

Department of Trade and Industry



“Ensuring an economy that benefits all”

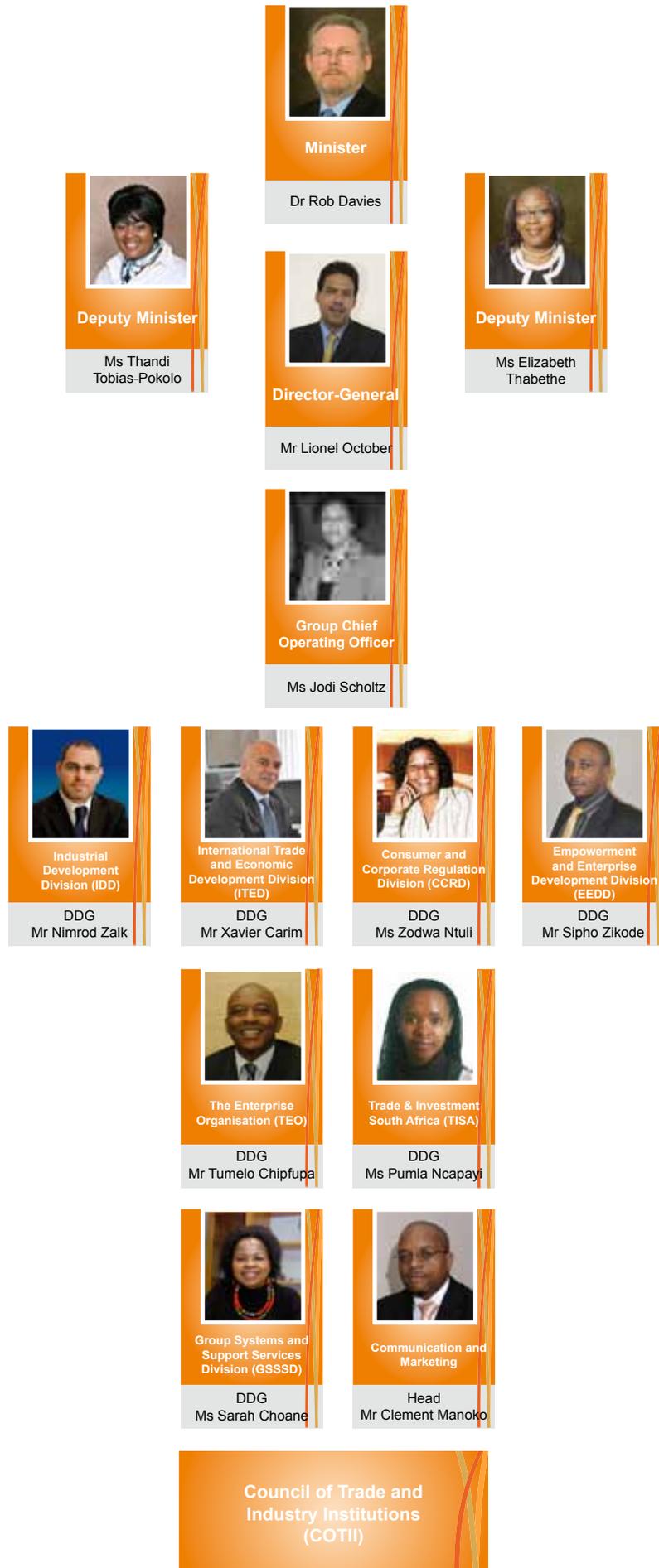


the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT 2010 - 2011

the dti Organogram



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1. GENERAL INFORMATION

for the year ended 31 March 2011



During the past financial year, the Department of Trade and Industry (**the dti**) as a lead department in collaboration with other departments, concluded a delivery agreement relating to the Government outcome of creating decent employment through inclusive growth. This agreement is one of twelve that were entered into by different Cabinet Ministers as a means to unpack and simplify the implementation of the performance agreements signed between individual Ministers and the President of the Republic of South Africa.

In implementing the delivery agreement for the aforementioned outcome listed above, we upscaled the implementation of the second Industrial Policy Action Plan known as IPAP2 and finalised a new iteration of the document. This was in recognition of the fact that placing the South African economy on a higher and more labour-absorbing growth path required that we deal with a number of structural factors that still affected the economy's productive capacity and competitiveness. The upscaled implementation of IPAP2 resulted in substantial progress being made in reaching targets set in particular areas of intervention.



