

Department of Economic Affairs

To be appropriated by Vote in 2009/10	R 121 359 000
Responsible MEC	MEC of Economic Development, Tourism, Environment and Conservation
Administrating Department	Department of Economic Affairs
Accounting Officer	Head of Department : Economic Affairs

1. Overview

The Department has, in terms of its new programme structure, the following core functions:

- Provide leadership, strategic management in accordance with government legislation, regulations and policies.
- To ensure an effective and compliant department that will provide technical support and economic policy advice to the Northern Cape Province.
- To promote, support and facilitate integrated economic development through shared partnerships in the province.
- To accelerate economic growth by facilitating investment into the province while simultaneously promoting economic diversification and industrial expansion.
- To regulate business practices and ensure compliance with relevant legislation whilst optimizing revenue collection and monitoring departmental agencies.
- To support the development of measurable economic policies, strategies or plans informed by relative economic research so that they are in alignment with the National Spatial Development Plans (NSDP), Northern Cape Provincial Growth and Development Strategy (NCPGDS) and Integrated Development Plans (IDP's) with the aim of halving unemployment and achieving an average annual economic growth of 4-6 per cent by 2014.

Vision

Promotion of Economic Growth and Economic Development in the Northern Cape based on Diversification, Empowerment, Employment; Business creation and Sustainable development (DE²BS).

Mission

To create an enabling environment for economic growth and development in the Northern Cape.

2. Review of the current financial year (2008/09)

- The focus areas or sectors of the economy identified as illustrating the greatest potential for growth include:
 - Agriculture and Agro-processing;
 - Mining and Minerals Processing;
 - Fishing and Mariculture;
 - Manufacturing;
 - Transport;
 - Tourism;
 - Information and Communications Technology (ICT);
 - Finance

- (Small, Medium and Micro Enterprises).
- The current growth performance is much slower than the PGDS targets of reaching 4-6% growth. The Northern Cape will have to attract more foreign direct investment if the growth targets are to be met. The province is in the process to establish a trade and investment agency that will assist in this regard.
- Several significant milestones have been achieved. In 2008 the Gold Chain Technology initiative and the Kimberley Diamond and Jewellery Centre was launched by Minister Sonjica. The centre currently employs 30 people. A Memorandum of Understanding (MOU) with international developers and their local partners is currently being finalised for the fast-tracking of the Hub concept. Provincial Government is in a quest to maximize benefits from trade agreements between South Africa and the rest of the world. Hence, the Northern Cape legislature passed the Northern Cape Economic Development Trade and Investment Promotion Agency Bill in November 2008.
- This enables the province to establish a new proposed Trade and Investment Agency to respond to the challenge of translating high-level investment and business opportunities in the Province, into actual business operations that contribute directly to economic growth and social equity for the people of the Northern Cape. The Agency will facilitate and support private sector and private public partnership development in the Northern Cape.
- The first two phases of the Northern Cape Information Society (NCISS) have been completed. The province has identified Business Process Outsourcing and Offshoring (BPO &O) as one of the projects capable of providing job opportunities by establishing Call Centres. The Terms of Reference for the development of the Provincial BPO & O strategy has been completed.
- A draft Provincial Business Process Outsourcing And Off-Shoring (BPO and O) Strategy has been developed and the first Provincial Call Centre was launched in March 2008 at the Ga-Segonyana district.
- A partnership with a Korean company (TOPES) has been established for the development of a call centre in Sol Plaatje. Plans to establish the Northern Cape within the national BPO and O space are underway to establish a Northern Cape BPeSA (Business Process enabling South Africa).
- The Northern Cape Urban Further Education Training (FET) College has developed a BPO&O Training proposal linked to the National Skills Development Strategy (NSDS) and the Provincial Growth and Development Strategy and ASGI-SA.
- Two classrooms have been identified at the FET City Campus by the FET College for BPO and O Call Centre operator training.
- To date the Finnish consultants have been appointed; the Project Agreement has been signed, and Inter-provincial and Provincial Committees have been established to oversee the implementation of INSPIRE within the province.
- To date, the Provincial Local Economic Development (LED) Forum was launched in March 2008 with the aim of creating a joint vision for the economic development policy for the Northern Cape
- As part of the strategy to accelerate LED development at municipal level, district managers were deployed to four regions to provide hands on support to local government and to assist with the implementation of economic development initiatives. Business support training was provided to eight (8) municipal officials where they were trained on how to assist with the economic profiling of regions, as well as how to interpret the relevant data.
- In the interests of creating an effective and efficient regulatory environment in the province, the Northern Cape Gambling Act 2008 was passed in September 2008. The Act allows for the establishment of the Gambling Board which will act as the accounting authority in terms of

reporting within the legislative prescripts as defined in the Public Finance Management Act (PFMA). The Act will be promulgated on the 31st March 2009.

