



2019
BUDGET
ESTIMATES OF
NATIONAL EXPENDITURE

VOTE
25

ECONOMIC DEVELOPMENT



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2019

National Treasury

Republic of South Africa



ISBN: 978-0-621-47021-5

RP: 17/2019

The 2019 Estimates of National Expenditure is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. Compared to this Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

Foreword

The Estimates of National Expenditure (ENE) publications are an integral part of the comprehensive annual budget process. The economic climate has made it necessary to focus on reprioritising existing resources towards areas where the most value can be derived for all South Africans. The budgets shown in this document reflect the outcome of a robust negotiation process, led by a committee of senior officials in central government departments, under the political guidance of the Ministers' Committee on the Budget. There was also wide-ranging intergovernmental consultation on budgets in the provincial and local spheres of government. Ultimately, these decisions are considered and endorsed by Cabinet.

The ENE publications present the detail of national government's expenditure estimates for the three-year 2019 medium-term expenditure framework period, most importantly for 2019/20 allocations contained in the Appropriation Bill, 2019, as tabled by the Minister of Finance, for Parliament's consideration and adoption.

The abridged ENE provides extensive information on the priorities, spending plans and service delivery commitments of all 40 national government votes, as well as for associated government agencies. The e-publications for each vote contain more detail on goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

This information in these chapters ensures that Parliament, the public, civil society, the media, government departments, public entities and the executive can keep state institutions accountable and ensure that public funds are spent to achieve the outcomes for which they were intended. Since its launch in February 2018, the Vulekamali online portal has become the main source of transparent, user-friendly information, including information contained in ENE publications, for anybody who wants to know more about how government compiles its budget and spends public funds. The website, www.vulekamali.gov.za, continues to evolve, and now also provides geospatial information on government's infrastructure projects, which are focal in this year's budget as a key impetus for economic growth. I encourage you to be active citizens and use this information to hold government accountable for obtaining the best possible outcomes with the funds entrusted to it.

I wish to thank the executive for the political leadership shown in the budget process, our government colleagues for all of their efforts and contributions, and my team at the department for working diligently to bring it all together.



Dondo Mogajane
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2019 MTEF period is from 2019/20 to 2021/22.

The ENE publications contain information on how government institutions have spent their budgets in previous years. They explain how these institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes their spending is expected to lead to. The publications include tables depicting non-financial performance indicators and targets, departmental receipts, personnel, significant as well as detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for entities that report to the vote's executive authority. Explanatory narratives set out the institution's purpose (and that of its programmes), its mandate and programme-level objectives and descriptions of subprogrammes. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. Summary data tables at the end of each vote contain data on provincial and municipal conditional grants, public-private partnerships, donor funding, infrastructure, and expenditure at the level of site service delivery, where applicable.

A separate 2019 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2019 ENE Overview contains a narrative explanation and budget-wide summary tables; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Economic Development

National Treasury

Republic of South Africa



Contents

Budget summary	1
Vote purpose	1
Mandate	1
Selected performance indicators	2
Expenditure analysis	2
Expenditure trends	4
Expenditure estimates	4
Expenditure trends and estimates for significant spending items	5
Goods and services expenditure trends and estimates	5
Transfers and subsidies expenditure trends and estimates	6
Personnel information	6
Departmental receipts	7
Programme 1: Administration	7
Programme 2: Growth Path and Social Dialogue	8
Programme 3: Investment, Competition and Trade	9
Entities.....	11
Additional table	27

Vote 25

Economic Development

Budget summary

R million	2019/20				2020/21	2021/22
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	90.3	86.4	–	3.9	96.1	102.0
Growth Path and Social Dialogue	37.0	36.4	–	0.6	39.8	42.3
Investment, Competition and Trade	918.1	19.9	898.0	0.2	959.5	1 042.1
Total expenditure estimates	1 045.4	142.7	898.0	4.7	1 095.4	1 186.5

Executive authority Minister of Economic Development
 Accounting officer Director-General of Economic Development
 Website address www.economic.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on 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 of government's 2014-2019 medium-term strategic framework. This includes the implementation of certain aspects of the National Development Plan (NDP), the national infrastructure plan, and 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 5 public entities, comprising 3 regulatory bodies (the Competition Commission, the Competition Tribunal and the International Trade Administration Commission of South Africa) and 2 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		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
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	5	5	4	4	4	4	4
Number of reports on black women and youth with access to employment and entrepreneurship opportunities per year	Growth Path and Social Dialogue		4	3	3	3	3	3	3
Number of reports on support provided to provinces per year ¹	Growth Path and Social Dialogue		9	10	10	10	10	10	10
Number of quarterly Cabinet-level progress reports on infrastructural strategic integrated projects per year	Investment, Competition and Trade	Outcome 6: An efficient, competitive and responsive economic infrastructure network	72	72	69	64	64	64	64
Number of infrastructure projects unblocked, fast-tracked or facilitated, or project assessments completed per year ¹	Investment, Competition and Trade		22	9	8	8	8	8	8
Number of investment initiatives facilitated, fast-tracked and/or unblocked per year	Investment, Competition and Trade	Outcome 4: Decent employment through inclusive growth	16	13	14	14	14	14	14
Number of ministerial and departmental oversight engagements with trade and competition authorities held per year	Investment, Competition and Trade		7	8	6	5	5	5	5

1. Indicator changed to align with the department's 2018/19 annual performance plan, which was finalised after the 2018 Estimates of National Expenditure had been published.

Expenditure analysis

In contributing to South Africa's economic growth and long-term vision detailed in the NDP, the Economic Development Department will, over the medium term, continue to focus on providing support to development finance institutions and regulatory bodies, facilitating infrastructure initiatives, providing black women and youth with access to employment and entrepreneurship opportunities, and supporting provinces in economic planning.

Providing support to development finance institutions and regulatory bodies

The department realises its mandate largely through its entities, and oversees them to enhance their impact on economic transformation, job creation and industrial development. Over the MTEF period, transfers to entities account for an estimated 86.1 per cent (R2.9 billion) of the department's total expenditure. The Competition Commission is set to receive the largest transfer (R935.7 million), followed by the Small Enterprise Finance Agency (R764.9 million), the Industrial Development Corporation (R701.3 million), the International Trade Administration Commission (R338.8 million), and the Competition Tribunal (R114.6 million). Spending on compensation of employees, by comparison, accounts for an estimated 9.2 per cent (R314.6 million) of total expenditure.

Cabinet-approved reductions of R48.2 million to the department's baseline over the medium term result in a reduction on transfers to the Competition Commission of R32.4 million, the Competition Tribunal of R2.8 million, the Industrial Development Corporation of R4 million, and the International Trade Administration

Commission of R3.1 million. These are mainly due to the freeze on salary increases for senior management staff earning more than R1.5 million per year, and a 2.8 per cent increase for senior managers earning between R1 million and R1.49 million per year; as well as to offset higher than inflation growth in spending on goods and services.

The Competition Amendment Bill is in Parliament. The bill seeks to amend the Competition Act (1998) by clarifying determinations on prohibited practices, strengthening the role of market inquiries, strengthening penalties to discourage abuses of dominance and price discrimination, and stimulating the growth of small, medium and micro enterprises (SMMEs) and firms owned and controlled by historically disadvantaged people, among other things. Following the ongoing amendment to the act, the department has appointed a panel of experts to assess the implications of the amendments on the capacity of competition authorities. This panel will also consider international best practice in the design models for and the funding of competition authorities.

Facilitating interventions in infrastructure initiatives

The department will continue to provide secretariat services to the Presidential Infrastructure Coordinating Commission in its implementation of 18 national strategic infrastructure projects such as the construction of power plants, schools, health care facilities, roads, ports, water pipelines and bus route systems. The nature of this support includes unblocking or facilitating applications for permits or licences to accelerate the implementation of projects. Key infrastructure projects, which are in the 18 national strategic infrastructure projects, are expected to be unblocked over the medium term through the easing of regulatory challenges. This will be done by engaging and coordinating with all parties involved in the planning and adjudication of projects, and overcoming challenges such as by-laws. Through these interventions, municipal services will be made available for new and existing investments in the water and sanitation, logistics, housing, health, transport, energy, agri-logistics, education, and ICT sectors. Over the MTEF period, in the *Investment, Competition and Trade* programme, R82.7 million is allocated for the secretariat's work, and R165 million to the technical project management unit to enhance its capacity to assist departments with project preparation and make projects more appealing to investors.

Providing black women and youth with access to employment and entrepreneurship opportunities

The meaningful growth of the South African economy requires social partnerships and the provision of support to women and young people, particularly those who have been historically disadvantaged. In recognition of this, the department plans to deliver 9 initiatives in support of women and young people over the medium term. These include engaging and mobilising economic stakeholders to channel investments towards women and young people; easing regulatory challenges in employment-generating sectors such as manufacturing, retail and ICT; coordinating the advancement of social accords; and producing reports on the facilitation of employment and entrepreneurship opportunities for black women and youth. Funding for these initiatives is provided in the *Growth Path and Job Drivers* subprogramme, which has an allocation of R77.3 million over the medium term, in the *Growth Path and Social Dialogue* programme.

Supporting provinces in economic planning

Over the medium term, the department plans to hold 30 coordination and planning support engagements with provincial and local governments to improve their economic development plans, and assess the alignment of these plans with the NDP. These engagements are intended to help identify and support the implementation of common initiatives such as skills development, employment creation, local procurement and the green economy; and responses to sector-wide industrial conflict and the uncertain global economic environment. The provision of economic planning support to provinces is also budgeted for in the *Growth Path and Job Drivers* subprogramme.

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														
	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 (%)
R million	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Programme 1	83.2	83.2	83.1	79.2	89.2	90.4	80.7	86.5	83.7	86.5	86.4	86.4	104.2%	99.5%
Programme 2	27.9	27.9	26.7	36.0	33.1	27.8	35.6	32.8	31.1	34.4	34.5	34.5	89.7%	93.6%
Programme 3	774.7	774.7	773.9	559.4	552.3	546.9	681.0	795.0	797.3	951.7	951.8	951.8	103.5%	99.9%
Total	885.8	885.8	883.7	674.7	674.7	665.1	797.2	914.2	912.1	1 072.6	1 072.6	1 072.6	103.0%	99.6%
Change to 2018 Budget estimate											-			
Economic classification														
Current payments	150.3	140.9	128.4	143.0	142.5	133.5	139.8	139.3	132.6	135.2	135.0	135.0	93.2%	95.0%
Compensation of employees	96.1	87.8	79.4	94.0	94.0	85.0	90.1	90.0	88.5	90.8	90.8	90.8	92.6%	94.8%
Goods and services	54.2	53.1	49.0	49.0	48.5	48.5	49.7	49.2	44.1	44.4	44.2	44.2	94.2%	95.3%
Transfers and subsidies	733.2	742.3	750.4	528.8	528.8	528.8	656.2	773.3	778.4	932.9	933.1	933.1	104.9%	100.4%
Departmental agencies and accounts	326.8	330.8	338.8	315.7	315.7	315.7	387.5	387.5	392.5	419.1	419.1	419.1	101.2%	100.9%
Public corporations and private enterprises	406.4	411.4	411.4	213.1	213.1	213.1	268.8	385.8	385.8	513.8	513.8	513.8	108.7%	100.0%
Households	-	0.1	0.2	-	-	0.1	-	0.0	0.1	-	0.2	0.2	-	171.5%
Payments for capital assets	2.2	2.6	4.9	2.9	3.4	2.8	1.2	1.7	1.0	4.5	4.5	4.5	122.2%	108.9%
Machinery and equipment	1.8	2.1	3.4	2.5	3.3	1.5	0.8	1.4	0.9	4.0	4.0	4.0	108.6%	90.5%
Software and other intangible assets	0.5	0.5	1.6	0.4	0.1	1.3	0.4	0.3	0.1	0.5	0.5	0.5	190.2%	258.2%
Payments for financial assets	-	0.0	0.0	-	-	-	-	-	-	-	-	-	-	100.0%
Total	885.8	885.8	883.7	674.7	674.7	665.1	797.2	914.2	912.1	1 072.6	1 072.6	1 072.6	103.0%	99.6%