A major achievement has been the positive turnaround in the automotive sector and clothing and textile sector through the finalisation of the Automotive Investment Scheme (AIS) and the rollout of the Clothing and Textile Competitiveness Programme (CTCP) and Production Incentive (PI). These two programme initiatives have resulted in investment commitments and are expected to go a long way towards creating the projected number of jobs.

Furthermore, we have made significant progress with the completion of the first stage of the complex work involved in reconfiguring the regulatory framework of public procurement. The revised framework has to be adopted by Cabinet and we are awaiting promulgation by the National Treasury in the near future.

In promoting international trade, we finalised a Trade Policy and Strategy Framework which sets out the Government's approach to trade policy and aligns our trade policy to our industrial development and employment objectives. Building on this Framework, significant engagements took place within the Southern African Customs Union (SACU) resulting in a consensus being reached on a focused work programme in SACU on industrialisation, infrastructure development, trade facilitation, revenue sharing and unified engagement in trade negotiations. Complementary to the work undertaken within SACU, the Department continued to prioritise development and regional integration in Africa. Moreover, work was started to develop a common position on a tripartite free trade area consisting of the Southern African Development Community (SADC), the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA).

We have endeavoured to broaden the participation of enterprises in the economy by implementing various support programmes and providing incentives to co-operatives. We have also embarked on a review of Broad-Based Black Economic Empowerment (B-BBEE) with specific emphasis on ensuring that the implementation of Black Economic Empowerment (BEE) is clearly defined. Furthermore, we have promoted gender and women empowerment in the economy through the review and implementation of the strategic framework in conjunction with provincial Economic Development Departments.

As part of strengthening the regulatory environment, we were able to review legislation and regulations that were adopted by Parliament. Reviews were performed on the Companies Act, 2008 (Act No. 71 of 2008) aimed at reducing the compliance burden placed on companies and the Consumer Protection Act, 2008 (Act No. 68 of 2008) which aims to protect the rights of consumers.

In conclusion, I would like to express my appreciation to my colleagues, Deputy Ministers Tobias-Pokolo and Thabethe; Mr Lionel October, who took over the leadership as the acting Director-General during the last quarter; the former Director-General, Mr Tshediso Matona; and the entire staff of the Department, without whom the achievements reflected in this report would not have been possible.



Dr Rob Davies, MP
Minister of Trade and Industry
Date:



Introduction by the Director-General



Submission of the Annual Report to the Minister

To : **Dr Rob Davies, MP**
The Minister of Trade and Industry

I have the honour to submit in terms of section 40 (d) of the Public Finance Management Act, 1999 (Act No.1 of 1999 as amended) an Annual Report of the Department of Trade and Industry for the period 1 April 2010 to 31 March 2011.

A handwritten signature in black ink, appearing to read 'L. C. C. C.', written over a horizontal dashed line.

Director-General

Date:

This annual report outlines the work undertaken by **the dti** in terms of fulfilling the Government's medium-term objectives during the 2010/11 financial year. The report details the achievements recorded against the planned targets and challenges experienced, in relation to the challenging economic environment that the Department had to operate within. This was characterised by the lingering recession of the South African economy brought about by the global economic crisis, which shaped the nature and the scope of policy interventions implemented by the Department during the 2010/11 financial year. The achievements presented herein are arranged in terms of the five strategic areas, namely: Industrial Development; Trade, Investment and Exports; Broadening Participation; Regulation; and Administration and Co-ordination.

Industrial Development

In the area of Industrial Development, an important achievement for the Department was the finalisation and launch of the new iteration of the Industrial Policy Action Plan (IPAP2) covering the 2011/12 - 2013/14 period. The revised IPAP2 consolidates and further strengthens Government's interventions to support industrial development and employment creation and is an integral component of the New Growth Path (NGP). The key focus areas of the revised IPAP2 are skills development, technological innovation and public procurement. Other notable achievements include the finalisation of the Automotive Investment Scheme (AIS) that has contributed to the decision by automotive assemblers and component suppliers to make investment commitments of R14 billion. This investment will create a minimum of 12 000 jobs and scale up capacity in the sector.