- The development of the Upington Cargo Hub forms part of the Provincial Freight Logistics Strategy which is a strategic initiative to move the province's freight and logistics transport infrastructure from a supply driven system to a demand driven system. To date the Feasibility Study has been finalised which indicates that the project can add more than R1 billion per annum to the Upington economy (based on the assumptions in the feasibility). Potential investors have been identified and a full time consultant has been appointed by The Department of Transport, Roads and Public Works to fast-track the process. An independent contractor has been appointed to champion the development of the cargo hub. The project was presented at the Chartered Institute for Logistics and Transport South Africa Conference (CILTSA) in May 2008 where the need to refine the business case was identified. A consultant has been appointed for this purpose.
- A study was conducted to investigate the feasibility of building a high speed test facility in the vicinity of Upington as part of an initiative to attract parent companies of local car manufacturers to expand their local operations into the Northern Cape Province.
- To date a geo-technical study has been completed for the establishment of a High Speed Vehicle Testing Facility close to Upington. The scope of the project includes a High Speed Track of 16km; a dynamic handling track; workshops; administration buildings; a control tower and a fuel station.
- A full economic impact assessment was concluded and the projected investment in Upington, by a German investor, is R300 million (depending on the size of the track). Approximately 1400 jobs (direct and indirect) will be created.
- Negotiations with landowners of the preferred sites (four possible sites have been identified) has commenced and the German investor has indicated preliminary approval for the track to be built in the Northern Cape. However, the construction of the track has been postponed by the investor because of the negative impact on the automotive industry of the current global economic downturn.

3. Outlook for the coming financial year (2009/10)

- Specific strategic interventions have been identified for implementation in 2009 /10 financial year that will focus on developing Second Economy Intervention Strategies to address the challenges of poverty, underdevelopment and marginalisation.
- The Department will ensure the establishment of a Manufacturing Development Centre and facilitate the establishment of a Northern Cape Manufacturing Cluster to accelerate economic growth, facilitate exports and investments while addressing the leakages from the economy.
- In 2009/10, the Small Enterprise Development Agency (SEDA) is targeting 7.200 people as first time clients. The Agency intends to train for 3.133 SMMEs of which 180 would be new members of Cooperatives.
- Similarly to the Ntataise Programme of 2008, the Agency intends to target over 3000 people as part of this entrepreneurship. The agency is planning at least two additional entrepreneurship events in 2009.
- The province will seek to finalise the Provincial Cooperatives Strategy which will be aligned to the National Strategy. The strategy will proactively seek to effectively mobilise and integrate people and communities into the mainstream economy and, in so doing, place them on a sustainable growth path as part of the initiative to halve unemployment by 2014 and redress poverty.
- The development of a Provincial Business Process Outsourcing and Off-shoring (BPO and O) Strategy will commence with the development of Business Plans for Sol Plaatje and Ga-Segonyane municipalities. This economic imperative will promote the ICT sector as a resource for economic growth.

- A Minimum of 150 jobs will be created at Ga-Segonyana Municipality to operationalise the centre; jobs will be for call centre operators and administration staff. It is estimated that 200 jobs will be created within the Sol Plaatje Municipality call centre over the MTEF period.
- The province will spend R1,3 million to ensure the success of this high impact Second Economy intervention designed to redress economic marginalisation in the province.
- The key priority areas for ICT applications in 2009/10 are e-Government; e-Education; e-Health; e-SMMEs; Local content development; e-Documentation; e-Tourism; e-Agriculture; and e-Infrastructure.
- The Trade and Investment Promotion Agency will be positioned to work with strategic partners in both the public and private sector to promote the province as an investment destination of choice. It will attract foreign direct investment, grow exports of products and services from the Northern Cape and market the province nationally and internationally.
- All facets of the Diamond Strategy will be vigorously pursued in 2009/10 to ensure that the Northern Cape Province is advantageously positioned to maximise the economic benefits of the diamond value chain when the economic tempest abates.
- Key strategic thrusts for the 2009/10 financial year include relocating the State Diamond Trader to Kimberley; ensuring the success of the Gold Chain Technology Initiative; the operationalisation of the Kimberley International Diamond and Jewellery Academy and the robust quest to concretise the Kimberley Diamond and Jewellery Hub.
- The Preferential Mining Procurement Initiatives (PMPI) will be fast-tracked within the mining sector in the new financial year. Research will be conducted to identify additional opportunities for mining and mineral beneficiation in the province. The province will also ensure that all mining companies converting to the new legislation commit themselves to the preferential procurement policy.