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								
	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Programme 1	86.4	1.2%	9.7%	90.3	96.1	102.0	5.7%	8.5%
Programme 2	34.5	7.3%	3.4%	37.0	39.8	42.3	7.1%	3.5%
Programme 3	951.8	7.1%	86.9%	918.1	959.5	1 042.1	3.1%	88.0%
Total	1 072.6	6.6%	100.0%	1 045.4	1 095.4	1 186.5	3.4%	100.0%
Change to 2018 Budget estimate				29.1	28.1	59.5		
Economic classification								
Current payments	135.0	-1.4%	15.0%	142.7	152.2	161.8	6.2%	13.4%
Compensation of employees	90.8	1.1%	9.7%	97.7	105.0	111.8	7.2%	9.2%
Goods and services	44.2	-5.9%	5.3%	45.0	47.2	50.0	4.2%	4.2%
Transfers and subsidies	933.1	7.9%	84.6%	898.0	938.0	1 019.2	3.0%	86.1%
Departmental agencies and accounts	419.1	8.2%	41.5%	438.5	462.5	488.0	5.2%	41.1%
Public corporations and private enterprises	513.8	7.7%	43.1%	459.5	475.5	531.3	1.1%	45.0%
Households	0.2	39.5%	0.0%	-	-	-	-100.0%	0.0%
Payments for capital assets	4.5	20.2%	0.4%	4.7	5.1	5.4	6.2%	0.4%
Machinery and equipment	4.0	24.2%	0.3%	4.2	4.6	4.8	6.3%	0.4%
Software and other intangible assets	0.5	-1.4%	0.1%	0.5	0.5	0.6	5.5%	0.0%
Total	1 072.6	6.6%	100.0%	1 045.4	1 095.4	1 186.5	3.4%	100.0%

Expenditure trends and estimates for significant spending items

Table 25.4 Expenditure trends and estimates for significant spending items

						Average: Expenditure/ Total vote					Average: Expenditure/ Total vote
Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
R thousand	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Competition Commission	231 045	208 541	263 354	281 788	6.8%	27.9%	295 438	311 559	328 695	5.3%	27.7%
Competition Tribunal	19 102	20 115	30 041	35 086	22.5%	3.0%	36 172	38 166	40 265	4.7%	3.4%
International Trade	88 701	87 001	99 065	102 191	4.8%	10.7%	106 928	112 814	119 019	5.2%	10.0%
Administration Commission											
Small Enterprise Finance Agency	406 397	213 124	223 780	228 837	-17.4%	30.3%	241 453	254 732	268 742	5.5%	22.6%
Total	745 245	528 781	616 240	647 902	16.7%	71.9%	679 991	717 271	756 721	20.7%	63.7%

Goods and services expenditure trends and estimates

Table 25.5 Vote goods and services expenditure trends and estimates

					Average growth rate (%)	Average: Expen- diture/ Total (%)				Average growth rate (%)	Average: Expen- diture/ Total (%)
Audited outcome				Adjusted appropriation			Medium-term expenditure estimate				
R thousand	2015/16	2016/17	2017/18	2018/19	2015/16 -	2018/19	2019/20	2020/21	2021/22	2018/19 -	2021/22
Administrative fees	794	466	358	358	-23.3%	1.1%	376	394	415	5.0%	0.8%
Advertising	2 705	444	481	1 243	-22.8%	2.6%	1 312	1 385	1 461	5.5%	2.9%
Minor assets	174	42	51	138	-7.4%	0.2%	145	153	161	5.3%	0.3%
Audit costs: External	2 669	2 609	3 443	3 447	8.9%	6.5%	3 640	3 840	4 051	5.5%	8.0%
Bursaries: Employees	209	270	213	331	16.6%	0.6%	331	330	348	1.7%	0.7%
Catering: Departmental activities	1 351	244	374	426	-31.9%	1.3%	472	511	539	8.2%	1.0%
Communication	1 130	1 668	1 490	1 853	17.9%	3.3%	1 955	2 062	2 174	5.5%	4.3%
Computer services	326	779	1 265	899	40.2%	1.8%	946	998	1 052	5.4%	2.1%
Consultants: Business and advisory services	833	1 807	2 363	3 757	65.2%	4.7%	3 055	3 223	3 399	-3.3%	7.2%
Legal services	6 636	18 918	9 193	9 233	11.6%	23.7%	11 072	11 529	12 337	10.1%	23.7%
Contractors	460	96	156	634	11.3%	0.7%	667	702	739	5.2%	1.5%
Agency and support/outsourced services	21	280	30	238	124.6%	0.3%	252	266	281	5.7%	0.6%
Entertainment	–	1	–	25	–	–	26	27	28	3.8%	0.1%
Fleet services (including government motor transport)	917	1 059	1 172	721	-7.7%	2.1%	760	801	844	5.4%	1.7%
Inventory: Clothing material and accessories	–	–	–	112	–	0.1%	119	125	132	5.6%	0.3%
Inventory: Materials and supplies	–	–	–	8	–	–	8	8	8	–	–
Inventory: Medical supplies	–	–	–	4	–	–	4	4	4	–	–
Consumable supplies	98	112	109	176	21.6%	0.3%	186	196	207	5.6%	0.4%
Consumables: Stationery, printing and office supplies	703	656	727	862	7.0%	1.6%	900	948	1 000	5.1%	2.0%
Operating leases	10 924	9 592	13 509	12 521	4.7%	25.1%	11 122	11 734	12 379	-0.4%	25.6%
Rental and hiring	90	–	1	121	10.4%	0.1%	127	133	140	5.0%	0.3%
Property payments	–	–	–	47	–	–	49	51	53	4.1%	0.1%
Transport provided: Departmental activity	55	–	–	27	-21.1%	–	28	29	30	3.6%	0.1%
Travel and subsistence	11 295	6 964	7 885	6 008	-19.0%	17.3%	6 349	6 721	7 091	5.7%	14.0%
Training and development	348	808	234	211	-15.4%	0.9%	243	183	193	-2.9%	0.4%
Operating payments	987	1 421	894	629	-13.9%	2.1%	653	692	730	5.1%	1.5%
Venues and facilities	6 263	239	161	187	-69.0%	3.7%	174	184	193	1.1%	0.4%
Total	48 988	48 475	44 109	44 216	-3.4%	100.0%	44 971	47 229	49 989	4.2%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 25.6 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R thousand											
Households											
Social benefits											
Current	150	30	130	210	11.9%	–	–	–	–	-100.0%	–
Households	150	30	130	210	11.9%	–	–	–	–	-100.0%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	338 848	315 657	392 460	419 065	7.3%	49.0%	438 538	462 539	487 979	5.2%	47.7%
Competition Commission	231 045	208 541	263 354	281 788	6.8%	32.9%	295 438	311 559	328 695	5.3%	32.1%
Competition Tribunal	19 102	20 115	30 041	35 086	22.5%	3.5%	36 172	38 166	40 265	4.7%	4.0%
International Trade Administration Commission	88 701	87 001	99 065	102 191	4.8%	12.6%	106 928	112 814	119 019	5.2%	11.6%
Households											
Other transfers to households											
Current	1	35	–	10	115.4%	–	–	–	–	-100.0%	–
Households	1	35	–	10	115.4%	–	–	–	–	-100.0%	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	411 397	213 124	385 780	513 837	7.7%	51.0%	459 453	475 482	531 268	1.1%	52.3%
Small Enterprise Finance Agency	406 397	213 124	223 780	228 837	-17.4%	35.8%	241 453	254 732	268 742	5.5%	26.2%
Industrial Development Corporation	5 000	–	162 000	285 000	284.9%	15.1%	218 000	220 750	262 526	-2.7%	26.0%
Total	750 396	528 846	778 370	933 122	7.5%	100.0%	897 991	938 021	1 019 247	3.0%	100.0%

Personnel information

Table 25.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																				
1. Administration																				
2. Growth Path and Social Dialogue																				
3. Investment, Competition and Trade																				
Number of posts estimated for 31 March 2019			Number and cost ² of personnel posts filled/planned for on funded establishment													Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)		
		2017/18			2018/19			2019/20			2020/21			2021/22						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Economic Development		133	1	122	88.5	0.7	115	90.8	0.8	114	97.7	0.9	114	105.0	0.9	114	111.8	1.0	-0.3%	100.0%
Salary level	133	1	122	88.5	0.7	115	90.8	0.8	114	97.7	0.9	114	105.0	0.9	114	111.8	1.0	-0.3%	100.0%	
1 – 6	19	–	18	4.5	0.3	17	4.5	0.3	17	4.9	0.3	17	5.3	0.3	17	5.7	0.3	–	14.9%	
7 – 10	37	–	36	15.5	0.4	36	16.9	0.5	36	18.3	0.5	36	19.8	0.5	36	21.1	0.6	–	31.5%	
11 – 12	28	–	26	22.3	0.9	24	22.7	0.9	24	24.7	1.0	24	26.5	1.1	24	28.2	1.2	–	21.0%	
13 – 16	47	1	40	41.8	1.0	36	42.0	1.2	35	44.7	1.3	35	48.0	1.4	35	51.1	1.5	-0.9%	30.9%	
Other	2	–	2	4.4	2.2	2	4.7	2.4	2	5.1	2.5	2	5.5	2.7	2	5.8	2.9	–	1.8%	
Programme	133	1	122	88.5	0.7	115	90.8	0.8	114	97.7	0.9	114	105.0	0.9	114	111.8	1.0	-0.3%	100.0%	
Programme 1	77	–	72	43.5	0.6	66	42.7	0.6	66	46.0	0.7	66	49.4	0.7	66	52.6	0.8	–	57.8%	
Programme 2	28	–	32	29.0	0.9	32	32.3	1.0	32	34.8	1.1	32	37.4	1.2	32	39.8	1.2	–	28.0%	
Programme 3	28	1	18	16.0	0.9	17	15.8	0.9	16	17.0	1.1	16	18.3	1.1	16	19.4	1.2	-2.0%	14.2%	

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 (%)
	2015/16	2016/17	2017/18					2019/20	2020/21	2021/22		
Departmental receipts	50 296	137 336	167 560	284 964	284 964	78.3%	100.0%	173 397	173 451	175 530	-14.9%	100.0%
Sales of goods and services produced by department	35	30	31	49	49	11.9%	–	57	66	75	15.2%	–
Sales by market establishments of which:	35	17	16	35	35	–	–	40	45	50	12.6%	–
Rental: Parking	35	17	16	35	35	–	–	40	45	50	12.6%	–
Other sales of which:	–	13	15	14	14	–	–	17	21	25	21.3%	–
Commission on insurance garnishee	–	13	15	14	14	–	–	17	21	25	21.3%	–
Fines, penalties and forfeits	–	117 000	117 400	234 000	234 000	–	73.2%	123 000	123 000	125 000	-18.9%	74.9%
Interest, dividends and rent on land	50 278	20 259	50 123	50 860	50 860	0.4%	–	50 280	50 320	50 380	-0.3%	25.0%
Interest	278	259	123	860	860	45.7%	0.2%	280	320	380	-23.8%	0.2%
Dividends of which:	50 000	20 000	50 000	50 000	50 000	–	26.6%	50 000	50 000	50 000	–	24.8%
Dividends from the Industrial Development Corporation	50 000	20 000	50 000	50 000	50 000	–	26.6%	50 000	50 000	50 000	–	24.8%
Transactions in financial assets and liabilities	(17)	47	6	55	55	-247.9%	–	60	65	75	10.9%	–
Total	50 296	137 336	167 560	284 964	284 964	78.3%	100.0%	173 397	173 451	175 530	-14.9%	100.0%

