenditure trends

Expenditure has seen rapid growth, rising from R17,9 million in 1999/00 to an expected R100,2 million in 2005/06, an annual average increase of 33,3 per cent. This growth has been spread across the subprogrammes, but has been particularly rapid in International Trade Administration, which has seen expenditure increase from R4,7 million in 1999/00 to an expected R46,5 million in 2005/06, an annual average increase of 46,8 per cent.

Within the large overall increase there are very significant movements of individual items of expenditure, with the setting up of the International Trade Administration Commission resulting in

the moving of expenditure from personnel to transfers. Expenditure on personnel rises from R12,1 million in 1999/00 to R43,6 million in 2002/03, an annual average increase of 53,1 per cent, but then falls to R22,0 million in 2005/06 as staff are transferred into ITAC. Alongside this, expenditure on transfers rises from R8 million in 2002/03 to R55,6 million in 2005/06, an annual average increase of 90,9 per cent. Expenditure on professional and special services has also seen very rapid growth, rising from R340 000 in 1999/00 to R4,8 million in 2005/06, an annual average increase of 55,3 per cent. Administrative expenditure has also seen rapid growth, due to increases in travel costs from the closing of overseas offices, with a resultant increase in travelling costs for officials based in South Africa. Expenditure on this item increases from R4,5 million in 1999/00 to R14,8 million in 2005/06, an annual average increase of 21,8 per cent.

## Service delivery objectives and indicators

### Recent outputs

A number of trade agreements have improved market access and facilitated export growth. Exports to the United States, particularly under the American Growth and Opportunity Act (AGOA), have risen strongly, most notably in clothing. Exports to Europe have also seen significant growth over the last year, and trade with Africa increased by 24 per cent. There has also been very significant growth in exports to other countries – notably India and China – 25 per cent and 63 per cent last year, respectively.

Since the Doha meeting of the World Trade Organisation in 2001, South Africa has worked extensively with other developing countries to ensure that the Doha development round of trade negotiations is implemented and reflected in all subsequent multilateral processes. Most notable in this regard was the role that was played by the Department of Trade and Industry in highlighting the linkage between fair trade and sustainable development at the World Summit on Sustainable Development.

There has also been a successful Southern African Customs Union agreement, to the benefit of all SACU members. The SACU agreement laid the basis for an agreement on a new tariff administration regime. The International Trade Administration Commission will be established in 2003.

### Medium-term output targets

#### International Trade and Economic Development: Key activities and outputs

**Measurable objective:** To increase market access for South African exports in predetermined countries through the successful conclusion of trade agreements aimed at ensuring fair, predictable and where possible preferential treatment for South African products in foreign markets.

Subprogramme	Output	Measure/Indicator	Target
International Trade Development	Increased market access	Conclusion of bilateral and multilateral agreements	By end 2004 or early 2005, negotiate agreements with the United States, Mercosur, India, China, Nigeria, European Free Trade Agreement, and the World Trade Organisation
African Economic Development	Strategy for the Department's role in NEPAD	Strategic and analytical content to the economic aspects of NEPAD	Provide NEPAD secretariat with economic content to advance South Africa's thrusts in NEPAD

Subprogramme	Output	Measure/Indicator	Target
International Trade Administration	Establish an enabling environment for domestic industry Improved services to business	Implementation of International Trade Administration Commission Bill Rebates, duty free and other import and export control certificates and permits issued	Conclude tariff investigations within 3 months Reduced processing time for issuing of permits and certificates: 90% of permits issued within 72 hours

### Programme 3: Enterprise and Industry Development

The *Enterprise and Industry Development* programme seeks to promote the competitiveness of enterprises, the de-racialisation of ownership and control of enterprises, and the development of small enterprises in the South African economy. The programme consists of eight subprogrammes:

- Technology promotes, facilitates and enhances technology innovation and development.
- Standards, Quality Assurance and Metrology focuses on policy co-ordination in this field in order to deepen the efficiency and competitiveness of South African industry and to ensure the health and safety of consumers. It provides support to, among others, the South African Bureau of Standards, the National Metrology Laboratory and the South African National Accreditation System.
- Environment focuses on the promotion of the environmental goods and services sector by developing linkages between the key role-players. It also provides support to the National Cleaner Production Centre.
- Logistics and Infrastructure facilitates the development of national logistics and supply chain capabilities to help attract foreign direct investment and improve domestic logistics. It also works to improve energy, telecommunications and logistics infrastructure.
- Skills Development identifies the current and future skills needs of the economy with particular emphasis on the prioritised sectors and industries, facilitates the development and implementation of appropriate interventions to address the identified skills needs, and supports industries and businesses in implementing world-class manufacturing and workplace practices.
- National Industrial Participation Programme uses government procurement to help leverage economic benefits and support the development of South African industry.
- Enterprise Development focuses on developing enterprises by increasing the rates at which sustainable small, medium and micro-enterprises (SMMEs) are created, grown, and make a contribution to gross domestic product and employment.
- Black Economic Empowerment focuses on creating new opportunities for historically disadvantaged individuals and enterprises, and broadening their participation in the management, ownership and control of economic activities.

## Expenditure estimates

Table 32.5: Enterprise and Industry Development

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Technology	505 607	488 662	531 925	606 237	627 218	649 983	688 968
Standards, Quality Assurance and Metrology	92 391	116 386	118 169	132 753	134 660	138 759	146 239
Environment	–	–	–	1 001	1 000	1 000	1 060
Logistics and Infrastructure	–	–	–	8 566	1 000	1 000	1 060
Skills Development	–	12 000	5 000	7 000	15 730	15 730	16 674
National Industrial Participation Programme	–	–	–	3 949	3 849	3 849	4 080
Enterprise Development	256 354	242 640	129 297	113 802	150 582	150 582	159 617
Black Economic Empowerment	2 697	3 516	24 704	30 200	31 856	31 856	33 767
<b>Total</b>	<b>857 049</b>	<b>863 204</b>	<b>809 095</b>	<b>903 508</b>	<b>965 895</b>	<b>992 759</b>	<b>1 051 465</b>
Change to 2002 Budget Estimate				88 377	137 374	112 078	

## Economic classification

Current	856 137	862 331	808 131	903 084	965 295	992 159	1 050 829
Personnel	22 353	18 079	18 267	23 930	28 876	28 876	30 609
Transfer payments	820 221	837 258	782 693	848 357	914 723	940 586	997 221
Other current	13 563	6 994	7 171	30 797	21 696	22 697	22 999
Capital	912	873	964	424	600	600	636
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	912	873	964	424	600	600	636
<b>Total</b>	<b>857 049</b>	<b>863 204</b>	<b>809 095</b>	<b>903 508</b>	<b>965 895</b>	<b>992 759</b>	<b>1 051 465</b>

## Standard items of expenditure

Personnel	22 353	18 079	18 267	23 930	28 876	28 876	30 609
Administrative	4 945	3 571	3 605	4 511	4 472	4 472	4 740
Inventories	362	620	137	556	500	500	530
Equipment	1 112	746	1 135	524	820	820	869
Land and buildings	27	27	–	–	–	–	–
Professional and special services	7 675	2 716	3 197	25 600	15 884	16 885	16 839
Transfer payments	820 221	837 258	782 693	848 357	914 723	940 586	997 221
Miscellaneous	354	187	61	30	620	620	657
<b>Total</b>	<b>857 049</b>	<b>863 204</b>	<b>809 095</b>	<b>903 508</b>	<b>965 895</b>	<b>992 759</b>	<b>1 051 465</b>