4. Receipts and financing

4.1 Summary of receipts

Table 4.1: Summary of Receipts: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2008/09		
	2005/06	2006/07	2007/08				2009/10	2010/11	2011/12
Equitable share	57,116	88,999	85,290	112,240	112,794	78,436	121,359	136,078	146,875
Departmental Receipts	13,079	14,022	14,395	17,101	17,101	15,346	16,120	17,088	18,112
Total receipts	70,195	103,021	99,685	129,341	129,895	93,782	137,479	153,166	164,987

4.2 Departmental receipts collection

Table 4.2: Departmental receipts: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Tax receipts	13 063	13 894	14 277	17 101	17 101	15 281	16 120	17 088	18 112
Casino taxes	11 798	12 451	12 729	15 408	15 408	14 241	14 662	15 542	16 474
Horse racing taxes	393	518	532	649	649	548	530	562	595
Liquor licences	872	925	1 016	1 044	1 044	492	928	984	1 043
Motor vehicle licenses									
Sales of goods and services other than capital assets	16	22	28			23			
Transfers received		4	1						
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Financial transactions in assets and liabilities		102	89			42			
Total departmental receipts	13 079	14 022	14 395	17 101	17 101	15 346	16 120	17 088	18 112

5. Payment summary

The MTEF baseline allocation for the period 2009/10 to 2011/12:

Financial year 2009/10:	R121.359 million
Financial year 2010/11:	R136.078 million
Financial year 2011/12:	R146.875 million

5.1 Key assumption

- Provision for inflation related items should be based on CPIX projections.
- Continuation of the implementation of the Diamond Strategy of the Northern Cape Province for related items was taken into account.
- Ongoing implementation of the National Information Society Programme in the Republic of South Africa (INSPIRE) initiative for related items were taken into account.
- Provision for the National Business Processing Outsourcing and Off-shoring (BPO&O) initiative for related items were taken into account.

5.2 Programme Summary

Tables 5.2 to 5.3 below illustrate the budget position of the Department of Economic Affairs for the financial years 2005/06 to 2011/12, and it also summarises expenditure per programme, and according to the new economic reporting format classification.

Table 5.2: Summary of Payments and Estimates: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Administration	12,441	13,673	19,750	23,411	25,554	27,775	26,558	29,161	31,141
Integrated Economic Development Services	28,141	52,701	32,045	47,518	48,133	17,191	48,570	50,558	52,470
Trade And Industry Development	5,466	7,615	15,732	15,173	14,718	12,143	17,452	25,805	29,768
Business Regulation And Governance	6,461	8,688	10,071	13,284	12,222	9,827	14,161	15,019	15,919
Economic Planning	4,607	6,323	7,692	12,854	12,167	11,500	14,618	15,536	17,579
Total payments and estimates	57,116	88,999	85,290	112,240	112,794	78,436	121,359	136,078	146,875

2009/10: MEC remuneration payable. Basic Salary: R796 536. Allowances: R531 024

The aggregate spending shows an increased average annual rate of 11.2 per cent from R57.116 million in 2005/06 to R78.436 million in 2008/09. The budget further grows with a 23.3 per cent average annual rate over the MTEF. There was a substantial increase of 55 per cent on the total budget from 2005/06 to 2006/07 financial years. The budget increased at a declining rate of 4.2 per cent in 2007/08, and 8 per cent in the current financial year.

5.3 Summary of economic classification

Table 5.3 Summary of Provincial Payments and Estimates by Economic Classification: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Current payments	34 774	42 273	59 555	67 033	72 294	65 561	85 257	99 013	106 918
Compensation of employees	14 868	21 455	25 988	34 814	36 425	32 753	45 921	49 706	54 489
Goods and services	19 906	20 698	33 473	32 219	35 869	32 808	39 336	49 307	52 429
Interest and rent on land									
Financial transactions in assets and liabilities		120	94						
Unauthorised expenditure									
Transfers and subsidies:	21 419	45 442	24 806	44 394	35 145	7 492	35 315	36 146	37 197
Provinces and municipalities	85	9 172	2 728						
Departmental agencies and accounts			2 172	9 249					
Universities and technikons									
Public corporations and private enterprises	21 334	36 270	19 906	35 145	35 145	7 492	35 315	36 146	37 197
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	923	1 284	929	813	5 355	5 383	787	920	2 760
Buildings and other fixed structures						3 600			
Machinery and equipment	896	1 191	909	813	5 355	1 229	787	920	2 710
Cultivated assets									
Software and other intangible assets	27	93	20			554			50
Land and subsoil assets									
Total economic classification	57 116	88 999	85 290	112 240	112 794	78 436	121 359	136 078	146 875