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 (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R thousand											
Ministry	20 160	18 355	20 884	23 906	5.8%	24.2%	25 580	27 374	29 089	6.8%	28.3%
Office of the Director-General	14 578	11 037	11 008	11 952	-6.4%	14.1%	11 939	12 760	13 549	4.3%	13.4%
Corporate Management Services	36 618	48 285	38 905	36 095	-0.5%	46.5%	37 526	39 577	42 049	5.2%	41.4%
Financial Management	11 788	12 740	12 869	14 398	6.9%	15.1%	15 289	16 360	17 331	6.4%	16.9%
Total	83 144	90 417	83 666	86 351	1.3%	100.0%	90 334	96 071	102 018	5.7%	100.0%
Change to 2018				–			(1 853)	(2 075)	(2 027)		
Budget estimate											
Economic classification											
Current payments	80 033	87 629	82 578	82 593	1.1%	96.9%	86 426	91 850	97 565	5.7%	95.6%
Compensation of employees	41 690	44 088	43 504	42 718	0.8%	50.1%	45 965	49 412	52 624	7.2%	50.9%
Goods and services ¹ of which:	38 343	43 541	39 074	39 875	1.3%	46.8%	40 461	42 438	44 941	4.1%	44.8%
Audit costs: External	2 669	2 609	3 443	3 447	8.9%	3.5%	3 640	3 840	4 051	5.5%	4.0%
Communication	1 054	1 295	1 173	1 593	14.8%	1.5%	1 682	1 774	1 871	5.5%	1.8%
Consultants: Business and advisory services	567	475	407	3 005	74.3%	1.3%	2 344	2 473	2 608	-4.6%	2.8%
Legal services	6 636	18 818	9 193	9 233	11.6%	12.8%	11 072	11 529	12 337	10.1%	11.8%
Operating leases	10 924	9 592	13 509	12 521	4.7%	13.5%	11 122	11 734	12 379	-0.4%	12.7%
Travel and subsistence	8 951	5 308	6 083	5 069	-17.3%	7.4%	5 332	5 626	5 936	5.4%	5.9%
Transfers and subsidies¹	61	55	51	55	-3.4%	0.1%	–	–	–	-100.0%	–
Households	61	55	51	55	-3.4%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	3 048	2 733	1 037	3 703	6.7%	3.1%	3 908	4 221	4 453	6.3%	4.3%
Machinery and equipment	2 977	1 468	893	3 654	7.1%	2.6%	3 857	4 167	4 396	6.4%	4.3%
Software and other intangible assets	71	1 265	144	49	-11.6%	0.4%	51	54	57	5.2%	0.1%
Payments for financial assets	2	–	–	–	-100.0%	–	–	–	–	–	–
Total	83 144	90 417	83 666	86 351	1.3%	100.0%	90 334	96 071	102 018	5.7%	100.0%
Proportion of total programme expenditure to vote expenditure	9.4%	13.6%	9.2%	8.1%	–	–	8.6%	8.8%	8.6%	–	–

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

Details of transfers and subsidies					Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome				Adjusted appropriation							
R thousand	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Households											
Social benefits											
Current	60	20	51	45	-9.1%	0.1%	-	-	-	-100.0%	-
Households	60	20	51	45	-9.1%	0.1%	-	-	-	-100.0%	-
Households											
Other transfers to households											
Current	1	35	-	10	115.4%	-	-	-	-	-100.0%	-
Households	1	35	-	10	115.4%	-	-	-	-	-100.0%	-

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

Personnel information

Table 25.10 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019			Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
Number of funded posts		Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2017/18			2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Administration			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	77	–	72	43.5	0.6	66	42.7	0.6	66	46.0	0.7	66	49.4	0.7	66	52.6	0.8	–	100.0%
1 – 6	18	–	18	4.4	0.2	17	4.5	0.3	17	4.9	0.3	17	5.3	0.3	17	5.7	0.3	–	25.8%
7 – 10	24	–	22	9.5	0.4	22	10.5	0.5	22	11.3	0.5	22	12.2	0.6	22	13.0	0.6	–	33.3%
11 – 12	13	–	12	9.0	0.8	10	8.4	0.8	10	9.0	0.9	10	9.6	1.0	10	10.2	1.0	–	15.2%
13 – 16	20	–	18	16.2	0.9	15	14.6	1.0	15	15.7	1.0	15	16.9	1.1	15	17.9	1.2	–	22.7%
Other	2	–	2	4.4	2.2	2	4.7	2.4	2	5.1	2.5	2	5.5	2.7	2	5.8	2.9	–	3.0%

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

2. Rand million.

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 or 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 sectoral and workplace levels through the facilitation of social dialogue and implementation of social accords over the medium term.
- Support productivity, innovation and entrepreneurship by engaging in 12 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 25.11 Growth Path and Social Dialogue expenditure trends and estimates by subprogramme and economic classification

Subprogramme					Average growth rate (%)	Average: Expenditure/ Total (%)				Average growth rate (%)	Average: Expenditure/ Total (%)
	Audited outcome			Adjusted appropriation			Medium-term expenditure estimate				
R thousand	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Growth Path and Job Drivers	16 801	19 715	22 308	22 400	10.1%	67.6%	24 018	25 787	27 445	7.0%	64.9%
Social Dialogue, Productivity and Innovation	9 904	8 082	8 818	12 095	6.9%	32.4%	12 991	13 974	14 874	7.1%	35.1%
Total	26 705	27 797	31 126	34 495	8.9%	100.0%	37 009	39 761	42 319	7.1%	100.0%
Change to 2018 Budget estimate				–			–	–	–		
Economic classification											
Current payments	24 945	27 776	31 110	33 835	10.7%	98.0%	36 385	39 103	41 625	7.2%	98.3%
Compensation of employees	22 276	25 909	28 989	32 296	13.2%	91.1%	34 750	37 356	39 784	7.2%	93.9%
Goods and services ¹	2 669	1 867	2 121	1 539	-16.8%	6.8%	1 635	1 747	1 841	6.2%	4.4%
of which:											
Catering: Departmental activities	490	78	95	108	-39.6%	0.6%	108	114	120	3.6%	0.3%
Communication	41	153	206	169	60.3%	0.5%	179	189	199	5.6%	0.5%
Computer services	16	466	249	383	188.2%	0.9%	401	423	446	5.2%	1.1%
Rental and hiring	–	–	1	100	–	0.1%	105	110	116	5.1%	0.3%
Travel and subsistence	1 123	839	1 238	300	-35.6%	2.9%	364	406	428	12.6%	1.0%
Operating payments	54	61	71	104	24.4%	0.2%	106	113	119	4.6%	0.3%
Transfers and subsidies ¹	90	10	14	70	-8.0%	0.2%	–	–	–	-100.0%	–
Households	90	10	14	70	-8.0%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	1 670	11	2	590	-29.3%	1.9%	624	658	694	5.6%	1.7%
Machinery and equipment	175	11	2	169	-1.2%	0.3%	179	189	199	5.6%	0.5%
Software and other intangible assets	1 495	–	–	421	-34.5%	1.6%	445	469	495	5.5%	1.2%
Total	26 705	27 797	31 126	34 495	-55.0%	100.0%	37 009	39 761	42 319	–	100.0%
Proportion of total programme expenditure to vote expenditure	3.0%	4.2%	3.4%	3.2%	–	–	3.5%	3.6%	3.6%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	90	10	14	70	–	0.2%	–	–	–	–	–
Households	90	10	14	70	–	0.2%	–	–	–	–	–

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

Personnel information

Table 25.12 Growth Path and Social Dialogue personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2017/18			2018/19			2019/20			2020/21					2021/22			2018/19 - 2021/22
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost	
Growth Path and Social Dialogue		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	28	–	32	29.0	0.9	32	32.3	1.0	32	34.8	1.1	32	37.4	1.2	32	39.8	1.2	–	100.0%
1 – 6	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	8	–	9	3.6	0.4	9	4.0	0.4	9	4.3	0.5	9	4.7	0.5	9	5.0	0.6	–	28.1%
11 – 12	6	–	8	6.8	0.9	8	7.6	1.0	8	8.2	1.0	8	8.8	1.1	8	9.4	1.2	–	25.0%
13 – 16	13	–	15	18.6	1.2	15	20.7	1.4	15	22.2	1.5	15	23.9	1.6	15	25.4	1.7	–	46.9%

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

2. Rand million.

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 they support the development of industrial enterprises and SMMEs over the medium term.
- Promote competition, trade and other economic regulation by promoting 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 25.13 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 (%)
R thousand	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Development Investment, Industrial Funding and Entrepreneurship	415 462	220 620	261 663	263 106	-14.1%	37.8%	281 039	296 581	312 937	6.0%	29.8%
Competition, Trade and other Economic Regulation	343 079	318 146	395 913	423 263	7.3%	48.2%	443 051	467 386	493 138	5.2%	47.2%
Infrastructure Development Coordination	15 343	8 103	139 682	265 382	158.6%	14.0%	193 960	195 568	236 047	-3.8%	23.0%
Total	773 884	546 869	797 258	951 751	7.1%	100.0%	918 050	959 535	1 042 122	3.1%	100.0%
Change to 2018 Budget estimate				-			30 998	30 219	61 516		
Economic classification											
Current payments	23 408	18 060	18 944	18 561	-7.4%	2.6%	19 853	21 296	22 645	6.9%	2.1%
Compensation of employees	15 432	14 993	16 030	15 759	0.7%	2.0%	16 978	18 252	19 438	7.2%	1.8%
Goods and services ¹	7 976	3 067	2 914	2 802	-29.4%	0.5%	2 875	3 044	3 207	4.6%	0.3%
of which:											
Advertising	2 214	42	10	500	-39.1%	0.1%	534	563	594	5.9%	0.1%
Consultants: Business and advisory services	-	1 332	1 925	730	-	0.1%	694	732	772	1.9%	0.1%
Contractors	4	-	-	366	350.6%	-	386	407	429	5.4%	-
Inventory: Clothing material and accessories	-	-	-	100	-	-	106	111	117	5.4%	-
Consumables: Stationery, printing and office supplies	82	48	50	100	6.8%	-	106	111	117	5.4%	-
Travel and subsistence	1 221	817	564	639	-19.4%	0.1%	653	689	727	4.4%	0.1%
Transfers and subsidies¹	750 245	528 781	778 305	932 997	7.5%	97.4%	897 991	938 021	1 019 247	3.0%	97.9%
Departmental agencies and accounts	338 848	315 657	392 460	419 065	7.3%	47.8%	438 538	462 539	487 979	5.2%	46.7%
Public corporations and private enterprises	411 397	213 124	385 780	513 837	7.7%	49.7%	459 453	475 482	531 268	1.1%	51.1%
Households	-	-	65	95	-	-	-	-	-	-100.0%	-
Payments for capital assets	231	28	9	193	-5.8%	-	206	218	230	6.0%	-
Machinery and equipment	231	28	9	193	-5.8%	-	206	218	230	6.0%	-
Total	773 884	546 869	797 258	951 751	-	100.0%	918 050	959 535	1 042 122	-	100.0%
Proportion of total programme expenditure to vote expenditure	87.6%	82.2%	87.4%	88.7%	-	-	87.8%	87.6%	87.8%	-	-