## Transfer payments per subprogramme

Technology							
Council for Scientific and Industrial Research: Research Contribution	315 649	301 112	302 877	297 751	323 014	346 326	368 151
Proudly South Africa Campaign	–	–	14 000	1	4 001	–	–
Technology and Human Research for Industry Programme: Contribution to the National Research Foundation	109 906	138 640	136 797	145 000	135 000	135 000	143 100
Support Programme for Industrial Innovation: Contribution to Industrial Development Corporation	–	7 100	16 000	84 000	83 000	83 000	87 980
Fund for Research into Industrial Development, Growth and Equity: Contribution to the Industrial Development Corporation	15 000	1 000	–	4 000	–	–	–
Technology Incubator Development	–	10 000	17 000	30 000	20 000	20 000	21 200

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
<b>Transfer payments per subprogramme (continued)</b>							
Technology Transfer Agency	–	–	–	5 000	2 000	2 000	2 120
Technology Transfer Capital Guarantee	–	6 000	6 000	6 000	2 000	2 000	2 120
Technology Venture Capital	–	–	5 000	1	10 000	10 000	10 600
Technology for Women in Business	–	–	6 000	6 000	6 000	6 000	6 360
Ad-hoc Economic Investigations	33 201	3 000	5 000	1	–	–	–
Cluster Development Projects	–	–	–	1	1	1	1
Organisation for the Prevention of Chemical Warfare	–	–	–	–	–	–	–
National Co-Operatives Association of South Africa	–	–	–	–	3 500	3 500	3 710
UNIDO	–	–	–	4 000	5 000	5 000	5 300
<b>Standards, Quality Assurance and Metrology</b>							
South African Bureau of Standards: Research Contribution	77 724	79 052	81 369	85 000	91 407	97 099	102 991
South African National Accreditation System	3 667	5 334	5 800	9 500	6 000	6 000	6 360
Council for Scientific and Industrial Research: National Measuring Standards	11 000	32 000	31 000	33 000	32 000	32 860	33 920
Small Business Technical Consulting	1 476	3 320	850	2 800	2 800	2 800	2 968
<b>Environment</b>							
Council for Scientific and Industrial Research: National Cleaner Production Centre	–	–	–	1 000	–	–	–
Environmental Support Fund	–	–	–	1	1 000	1 000	1 060
<b>Skills Development</b>							
Workplace Challenge	–	12 000	5 000	7 000	12 000	12 000	12 720
<b>Enterprise Development</b>							
Khula	120 000	141 000	64 000	20 000	25 000	25 000	26 500
Ntsika Enterprise Promotion Agency	57 500	50 000	35 000	40 000	40 000	40 000	42 400
Franchise Support	7 000	–	–	–	–	–	–
NAMAC	–	11 300	28 000	43 000	80 000	80 000	84 800
SA Women's Empowerment Network	–	–	–	1 000	2 000	2 000	2 120
<b>Black Economic Empowerment</b>							
National Empowerment Fund	–	–	23 000	4 501	4 000	4 000	4 240
Spatial Development Initiatives: Development Bank of Southern Africa	68 098	36 400	–	19 800	25 000	25 000	26 500
<b>Total</b>	<b>820 221</b>	<b>837 258</b>	<b>782 693</b>	<b>848 357</b>	<b>914 723</b>	<b>940 586</b>	<b>997 221</b>

## Expenditure trends

Expenditure on *Enterprise and Industry Development* has seen moderate growth, increasing from R857,0 million in 1999/00 to R1,1 billion in 2005/06, an annual average increase of 3,5 per cent. The majority of subprogrammes have shared this growth, except *Enterprise Development*, which has seen expenditure fall from R256,4 million in 1999/00 to R113,8 million in 2002/03. The most rapid increase comes in Black Economic Empowerment, with expenditure rising rapidly from R2,7 million in 1999/00 to R33,8 million in 2005/06, an annual average increase of 52,4 per cent.

The vast majority of expenditure goes on transfers, with little or no increases in the remaining items of expenditure. These transfers include allocations of R355 million to the Council for Scientific and Industrial Research, R135 million to the National Research Foundation's Technology and Human Research for Industry Programme (THRIP), R91,4 million to the South African Bureau of Standards, R83 million to the Industrial Development Corporation, R80 million

to the National Manufacturing Advisory Centre Co-ordinating Body (NAMAC), R40 million to Ntsika, and R25 million to Khula.

## Service delivery objectives and indicators

### Recent outputs

Considerable policy and advocacy work has been done by *Enterprise and Industry Development* in relation to the drivers of competitiveness in our economy, specifically in the areas of logistics and infrastructure, human resource development, technical infrastructure (standards and quality assurance), and technology and innovation. A National Cleaner Production Centre was launched to coincide with the World Summit on Sustainable Development. The highly successful Motor Industry Development Programme was extended until 2012.

Policy development in the area of co-operatives and small enterprise development will culminate in 2003 with the publication of new strategies and proposed amendments to legislation. An empowerment unit was established to examine Government's support strategies for black economic empowerment and women's economic empowerment. Work has also been conducted on regional equity, including local economic development.

*Enterprise and Industry Development* has funded the establishment of the Proudly South Africa Campaign, which has gained considerable momentum in the year since it was launched. *Enterprise and Industry Development* has also funded an expansion in the number of manufacturing advisory centres around the country. The National Industrial Participation Programme has successfully leveraged direct investment into the economy off Government's procurement of a new fleet for South African Airways. The taxi recapitalisation programme will be initiated in 2003 following a successful negotiation with organised taxi owners in 2002.

### Medium-term output targets

#### Enterprise and Industry Development

**Measurable objective:** To contribute to an annual increase in the value-added of production in the economy and to contribute to the de-racialisation of the economy in terms of ownership and control.

Subprogramme	Output	Measure/Indicator	Target
Technology	Strategic Partnership for Industrial Innovation	Rand value of projects supported	R250 million
	Technology and Human Resources for Industry Programme	Number of researchers, students and enterprises supported	1 045 researchers assisted 2 394 students supported 315 enterprises supported
Standards, Quality Assurance and Metrology	National standards developed by South African Bureau of Standards	Number of voluntary national standards	150 new standards 250 revised standards
	Facility accreditation through South African National Accreditation System	Number of test and calibration laboratories, certification and inspection bodies	25 test laboratories 25 medical laboratories 20 inspection bodies
Logistics and Infrastructure	Taxi recapitalisation programme	Finalise phase I	Commence with rollout of programme subject to meeting all the criteria
Skills Development	Identification of skill needs in the 8 priority growth sectors	Publication of skills studies	Publication of 8 skills studies by June 2003
National Industrial Participation Programme	Leveraging of economic benefits to South Africa and industry by effectively using Government procurement	All projects have allocated milestones as per contractual obligations	All government purchases greater than US\$10 million included in National Industrial Participation Programme.
Enterprise Development	Renewed small enterprise development strategy	Publication of new strategy	Publication of strategy by end June 2003

Subprogramme	Output	Measure/Indicator	Target
Black Economic Empowerment	Increased participation in economic activity through the National Empowerment Fund (NEF) in accordance with its objectives	New empowerment charters to be developed in conjunction with social partners, if feasible and where appropriate	New black economic empowerment legislation and improved framework New black economic empowerment strategy developed by the Department and its partners Increase in support to historically disadvantaged individuals

## Programme 4: Consumer and Corporate Regulation

This programme administers and enforces business regulation in the areas of competition law, company and intellectual property law, and gambling, liquor, lotteries, consumer credit and estate agency affairs.

The programme has three subprogrammes:

- Policy and Legislative Development develops policies and legislation that balance consumer and business interests.
- Enforcement and Compliance ensures effective and efficient enforcement of legislation, and facilitates consumer education and business compliance.
- Management and Compliance develops and maintains partnerships with stakeholders, including business, consumer groups, regulators, Cotii institutions and other government departments.