In the clothing and textile sector, 171 companies benefited from government support under the new Clothing and Textile Competitiveness Programme (CTCP) and the Production Incentive (PI) programme. This resulted in 40 591 jobs being supported or saved and at least 1 111 new jobs being created. Investments of R40 million in the Business Process Services sector have resulted in the creation of 950 jobs in the 2010/11 financial year. In addition, new investment commitments worth R42 million were approved that can be linked to 806 jobs. Under the Monyetla II Programme, 3 400 young trainees were trained, of whom 70% are guaranteed employment by the Business Process Outsourcing (BPO) consortium.

Work on green industries has laid the foundation for the revision of building standards that will require higher levels of energy efficiency and the mandatory installation of solar water heaters in new buildings. The South African Bureau of Standards (SABS) has finalised enabling standards for solar water heaters, wind-energy turbines, energy-efficient lighting, appliances and products, electric-battery and alternative-fuel vehicles, and the co-generation of electricity and bio-fuels.

In the area of public procurement, Cabinet approved amendments to the regulations of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000). The amendments will fast-track Government's localisation and employment creation drive and allows for the designation of sectors for local procurement and alignment with B-BBEE codes. Proof of the efficacy of this type of policy instrument is illustrated in the recent R4.2 billion Anti-Retroviral (ARV) government tender, 72% of the value went to South African manufacturers with significant price reductions relative to the 2008 ARV tender.

The first phase of the introduction of localisation and supplier development within State-Owned Enterprises (SOEs) has encouraged them to introduce new policies, processes and systems, and capacity-building initiatives to improve and leverage local procurement. A commitment has been secured to ensure that 90 out of 100 locomotives that are about to be procured by Transnet will be produced in South Africa. This provides another indication of the importance of procurement in relation to our industrial development efforts. Furthermore, a Departmental study into a more strategic evolution of the National Industrial Participation Programme (NIPP) has been completed. The monitoring and evaluation of the NIPP has demonstrated that since its inception in 1997, more than 220 projects have been implemented, with a cumulative estimated 25 000 direct jobs and 85 000 total jobs having been created.

In keeping with our intentions signalled in the IPAP 2, an Early Warning System, which aims to identify technical barriers to trade for exports, has been developed by the South African Bureau of Standards and is fully operational. This system identifies technical barriers to trade for exporters and communicates the results to exporters on a monthly basis.

On the industrial financing front, during the year under review the Coega and East London Industrial Development Zones (IDZs) signed a total of thirteen (13) investments worth an estimated R744 million. The investments were in the following sectors: automotive, general manufacturing, agro-processing, mineral beneficiation, renewable energy, mariculture, and logistics. Of the thirteen (13) signed investments, seven (7) investments worth R342 million were signed by the East London Industrial Development Zone (ELIDZ) and six (6) investments worth R402 million were signed by the Coega IDZ. These IDZ investments in total will support an estimated 4 551 construction and 1 400 direct job opportunities. In addition, the Oliver Reginald Tambo International Airport Industrial Development Zone (ORTIA IDZ) was awarded an operator permit in December 2010 which will enable the development of a jewellery manufacturing precinct in this IDZ.

As part of the alignment of industrial financing with industrial policy objectives, the Enterprise Investment Programme (EIP) has approved investments amounting to R11.3 billion. These investments are projected to create 12 394 jobs in the manufacturing sector and 2 624 in the tourism sector. In line with IPAP2, 71% of the approved manufacturing projects are in the lead sectors of agro-processing; furniture, wood, pulp and paper; chemicals, plastic fabrication and pharmaceuticals; and capital/transport equipment and metals. Of the approved manufacturing projects that were supported in 2010/11, investments worth R3.6 billion have been made and 6 313 jobs have been created.

Trade, Investment and Exports

In the year under review, **the dti** finalised a Trade Policy and Strategy Framework which sets out the Government's approach to trade policy and strategy and clarifies that South Africa's trade policy will be informed by industrial development and employment objectives. Guided by this Framework, the Department continued to prioritise development and regional integration in Africa and Southern Africa.