Table 25.13 Investment, Competition and Trade expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome											
R thousand	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Households											
Social benefits											
Current	–	–	65	95	–	–	–	–	–	–	–
Households	–	–	65	95	7.3%	–	–	–	–	5.2%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	338 848	315 657	392 460	419 065	7.7%	47.8%	438 538	462 539	487 979	1.1%	46.7%
Competition Commission	231 045	208 541	263 354	281 788	–	32.1%	295 438	311 559	328 695	–	31.4%
Competition Tribunal	19 102	20 115	30 041	35 086	–	3.4%	36 172	38 166	40 265	-100.0%	3.9%
International Trade Administration Commission	88 701	87 001	99 065	102 191	-5.8%	12.3%	106 928	112 814	119 019	6.0%	11.4%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	411 397	213 124	385 780	513 837	–	49.7%	459 453	475 482	531 268	–	51.1%
Small Enterprise Finance Agency	406 397	213 124	223 780	228 837	–	34.9%	241 453	254 732	268 742	–	25.7%
Industrial Development Corporation	5 000	–	162 000	285 000	–	14.7%	218 000	220 750	262 526	–	25.5%

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

Personnel information

Table 25.14 Investment, Competition and Trade personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019			Number and cost ² of personnel posts filled/planned for on funded establishment															Number	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)	
		2017/18			2018/19			2019/20			2020/21			2021/22					2018/19 - 2021/22
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Investment, Competition and Trade		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	28	1	18	16.0	0.9	17	15.8	0.9	16	17.0	1.1	16	18.3	1.1	16	19.4	1.2	-2.0%	100.0%
1 – 6	–	–	–	0.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	5	–	5	2.4	0.5	5	2.4	0.5	5	2.7	0.5	5	2.9	0.6	5	3.1	0.6	–	30.8%
11 – 12	9	–	6	6.4	1.1	6	6.7	1.1	6	7.5	1.3	6	8.1	1.3	6	8.6	1.4	–	36.9%
13 – 16	14	1	7	7.1	1.0	6	6.7	1.1	5	6.8	1.4	5	7.3	1.5	5	7.7	1.5	-5.9%	32.3%

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

2. Rand million.

Entities

Industrial Development Corporation

Mandate

The Industrial Development Corporation is a 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 to industrial development, including relevant elements of the NDP, the new growth path and the industrial policy action plan.

Selected performance indicators

Table 25.15 Industrial Development Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Value of funding disbursed per year	Administration	Outcome 4: Decent employment through inclusive growth	R11.4bn	R11bn	R15.4bn	R17.2bn	R16.6bn	R18.3bn	R22.6bn
Number of jobs expected to be created or saved per year	Administration		18 010	20 155	29 885	28 262	32 501	35 767	39 361
Value of funding to black industrialists per year	Administration		R4.5bn	R4.9bn	R7.8bn	R5.5bn	R5.5bn	R5.9bn	R6.2bn
Funding for localisation initiatives per year	Administration		R4.7bn	R4.8bn	R7bn	R4.7bn	R4.9bn	R5.2bn	R5.2bn

Expenditure analysis

As a development finance institution, the Industrial Development Corporation aims to contribute to balanced, sustainable economic growth and the economic empowerment of the South African population. By developing value chains in sectors that have significant potential for economic growth, the corporation plans to undertake direct investments in individual companies, and act as a catalyst for the creation or revitalisation of industries and jobs. As such, the corporation's focus over the medium term will continue to be on developing industrial capacity while ensuring long-term sustainability.

Loans to enterprises in priority sectors such as metals and mining, chemicals and pharmaceuticals, clothing and textiles, and agro-processing and agriculture are expected to account for 62 per cent (R35.7 billion) of the corporation's total loan disbursement of R57.5 billion over the medium term. Through the corporation's support, an estimated 107 629 jobs will be created or saved over the same period.

To underscore the corporation's commitment to transformation, an estimated R17.6 billion of this enterprise funding over the medium term is allocated to supporting 49 black industrialists. The corporation also anticipates the approval of R3.8 billion over the MTEF period in funding for enterprises that empower women, and R3.2 billion for youth ventures.

The corporation is expected to generate 82 per cent (R49.4 billion) of its revenue over the medium term through interest on loans. Revenue of R9.9 billion is set to be generated through equity investments and income from fees. Total revenue is expected to increase from R17.4 billion in 2018/19 to R20.5 billion in 2020/21 at an average annual rate of 6 per cent, mainly due to a projected increase in interest income from higher-value loans and dividend income from equity investments. In 2021/22, total revenue is expected to decrease to R19.3 billion due to the anticipated sale of dividend-paying equities.

Programmes/Objectives/Activities

Table 25.16 Industrial Development Corporation expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R thousand				2018/19	2015/16 - 2018/19					2018/19 - 2021/22	
Administration	19 185 000	18 773 000	16 154 000	12 888 066	-12.4%	100.0%	16 967 005	16 640 669	17 416 802	10.6%	100.0%
Total	19 185 000	18 773 000	16 154 000	12 888 066	-12.4%	100.0%	16 967 005	16 640 669	17 416 802	10.6%	100.0%

Statements of historical financial performance and position

Table 25.17 Industrial Development Corporation statements of historical financial performance and position

Statement of financial performance		Average: Outcome/Budget (%)	
	Budget	Audited outcome	
R thousand	2015/16	2016/17	2017/18
Revenue			
Non-tax revenue	19 967 854	19 001 603	23 110 000
Sale of goods and services other than capital assets	14 615 901	12 908 603	15 670 000
of which:			
Administrative fees	684 803	—	—
Sales by market establishment	33 053	—	—
Other sales	13 898 045	12 908 603	15 670 000
Other non-tax revenue	5 351 953	6 093 000	7 440 000
Transfers received	407 103	406 397	213 124
Total revenue	20 374 957	19 408 000	23 276 124
Expenses	20 297 555	18 988 000	21 447 835
Current expenses	20 297 555	18 988 000	21 447 835
Compensation of employees	926 000	839 970	887 408
Goods and services	16 431 455	16 108 030	17 752 256
Depreciation	576 192	723 000	618 172
Interest, dividends and rent on land	2 363 908	1 317 000	2 190 000
Total expenses	20 577 855	19 185 000	21 780 130
Surplus/(Deficit)	(202 898)	223 000	1 495 994
Statement of financial position		Average: Outcome/Budget (%)	
	Budget	Audited outcome	
R thousand	2015/16	2016/17	2017/18
Carrying value of assets	10 540 633	11 456 000	11 168 924
of which:			
Acquisition of assets	(1 675 340)	(2 548 000)	(1 757 807)
Investments	97 751 343	71 704 000	103 052 260
Inventory	4 249 035	3 599 000	4 461 487
Loans	17 984 992	23 928 000	16 408 655
Receivables and prepayments	4 203 833	3 305 000	4 414 024
Cash and cash equivalents	10 152 000	6 865 000	9 810 000
Non-current assets held for sale	—	—	1 676 000
Taxation	433 500	422 000	461 190
Derivatives financial instruments	—	69 000	—
Total assets	145 315 335	121 348 000	149 776 539
Accumulated surplus/(deficit)	40 269 910	39 717 000	42 537 271
Capital and reserves	69 856 543	45 100 000	66 249 792
Capital reserve fund	—	—	—
Borrowings	23 991 660	28 022 000	29 233 893
Trade and other payables	3 924 900	3 727 000	4 121 145
Taxation	6 094 620	3 340 000	6 399 351
Provisions	1 119 038	1 357 000	1 174 989
Managed funds (e.g. poverty alleviation fund)	30 000	26 000	30 000
Derivatives financial instruments	28 665	59 000	30 098
Total equity and liabilities	145 315 335	121 348 000	149 776 539

Statements of estimates of financial performance and position

Table 25.18 Industrial Development Corporation statements of estimates of financial performance and position

Statement of financial performance		Average: Expenditure/Total (%)	
	Revised estimate	Average growth rate (%)	
R thousand	2018/19	2015/16 - 2018/19	2019/20
Revenue			
Non-tax revenue	17 148 164	-3.4%	97.4%
Sale of goods and services other than capital assets	3 131 000	-37.6%	39.4%
of which:			
Other sales	3 131 000	-37.6%	39.4%
Other non-tax revenue	14 017 164	32.0%	57.9%
Transfers received	228 836	-17.4%	1.4%
Total revenue	17 377 000	-3.6%	100.0%

Table 25.18 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 (%)
R thousand	Revised estimate	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	
Expenses								
Current expenses	12 781 697	-12.4%	99.5%	16 729 610	16 446 580	17 030 902	10.0%	98.6%
Compensation of employees	1 131 963	10.5%	9.0%	1 204 635	1 294 684	1 391 610	7.1%	7.9%
Goods and services	8 696 590	-18.6%	72.5%	11 841 820	10 738 880	10 843 292	7.6%	66.0%
Depreciation	1 010 000	11.8%	5.4%	1 060 000	1 110 000	1 160 000	4.7%	6.9%
Interest, dividends and rent on land	1 943 144	13.8%	12.7%	2 623 155	3 303 016	3 636 000	23.2%	17.8%
Total expenses	12 888 065	-12.4%	100.0%	16 967 005	16 640 669	17 416 802	10.6%	100.0%
Surplus/(Deficit)	4 488 935			3 251 995	3 905 331	1 932 197		
Statement of financial position								
Investments	101 935 517	12.4%	73.0%	101 813 491	109 779 366	117 162 776	4.8%	67.4%
Loans	19 390 189	-6.8%	8.3%	28 075 673	32 209 749	35 686 440	22.5%	17.8%
Receivables and prepayments	16 011 822	69.2%	4.6%	16 822 173	17 130 872	17 508 792	3.0%	10.6%
Cash and cash equivalents	7 026 341	0.8%	5.2%	6 935 944	6 613 748	5 980 110	-5.2%	4.2%
Total assets	144 363 869	6.0%	100.0%	153 647 281	165 733 735	176 338 118	6.9%	100.0%
Accumulated surplus/(deficit)	89 563 472	31.1%	40.7%	91 566 830	98 465 578	101 678 367	4.3%	59.7%
Borrowings	38 880 318	11.5%	12.5%	45 268 679	49 981 051	56 735 039	13.4%	29.7%
Taxation	6 865 976	27.2%	3.7%	6 969 265	7 141 833	7 377 224	2.4%	4.4%
Managed funds (e.g. poverty alleviation fund)	3 672 694	420.8%	0.6%	3 672 694	3 672 694	3 672 694	–	2.3%
Derivatives financial instruments	5 381 409	350.1%	13.4%	6 169 813	6 472 579	6 874 794	8.5%	3.9%
Total equity and liabilities	144 363 869	6.0%	100.0%	153 647 281	165 733 735	176 338 118	6.9%	100.0%

Personnel information

Table 25.19 Industrial Development Corporation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019			Number and cost ¹ 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 (%)						
			2017/18			2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22					
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost		
Industrial Development Corporation			859			859	885.5	1.0	859	132.0	1.3	859	204.6	1.4	859	294.7	1.5	859	391.6	1.6	7.1%	100.0%
Salary level	859	859	859	885.5	1.0	859	132.0	1.3	859	204.6	1.4	859	294.7	1.5	859	391.6	1.6	859	491.6	1.7	7.1%	100.0%
1 – 6	35	35	35	73.3	2.1	35	95.1	2.7	35	101.1	2.9	35	108.7	3.1	35	116.9	3.3	35	125.1	3.5	7.1%	4.1%
7 – 10	274	274	274	116.3	0.4	274	150.9	0.6	274	160.5	0.6	274	172.5	0.6	274	185.5	0.7	274	198.5	0.7	7.1%	31.9%
11 – 12	132	132	132	107.5	0.8	132	139.6	1.1	132	148.5	1.1	132	159.6	1.2	132	171.6	1.3	132	183.6	1.3	7.1%	15.4%
13 – 16	391	391	391	513.3	1.3	391	666.0	1.7	391	708.5	1.8	391	761.7	1.9	391	819.0	2.1	391	879.3	2.2	7.1%	45.5%
17 – 22	27	27	27	75.2	2.8	27	80.5	3.0	27	86.1	3.2	27	92.1	3.4	27	98.6	3.7	27	105.1	3.9	7.0%	3.1%

1. Rand million.

Competition Commission

Mandate

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 to promote the advocacy of competition issues to achieve equity and efficiency in the South African economy.