## Expenditure estimates

Table 32.6: Consumer and Corporate Regulation

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Policy and Legislative Development	–	–	–	1	6 396	6 396	6 779
Enforcement and Compliance	50 468	46 588	65 806	24 564	19 016	19 016	20 158
Management and Compliance	63 191	34 465	26 351	115 318	95 000	95 000	100 700
<b>Total</b>	<b>113 659</b>	<b>81 053</b>	<b>92 157</b>	<b>139 883</b>	<b>120 412</b>	<b>120 412</b>	<b>127 637</b>
Change to 2002 Budget Estimate				5 738	1 178	(6 265)	

### Economic classification

Current	109 039	78 850	90 590	139 448	120 012	120 012	127 213
Personnel	29 272	31 421	37 365	11 887	16 500	16 500	17 490
Transfer payments	46 472	16 600	26 351	118 144	95 000	95 000	100 700
Other current	33 295	30 829	26 874	9 417	8 512	8 512	9 023
Capital	4 620	2 203	1 567	435	400	400	424
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	4 620	2 203	1 567	435	400	400	424
<b>Total</b>	<b>113 659</b>	<b>81 053</b>	<b>92 157</b>	<b>139 883</b>	<b>120 412</b>	<b>120 412</b>	<b>127 637</b>

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
<b>Standard items of expenditure</b>							
Personnel	29 272	31 421	37 365	11 887	16 500	16 500	17 490
Administrative	3 208	5 241	4 214	2 500	3 521	3 521	3 734
Inventories	3 275	6 755	7 759	457	570	570	604
Equipment	4 896	4 662	3 131	559	440	440	466
Land and buildings	3	47	48	350	–	–	–
Professional and special services	26 097	16 116	13 284	5 956	4 381	4 381	4 643
Transfer payments	46 472	16 600	26 351	118 144	95 000	95 000	100 700
Miscellaneous	436	211	5	30	–	–	–
<b>Total</b>	<b>113 659</b>	<b>81 053</b>	<b>92 157</b>	<b>139 883</b>	<b>120 412</b>	<b>120 412</b>	<b>127 637</b>

#### Transfer payments per subprogramme

Management and Compliance							
National Gambling Board	12 000	12 500	7 000	9 500	11 000	11 000	11 660
National Lotteries Board	3 500	2 500	1 000	1	–	–	–
National Liquor Advisory Authority	–	–	–	1	–	–	–
Competition Commission	29 600	–	8 600	1	28 177	28 177	29 868
South African Bureau of Standards Trade Metrology	–	1 600	8 000	8 000	9 000	9 000	9 540
Consumer Council / Investigations	–	–	–	–	–	–	–
Micro-Finance Regulatory Agency	–	–	–	12 000	9 000	9 000	9 540
World Intellectual Property Organization	1 372	–	1 751	1 800	2 000	2 000	2 120
Companies and Intellectual Property Registration Office	–	–	–	86 841	35 823	35 823	37 972
<b>Total</b>	<b>46 472</b>	<b>16 600</b>	<b>26 351</b>	<b>118 144</b>	<b>95 000</b>	<b>95 000</b>	<b>100 700</b>

### Expenditure trends

Expenditure has been relatively volatile, falling from R113,7 million in 1999/00 to R81,1 million in 2000/01, rising to R139,9 million in 2002/03, and then falling to an expected R127,6 million in 2005/06. These fluctuations have been driven by movements in transfer payments, which now make up three-quarters of total expenditure. Expenditure on Management and Compliance has been particularly volatile, falling from R63,2 million in 1999/00 to R26,4 million in 2001/02, then rising to an expected R100,7 million in 2005/06.

In general, transfer payments have been rising, as functions are moved to agencies outside the Department. Transfer payments rise from R46,5 million in 1999/00 to an expected R100,7 million in 2005/06.

### Service delivery objectives and indicators

#### Recent outputs

The most important output has been the establishment of the new Companies and Intellectual Property Registration Office as a trading entity. In addition, considerable work was undertaken to expedite the distribution of lottery monies to good causes. Successful negotiations were held with provincial governments on a framework to regulate gambling and on new legislation governing the manufacturing and selling of liquor. Amendments to various company and intellectual property legislation has increasingly brought South Africa's legislative regime in line with international best practice, as well as protecting the royalty rights of South African performers. Advocacy work included protecting important South African brands, such as rooibos, in foreign markets.

Groundbreaking work is also continuing on patents and trademarks, with 10 533 patent applications received and the full automation of the issuing of patent certification.

### Medium-term output targets

#### Consumer and Corporate Regulation

**Measurable objectives:** To increase monitoring of compliance with the regulatory framework, ensure efficient processing of regulatory transactions, and promote business certainty through the development of clear policies and regulations.

Subprogramme	Output	Measure/Indicator	Target
Policy and Legislative Development	New policy and draft legislation in: company law; intellectual property law, consumer law, consumer credit law	Publication of draft policies and legislation	Policies approved by Cabinet and new legislation drafted by March 2004
Enforcement and Compliance	Case management and complaints handling system Corporate leniency policy	Turnaround time for case resolution Successful prosecutions of offenders	Turnaround time improved by 30% 3 successful prosecutions
Management and Compliance	Service standards for regulatory agencies Regulatory agencies monitored	Adoption of service standards policy by regulatory agencies Compliance with PFMA	Service standards adopted by 90% of regulatory agencies reporting to the Consumer and Corporate Regulation Division 98% compliance with PFMA

### Programme 5: The Enterprise Organisation

*The Enterprise Organisation* provides incentives to stimulate or catalyse investment in infrastructure, human resource development, integrated manufacturing and related activities, small business development, specific regions, and technology and innovation in accordance with the Department's Integrated Marketing Strategy.

The programme has four subprogrammes:

- Investment Incentives promotes higher rates of domestic and foreign direct investment in targeted sectors of the economy, through tax incentives and cash grants for investment.
- Infrastructure Investment Incentives promote investment in critical economic infrastructure by leveraging private sector investment through public-private partnerships to provide world-class infrastructure.
- Integrated Manufacturing Strategy Support Measures promotes the competitiveness of enterprises by supporting the diffusion of world-class management practices and technology, beneficiation and value-added, regional production, equity and economic participation, knowledge intensity and services integration, and the support of integrated value-matrices.
- Empowerment Support Measures promotes the growth of black-owned and managed enterprises and women-owned and managed enterprises.

### Expenditure estimates

**Table 32.7: The Enterprise Organisation**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Investment Incentives	398 215	334 397	332 632	322 200	204 120	204 120	216 367
Infrastructure Investment Incentives	14 762	20 267	-	197 115	211 764	200 904	212 958
Integrated Manufacturing Strategy Support Measures	15 731	31 394	86 700	188 110	359 583	499 901	531 867
Empowerment Support Measures	-	-	-	-	1	1	1
<b>Total</b>	<b>428 708</b>	<b>386 058</b>	<b>419 332</b>	<b>707 425</b>	<b>775 468</b>	<b>904 926</b>	<b>961 193</b>
Change to 2002 Budget Estimate				(132 734)	(188 311)	(116 681)	