Current Payments constitute the largest expenditure of the department out of the total budget of the department followed by transfers, then capital expenditure. Compensation of employees have increased by 40.9 per cent between 2006/07 and 2007/08 on year on year nominal growth and thereafter the growth rate dropped until the period of 2010/11 to 2011/12 when an increase is realized.

There is quite a huge increase of 61.7 per cent on goods and services from 2006/07 to 2007/08 followed by a decline to 2 per cent on nominal growth over the MTEF. The growth in Transfer and Subsidies has increase drastically by 112 per cent in the year 2005/06 to 2006/07 due to an increase in Economic growth and Development fund and rolled over funds.

There was an increase of 39 per cent on Capital Payments for the period 2005/06 to 2006/07, followed by a sudden drop to 27.6 per cent.

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5.4 Transfers to local government

The table below indicates transfers to local government per category. The only transfers to local government that the department has made were in respect of the Regional Service Council Levy and District Growth and Development Strategies (2006/07).

Table 5.4: Summary of departmental transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Category A									
Category B	588		2,728						
Category C	86	4,465							
Total departmental transfers	674	4,465	2,728						

6. Programme description

6.1 Programme 1: Administration

Programme Objective

Provide leadership, strategic management in accordance with legislation, regulations, and policies and ensure appropriate support service to all other programmes.

Sub programme strategic objectives

- Provide economic policy direction to the Department.
- Provide strategic direction and leadership in order to facilitate the sustained growth, transformation and diversification of the provincial economy.
- Provide an efficient and economical Financial Management support service to the department.
- Provide sound corporate management

Table 6.1: Summary of payments and estimates: Programme 1 Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Office of the MEC	478	494	539	750	742	1 316	750	750	795
Office of the HOD	2 460	3 034	4 553	5 566	5 587	6 130	6 068	6 434	6 815
Corporate Services	3 330	3 358	3 783	5 730	5 613	6 887	6 189	6 560	6 951
Financial Management	6 173	6 787	10 875	11 365	13 612	13 442	13 551	15 417	16 580
Total	12 441	13 673	19 750	23 411	25 554	27 775	26 558	29 161	31 141

2009/10: MEC remuneration payable. Basic Salary: R796 536. Allowances: R531 024

Table 6.1.1: Summary of payments and estimates by economic classification: Programme 1 Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Current payments	11 855	13 069	19 362	23 121	24 964	27 380	26 458	29 034	30 440
Compensation of employees	3 529	7 494	10 510	13 922	13 456	12 755	16 047	17 637	18 683
Goods and services	8 326	5 455	8 852	9 199	11 508	14 625	10 411	11 397	11 757
Interest and rent on land									
Financial transactions in assets and liabilities		120							
Unauthorised expenditure									
Transfers and subsidies:	62	7							
Provinces and municipalities	62	7							
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	524	597	388	290	590	395	100	128	700
Buildings and other fixed structures									
Machinery and equipment	524	504	381	290	590	389	100	128	700
Cultivated assets									
Software and other intangible assets		93	7			6			
Land and subsoil assets									
Total economic classification	12 441	13 673	19 750	23 411	25 554	27 775	26 558	29 161	31 141

The spending trends has increased from R12.441 million in 2005/06 to R27.775 million in 2008/09.at an average annual growth rate of 30.7 per cent The average annual growth rate reduces to 3.9 per cent over the 2009/10 MTEF. This programme shows a growth rate of 10 per cent from 2005/06 to 2006/07. The significant increase of 44.4 per cent was realised in 2007/08.The budget further grows with a declining rate to 4.4 per cent in 2009/10.

6.2 Programme 2: Integrated Economic Development Services

Programme Objective

To sustain economic development through shared partnerships.

Sub programme strategic objectives

- Develop and support business enterprises.
- Promote strategic economic development in local economies in partnership with key stakeholders.
- Facilitate the process of empowerment and creation of an enabling business environment for HDI's.