Selected performance indicators

Table 25.20 Competition Commission performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Average turnaround time for phase 1 merger investigations per year	Mergers and acquisitions	Outcome 6: An efficient, competitive and responsive economic infrastructure network	18 days	17 days	20 days	20 days	20 days	20 days	20 days
Average turnaround time for phase 2 merger investigations per year	Mergers and acquisitions		44 days	45 days	45 days	45 days	45 days	45 days	45 days
Average turnaround time for phase 3 intermediate merger investigations per year	Mergers and acquisitions		57 days	57 days	58 days	60 days	60 days	60 days	60 days
Average turnaround time for phase 3 large merger investigations per year	Mergers and acquisitions		140 days	116 days	153 days	120 days	120 days	120 days	120 days
Number of abuse of dominance conduct cases initiated in prioritised sectors per year	Enforcements and exemptions		1	4	5	2	2	4	4
Number of cartel cases initiated/investigated per year	Cartel		133	26	28	8	16	16	16
Number of market inquiries initiated per year	Policy and research		1	0 ¹	2	0 ¹	1	1	2
Number of market inquiries completed within 24 months ²	Policy and research		0 ³	1	0 ³	2	1	2	2
Percentage of merger decisions upheld by the Competition Tribunal and/or courts per year	Legal services		100% (10)	100% (10)	92% (9.2/10)	75%	75%	75%	75%
Percentage of cartel cases won at the Competition Tribunal and courts per year	Legal services		100% (10)	100% (10)	85% (8.5/10)	75% ⁴	75% ⁴	75% ⁴	75% ⁴
Percentage of abuse of dominance conduct cases won at the Competition Tribunal and courts per year	Legal services		50% (1/2)	100% (2)	100% (2)	50%	70%	70%	70%

1 There were Insufficient funds to initiate market inquiries in these years, hence zero achievement of targets.

2 Indicator revised to align with the commission's annual performance plan.

3 Target not met due to delays in stakeholder consultations.

4 Targets decrease due to constrained budget.

Expenditure analysis

Over the medium term, the Competition Commission will continue to focus on enforcing competition laws that address the adverse effects of monopolies. The amendment of the Competition Act (1998) seeks to further strengthen and extend the mandate of competition authorities to help enhance inclusive economic participation through enforcing competition laws that tackle the adverse effects of monopolies.

To increase the impact of competition regulation, the commission intends to conclude its inquiries into the public passenger transport and grocery retail sectors by 2019/20. The inquiry into the public passenger transport sector sets out to examine applicable price regulations and their impact on competition in the land-based passenger transport industry; and the inquiry into the grocery retail sector seeks to examine whether there are features in the sector that prevent, distort or restrict competition. Over the medium term, the commission aims to conduct 4 further market inquiries at a projected cost of R60 million in the *Enforcements and exemptions* programme. As a result, spending in the programme is expected to increase at an average annual rate of 20 per cent, from R44.5 million in 2018/19 to R77 million in 2021/22.

The commission will work towards maintaining the percentage of cartel cases won at the Competition Tribunal and in courts at 75 per cent over the medium term. It will continue to combat the abuse of dominance in markets (such as the excessive pricing of goods or services, the denial of access for competitors, and price discrimination), with the aim of doubling the number of cases it initiates from 2 in 2018/19 to 4 in 2021/22. The commission also plans to investigate 48 suspected cartels in priority sectors of the economy such as construction and

infrastructure, health care, financial services, and energy. To conduct these investigations, R144.8 million over the MTEF period has been provided in the cartel programme.

As the commission's work is labour intensive, compensation of employees remains its main cost driver, accounting for an estimated 69.4 per cent (R873.9 million) of total expenditure over the medium term. Its number of personnel is expected to increase to 342 by 2021/22, mainly to provide capacity to address backlogs and implement the extended mandate resulting from amendments to the Competition Act (1998).

Total revenue is expected to increase at an average annual rate of 5.2 per cent, from R360 million in 2018/19 to R419 million in 2021/22. The commission is expected to derive 78.4 per cent (R935.7 million) of its revenue over the medium term through transfers from the department. Other revenue is generated through filing fees charged for merger applications paid by external parties, mainly for merger and acquisition transactions.

Programmes/Objectives/Activities

Table 25.21 Competition Commission expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Administration	94 867	108 930	124 337	112 088	5.7%	32.4%	137 948	136 572	137 767	7.1%	33.8%
Mergers and acquisitions	23 965	23 136	30 509	32 356	10.5%	8.1%	34 032	33 567	38 161	5.7%	8.9%
Enforcements and exemptions	22 877	32 203	39 577	44 486	24.8%	10.1%	56 714	73 427	76 955	20.0%	16.1%
Cartel	33 253	48 345	41 649	85 389	36.9%	15.1%	47 239	44 288	53 244	-14.6%	15.0%
Policy and research	29 230	44 022	38 370	41 411	12.3%	11.2%	39 963	45 009	43 123	1.4%	10.9%
Legal services	38 769	44 631	46 083	44 271	4.5%	12.8%	42 872	42 701	45 376	0.8%	11.3%
Advocacy and stakeholder relations	—	—	—	—	—	—	17 994	21 682	24 359	—	4.0%
Inquiry into private health care	50 113	66 899	20 000	—	-100.0%	10.3%	—	—	—	—	—
Total	293 074	368 166	340 525	360 000	7.1%	100.0%	376 761	397 244	418 983	5.2%	100.0%

Statements of historical financial performance and position

Table 25.22 Competition Commission statements of historical financial performance and position

Statement of financial performance										Average: Outcome/ Budget (%)
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate		
	Budget		Budget		Budget					
	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19	
Revenue										
Non-tax revenue	60 094	67 212	64 109	68 015	82 171	82 171	84 900	78 212	101.5%	
Sale of goods and services other than capital assets	56 228	55 051	55 331	57 105	75 331	75 331	80 000	75 331	98.5%	
of which:										
Administrative fees	56 228	55 051	55 331	57 105	75 331	75 331	80 000	75 331	98.5%	
Other non-tax revenue	3 866	12 161	8 778	10 910	6 840	6 840	4 900	2 881	134.5%	
Transfers received	233 129	228 087	221 583	221 583	258 354	258 354	281 788	281 788	99.5%	
Total revenue	293 223	295 299	285 692	289 598	340 525	340 525	366 688	360 000	99.9%	
Expenses										
Current expenses	367 442	293 074	389 636	368 166	340 525	340 525	366 688	360 000	93.0%	
Compensation of employees	168 832	155 718	181 752	180 480	205 736	205 736	216 925	210 406	97.3%	
Goods and services	195 309	137 472	203 484	185 367	130 116	130 116	144 815	144 646	88.7%	
Depreciation	3 221	(205)	4 320	2 239	4 588	4 588	4 858	4 858	67.6%	
Interest, dividends and rent on land	80	89	80	80	85	85	90	90	102.7%	
Total expenses	367 442	293 074	389 636	368 166	340 525	340 525	366 688	360 000	93.0%	
Surplus/(Deficit)	(74 219)	2 225	103 944)	(78 568)	–	–	–	–		
Statement of financial position										
Carrying value of assets	11 000	13 018	13 018	20 731	13 018	13 018	13 018	13 018	119.4%	
of which:										
Acquisition of assets	(4 498)	(3 236)	(1 015)	(7 594)	(1 122)	(8 684)	(15 600)	(15 600)	157.9%	
Inventory	200	303	303	481	303	303	303	303	125.3%	
Receivables and prepayments	1 442	89 515	–	14 344	–	–	–	–	7 202.4%	
Cash and cash equivalents	55 461	171 024	–	82 188	–	–	–	–	456.6%	
Total assets	68 103	273 860	13 321	117 744	13 321	13 321	13 321	13 321	387.0%	
Accumulated surplus/(deficit)	35 592	112 637	–	32 605	(87 717)	(87 717)	(116 160)	(116 160)	34.8%	
Borrowings	–	–	–	–	–	95 633	–	124 336	–	
Finance lease	700	174	580	2 536	460	460	200	200	173.7%	
Trade and other payables	26 866	161 049	7 796	82 258	–	–	–	–	701.9%	
Provisions	4 945	–	4 945	345	4 945	4 945	4 945	4 945	51.7%	
Total equity and liabilities	68 103	273 860	13 321	117 744	(82 312)	13 321	(111 015)	13 321	-373.8%	

Statements of estimates of financial performance and position

Table 25.23 Competition Commission 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	2021/22		
R thousand	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Revenue								
Non-tax revenue	78 212	5.2%	23.0%	81 324	85 686	90 289	4.9%	21.6%
Sale of goods and services other than capital assets	75 331	11.0%	20.4%	79 324	83 686	88 289	5.4%	21.0%
of which:								
Administrative fees	75 331	11.0%	20.4%	79 324	83 686	88 289	5.4%	21.0%
Other non-tax revenue	2 881	-38.1%	2.7%	2 000	2 000	2 000	-11.5%	0.6%
Transfers received	281 788	7.3%	77.0%	295 436	311 559	328 694	5.3%	78.4%
Total revenue	360 000	6.8%	100.0%	376 760	397 245	418 983	5.2%	100.0%
Expenses								
Current expenses	360 000	7.1%	100.0%	376 760	397 244	418 983	5.2%	100.0%
Compensation of employees	210 406	10.6%	55.3%	238 201	311 502	324 171	15.5%	69.4%
Goods and services	144 646	1.7%	43.9%	134 767	77 628	94 812	-13.1%	29.5%
Depreciation	4 858	-387.2%	0.8%	3 792	4 001	–	-100.0%	0.8%
Interest, dividends and rent on land	90	0.4%	0.0%	–	4 115	–	-100.0%	0.3%
Total expenses	360 000	7.1%	100.0%	376 760	397 244	418 983	5.2%	100.0%
Surplus/(Deficit)	–			–	–	–		
Statement of financial position								
Carrying value of assets	13 018	–	54.5%	13 018	13 018	13 018	–	97.7%
of which:								
Acquisition of assets	(15 600)	68.9%	-47.5%	(15 914)	(17 028)	(17 964)	4.8%	-124.8%
Inventory	303	–	1.3%	303	303	303	–	2.3%
Total assets	13 321	-63.5%	100.0%	13 321	13 321	13 321	–	100.0%
Accumulated surplus/(deficit)	(116 160)	-201.0%	-365.4%	(166 731)	(166 631)	(166 631)	12.8%	-1 156.4%
Borrowings	124 336	–	412.8%	174 907	174 907	174 907	12.0%	1 218.1%
Finance lease	200	4.8%	1.8%	200	100	100	-20.6%	1.1%
Provisions	4 945	–	18.6%	4 945	4 945	4 945	–	37.1%
Total equity and liabilities	13 321	-63.5%	100.0%	13 321	13 321	13 321	–	100.0%

Personnel information

Table 25.24 Competition Commission personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019			Number and cost ¹ 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 (%)	
			2017/18			2018/19			2019/20			2020/21			2021/22					2018/19 - 2021/22
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Competition Commission			263	205.7	0.8	263	210.4	0.8	272	238.2	0.9	337	311.5	0.9	342	324.2	0.9	15.5%	100.0%	
Salary level	263		263	205.7	0.8	263	210.4	0.8	272	238.2	0.9	337	311.5	0.9	342	324.2	0.9	15.5%	100.0%	
1 – 6	82	82	82	15.1	0.2	82	16.1	0.2	82	17.5	0.2	82	19.1	0.2	82	20.6	0.3	8.5%	27.4%	
7 – 10	108	108	108	58.8	0.5	108	60.7	0.6	108	66.0	0.6	134	84.3	0.6	134	89.9	0.7	14.0%	39.9%	
11 – 12	22	22	22	35.5	1.6	22	36.6	1.7	22	39.8	1.8	38	54.8	1.4	38	57.9	1.5	16.5%	9.7%	
13 – 16	51	51	51	96.3	1.9	51	97.0	1.9	60	114.8	1.9	83	153.3	1.8	88	155.8	1.8	17.1%	23.0%	

1. Rand million.

Competition Tribunal

Mandate

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 also hears appeals arising from certain decisions that the commission is empowered to make.