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited 1999/00	Audited 2000/01	Preliminary outcome 2001/02		2003/04	2004/05	2005/06
R thousand							
<b>Economic classification</b>							
Current	428 300	385 938	418 797	706 975	585 168	725 486	770 987
Personnel	7 894	8 307	13 800	22 385	26 000	26 000	27 560
Transfer payments	413 947	365 790	390 360	663 952	536 003	676 321	718 872
Other current	6 459	11 841	14 637	20 638	23 165	23 165	24 555
Capital	408	120	535	450	190 300	179 440	190 206
Transfer payments	–	–	–	–	190 000	179 140	189 888
Acquisition of capital assets	408	120	535	450	300	300	318
<b>Total</b>	<b>428 708</b>	<b>386 058</b>	<b>419 332</b>	<b>707 425</b>	<b>775 468</b>	<b>904 926</b>	<b>961 193</b>
<b>Standard items of expenditure</b>							
Personnel	7 894	8 307	13 800	22 385	26 000	26 000	27 560
Administrative	1 072	1 081	2 481	3 659	4 000	4 000	4 240
Inventories	119	305	298	1 064	350	350	371
Equipment	485	222	1 488	2 360	2 116	2 116	2 243
Land and buildings	–	–	3	100	–	–	–
Professional and special services	5 061	10 295	10 830	13 605	16 999	16 999	18 019
Transfer payments	413 947	365 790	390 360	663 952	726 003	855 461	908 760
Miscellaneous	130	58	72	300	–	–	–
<b>Total</b>	<b>428 708</b>	<b>386 058</b>	<b>419 332</b>	<b>707 425</b>	<b>775 468</b>	<b>904 926</b>	<b>961 193</b>
<b>Transfer payments per subprogramme</b>							
Investment Incentives							
Small and Medium Manufacturing Development Programme	105 323	174 472	1 079	245 000	172 000	172 000	182 320
Strategic Investment Programme	–	–	–	1	1	1	1
Taxi Recapitalisation Allowance Scheme	–	–	–	1	1	1	1
MDP Incentives	292 893	159 924	329 304	75 000	30 000	30 000	31 800
Infrastructure Investment Incentives							
Critical Infrastructure	–	–	–	106 000	–	–	–
East London IDZ	–	–	–	–	58 000	41 140	64 888
Coega IDZ	–	–	–	58 200	38 000	36 000	45 000
Johannesburg International Airport	–	–	–	–	–	7 000	30 000
Richards Bay	–	–	–	–	–	50 000	50 000
Richards Bay (John Ross Freeway)	–	–	–	–	94 000	–	–
Lubombo SDI	–	–	–	–	–	45 000	–
Industrial Development Zones	–	–	–	30 000	15 000	15 000	15 900
Integrated Manufacturing Strategy Support Measures							
Tax Holiday Scheme	11 793	7 000	4 448	5 000	5 000	5 000	5 300
Skills Support Programme	–	–	–	1	1	1	1
Competitiveness Fund	1 801	20 053	39 010	40 000	45 000	45 000	47 700
Sector Partnership Fund	2 137	3 629	6 726	11 748	13 000	13 000	13 780
Sector Partnership Fund Trade Union Facility	–	712	–	–	–	–	–
Micro Investors Fund	–	–	–	7 001	–	–	–
Enterprise Development	–	–	9 793	86 000	256 000	396 318	422 069
<b>Total</b>	<b>413 947</b>	<b>365 790</b>	<b>390 360</b>	<b>663 952</b>	<b>726 003</b>	<b>855 461</b>	<b>908 760</b>

## **Expenditure trends**

Expenditure on the programme has seen significant increases, rising from R428,7 million in 1999/00 to an expected R961,2 million in 2005/06, an annual average increase of 14,4 per cent. Integrated Manufacturing Strategy Support Measures has increased very rapidly, rising from R15,7 million in 1999/00 to an expected R531,9 million in 2005/06, an annual average increase of 79,8 per cent. Expenditure on Infrastructure Investment Incentives has also increased rapidly, rising from R14,8 million in 1999/00 to an expected R213,0 million in 2005/06, an annual average increase of 56 per cent. Expenditure on Investment Incentives has fallen, from R398,2 million in 1999/00 to an expected R216,4 million in 2005/06.

The vast majority of expenditure consists of transfers. There have been significant increases in expenditure on personnel and professional and special services, with the former rising from R7,9 million in 1999/00 to R27,6 million in 2005/06, an annual average increase of 23,2 per cent. Expenditure on professional and special services has risen from R5,1 million in 1999/00 to an expected R18,0 million in 2005/06, an annual average increase of 23,6 per cent. Both these increases have helped expand capacity, in particular to manage the processing of applications and disbursing of funds to applicants for investment incentives.

## **Service delivery objectives and indicators**

### **Recent outputs**

Eight strategic investment projects were approved. The total expected investment for them is R2,4 billion. The projects were awarded a tax allowance of R1,7 billion. They are expected to create 1 458 direct and 8 085 indirect jobs.

Three new Industrial Development Zones (IDZ), namely Johannesburg International Airport, Richards Bay and East London IDZ, were designated. A provisional IDZ operator permit was issued to the East London IDZ. The total expected public investment in the form of Critical Infrastructure Programme Grants in the newly designated IDZs for the next five years is expected to be R1,3 billion, whilst R10,4 billion is expected from private sector investment.

A total of 1 270 projects were approved under the Small Medium Enterprise Development Programme (SMEDP). The total investment from these projects is expected to be R6,8 billion, creating 58 254 jobs. About 500 companies received grants, with the result that 5 312 jobs were sustained.

A total of 2 211 approved projects that invested R5 billion received grants under the Small Medium Manufacturing Development Programme (SMMDP) and the Fourth Schedule Incentives scheme. The total number of jobs sustained in these companies is 29 801.

A total of 87 Competitiveness Fund and 17 Sector Partnership Fund applications were approved. The expected investment in productivity and competitiveness improvement projects supported by these approvals is R37 million. About 600 Competitiveness Fund grant payments were made to a total number of 197 enterprises.

## Medium-term output targets

### The Enterprise Organisation

**Measurable objective:** Increased investment by enterprises in infrastructure, human resource development, integrated manufacturing, technology and innovation.

Subprogramme	Output	Measure/Indicator	Target
Investment Incentives	Small and Medium Enterprise Development Programme Foreign Investment Grant Strategic Investment Programme	Number of enterprises assisted Rand value of investment projects Number of employment opportunities generated and sustained Number of technology projects supported	5 000 enterprises assisted R14,5 billion investments secured 32 000 new employment opportunities 88 000 employment opportunities sustained 50 new technology projects supported
Infrastructure Investment Incentives	Critical Infrastructure Programme Industrial Development Zones	Number of infrastructure projects supported Rand value of infrastructure projects Issuing of provisional IDZ operator permits Issuing of IDZ operator permits Number of employment opportunities generated Number of small enterprises supported	12 infrastructure projects supported R1 billion investment in infrastructure 2 provisional IDZ operator permits issued 1 IDZ operator permit issued 600 employment opportunities 60 small enterprises supported
Integrated Manufacturing Strategy support Measures	Competitiveness Fund Sector Partnership Fund Skills Support Programme	Number of Competitiveness Fund projects approved Number of Sector Partnership Fund projects approved Number of Skills Support Programme projects approved	500 projects approved 100 projects approved 120 projects approved
Empowerment Support Measures	Black Business Supplier Development Programme	Number of black economic empowerment projects supported	200 black-owned enterprises supported

## Programme 6: Trade and Investment South Africa

*Trade and Investment South Africa* actively encourages investment into South Africa and aims to develop the capacity of South Africa to export into various markets. The programme also develops customised programmes for specific growth sectors and high potential value-matrices. A special focus is given to small enterprises, black-owned and women-owned enterprises, as well as enterprises in prioritised sectors. The programme has three subprogrammes:

- Investment Promotion focuses on increasing foreign direct investment through targeting investors and enhancing government policies and processes that impact on South Africa's appeal to investors.
- Export Development and Promotion provides exporter training to South African exporters to increase their skills and understanding of the export process, and funds technical interventions to help companies increase their competitiveness and overcome specific export barriers.
- Sector and Value-Matrix Strategies develops customised sector programmes for the eight priority sectors, in support of the Integrated Manufacturing Strategy.