Table 6.2: Summary of payments and estimates: Programme 2 Integrated Economic Development Services

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Enterprise Development	1 068	1 629	3 384	4 505	3 977	3 647	9 863	10 666	11 303
Local Economic Development	5 725	10 777	5 440	9 090	10 289	8 485	4 445	4 975	5 272
Economic Empowerment	2 179	2 788	936	2 137	1 156	1 247	2 313	2 552	2 704
Economic Growth and Development Fund	17 864	36 270	19 906	30 000	30 000	2 347	30 000	30 300	31 000
Office of the Chief Director	1 305	1 237	2 379	1 786	2 711	1 465	1 949	2 066	2 189
Total	28 141	52 701	32 045	47 518	48 133	17 191	48 570	50 558	52 469

Expenditure has decreased at an average annual rate of 15.1 per cent from R28.141 million in 2005/06 to R17.191 million in 2008/09 due to a projected saving on the Economic Growth and Development Fund in the current financial year. The budget further grows with an average annual rate of 45 per cent over the MTEF. Integrated Economic Development Services experienced a substantial increase of 87 per cent from 2005/06 to 2006/07, followed by a decrease to 39.2 per cent from 2006/07 to 2007/08. The increase in 2005/06 to 2006/07 was mainly attributed to the increase of the Economic Growth and Development Fund.

Table 6.2.1: Summary of payments and estimates by economic classification: Programme 2 Integrated Economic Development Services

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Current payments	6 790	6 956	7 072	12 120	12 536	9 247	13 098	14 276	14 821
Compensation of employees	3 871	3 285	4 131	7 351	6 192	5 853	8 036	8 524	9 030
Goods and services	2 919	3 671	2 865	4 769	6 344	3 394	5 062	5 752	5 791
Interest and rent on land									
Financial transactions in assets and liabilities			76						
Unauthorised expenditure									
Transfers and subsidies:	21 337	45 429	24 806	35 145	35 145	7 492	35 315	36 146	37 197
Provinces and municipalities	3	9 159	2 728						
Departmental agencies and accounts			2 172						
Universities and technikons									
Public corporations and private enterprises	21 334	36 270	19 906	35 145	35 145	7 492	35 315	36 146	37 197
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	14	316	167	253	452	452	157	136	450
Buildings and other fixed structures									
Machinery and equipment	14	316	167	253	452	54	157	136	450
Cultivated assets									
Software and other intangible assets						398			
Land and subsoil assets									
Total economic classification	28 141	52 701	32 045	47 518	48 133	17 191	48 570	50 558	52 469

Service Delivery Measures

Table 6.2.2: Performance Information: Integrated Economic Development

Programme / Subprogramme / Performance Measures	Estimated Annual Targets		
	2009/2010	2010/2011	2011/2012
Programme 2: Integrated Economic Development			
2.1 Enterprise Development			
Number of SMMEs supported through the institutions	5	4	5
Number of cooperatives supported	20	20	20
Number of institutions established	3	3	3
Number of institutions supported	10	15	20
2.2 Local Economic Development			
Number of economic development projects supported at municipalities	4	4	4
Number of capacity building interventions at municipalities	5	5	5
Number of LED strategies aligned to PGDS and other spatial development plans	15	15	15
2.3 Economic Empowerment			
Number of BBBEE workshops conducted	3	4	4

6.3 Programme 3: Trade and Industry Development

Programme Objective

To stimulate economic growth through industry development, trade and investment promotion.

Sub programme strategic objectives

- Facilitate trade, export promotion and attract investment.
- Strategically position prioritised sectors as key contributors to economic growth and development.
- Strategically position industries in support of economic growth and development.

Table 6.3: Summary of payments and estimates: Programme 3 Trade and Industry Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08						
Trade and Investment Promotion	2 179	2 727	8 049	6 392	4 196	2 954	6 291	9 444	10 009
Sector Development	3 287	4 888	7 683	8 781	10 522	9 189	3 756	6 324	7 913
Strategic Initiatives							7 405	10 037	11 844
Total	5 466	7 615	15 732	15 173	14 718	12 143	17 452	25 805	29 767

Table 6.3.1: Summary of payments and estimates by economic classification: Programme 3 Trade and Industry Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08						
Current payments	5 393	7 432	15 662	15 063	11 004	8 429	17 172	25 415	29 537
Compensation of employees	2 099	2 012	2 496	3 783	3 269	2 849	6 260	6 958	8 333
Goods and services	3 294	5 420	13 166	11 280	7 735	5 580	10 912	18 457	21 204
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	4	1							
Provinces and municipalities	4	1							
Departmental agencies and accounts									
Universities and technikon									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	69	182	70	110	3 714	3 714	280	390	230
Buildings and other fixed structures						3 600			
Machinery and equipment	69	182	70	110	3 714	114	280	390	230
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	5 466	7 615	15 732	15 173	14 718	12 143	17 452	25 805	29 767

The spending trends has increased at an average annual rate of 30.5% from R5.466 million in 2005/06 to R12.143 million in 2008/09. The budget further grows with a 34.8 per cent average annual rate over the 2009/10 MTEF.