Selected performance indicators

Table 25.25 Competition Tribunal performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of consent orders issued within 10 business days per year	Ensure effective and efficient adjudication on matters brought before the tribunal	Outcome 12: An efficient, effective and development-oriented public service	96% (26/27)	100% (25/25)	85% (22/26)	95%	95%	95%	95%
Percentage of orders in procedural matters issued within a specified timeframe per year ¹	Ensure effective and efficient adjudication on matters brought before the tribunal	Outcome 4: Decent employment through inclusive growth	73% (19/26) within 20 business days	26% (11/42) within 20 business days	56% (28/50) within 20 business days	85% within 45 business days	85% within 45 business days	85% within 45 business days	85% within 45 business days
Percentage of large mergers set down within 10 business days per year	Ensure effective and efficient adjudication on matters brought before the tribunal	Outcome 12: An efficient, effective and development-oriented public service	76% (97/127)	87% (89/102)	72% (87/121)	80%	80%	80%	80%
Percentage of large merger orders issued within 10 business days per year	Ensure effective and efficient adjudication on matters brought before the tribunal	Outcome 4: Decent employment through inclusive growth	100% (124)	99% (101/102)	100% (121)	95%	95%	95%	95%
Percentage of large merger reasons for decisions issued within 20 business days per year	Ensure effective and efficient adjudication on matters brought before the tribunal	Outcome 6: An efficient, competitive and responsive economic infrastructure network	87% (103/119)	79% (85/108)	91% (110/121)	80%	80%	80%	80%
Percentage of small and intermediate mergers set down within 10 business days per year	Ensure effective and efficient adjudication on matters brought before the tribunal	Outcome 12: An efficient, effective and development-oriented public service	44% (4/9)	80% (4/5)	70% (7/10)	80%	80%	80%	80%
Percentage of small and intermediate merger orders issued within 10 business days per year	Ensure effective and efficient adjudication on matters brought before the tribunal	Outcome 4: Decent employment through inclusive growth	100% (9)	67% (2/3)	75% (3/4)	95%	95%	95%	95%
Percentage of reasons for small and intermediate merger decisions issued within 20 business days per year	Ensure effective and efficient adjudication on matters brought before the tribunal	Outcome 6: An efficient, competitive and responsive economic infrastructure network	60% (3/5)	0% (0/2)	100% (1)	60%	60%	60%	60%

1. Target changed from 20 business days to 45 business days from 2018/19 to align with the tribunal's annual performance plan.

2. Target not met due to protracted hearings in another matter and confidentiality claims by third parties.

Expenditure analysis

The Competition Tribunal's quasi-judicial nature excludes it from embarking on focused interventions that target any particular sector or emphasise specific criteria in its decision-making. Its caseload is determined by complaint referrals and notified mergers, and each case is adjudicated on its own merits. Over the medium term, the tribunal will focus on providing effective and efficient adjudication. This core function is expected to account for 50.2 per cent (R98.2 million) of its total expenditure over the period. Other focus areas include educating and creating awareness among stakeholders on matters relating to competition, and strengthening organisational capability and performance to deliver on the tribunal's legislative mandate. Spending on activities related to these focus areas account for 6 per cent (R11.7 million) and 2.2 per cent (R4.2 million), respectively.

Spending on compensation of employees is expected to account for 59.7 per cent (R116.3 million) of the tribunal's total expenditure over the period ahead, increasing at an average annual rate of 8.6 per cent, from R32.2 million in 2018/19 to R41.3 million in 2021/22. The number of personnel is expected to remain at 34 over the medium term. The tribunal expects to receive 61 per cent (R114.6 million) of its revenue over the MTEF period through transfers from the department, and 39 per cent (R74.8 million) through filing fees charged for merger applications.

Programmes/Objectives/Activities**Table 25.26 Competition Tribunal expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16 - 2018/19	Average: Expenditure/ Total (%)	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
R thousand											
Administration	8 504	9 313	11 830	12 489	13.7%	24.0%	14 111	15 014	15 800	8.2%	23.1%
Ensure the effective and efficient adjudication on matters brought before the tribunal	18 373	19 671	23 942	26 705	13.3%	50.7%	29 908	33 138	35 171	9.6%	50.2%
To build and develop effective stakeholder relationships	836	997	1 116	1 196	12.7%	2.4%	1 224	1 427	1 515	8.2%	2.2%
Ensure that the Tribunal effectively leverages employee skills by recruiting, retaining and developing high quality people	999	1 794	2 094	3 730	55.1%	4.7%	3 678	3 896	4 127	3.4%	6.2%
Competition appeal court	308	132	280	501	17.6%	0.7%	690	728	768	15.3%	1.1%
Ensure the tribunal has effective strategic leadership, administration	2 978	3 135	3 777	4 205	12.2%	8.1%	3 759	3 956	4 163	-0.3%	6.5%
Enhance record keeping, performance information and case flow management	1 836	1 925	2 419	3 378	22.5%	5.4%	3 214	3 605	3 815	4.1%	5.7%
Ensure financial management that promotes effective and efficient use of resources	1 326	1 288	2 008	2 867	29.3%	4.1%	3 079	3 274	3 479	6.7%	5.1%
Total	35 160	38 255	47 466	55 071	16.1%	100.0%	59 663	65 038	68 838	7.7%	100.0%

Statements of historical financial performance and position**Table 25.27 Competition Tribunal statements of historical financial performance and position**

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
R thousand	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19
Revenue									
Non-tax revenue	11 840	14 804	14 221	14 842	15 319	17 104	19 449	21 183	111.7%
Sale of goods and services other than capital assets	10 670	13 721	13 441	13 860	14 441	16 295	18 570	18 570	109.3%
of which:									
Administrative fees	10 670	13 721	13 441	13 860	14 441	16 295	18 570	18 570	109.3%
Other non-tax revenue	1 170	1 083	780	982	878	809	879	2 613	148.0%
Transfers received	19 964	20 913	21 195	20 115	30 041	30 041	35 086	35 086	99.9%
Total revenue	31 804	35 717	35 416	34 957	45 360	47 145	54 535	56 269	104.2%
Expenses									
Current expenses	36 999	35 160	41 444	38 255	50 117	47 466	55 075	55 071	95.8%
Compensation of employees	21 659	21 223	23 853	23 794	30 255	27 573	32 182	32 185	97.1%
Goods and services	14 200	13 153	16 749	13 562	19 018	18 864	21 826	21 820	93.9%
Depreciation	1 140	784	842	899	844	1 029	1 067	1 066	97.0%
Total expenses	36 999	35 160	41 444	38 255	50 117	47 466	55 075	55 071	95.8%
Surplus/(Deficit)	(5 195)	557	(6 028)	(3 298)	(4 757)	(321)	(540)	1 198	
Statement of financial position									
Carrying value of assets	3 826	4 787	5 301	4 543	4 883	4 448	5 011	4 575	96.5%
of which:									
Acquisition of assets	(1 154)	(1 378)	(1 327)	(450)	(1 185)	(951)	(1 195)	(1 196)	81.8%
Inventory	—	61	—	59	59	18	59	59	166.9%
Receivables and prepayments	—	2 402	—	2 575	—	2 830	—	2 681	—
Cash and cash equivalents	12 513	17 414	10 918	13 203	8 016	14 509	7 315	12 775	149.4%
Total assets	16 339	24 664	16 219	20 380	12 958	21 805	12 385	20 090	150.2%
Accumulated surplus/(deficit)	14 647	20 715	13 066	17 417	11 475	17 147	9 740	15 413	144.5%
Finance lease	150	310	290	339	144	144	60	160	148.0%
Trade and other payables	1 057	3 102	2 263	1 955	689	3 605	2 402	3 817	194.6%
Provisions	485	537	600	669	650	909	700	700	115.6%
Total equity and liabilities	16 339	24 664	16 219	20 380	12 958	21 805	12 902	20 090	148.8%

Statements of estimates of financial performance and position

Table 25.28 Competition Tribunal 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	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
R thousand								
Revenue								
Non-tax revenue	21 183	12.7%	39.5%	25 389	27 885	21 498	0.5%	39.0%
Sale of goods and services other than capital assets	18 570	10.6%	36.4%	19 499	20 473	21 497	5.0%	32.6%
<i>of which:</i>								
Administrative fees	18 570	10.6%	36.4%	19 499	20 473	21 497	5.0%	32.6%
Other non-tax revenue	2 613	34.1%	3.1%	5 890	7 412	1	-92.7%	6.4%
Transfers received	35 086	18.8%	60.5%	36 172	38 166	40 265	4.7%	61.0%
Total revenue	56 269	16.4%	100.0%	61 561	66 051	61 763	3.2%	100.0%
Expenses								
Current expenses	55 071	16.1%	100.0%	59 663	65 038	68 838	7.7%	100.0%
Compensation of employees	32 185	14.9%	59.8%	35 844	39 170	41 277	8.6%	59.7%
Goods and services	21 820	18.4%	38.1%	22 541	24 426	26 089	6.1%	38.2%
Depreciation	1 066	10.8%	2.2%	1 278	1 442	1 472	11.4%	2.1%
Total expenses	55 071	16.1%	100.0%	59 663	65 038	68 838	7.7%	100.0%
Surplus/(Deficit)	1 198			1 898	1 013	(7 075)		
Statement of financial position								
Carrying value of assets	4 575	-1.5%	21.2%	5 203	5 425	4 698	0.9%	41.4%
<i>of which:</i>								
Acquisition of assets	(1 196)	-4.6%	-4.5%	(1 907)	(1 665)	(745)	-14.6%	-10.5%
Inventory	59	-1.1%	0.2%	59	59	59	-	0.5%
Receivables and prepayments	2 681	3.7%	12.2%	2 500	2 500	2 500	-2.3%	21.1%
Cash and cash equivalents	12 775	-9.8%	66.4%	8 927	3 590	-	-100.0%	37.0%
Total assets	20 090	-6.6%	100.0%	16 689	11 574	7 257	-28.8%	100.0%
Accumulated surplus/(deficit)	15 413	-9.4%	81.2%	11 943	6 732	(1)	-104.0%	51.6%
Finance lease	160	-19.8%	1.1%	150	150	151	-1.9%	1.3%
Trade and other payables	3 817	7.2%	14.4%	3 846	3 942	6 357	18.5%	40.9%
Provisions	700	9.2%	3.3%	750	750	750	2.3%	6.2%
Total equity and liabilities	20 090	-6.6%	100.0%	16 689	11 574	7 257	-28.8%	100.0%

Personnel information

Table 25.29 Competition Tribunal personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019			Number and cost ¹ 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 (%)				
		2017/18			2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Competition Tribunal																			
Salary level	31	31	30	27.6	0.9	31	32.2	1.0	34	35.8	1.1	34	39.2	1.2	34	41.3	1.2	8.6%	100.0%
1 – 6	3	3	3	0.9	0.3	3	1.4	0.5	3	1.5	0.5	3	1.6	0.5	3	1.7	0.6	6.9%	9.0%
7 – 10	12	12	11	5.4	0.5	12	7.5	0.6	14	9.0	0.6	14	10.0	0.7	14	10.6	0.8	12.2%	40.6%
11 – 12	3	3	3	2.1	0.7	3	1.8	0.6	3	2.0	0.7	3	2.1	0.7	3	2.3	0.8	7.2%	9.0%
13 – 16	8	8	8	8.6	1.1	8	9.7	1.2	8	10.4	1.3	8	11.0	1.4	8	11.7	1.5	6.3%	24.1%
17 – 22	5	5	5	10.6	2.1	5	11.7	2.3	6	13.0	2.2	6	14.4	2.4	6	15.0	2.5	8.6%	17.3%

1. Rand million.

International Trade Administration Commission

Mandate

The International Trade Administration Commission of South Africa was established by the International Trade Administration Act (2002). It is mandated to foster economic growth and development, raise income levels, and promote investment and employment in South Africa and the Southern African Customs Union area by establishing an efficient administration system for international trade. The commission's core functions are customs tariff investigations, trade remedies, and import and export control.