## Expenditure estimates

**Table 32.8: Trade and Investment South Africa**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Investment Promotion	303 748	477 966	228 206	334 271	190 855	190 856	202 308
Export Development and Promotion	16 913	213 583	261 361	136 000	276 001	283 102	300 088
Sector and Value-Matrix Strategies	–	–	–	–	1	1	1
<b>Total</b>	<b>320 661</b>	<b>691 549</b>	<b>489 567</b>	<b>470 271</b>	<b>466 857</b>	<b>473 959</b>	<b>502 397</b>
Change to 2002 Budget Estimate				26 630	17 555	(2 301)	

### Economic classification

Current	319 301	690 795	486 276	470 271	464 857	471 959	500 277
Personnel	61 146	64 752	85 159	106 479	105 251	105 251	111 566
Transfer payments	233 693	592 200	356 861	336 344	276 001	283 102	300 088
Other current	24 462	33 843	44 256	27 448	83 605	83 606	88 623
Capital	1 360	754	3 291	–	2 000	2 000	2 120
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	1 360	754	3 291	–	2 000	2 000	2 120
<b>Total</b>	<b>320 661</b>	<b>691 549</b>	<b>489 567</b>	<b>470 271</b>	<b>466 857</b>	<b>473 959</b>	<b>502 397</b>

### Standard items of expenditure

Personnel	61 146	64 752	85 159	106 479	105 251	105 251	111 566
Administrative	13 389	20 953	33 166	17 000	30 000	30 000	31 800
Inventories	4 330	3 866	2 955	2 147	4 776	4 776	5 063
Equipment	1 579	1 171	3 749	2 124	3 590	3 590	3 805
Land and buildings	45	73	60	320	1 241	1 241	1 316
Professional and special services	6 112	8 616	7 595	5 604	45 998	45 999	48 759
Transfer payments	233 693	592 200	356 861	336 344	276 001	283 102	300 088
Miscellaneous	367	(82)	22	253	–	–	–
<b>Total</b>	<b>320 661</b>	<b>691 549</b>	<b>489 567</b>	<b>470 271</b>	<b>466 857</b>	<b>473 959</b>	<b>502 397</b>

### Transfer payments per subprogramme

Investment Promotion							
Trade and Investment South Africa	22 600	33 000	95 500	201 344	–	–	–
Export development and promotion							
Export Market and Investment Assistance	97 090	106 592	110 331	–	140 000	140 000	148 400
Export Credit and Foreign Investment Reinsurance Fund	–	288 000	–	–	–	–	–
Export Credit and Foreign Investment Reinsurance Scheme	112 401	164 210	151 007	–	–	–	–
General Export Incentive Scheme	1 602	398	23	–	–	–	–
Export Credit Insurance Corporation	–	–	–	135 000	136 000	143 102	151 688
South African Export Projects Consultancy Trust Fund	–	–	–	–	1	–	–
<b>Total</b>	<b>233 693</b>	<b>592 200</b>	<b>356 861</b>	<b>336 344</b>	<b>276 001</b>	<b>283 102</b>	<b>300 088</b>

## Expenditure trends

Expenditure on the programme sees moderate growth, rising from R320,7 million in 1999/00 to an expected R502,4 million in 2005/06, an annual average increase of 7,8 per cent. However this masks a very large increase to R691,6 million in 2000/01, and a subsequent fall in 2001/02.

Expenditure on Investment Promotion has been very volatile, with no consistent pattern, and falls from R303,7 million in 1999/00 to an expected R202,3 million in 2005/06. However expenditure on Export Development and Promotion has risen very rapidly, from R16,9 million in 1999/00 to an expected R300,1 million in 2005/06, an annual average increase of 61,5 per cent.

Transfer payments make up a majority of the programme, and the Export Credit Insurance Corporation is funded from the programme. Expenditure on professional and special services rises rapidly, from R6,1 million in 1999/00 to an expected R48,8 million in 2005/06, an annual average increase of 41,4 per cent. Expenditure on personnel also sees significant growth, rising from R61,1 million in 1999/00 to an expected R111,6 million in 2005/06, an annual average increase of 10,5 per cent. The fluctuating exchange rate is impacting on personnel expenditure increases.

## Service delivery objectives and indicators

### Recent outputs

The Export Credit Insurance Corporation replaced the Export Credit Reinsurance Board and the Export Credit Reinsurance Scheme in 2001/02. The Export Credit Insurance Corporation covers R2,8 billion in total contracts averaging R16 million per applicant. Committed investment in South Africa amounts to R4,4 billion.

Work has been done to reorganise South Africa's foreign economic representation, with an upgrading of representation in critical markets for South Africa's exports, which will result in greater efficiencies. Export councils in various sectors have been supported and the Export Marketing Assistance Scheme was expanded as more enterprises took up the export challenge in response to favourable market access conditions and a depreciated rand. *Trade and Investment South Africa* also facilitated 25 foreign investment projects.

### Medium-term output targets

#### Trade and Investment South Africa

**Measurable objective:** To increase levels of direct investment in eight priority sectors identified by the Department, and to increase exports of South African goods and services from the eight priority sectors.

Subprogramme	Output	Measure/Indicator	Targets
Investment Promotion	Investment projects	Number of potential foreign investors attracted	400 foreign investors attracted R3,8 billion investments secured
	Investment leads	Number of projects facilitated for investors Number of investment leads generated and domestic investors attracted	1 060 projects facilitated 3 600 leads generated and 1 200 domestic investors attracted
	Assist investors	Number of investors assisted	450 foreign investors assisted
Export Development and Promotion	Export advice Export marketing and investment assistance	Number of enterprises assisted	3 000 exporters advised
		Number of enterprises assisted	1 800 exporters assisted
		Value of export sales generated	R3 billion in export sales generated
		Employment opportunities generated	2 000 employment opportunities generated
Sector and Value-Matrix Strategies	Sector and value-matrix strategies	Number of sector and value-matrix strategies published	8 strategies published by May 2003

## Programme 7: Marketing

This new programme aims to increase and expand awareness and accessibility of the Department's products and services. It is responsible for customer service, market research into customer needs, developing accessible delivery channels, advertising, promoting the Department's offerings, publications, and media relations.

The programme has four subprogrammes:

- Advertising and Promotions oversees the Department's advertising, customer relations, events, special projects and missions both internally and externally.
- Media manages media relations.
- Publications manages all internal and external publications.
- Distribution Channels focuses on all the marketing distribution channels, operates the customer care centre, supports the Department's electronic media, and services the regional centres.

### Expenditure estimates

**Table 32.9: Marketing**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited 1999/00	Audited 2000/01	Preliminary Outcome 2001/02		2003/04	2004/05	2005/06
R thousand				2002/03			
Advertising and Promotions	-	-	-	22 818	19 743	19 743	20 928
Media	-	-	-	5 705	4 936	4 936	5 232
Publications	-	-	-	11 409	9 871	9 871	10 463
Distribution Channels	-	-	-	17 113	14 807	14 807	15 695
<b>Total</b>	-	-	-	<b>57 045</b>	<b>49 357</b>	<b>49 357</b>	<b>52 318</b>
Change to 2002 Budget Estimate				57 045	49 357	49 357	
Economic classification							
Current	-	-	-	57 045	49 357	49 357	52 318
Personnel	-	-	-	5 789	9 512	9 512	10 083
Transfer payments	-	-	-	-	-	-	-
Other current	-	-	-	51 256	39 845	39 845	42 235
Capital	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>57 045</b>	<b>49 357</b>	<b>49 357</b>	<b>52 318</b>
Standard items of expenditure							
Personnel	-	-	-	5 789	9 512	9 512	10 083
Administrative	-	-	-	8 523	5 000	5 000	5 299
Inventories	-	-	-	644	665	665	705
Equipment	-	-	-	1 113	1 180	1 180	1 251
Land and buildings	-	-	-	-	-	-	-
Professional and special services	-	-	-	40 976	33 000	33 000	34 980
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>57 045</b>	<b>49 357</b>	<b>49 357</b>	<b>52 318</b>

## Expenditure trends

This is a new programme in the Department's budget. Expenditure is expected to be relatively static over the next three years, falling from an initial R57,0 million in 2002/03 to R49,4 million in 2003/04, then rising to an expected R52,3 million in 2005/06.