Trade and Industry Development is showing a relatively high increase of 106.6 per cent from 2006/07 to 2007/08, followed by a reduction in growth rate to 22.8 per cent in 2007/08 to 2008/09 and a further increase in growth rate to 47.9 per cent is also realised in 2009/10 to 2010/11.

Service Delivery Measures

Table 6.3.2: Performance Information: Trade and Industry Development

Programme / Subprogramme / Performance Measures	Estimated Annual Targets		
	2009/2010	2010/2011	2011/2012
Programme 3: Trade and Industry Development			
3.1 Trade and Investment Promotion			
Number of Foreign Direct Investments facilitated	4	4	4
Value of investments attracted	R2mil	R3mil	R4mil
Number of companies actively assisted with export support	4	4	4
3.2 Sector Development Industry			
Number of key sectors identified and supported	2	2	2
Number of interventions implemented in key sectors	2	2	2
3.3 Industry Development			
Number of high-impact initiatives packaged/developed	3	3	3
Number of high impact initiatives implemented	3	3	3

6 4 Programme 4: Business Regulation and Governance

Programme Objective

To ensure an equitable, socially responsible business environment that allows for predictability.

Sub programme strategic objectives

- Promote good governance of Public entities and agencies and remove barriers in the broader business environment which inhibit business development.
- Inform, educate and protect the rights and interests of all consumers in the province.
- Promote and maintain an effective and efficient regulatory system for the Liquor industry.
- Promote and maintain an effective and efficient regulatory system for the gambling and betting industry.

Table 6.4: Summary of payments and estimates: Programme 4 Business Regulation and Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Corporate Governance			789	1 379	1 503	1 099	1 489	1 578	1 672
Consumer Protection	2 775	3 276	2 213	2 656	2 393	2 393	2 861	3 041	3 226
Liquor Regulation	1 880	2 832	2 058	3 713	3 290	2 653	3 931	4 167	4 417
Gambling and Betting	1 806	2 580	5 011	5 536	5 036	3 682	5 880	6 233	6 606
Total	6 461	8 688	10 071	13 284	12 222	9 827	14 161	15 019	15 920

Table 6.4.1: Summary of payments and estimates by economic classification: Programme 4 Business Regulation and Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Current payments	6 297	8 607	10 011	3 955	11 842	9 447	14 021	14 885	15 120
Compensation of employees	3 516	5 573	4 642	2 512	7 049	5 549	7 608	8 073	8 556
Goods and services	2 781	3 034	5 351	1 443	4 793	3 898	6 413	6 812	6 564
Interest and rent on land									
Financial transactions in assets and liabilities			18						
Unauthorised expenditure									
Transfers and subsidies:	5	3		9 249					
Provinces and municipalities	5	3		9 249					
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	159	78	60	80	380	380	140	134	800
Buildings and other fixed structures									
Machinery and equipment	144	78	60	80	380	230	140	134	750
Cultivated assets									
Software and other intangible assets	15					150			50
Land and subsoil assets									
Total economic classification	6 461	8 688	10 071	13 284	12 222	9 827	14 161	15 019	15 920

The spending trends has increased at an average annual rate of 15 per cent from R6.461 million in 2005/06 to R9.827 million in 2008/09 . The budget further grows with a 17.4 per cent average annual rate over the 2009/10 MTEF. Business Regulation and Governance increases by 34.5 per cent in 2005/06 to 2006/07 and followed by declining growth rate to 2 per cent in 2008/09.

Service Delivery Measures

Table 6.4.2: Performance Information: Trade and Industry Development

Programme / Subprogramme / Performance Measures	Estimated Annual Targets		
	2009/2010	2010/2011	2011/2012
Programme 4: Business Regulations and Governance			
4.1 Regulation services			
Number of barriers identified(link with objectives)	50%	50%	50%
Number of barriers addressed(link with objectives)	50%	50%	50%
4.2 Consumer Protection			
Number of complaints resolved	500	600	600
Number of consumer rights interventions conducted	10	10	10
4.3 Liquor Regulation			
Number of liquor license applications processed	80%	80%	80%

6.5 Programme 5: Economic Planning

Programme Objective

To develop provincial economic policies and strategies to achieve and measure sustainable economic development.