Selected performance indicators

Table 25.30 International Trade Administration Commission performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of final decisions for customs tariff amendment investigations taken within 6 months of initiation per year	Tariff investigations	Outcome 4: Decent employment through inclusive growth	64 % (21/33)	66% (21/32)	44% (12/27)	80%	80%	80%	80%
Percentage of rebate and drawback permits issued within 2 weeks per year	Tariff investigations		98% (795/ 812)	99% (915/ 921)	97% (983/ 1 018)	100%	100%	100%	100%
Percentage of new investigations initiated on anti-dumping, countervailing duties, safeguards and sunset reviews initiated per year	Trade remedies		80% (4/5)	80% (4/5)	0 ¹	80%	80%	80%	80%
Number of import control permits issued per year	Import and export control		17 188	18 660	20 192	16 000	16 000	16 000	16 000
Number of export control permits issued per year	Import and export control		14 657	12 828	13 411	12 000	12 000	12 000	12 000
Number of enforcement container inspections conducted per year	Import and export control		1 404	3 371	3 791	1 000	1 000	1 000	1 000
Number of investigations on enforcement of permit conditions per year	Import and export control		16	13	19	20	20	20	20

1. No new investigations were initiated in this year as the commission conducts investigations only upon the request of industry players.

Expenditure analysis

Over the medium term, the International Trade Administration Commission will focus on contributing to job creation by facilitating sustainable growth and development. It plans to achieve this by monitoring trade flows; identifying trade opportunities and threats; and designing tariffs that promote domestic manufacturing, job retention and creation, while ensuring that South Africa remains internationally competitive.

Over the MTEF period, the commission aims to complete 80 per cent of investigations into tariff amendments within 6 months of inquiries being initiated. This includes investigating increasing or decreasing tariffs, and issuing permits for rebates and drawbacks. Similarly, 80 per cent of trade remedy investigations conducted on anti-dumping, countervailing duties, sunset reviews and safeguards are expected to be completed within 10 months of initiation. Investigations can be scheduled or unscheduled as they are initiated upon the request of industry players. To achieve its mandate of effective trade administration, 26.6 per cent (R91.6 million) of total projected expenditure over the medium term is allocated towards tariff investigations, while trade remedies are expected to account for 17.9 per cent (R61.4 million). The commission has allocated 12.8 per cent (R44 million) of its budget over the MTEF period to issue 48 000 import permits and 36 000 export permits.

As the commission's work is labour intensive, spending on compensation of employees is expected to account for 80 per cent (R275.1 million) of total expenditure over the medium term. Expenditure is projected to increase at an average annual rate of 5 per cent, from R104.1 million in 2018/19 to R120.6 million in 2021/22.

The commission receives 98.4 per cent (R338.8 million) of its projected revenue over the MTEF period through transfers from the department. The remainder is derived from interest income. Revenue is expected to increase at an average annual rate of 5 per cent, from R104.1 million in 2018/19 to R120.6 million in 2021/22.

Programmes/Objectives/Activities**Table 25.31 International Trade Administration Commission expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R thousand	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Administration	47 541	45 421	56 238	44 383	-2.3%	47.4%	46 623	48 939	51 315	5.0%	42.7%
Tariff investigations	21 237	28 516	24 320	27 655	9.2%	24.8%	28 958	30 406	32 223	5.2%	26.6%
Trade remedies	12 476	14 069	16 208	18 621	14.3%	15.0%	19 418	20 389	21 604	5.1%	17.9%
Import and export control	10 339	16 280	12 450	13 399	9.0%	12.8%	13 903	14 599	15 469	4.9%	12.8%
Total	91 593	104 286	109 216	104 058	4.3%	100.0%	108 901	114 331	120 612	5.0%	100.0%

Statements of historical financial performance and position**Table 25.32 International Trade Administration Commission statements of historical financial performance and position**

Statement of financial performance										Average: Outcome/Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget	Revised estimate		
R thousand	2015/16		2016/17		2017/18		2018/19			2015/16 - 2018/19
Revenue										
Non-tax revenue	1 605	2 042	1 693	1 846	1 778	1 069	1 867	1 867		98.3%
Other non-tax revenue	1 605	2 042	1 693	1 846	1 778	1 069	1 867	1 867		98.3%
Transfers received	84 701	86 567	87 001	90 857	99 065	100 656	102 191	102 191		102.0%
Total revenue	86 306	88 609	88 694	92 703	100 843	101 725	104 058	104 058		101.9%
Expenses										
Current expenses	86 306	91 593	88 694	104 286	100 843	109 216	104 058	104 058		107.7%
Compensation of employees	71 484	71 357	76 703	79 025	78 642	85 166	83 299	83 299		102.8%
Goods and services	13 588	19 325	10 848	23 630	20 896	22 392	19 390	19 390		130.9%
Depreciation	1 079	911	1 039	1 631	1 196	1 658	1 255	1 255		119.4%
Interest, dividends and rent on land	155	–	104	–	109	–	114	114		23.7%
Total expenses	86 306	91 593	88 694	104 286	100 843	109 216	104 058	104 058		107.7%
Surplus/(Deficit)	–	(2 984)	–	(11 583)	–	(7 491)	–	–		
Statement of financial position										
Carrying value of assets	2 562	1 693	2 362	4 063	1 990	2 468	2 310	2 310		114.2%
of which:										
Acquisition of assets	(2 526)	(173)	(203)	(4 044)	(1 838)	(78)	(525)	(525)		94.7%
Inventory	37	104	35	136	46	117	51	51		241.4%
Receivables and prepayments	567	761	431	410	332	440	290	290		117.3%
Cash and cash equivalents	30 956	34 839	28 790	19 151	30 230	12 790	29 323	4 937		60.1%
Total assets	34 122	37 397	31 618	23 760	32 598	15 815	31 974	7 588		64.9%
Accumulated surplus/(deficit)	21 358	21 085	21 358	8 411	21 358	920	21 358	920		36.7%
Capital reserve fund	–	3 718	–	1 591	–	–	–	–		–
Finance lease	1 361	–	660	–	131	–	–	–		–
Trade and other payables	3 980	3 685	3 481	5 412	3 700	4 690	3 885	2 200		106.3%
Provisions	7 423	8 909	6 119	8 115	7 409	9 655	6 731	4 468		112.5%
Derivatives financial instruments	–	–	–	231	–	550	–	–		–
Total equity and liabilities	34 122	37 397	31 618	23 760	32 598	15 815	31 974	7 588		64.9%

Statements of estimates of financial performance and position**Table 25.33 International Trade Administration Commission statements of estimates of financial performance and position**

Statement of financial performance										Average: Expenditure/Total (%)
	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)			
R thousand	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22			
Revenue										
Non-tax revenue	1 867	-2.9%	1.8%	1 972	1 517	1 593	-5.2%			1.6%
Other non-tax revenue	1 867	-2.9%	1.8%	1 972	1 517	1 593	-5.2%			1.6%
Transfers received	102 191	5.7%	98.2%	106 928	112 814	119 019	5.2%			98.4%
Total revenue	104 058	5.5%	100.0%	108 900	114 331	120 612	5.0%			100.0%

Table 25.33 International Trade Administration Commission 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							
R thousand	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Expenses								
Current expenses	104 058	4.3%	100.0%	108 900	114 331	120 612	5.0%	100.0%
Compensation of employees	83 299	5.3%	77.9%	86 978	91 329	96 813	5.1%	80.0%
Goods and services	19 390	0.1%	20.7%	20 476	21 483	22 197	4.6%	18.7%
Depreciation	1 255	11.3%	1.3%	1 325	1 391	1 467	5.3%	1.2%
Interest, dividends and rent on land	114	—	0.0%	120	128	135	5.8%	0.1%
Total expenses	104 058	4.3%	100.0%	108 900	114 331	120 612	5.0%	100.0%
Surplus/(Deficit)	—			—	—	—		
Statement of financial position								
Carrying value of assets	2 310	10.9%	16.9%	833	1 059	600	-36.2%	12.8%
of which:								
Acquisition of assets	(525)	44.8%	-6.2%	(554)	(583)	(600)	4.6%	-5.4%
Inventory	51	-21.1%	0.6%	54	57	57	3.8%	0.5%
Receivables and prepayments	290	-27.5%	2.6%	306	321	321	3.4%	3.0%
Cash and cash equivalents	4 937	-47.9%	79.9%	10 938	11 585	9 497	24.4%	83.7%
Total assets	7 588	-41.2%	100.0%	12 131	13 022	10 475	11.3%	100.0%
Accumulated surplus/(deficit)	920	-64.8%	27.4%	920	920	920	—	8.9%
Trade and other payables	2 200	-15.8%	22.8%	4 103	4 308	2 100	-1.5%	29.0%
Provisions	4 468	-20.5%	44.5%	7 108	7 794	7 455	18.6%	62.1%
Total equity and liabilities	7 588	-41.2%	100.0%	12 131	13 022	10 475	11.3%	100.0%

Personnel information**Table 25.34 International Trade Administration Commission personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2019			Number and cost ¹ 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 (%)			
			2017/18			2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
International Trade Administration Commission			131	85.2	0.7	131	83.3	0.6	131	87.0	0.7	131	91.3	0.7	131	96.8	0.7	5.1%	100.0%
Salary level	131	131	131	85.2	0.7	131	83.3	0.6	131	87.0	0.7	131	91.3	0.7	131	96.8	0.7		
1 – 6	12	12	12	2.2	0.2	12	2.1	0.2	12	2.2	0.2	12	2.3	0.2	12	2.4	0.2	5.1%	9.2%
7 – 10	71	71	71	35.3	0.5	71	33.9	0.5	71	35.4	0.5	71	36.9	0.5	71	39.1	0.6	4.9%	54.2%
11 – 12	32	32	32	26.9	0.8	32	27.6	0.9	32	28.7	0.9	32	30.3	0.9	32	31.8	1.0	4.8%	24.4%
13 – 16	16	16	16	20.7	1.3	16	19.7	1.2	16	20.7	1.3	16	21.9	1.4	16	23.4	1.5	5.9%	12.2%

1. Rand million.

Small Enterprise Finance Agency**Mandate**

The Small Enterprise Finance Agency was established in April 2012 and combines the small business operations of Khula Enterprise Finance, the South African Micro-Finance Apex Fund and the Industrial Development Corporation. The agency is a wholly owned subsidiary of the Industrial Development Corporation and derives its mandate from the Industrial Development Act (1940), particularly the objectives in the act related to the development of SMMEs.

Selected performance indicators

Table 25.35 Small Enterprise Finance Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Value of finance approved for SMMEs and cooperatives per year	Job creation through supporting SMMEs and cooperatives	Outcome 4: Decent employment through inclusive growth	R1.1bn	R827m	R446m	R859m	R719m	R899m	R1bn
Value of finance disbursed to SMMEs and cooperatives per year	Job creation through supporting SMMEs and cooperatives		R1.2bn	R1.1bn	R1.3bn	R842m	R521m	R591m	R622m
Number of SMMEs and cooperatives financed per year	Jobs creation through supporting SMMEs and cooperatives		54 833	43 211	45 141	40 284	62 652	65 800	69 149
Number of jobs created per year	Jobs creation through supporting SMMEs and cooperatives		75 670	55 997	54 389	74 443	64 366	67 508	70 578

Expenditure analysis

Over the medium term, the Small Enterprise Finance Agency intends to focus on providing SMMEs and cooperatives with access to finance; and facilitating the establishment, survival and sustainable development of the small business sector. Accordingly, the agency aims to support an estimated 197 601 SMMEs and cooperatives by 2021/22, and approve finance to the value of an estimated R2.6 billion over the same period. This is expected to create 202 452 jobs over the medium term. In addition, the agency expects to strengthen and increase partnerships with stakeholders, including development finance and other institutions that provide non-financial and mentoring support, throughout the life cycle of funding approvals.