Expenditure on personnel is expected to increase significantly over the next three years, rising from R5,8 million in 1999/00 to R10,1 million in 2005/06, an annual average increase of 20,3 per cent. Expenditure on professional and special services takes the majority of the expenditure, although it is expected to fall from R41 million in 2002/03 to R35 million in 2005/06.

## Service delivery objectives and indicators

### Recent outputs

Although a new programme, *Marketing* has delivered many outputs since its inception and during its incubation phase. These outputs include the launch of a single toll-free number to access the Department of Trade and Industry's customer care centre, the **dti** train that visited three provinces, the re-launching of the Department's business awards, a more user-friendly website, and the introduction of various in-house and external publications.

### Medium-term output targets

#### Marketing

<b>Measurable objective:</b> To increase the awareness and accessibility of relevant and effective services to all of the Department's customers.			
<b>Subprogramme</b>	<b>Output</b>	<b>Measure/Indicator</b>	<b>Target</b>
Advertising and Promotions	'The business express' Advertising campaigns	Number of customers reached	4,7 million customers reached
Media	A newsroom	Operational newsroom in the Department.	By May 2003
Publications	Quarterly: 'Sizebenza Sonke'; 'Donor News Update'; 'Tshwelopele' Annual: Provincial Economies; Metro Economies; Council of Trade and Industry Institutions Leadership Conference	Frequency of publications Quality of publications Distribution of publications Positive feedback from customers and stakeholders	Relevant, accessible publications for internal and external customers and stakeholders
Distribution Channels	Excellent customer care via various channels	Percentage of successful contacts made with the Department	98% of all calls answered within 30 seconds and enquiries resolved within 48 hours

## Public entities reporting to the Minister

### Council of Trade and Industry Institutions

The Department of Trade and Industry has established the Council of Trade and Industry Institutions (Cotii) to promote strategic and operational alignment of the various entities reporting to it. Cotii meets on a quarterly basis and is chaired by the Minister of Trade and Industry. It consists of the CEOs and chairpersons of each public entity. Considerable attention is being paid to ensuring value for money from transfer payments through reviewing institutional mandates, shareholder compacts, and memoranda of understanding. A set of common performance indicators to measure and evaluate the impact of these entities is also being developed.

### **Companies and Intellectual Property Registration Office**

The Companies and Intellectual Property Registration Office (Cipro) is a recently established trading entity. Cipro will become self-sustaining by July 2004. The Department of Trade and Industry is currently engaged in a corporate law reform process that is likely to result in new functions for Cipro. It is expected that transfer payments will decline and be phased out by July 2004. However provision has been made for small transfers after July 2004 to fund the new functions.

### **The Competition Commission and the Competition Tribunal**

The Competition Commission and the Competition Tribunal are responsible for promoting competitive market conditions through the investigation and prosecution of anti-competitive activities, the review and approval of mergers and exemption applications, conducting research, and disseminating information to businesses, consumers and other stakeholders. The competition authorities are established in terms of the Competition Act (89 of 1998), and funded in equal proportion through income-generating activities and through voted funds. The regulatory agencies were initially funded by the Department and generated significant funds through merger activity in the first four years of their operation. However, most of the initial surpluses have now been exhausted, and it is expected that the funding needs of the agencies over the medium term will amount to R28 million per year.

### **Council for Scientific and Industrial Research**

Established in 1945 and currently regulated through the Scientific Research Council Act (46 of 1988), the Council for Scientific and Industrial Research (CSIR) is the premier industrial research organisation in Africa, committed to innovation, supporting sustainable development, economic growth, and creating value for clients, partners and stakeholders. The CSIR is committed to providing technological solutions and information to contribute towards realising national socio-economic priorities. The organisation's objective is to build appropriate competencies that will provide South Africa with the necessary technological capabilities, and to promote and develop a culture of science and technology and capabilities. The Council strives to lead technology awareness and to build strong linkages between labour and technology. Transfers to the Council increase from R323 million for 2003/04 to R368 million 2005/06.

### **Estate Agency Affairs Board**

The Estate Agency Affairs Board is established in terms of the Estate Agents Affairs Act (112 of 1976). The Board is responsible for regulating the estate agency industry through licensing practitioners and protecting consumers. Professional fees paid by estate agents fund the activities of the Board.

### **Fund for Research into Industrial Development, Growth and Equity**

This fund was established in terms of an agreement between business, labour and Government in Nedlac's Trade and Industry Chamber. The fund is administered by the Industrial Development Corporation. It received transfers of R7,0 million in 2001/02, rising to R7,4 million in 2005/06. The Fund provides financial assistance for research directed towards:

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

### **Industrial Development Corporation**

The Industrial Development Corporation (IDC) is a state-owned development finance institution that promotes entrepreneurship through the building of competitive industries and enterprises based on sound business principles. The Corporation is subject to the provisions of the Industrial Development Act (22 of 1940), as amended, and certain sections of the Companies Act.

### **Khula**

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

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

Khula is registered as an insurer under the Insurance Amendment Act (49 of 1998) and is governed by the regulations of the Financial Services Board. Its credit guarantee arm undergoes an annual actuarial valuation as required by the Financial Services Board to determine the appropriate maximum gearing. The programmes financed by Khula have developed much faster than expected owing to the demand of its services. Transfers reach R26,5 million in 2005/06.

### **Micro Finance Regulatory Council**

The Micro Finance Regulatory Council (MFRC) is an independent regulatory structure that is given statutory backing by exemption from the Usury Amendment Act (81 of 1979). In terms of the Exemption Notice, the Minister may designate an institution meeting specified criteria as a regulatory agency. The only institution that has been recognised by the Minister is the MFRC. The powers of the MFRC will be expanded through legislative amendments that will be reviewed by Parliament in the first half of 2003. Furthermore, a legislative reform process that will result in new consumer credit legislation and a statutory regulator is currently underway. It is expected that new legislation will be reviewed by Parliament in early 2004. It is for this reason that the Department of Trade and Industry has funded the MFRC and will be expanding its funding to the institution.

### **National Manufacturing Advisory Centre Co-ordinating Body**

The National Manufacturing Advisory Centre Co-ordinating Body (NAMAC) provides manufacturing, information and related business development services through a range of support programmes to SMMEs. After receiving R43 million in 2002/03 the organisation's allocation increases to around R80 million each year over the medium term.

### **National Empowerment Fund**

The National Empowerment Fund (NEF) Trust was created by the National Empowerment Fund Act (105 of 1998). The goal of the Act is to redress economic inequality for historically disadvantaged persons and to increase their participation in the economy. The promotion of ownership of income-generating assets by historically disadvantaged persons was identified as an important way to achieve this.

Emanating from the Act, the NEF's broad mandate includes: providing historically disadvantaged persons with the opportunity to own equity in private businesses, supporting historically disadvantaged persons' business ventures; promoting understanding of equity ownership;

providing historically disadvantaged persons with the opportunity to own shares in state-owned commercial enterprises; and encouraging and promoting savings and investment.