The South Africa-Zimbabwe Bilateral Investment Treaty (BIT) was ratified by both Parliaments and has come into force. A new Vision and Mission for the Southern African Customs Union (SACU) were approved by the SACU Heads of State in April 2010 and South Africa hosted a SACU Summit in July 2010. As Chair of SACU since July 2010, South Africa, through **the dti**, has assisted in forging consensus on a work programme in SACU focused on industrialisation, infrastructure development, trade facilitation, revenue sharing and unified engagement in trade negotiations.

The Southern African Development Community (SADC) Ministerial Task Force approved an action plan with nine (9) priority focus areas that will help to consolidate the SADC Free Trade Agreement (SADC FTA) and provide greater impetus to regional industrialisation. In addition, the SADC has begun to forge a common position on the SADC – East African Community (EAC) – Common Market for Eastern and Southern Africa (COMESA) Tripartite Free Trade Agreement (FTA). South Africa has given its support to this agenda.

In addition to South Africa's regional engagements, the Department provided the economic content for the State visits to China, India, Brazil and Russia. South Africa and China signed a Comprehensive Strategic Partnership Agreement (CSPA) that included an undertaking to increase South Africa's value-added exports to China and to encourage Chinese investment in South Africa. Agreements were reached with India and Brazil to address non-tariff barriers that impede our bilateral trade. South Africa also accepted the invitation to join a union of developing economies to form the Brazil, Russia, India, China and South Africa (BRICS) alliance, given that Brazil, Russia, India and China have emerged as new centres of global economic growth and are increasingly important as new sources of investment and export destinations.

During the year under review the Department continued to represent South Africa at the Economic Partnership Agreement (EPA) negotiations with the European Union (EU) to establish a common trade-in-goods arrangement between SACU and the European Union. Although there has been no political breakthrough to advance the World Trade Organisation (WTO) Doha Development Round, the Department continued to participate in the negotiations with a view to ensuring a developmental outcome. Negotiating positions on all key issues have been strengthened and updated as the negotiations have unfolded.

The Department implemented measures to assist business in securing market access for and investments in South African products and services through National Pavilions, Trade and Investment Initiatives, and missions. During this period, five (5) Trade and Investment Initiatives were facilitated to Zimbabwe, Brazil, Russia, the Democratic Republic of the Congo (DRC) and India, and sixteen (16) National and one (1) Local Pavilion as well as twenty (20) Group Trade Missions took place.

In support of the outgoing State visits, the Department facilitated business delegations to the following countries: Algeria (27 business people), India (226 business people), Russia (112 business people), China (380 business people), Lesotho (20 business people), Egypt (150 business people), Cuba (17 business people) and France (144 business people) in addition to facilitating business delegations to Turkey (49 business people), Syria (8 business people), Kenya (19 business people) and the United Kingdom (UK) for visits by the Deputy President. Support was also provided to the business forum programme during incoming State visits from Zambia, Angola, Botswana, Uganda and Brazil.

Substantive progress has been made in recruiting foreign direct investment in a targeted manner. Targeted countries included: China, India, Russia, Brazil, Japan, Spain, Germany, France, the UK, the United States of America (USA) and the Middle East. The work programme will translate over the next three (3) years into

an investment pipeline of R115 billion of projects. The results for the year to date amount to R28.92 billion in investment and 13 000 jobs in the sectors of advanced manufacturing, manufacturing, resources and services.

Broadening Participation

Based on the need to broaden the participation of enterprises in the economy, the Department, through the Small Enterprise Development Agency (seda), has to date established a network of forty two (42) branches, seventeen (17) mobile units and fifty eight (58) Enterprise Information Centres (EICs) countrywide. In the period under review, close to 63 916 new clients accessed the seda branch network.

The Technology Incubation Programme of the Department, which is managed by seda, created 202 new Small, Medium and Micro Enterprises (SMMEs). Support was given to 1 209 SMMEs, 35% of which are women-owned and 91% black-owned. This led to the creation of 893 direct jobs. Currently, there are thirty (30) incubators countrywide, supporting SMMEs in various industrial sectors that include the chemical, biotechnology, floriculture, small-scale mining, Information and Communication Technology (ICT), stainless steel, furniture, construction, jewellery, bio-fuels, agriculture, automotives, base metals, mixed manufacturing and aluminium sectors.