To reach more SMMEs and cooperatives; townships and rural economies; and enterprises owned by women, youth and people living with disabilities, the agency plans to improve the quality of its investments through new targeted lending initiatives and enhancing its pricing model. In addition, the agency plans to build a technology platform and increase its access points, particularly in townships and rural areas. To achieve this, R18 million has been set aside over the MTEF period.

Spending on compensation of employees is expected to account for 46.2 per cent (R693.5 million) of total expenditure over the period ahead, increasing at an average annual rate of 11.3 per cent, from R179.8 million in 2018/19 to R247.9 million in 2021/22. This increase is due to an expected increase in the number of personnel from 235 to 257 over the same period due to the filling of vacant posts.

The agency expects to derive 54.3 per cent (R764.9 million) of its total revenue over the MTEF period through transfers from the department. The remaining 45.4 per cent (R611.3 million) revenue is derived through interest on loans and advances; and income generated from loans, advances, property rentals, investments and management fees.

Programmes/Objectives/Activities

Table 25.36 Small Enterprise Finance Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16 - 2018/19	Average: Expenditure/Total (%)	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/Total (%)
Administration	703 757	—	—	—	-100.0%	25.0%	—	—	—	—	—
Job creation through supporting SMMEs and Co-operatives	—	450 093	482 119	522 870	—	75.0%	445 201	470 289	464 990	-3.8%	100.0%
Total	703 757	450 093	482 119	522 870	-9.4%	100.0%	445 201	470 289	464 990	-3.8%	100.0%

Statements of historical financial performance and position

Table 25.37 Small Enterprise Finance Agency statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
R thousand	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19
Revenue									
Non-tax revenue	206 591	278 151	214 784	217 275	221 810	214 057	245 433	217 395	104.3%
Sale of goods and services other than capital assets	60 134	42 507	49 447	82 947	55 223	90 662	69 995	98 644	134.1%
of which:									
Administrative fees	27 082	12 927	13 017	—	16 436	—	26 193	—	15.6%
Sales by market establishment	33 052	29 580	36 430	—	38 787	—	43 802	—	19.5%
Other sales	—	—	—	82 947	—	90 662	—	98 644	—
Other non-tax revenue	146 457	235 644	165 337	134 328	166 587	123 395	175 438	118 751	93.6%
Transfers received	407 103	—	213 124	213 124	223 780	223 780	228 837	228 836	62.1%
Total revenue	613 694	325 324	427 908	454 331	445 590	437 837	474 270	446 231	84.8%
Expenses									
Current expenses	572 390	703 757	479 118	450 093	638 857	480 855	695 560	521 117	90.4%
Compensation of employees	166 935	155 802	193 627	168 321	224 579	178 778	241 568	179 829	82.6%
Goods and services	399 609	513 647	248 425	244 706	376 830	263 059	413 628	295 937	91.6%
Depreciation	5 846	4 557	5 111	5 111	3 114	4 693	3 475	4 426	107.1%
Interest, dividends and rent on land	—	29 751	31 955	31 955	34 334	34 325	36 889	40 925	132.7%
Total expenses	572 390	703 757	479 118	450 093	638 857	482 119	695 560	522 870	90.5%
Surplus/(Deficit)	41 304	(378 433)	(51 210)	4 238	(193 267)	(44 282)	(221 290)	(76 639)	
Statement of financial position									
Carrying value of assets	139 059	204 288	142 962	186 759	23 290	177 161	20 043	205 198	237.7%
of which:									
Acquisition of assets	(7 939)	(3 738)	(4 831)	(1 519)	(9 320)	(3 802)	—	(19 774)	130.5%
Investments	360 976	932 528	344 299	964 079	423 980	1 059 861	443 979	1 107 977	258.3%
Loans	881 180	562 349	686 447	689 293	670 854	567 765	976 327	541 298	73.4%
Receivables and prepayments	81 223	36 657	26 971	34 554	19 971	29 046	19 958	42 228	96.2%
Cash and cash equivalents	328 937	551 667	326 677	456 559	126 272	492 398	—	547 785	262.0%
Non-current assets held for sale	—	13 621	8 710	12 031	203 117	13 718	194 407	—	9.7%
Taxation	7 915	—	1 370	2 747	754	1 473	754	—	39.1%
Total assets	1 799 290	2 301 110	1 537 436	2 346 022	1 468 238	2 341 422	1 655 468	2 444 486	146.0%
Accumulated surplus/(deficit)	—	—	(495 542)	85 337	(650 705)	(183 156)	(821 883)	(635 422)	37.3%
Capital and reserves	1 000 847	1 400 676	1 239 406	1 319 576	1 168 701	1 540 914	1 131 482	2 532 017	149.6%
Capital reserve fund	308 300	308 300	308 300	308 300	308 300	308 300	308 300	308 300	100.0%
Borrowings	399 628	429 379	399 631	461 335	495 659	495 660	532 548	74 635	79.9%
Trade and other payables	71 685	131 174	19 609	96 864	50 958	98 217	52 199	46 694	191.8%
Taxation	—	21 615	—	—	—	—	—	369	—
Provisions	10 875	7 101	47 098	8 777	75 594	11 021	92 066	25 750	23.3%
Managed funds (e.g. poverty alleviation fund)	—	—	18 934	65 833	19 731	70 466	19 731	73 996	360.1%
Derivatives financial instruments	7 955	2 865	—	—	—	—	—	18 147	264.1%
Total equity and liabilities	1 799 290	2 301 110	1 537 436	2 346 022	1 468 238	2 341 422	1 314 443	2 444 486	154.1%

Statements of estimates of financial performance and position

Table 25.38 Small Enterprise Finance Agency statements of estimates of financial performance and position

Statement of financial performance									
	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R thousand	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22		
Revenue									
Non-tax revenue	217 395	-7.9%	57.7%	199 814	210 963	200 565	-2.7%	45.4%	
Sale of goods and services other than capital assets	98 644	32.4%	18.5%	95 045	108 260	91 879	-2.3%	21.6%	
of which:									
Other sales	98 644	—	15.3%	95 045	108 260	91 879	-2.3%	21.6%	
Other non-tax revenue	118 751	-20.4%	39.2%	104 769	102 703	108 686	-2.9%	23.8%	
Transfers received	228 836	—	37.3%	241 453	254 732	268 742	5.5%	54.3%	
Total revenue	446 231	11.1%	100.0%	444 938	465 765	471 266	1.8%	100.0%	
Expenses									
Current expenses	521 117	-9.5%	99.9%	445 201	470 289	464 990	-3.7%	99.9%	
Compensation of employees	179 829	4.9%	32.8%	211 673	233 965	247 850	11.3%	46.2%	
Goods and services	295 937	-16.8%	59.6%	213 118	216 014	196 366	-12.8%	48.2%	
Depreciation	4 426	-1.0%	0.9%	11 087	9 128	8 664	25.1%	1.8%	
Interest, dividends and rent on land	40 925	11.2%	6.6%	9 323	11 182	12 110	-33.4%	3.7%	
Total expenses	522 870	-9.4%	100.0%	445 201	470 289	464 990	-3.8%	100.0%	
Surplus/(Deficit)	(76 639)			(263)	(4 524)	6 276			

Table 25.38 Small Enterprise Finance Agency statements of estimates of financial performance and position

Statement of financial position		Average growth rate (%)	Average: Expenditure/ Total (%)				Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate			Medium-term estimate				
R thousand	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Carrying value of assets	205 198	0.1%	8.2%	212 512	111 983	19 793	-54.1%	5.5%
of which:								
Acquisition of assets	(19 774)	74.2%	-0.3%	(22 565)	(1 600)	(1 523)	-57.5%	-0.5%
Investments	1 107 977	5.9%	43.1%	1 128 072	1 158 528	1 176 483	2.0%	45.1%
Loans	541 298	-1.3%	25.1%	569 343	594 966	630 863	5.2%	23.0%
Receivables and prepayments	42 228	4.8%	1.5%	44 183	46 060	28 084	-12.7%	1.6%
Cash and cash equivalents	547 785	-0.2%	21.7%	603 754	657 115	704 826	8.8%	24.8%
Taxation	—	—	0.0%	3 305	3 375	5 332	—	0.1%
Total assets	2 444 486	2.0%	100.0%	2 561 169	2 572 027	2 565 381	1.6%	100.0%
Accumulated surplus/(deficit)	(635 422)	—	-7.5%	(586 444)	(590 968)	(584 692)	-2.7%	-23.7%
Capital and reserves	2 532 017	21.8%	71.6%	2 533 675	2 535 166	2 536 509	0.1%	100.0%
Capital reserve fund	308 300	—	13.1%	308 300	308 300	308 300	—	12.2%
Borrowings	74 635	-44.2%	15.6%	134 724	145 902	158 011	28.4%	5.0%
Trade and other payables	46 694	-29.1%	4.0%	62 940	63 471	41 861	-3.6%	2.1%
Taxation	369	-74.3%	0.2%	—	—	—	-100.0%	0.0%
Provisions	25 750	53.6%	0.6%	14 424	18 804	16 462	-13.9%	0.7%
Managed funds (e.g. poverty alleviation fund)	73 996	—	2.2%	73 996	73 996	73 996	—	2.9%
Derivatives financial instruments	18 147	85.0%	0.2%	19 554	17 356	14 934	-6.3%	0.7%
Total equity and liabilities	2 444 486	2.0%	100.0%	2 561 169	2 572 027	2 565 381	1.6%	100.0%

Personnel information**Table 25.39 Small Enterprise Finance Agency personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2019			Number and cost ¹ 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 (%)						
			2017/18			2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22					
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost		Unit cost				
Small Enterprise Finance Agency			231	235		260	178.8	0.7	235	179.8	0.8	257	211.7	0.8	257	234.0	0.9	257	247.9	1.0	11.3%	100.0%
Salary level	231	235	260	178.8	0.7	235	179.8	0.8	257	211.7	0.8	257	234.0	0.9	257	247.9	1.0	11.3%		100.0%		
1 – 6	27	27	20	3.0	0.1	27	5.5	0.2	27	5.6	0.2	27	5.9	0.2	27	6.2	0.2	4.0%		10.8%		
7 – 10	106	107	124	49.9	0.4	107	55.3	0.5	110	58.6	0.5	110	63.2	0.6	110	66.9	0.6	6.5%		43.5%		
11 – 12	49	50	86	80.1	0.9	50	47.0	0.9	66	61.5	0.9	66	71.5	1.1	66	75.7	1.1	17.2%		24.6%		
13 – 16	49	50	29	43.0	1.5	50	70.2	1.4	53	81.7	1.5	53	88.9	1.7	53	94.2	1.8	10.3%		20.8%		
17 – 22	–	1	1	2.8	2.8	1	1.7	1.7	1	4.3	4.3	1	4.5	4.5	1	4.8	4.8	41.6%		0.4%		

1. Rand million.

Additional table: Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
R thousand													
Foreign In cash													
Flemish government	Social economy policy project	Growth Path and Social Dialogue	12 months	2 636	Foreign governments and international organisations	Development of a social economy policy for South Africa	–	–	2 634	–	–	–	–
Total				2 636			–	–	2 634	–	–	–	–



2019 BUDGET

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002

Tel +27 12 315 5944 | **Fax** +27 12 406 9055

Web: www.treasury.gov.za



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