As part of an ongoing capitalisation process, the NEF was allocated R174 million in the form of M-Cell shares in 1998/99.

### **National Gambling Board**

The Board was established in terms of the National Gambling Act (33 of 1996) to exercise control over gambling activity, provide advice to the Minister on national gambling activities, and promote uniform norms and standards across provinces. The Board's budget of R12 million is expected to increase to R14 million over the medium term, as the regulator will be given additional responsibilities in terms of the draft Gambling Bill that will be presented to Parliament in 2003. The Board is exclusively funded by the Department of Trade and Industry, and has received R7 million from the Department over the past years, as surpluses were accumulated in its initial years of operation. It is anticipated that its surpluses will be exhausted in the financial year 2003/4, implying that its full budget will have to be funded from the Department thereafter, at a cost of approximately R11 million a year from 2003/04 onwards.

### **National Lotteries Board**

The National Lotteries Board is established in terms of the National Lotteries Act (57 of 1997) and the amendment Acts (10 of 2000 and 46 of 2001). The Board monitors and enforces the implementation of the National Lottery, as well as the establishment of private lotteries and promotional competitions. In addition, the Board manages the National Lotteries Distribution Trust Fund (NLDTF) and takes responsibility for the management of the Fund and the distributing agencies established in terms of the Lotteries Act for the distribution of the funds. The Board is funded from the NLDTF, but the Minister approves the budget and the business plan of the Board.

### **National Enterprise Promotion Agency (Ntsika)**

Ntsika was established under the National Small Business Act 102 of 1996 as a section 21 company to provide non-financial support services for SMMEs. Ntsika provides access to training, information, capacity building, counselling, markets and technology. The transfers to Ntsika increase from R40 million in 2002/03 to R42,4 million in 2005/06.

### **National Measuring Standards**

The National Measuring Standards (NMS) organisation aims to promote South Africa's competitiveness through the provision of internationally acceptable measuring standards and measurements in terms of the Measuring Units and National Measuring Standards Act (76 of 1973). It received R31 million in 2001/02 and is allocated approximately R33 million a year over the medium term.

### **National Research Foundation**

The National Research Foundation receives funding from the Department of Trade and Industry for the Technology and Human Research for Industry Programme (THRIP). Transfers increase from R135 million in 2003/04 to R143 million in 2005/06.

### **South African Bureau of Standards**

The South Africa Bureau of Standards (SABS) administers the Standards Act (29 of 1993) promoting the use of standards and quality control in industry and commerce, and supervises trade

metrology and units of measure. The Bureau targets assistance towards small and emerging business through the South African Quality Institute, building awareness of quality principles and methodologies available in South Africa. Transfer payments total R91,4 million in 2003/04.

### **South African National Accreditation System**

The South African National Accreditation System (SANAS) establishes laboratory, personnel and certification body accreditation in South Africa, and facilitates mutual recognition agreements with international accreditation organisations. It receives R9,5 million in 2002/03, which then declines to R6,4 million in 2005/06.

### **South African Bureau of Standards Trade Metrology**

The South African Bureau of Standards' Trade Metrology unit is a statutory body that aims to do the following: approve instrumentation to ensure that such are replicated properly; verify measuring instruments and references in disputes; and control the accreditation of laboratories that do verification of instruments, the calibrating of verification standards, and similar activities. It receives R9 million in transfers in 2003/04, and R9 million each year over the medium term.

### **Trade and Investment South Africa**

Trade and Investment South Africa (Tisa) has been absorbed into the Department. The Tisa section 21 company will continue to exist while there are still several employment contracts in existence.

## **Annexure**

### **Vote 32: Trade and Industry**

Table 32.10: Summary of expenditure trends and estimates per programme

Table 32.11: Summary of expenditure trends and estimates per economic classification

Table 32.12: Summary of expenditure trends and estimates per standard item

Table 32.13: Summary of personnel numbers and costs

Table 32.14: Summary of expenditure on training

Table 32.15: Summary of information and communications technology expenditure

Table 32.16: Summary of expenditure on infrastructure

**Table 32.10: Summary of expenditure trends and estimates per programme**

	Expenditure outcome			Medium-term expenditure estimate						
	Audited	Audited	Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Current	Capital	Total
	1999/00	2000/01	2001/02					2003/04	2004/05	2005/06
R thousand										
1 Administration	89 053	106 706	161 121	169 555	22 826	192 381	142 249	188 095	14 351	202 446
2 International Trade and Economic Development	17 895	31 242	44 616	65 942	18 371	84 313	80 188	94 046	500	94 546
3 Enterprise and Industry Development	857 049	863 204	809 095	815 131	88 377	903 508	874 195	965 295	600	965 895
4 Consumer and Corporate Regulation	113 659	81 053	92 157	134 145	5 738	139 883	137 375	120 012	400	120 412
5 The Enterprise Organisation	428 708	386 058	419 332	840 159	(132 734)	707 425	589 217	585 168	190 300	775 468
6 Trade and Investment South Africa	320 661	691 549	489 567	443 641	26 630	470 271	463 437	464 857	2 000	466 857
7 Marketing	–	–	–	–	57 045	57 045	50 242	49 357	–	49 357
<b>Total</b>	<b>1 827 025</b>	<b>2 159 812</b>	<b>2 015 888</b>	<b>2 468 573</b>	<b>86 253</b>	<b>2 554 826</b>	<b>2 336 903</b>	<b>2 466 830</b>	<b>208 151</b>	<b>2 674 981</b>
Change to 2002 Budget Estimate						86 253	(131 670)			47 985
										<b>2 844 345</b>
										<b>3 016 359</b>

Table 32.11: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome				Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome	Current					Capital	Total		
	1999/00	2000/01	2001/02								2003/04	2004/05
<b>Current</b>	<b>1 808 732</b>	<b>2 151 230</b>	<b>2 005 972</b>	<b>2 446 995</b>	<b>87 764</b>	<b>2 534 759</b>	<b>2 327 123</b>	<b>2 466 830</b>	<b>-</b>	<b>2 466 830</b>	<b>2 645 524</b>	<b>2 807 552</b>
Personnel	161 219	174 403	218 884	287 437	(22 525)	264 912	215 228	257 346	-	257 346	257 346	272 787
Salaries and wages	161 219	174 403	218 884	287 437	(22 525)	264 912	215 228	257 346	-	257 346	257 346	272 787
Other	-	-	-	-	-	-	-	-	-	-	-	-
Transfer payments	1 514 333	1 824 782	1 567 865	2 014 430	(24 630)	1 989 800	1 896 423	1 883 724	-	1 883 724	2 057 006	2 182 598
Subsidies to business enterprises	614 047	589 790	584 860	1 216 242	(155 946)	1 060 296	966 968	737 003	-	737 003	884 423	936 172
Other levels of government	-	-	-	-	-	-	-	-	-	-	-	-
social security funds	-	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-
extra-budgetary institutions	579 522	607 518	659 435	675 167	96 834	772 001	780 061	856 718	-	856 718	886 582	939 977
provincial government	-	-	-	-	-	-	-	-	-	-	-	-
local government	-	-	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	319 392	621 700	319 361	114 953	29 850	144 803	135 001	276 002	-	276 002	272 001	291 609
Foreign countries and international credit institutions	1 372	5 774	4 209	8 068	4 632	12 700	14 393	14 001	-	14 001	14 000	14 840
Other	133 180	152 045	219 223	145 128	134 919	280 047	215 472	325 760	-	325 760	331 172	352 167
<b>Capital</b>	<b>18 293</b>	<b>8 582</b>	<b>9 916</b>	<b>21 578</b>	<b>(1 511)</b>	<b>20 067</b>	<b>9 780</b>	<b>-</b>	<b>208 151</b>	<b>208 151</b>	<b>198 821</b>	<b>208 807</b>
Transfer payments	-	-	-	1	-	1	1	-	190 001	190 001	179 141	189 889
Other levels of government	-	-	-	-	-	-	-	-	-	-	-	-
Other capital transfers	-	-	-	1	-	1	1	-	190 001	190 001	179 141	189 889
Movable capital	18 293	8 582	9 916	21 577	(1 511)	20 066	9 779	-	18 150	18 150	19 680	18 918
Motor vehicles (transport)	-	-	-	1 789	-	1 789	1 789	-	-	-	-	-
Equipment - Computers	10 190	-	-	-	-	-	-	-	14 900	14 900	15 900	14 574
Equipment - Other office equipment	333	-	-	-	-	-	-	-	-	-	-	-
Other	7 770	8 582	9 916	19 788	(1 511)	18 277	7 990	-	3 250	3 250	3 780	4 344
Fixed capital	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1 827 025</b>	<b>2 159 812</b>	<b>2 015 888</b>	<b>2 468 573</b>	<b>86 253</b>	<b>2 554 826</b>	<b>2 336 903</b>	<b>2 466 830</b>	<b>208 151</b>	<b>2 674 981</b>	<b>2 844 345</b>	<b>3 016 359</b>