Sub programme strategic objectives

- Promote effective and integrated economic planning and policies for economic growth.
- Conduct and coordinate research.
- Develop a knowledge society to promote economic development.
- Monitor and Evaluate policies, plans and strategies.

Table 6.5: Summary of payments and estimates: Programme 5 Economic Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08						
Policy and Planning	1 334	1 525	1 871	1 731	1 927	1 737	1 888	1 985	2 253
Research and Development	1 796	1 105	295	1 909	1 198	1 198	2 149	2 358	2 965
Knowledge Management	1 477	3 693	4 855	6 305	6 599	6 599	7 419	7 840	8 809
Monitoring and Evaluation			671	1 448	1 089	740	1 569	1 664	1 763
Office of the Chief Director				1 461	1 354	1 226	1 593	1 689	1 789
Total	4 607	6 323	7 692	12 854	12 167	11 500	14 618	15 536	17 579

Table 6.5.1: Summary of payments and estimates by economic classification: Programme 5 Economic Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08						
Current payments	4 439	6 210	7 448	12 774	11 948	11 058	14 508	15 404	16 998
Compensation of employees	1 853	3 091	4 209	7 246	6 459	5 747	7 970	8 515	9 885
Goods and services	2 586	3 119	3 239	5 528	5 489	5 311	6 538	6 889	7 113
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	11	2							
Provinces and municipalities	11	2							
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	157	111	244	80	219	442	110	133	580
Buildings and other fixed structures									
Machinery and equipment	145	111	231	80	219	442	110	133	580
Cultivated assets									
Software and other intangible assets	12		13						
Land and subsoil assets									
Total economic classification	4 607	6 323	7 692	12 854	12 167	11 500	14 618	15 536	17 579

The spending trends has increased at an average annual growth rate of 35.7 per cent from R4.607 million in 2005/06 to R11.500 million in 2008/09. The growth rate reduced to 15.2 per cent over the 2009/10 MTEF. Economic planning also experiences the same situation as the previous programme whereby an increase of 37.2 per cent was realized in the year 2005/06 to 2006/07.

Service Delivery Measure

Table 6.5.2: Performance Information: Economic Planning

Programme / Subprogramme / Performance Measures	Estimated Annual Targets		
	2009/2010	2010/2011	2011/2012
Programme 5: Economic Planning			
5.1 Policy and Planning			
Number of integrated policies	4	4	4
Number of strategies developed	4	4	4
Number of policies reviewed/updated	4	4	4
5.2 Research and Development			
Number of research reports compiled	5	5	5
5.3 Knowledge Management			
Number of economic intelligence reports developed	2	2	2
Number of knowledge management modules developed	2	2	2
5.4 Monitoring and Evaluation			
Number of monitoring reports	4	4	4
Number of evaluation reports	4	4	4

7. Other programme information

7.1 Personnel numbers and costs

Table 7.1: Personnel numbers and costs: Department of Economic Affairs

Personnel numbers	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012
Administration	44	41	52	61	66	73	73
Intergrated Economic Development Services	11	13	30	21	30	30	30
Trade And Sector Development	9	9	14	10	17	17	17
Business Regulation And Governance	23	29	31	20	40	40	40
Economic Planning	10	11	15	24	24	24	24
Total personnel numbers *	97	103	142	136	177	184	184
Total personnel cost (R thousand)	14 868	21 455	25 988	32 753	45 921	49 706	54 488
Unit cost (R thousand)	153	208	183	241	259	270	296