**Table 32.12: Summary of expenditure trends and estimates per standard item**

	Expenditure outcome				Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	Main appropriation		Adjusted appropriation	Revised estimate	Current	Capital	Total
	1999/00	2000/01	2001/02							
R thousand										
Personnel	161 219	174 403	218 884	287 437	(22 525)	264 912	215 228	257 346	257 346	272 787
Administrative	40 734	51 023	72 954	42 420	27 901	70 321	72 038	71 745	71 745	76 050
Inventories	12 473	15 544	16 556	8 508	2 239	10 747	15 149	8 806	8 806	9 334
Equipment	19 434	17 883	17 851	28 274	1 783	30 057	18 770	12 961	18 150	31 111
Land and buildings	1 361	3 002	32 835	6 763	6 565	13 328	8 410	5 262	–	5 262
Professional and special services	58 901	59 335	67 589	80 092	94 774	174 866	110 294	226 194	–	233 136
Transfer payments	1 514 333	1 824 782	1 567 865	2 014 431	(24 630)	1 989 801	1 896 424	1 883 724	190 001	2 236 147
Miscellaneous	18 570	13 840	21 354	648	146	794	590	792	–	792
<b>Total</b>	<b>1 827 025</b>	<b>2 159 812</b>	<b>2 015 888</b>	<b>2 468 573</b>	<b>86 253</b>	<b>2 554 826</b>	<b>2 336 903</b>	<b>2 466 830</b>	<b>208 151</b>	<b>2 674 981</b>
										<b>2 844 345</b>
										<b>3 016 359</b>

**Table 32.13: Summary of personnel numbers and costs<sup>1</sup>**

Personnel numbers	1999/00	2000/01	2001/02	2002/03	2003/04
	1999/00	2000/01	2001/02	2002/03	2003/04
1 Administration	254	355	280	280	280
2 International Trade and Economic Development	79	79	200	200	200
3 Enterprise and Industry Development	197	216	80	80	80
4 Consumer and Corporate Regulation	330	393	365	365	365
5 The Enterprise Organisation	50	80	100	100	100
6 Trade and Investment South Africa	82	82	180	180	180
<b>Total</b>	<b>992</b>	<b>1 205</b>	<b>1 205</b>	<b>1 205</b>	<b>1 205</b>
Total personnel cost (R thousand)	161 219	174 403	218 884	264 912	257 346
Unit cost (R thousand)	162.5	144.7	181.6	219.8	213.6

<sup>1</sup> Full-time equivalent

Table 32.14: Summary of expenditure on training

	Expenditure outcome		Adjusted appropriation	Medium-term expenditure estimate				
	Audited	Preliminary outcome		2003/04	2004/05	2005/06		
	1999/00	2000/01		2001/02	2002/03	2003/04	2004/05	2005/06
<b>R thousand</b>								
1 Administration	1 796	1 149	3 968	1 715	1 215	1 240	1 314	
2 International Trade and Economic Development	633	585	898	408	408	416	441	
3 Enterprise and Industry Development	241	578	1 321	500	500	530	562	
4 Consumer and Corporate Regulation	279	2 136	709	290	245	261	277	
5 The Enterprise Organisation	44	40	414	165	164	174	184	
6 Trade and Investment South Africa	313	601	1 000	–	300	350	371	
7 Marketing	–	–	–	–	200	230	244	
<b>Total</b>	<b>3 306</b>	<b>5 089</b>	<b>8 310</b>	<b>3 078</b>	<b>3 032</b>	<b>3 201</b>	<b>3 393</b>	

**Table 32.15: Summary of information and communications technology expenditure**

R thousand	Expenditure outcome	Adjusted appropriation	Medium-term expenditure estimate			
			2001/02	2002/03	2003/04	2004/05
1	Administration	17 262	14 350	15 880	14 920	14 920
	Technology	17 262	11 500	12 500	11 000	11 000
	IT services	–	2 850	3 380	3 920	3 920
2	International Trade and Economic Development	493	500	500	500	500
	Technology	493	500	500	500	500
	IT services	–	–	–	–	–
3	Enterprise and Industry Development	4 466	600	600	636	636
	Technology	4 466	600	600	636	636
	IT services	–	–	–	–	–
4	Consumer and Corporate Regulation	200	400	400	424	424
	Technology	200	400	400	424	424
	IT services	–	–	–	–	–
5	The Enterprise Organisation	–	300	300	318	318
	Technology	–	300	300	318	318
	IT services	–	–	–	–	–
6	Trade and Investment South Africa	339	2 000	2 000	2 120	2 120
	Technology	339	2 000	2 000	2 120	2 120
	IT services	–	–	–	–	–
<b>Total</b>		<b>22 760</b>	<b>18 150</b>	<b>19 680</b>	<b>18 918</b>	<b>18 918</b>

Table 32.16: Summary of expenditure on infrastructure

Projects	Description	Expenditure outcome			Adjusted appropriation 2002/03	Medium-term expenditure estimate		
		1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
R thousand								
Infrastructure programmes or large infrastructure projects								
Small project groups								
Infrastructure transfers								
- East London		-	-	-	-	-	-	-
- Coega		-	-	-	-	-	-	-
- Richards Bay		-	-	-	58 200	190 000	179 140	189 888
- John Ross Freeway (Richards Bay)		-	-	-	-	58 000	41 140	64 888
- Lubombo	Industrial development zone	-	-	-	58 200	38 000	36 000	45 000
- Lubombo Access Road	Industrial development zone	-	-	-	-	-	50 000	50 000
- Johannesburg International Airport	Industrial development zone	-	-	-	-	94 000	-	-
	Spatial Development Initiative	-	-	-	-	-	45 000	-
	Spatial Development Initiative	-	-	-	-	-	-	-
	Industrial development zone	-	-	-	-	-	7 000	30 000
<b>Sub-total</b>		-	-	-	<b>58 200</b>	<b>190 000</b>	<b>179 140</b>	<b>189 888</b>
Fixed installations transferred to households		-	-	-	-	-	-	-
Maintenance on infrastructure		-	-	-	-	-	-	-
<b>Total</b>		-	-	-	<b>58 200</b>	<b>190 000</b>	<b>179 140</b>	<b>189 888</b>