Table 7.1.1: Summary of departmental personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
	Audited	Audited	Audited				2008/09	2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08							
Total for the department										
Personnel numbers	97	103	142	108	134	136	177	184	184	
Personnel costs	14 868	21 455	25 988	34 814	36 425	32 753	45 921	49 706	54 488	
Human resources component										
Personnel numbers (head count)	5	5	6	8	6	7	7	7	7	
Personnel cost	754	907	1 117	1 433	1 303	1 303	1 656	1 779	1 886	
Head count as % of total for department	5%	5%	4%	7%	4%	5%	4%	4%	4%	
Personnel cost as % of total for department	5%	4%	4%	4%	4%	4%	4%	4%	3%	
Finance component										
Personnel numbers (head count)	22	22	26	22	22	28	28	35	35	
Personnel cost	1 650	3 638	4 199	5 957	5 957	5 957	7 284	8 288	8 782	
Head count as % of total for department	23%	21%	18%	20%	16%	21%	16%	19%	19%	
Personnel cost as % of total for department	11%	17%	16%	17%	16%	18%	16%	17%	16%	
Full time workers										
Personnel numbers (head count)	97	103	136	101	109	111	166	173	173	
Personnel cost	14 868	21 355	23 921	36 058	30 968	31 494	42 945	46 552	51 145	
Head count as % of total for department	100%	100%	96%	94%	81%	82%	94%	94%	94%	
Personnel cost as % of total for department	100%	100%	92%	104%	85%	96%	94%	94%	94%	
Part-time workers										
Personnel numbers (head count)			4	1			5	5	5	
Personnel cost			110	10			143	151	161	
Contract workers										
Personnel numbers (head count)			5	7	31	31	8	8	8	
Personnel cost			326	2 912	5 457	5 457	2 833	3 003	3 183	
Head count as % of total for department			4%	6%	23%	23%	5%	4%	4%	
Personnel cost as % of total for department			1%	8%	15%	17%	6%	6%	6%	

7.2 Training

Table 7.2: Summary of training: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
	Audited	Audited	Audited				2008/09	2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08							
Programme 1: Administration	180	168	168	236	236	236	305	335	370	
of which										
Subsistence and travel	68	36	36	55	55	55	65	75	85	
Payments on tuition	112	132	132	181	181	181	240	260	285	
Programme 2:	84	112	112	170	170	170	200	225	250	
Subsistence and travel	16	23	23	70	70	70	80	85	95	
Payments on tuition	68	89	89	100	100	100	120	140	155	
Programme 3:	55	85	85	180	180	180	210	240	250	
Subsistence and travel	20	30	30	50	50	50	60	70	70	
Payments on tuition	35	55	55	130	130	130	150	170	180	
Programme 4:	60	80	85	90	90	90	95	100	105	
Subsistence and travel	15	25	30	30	30	30	35	35	40	
Payments on tuition	45	55	55	60	60	60	60	65	65	
Programme 5:	60	95	95	95	95	95	99	105	115	
Subsistence and travel	20	35	35	32	32	32	33	35	45	
Payments on tuition	40	60	60	63	63	63	66	70	70	
Total payments on training	439	540	545	771	771	771	909	1 005	1 090	

Annexure to Budget Statement 2

Table B.3: Summary of Payments and estimates by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Current payments	34 774	42 273	59 555	67 033	72 294	65 561	85 257	99 013	106 918
Compensation of employees	14 868	21 455	25 988	34 814	36 425	32 753	45 921	49 706	54 489
Salaries and wages	12 787	18 468	22 352	29 942	30 918	27 246	39 661	42 958	47 336
Social contributions	2 081	2 987	3 636	4 872	5 507	5 507	6 260	6 749	7 153
Goods and services	19 906	20 698	33 473	32 219	35 869	32 808	39 336	49 307	52 429
Cons/prof:business & advisory services	6 439	4 873	17 542	11 954	13 445	9 059	14 822	20 475	21 912
Inventory	1 154	742	698	798	968	876	1 219	1 344	1 470
Computer services	1 063	1 206	2 697	1 148	1 048	1 048	1 209	1 306	1 368
Communication	556	789	525	988	1 115	894	880	893	919
Owned & leasehold property expenditure	341	170	3 466	2 517	3 119	3 595	2 643	2 934	3 110
Travel and subsistence	2 498	2 616	4 057	2 556	3 353	3 729	4 647	5 045	5 382
Advertising	1 870	1 695	1 623	1 706	1 968	2 290	2 278	2 519	2 710
Other	5 985	8 607	2 865	10 552	10 853	11 317	11 638	14 791	15 559
Interest and rent on land									
Financial transactions in assets and liabilities		120	94						
Unauthorised expenditure									
Transfers and subsidies:	21 419	45 442	24 806	44 394	35 145	7 492	35 315	36 146	37 197
Provinces and municipalities	85	9 172	2 728						
Departmental agencies and accounts			2 172	9 249					
Universities and technikons									
Public corporations and private enterprises	21 334	36 270	19 906	35 145	35 145	7 492	35 315	36 146	37 197
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	922	1 284	929	813	5 355	5 383	787	920	2 760
Buildings and other fixed structures						3 600			
Machinery and equipment	895	1 191	909	813	5 355	1 229	787	920	2 710
Cultivated assets									
Software and other intangible assets	27	93	20			554			50
Land and subsoil assets									
Total economic classification	57 115	88 999	85 290	112 240	112 794	78 436	121 359	136 079	146 875