A total of 100 new small-scale co-operatives with approximately 500 new job opportunities were established. To encourage the establishment and sustainability of co-operatives, 89 co-operatives were trained on the co-operative concept. The Amendment Bill for the Co-operative Act, 2005 (Act No.14 of 2005) and the Co-operative Strategy have been presented to Cabinet and approval has been given for further consultation. The Amendment Bill and Strategy were published for public comment during January 2011 and a report has been compiled on comments received. The strategic aim of this Bill is to support service delivery and reduce the administrative burden and the cost of doing business.

This is the fourth year since the promulgation of the Black Economic Empowerment (BEE) Codes of Good Practice, and in this regard, the Advisory Council made key policy recommendations that will redefine how Broad-Based Black Economic Empowerment (B-BBEE) is implemented. The Advisory Council's recommendations were tabled at Cabinet for noting and are now being discussed at cluster level. The objective is to ensure that, going forward, implementation will translate into real meaningful empowerment resulting in the creation of sustainable black enterprises and quality jobs.

The National Training Programme on B-BBEE has been developed in conjunction with institutions of higher learning and will be rolled out during the 2011/12 financial year. The programme is targeted at the verification industry and BEE practitioners. In order to promote specific industry transformation through partnerships that include Government, the private sector, labour and civil society, the Financial Services, Property and Chartered Accountancy Charters have been gazetted.

The Strategic Framework on Gender and Women Economic Empowerment is currently under review in partnership with the International Labour Organisation (ILO). The approach to be taken affirms gender mainstreaming through targeted interventions as the key pillars for promoting the economic participation of women. Through set-aside initiatives in the area of finance, training and technology, the Department continues to support and recognise women entrepreneurship as central to economic prosperity, creating new businesses and new wealth in the country. A recently signed joint report with China will see more women being mainstreamed in the ten set-aside products and targeted IPAP sectors. This will lead to the rehabilitation of some dysfunctional factories in the provinces of the Eastern Cape, KwaZulu-Natal, North West and Mpumalanga in the 2011/12 financial year.

The SMME payment hotline launched in 2009 provides a recourse mechanism for SMME service providers who have delivered services to government departments and have not been paid by government within thirty days. Early indications are that this project has assisted SMMEs with a positive effect on their cash flow in the current tight financial environment. To date the hotline has facilitated payment to SMMEs to the tune of R230 million.

A draft strategic policy framework on skills development has been completed to guide the Department's mandate on the development of skills, industry and enterprises and its partnerships with the Department of Higher Education and Training and its Sector Education and Training Authorities (SETAs) in the IPAP priority sectors. On the policy front, by advocating a more demand-driven approach to skills development, **the dti** has contributed to positive commitments in the National Skills Development Strategy (NSDS) III, including funding support for the training of co-operatives. Skills development is now a new transversal factor in the updated IPAP2. The Workplace Challenge has extended its scope to Small and Medium Enterprises (SMEs) in under-developed regions in Limpopo, and fifty six (56) new companies were nurtured in total. In preparation of scaling up the impact of the programme, industrial clusters have been mapped in the North West and the Western Cape provinces.

In order to promote balanced regional economic development and support local economic development, sixteen (16) projects were launched in under-developed communities and these are at various stages of implementation. The projects include agro-processing clusters in Sekhukhune in Limpopo and Msinga in Kwazulu-Natal, hemp clusters in the Eastern Cape and the Western Cape, fisheries projects in Doornbaai in the Western Cape, essential oils projects in the Eastern Cape and Gauteng, a poultry project and an Artisans and Taxi Co-operative, both in Pietermaritzburg, Kwazulu-Natal.

Regulation

To transform and improve the regulatory environment for both corporations and consumers, the Companies Amendment Bill and its Regulations as well as the Consumer Protection Regulations were finalised. The Companies Amendment Bill rectifies errors identified in the Companies Act, 2008 (Act No.71 of 2008) for the effective implementation of this Act. The Act simplifies business registration processes, reduces red tape and enhances the transparency of companies. Public hearings were held and the Bill was adopted by both the Select and Portfolio Committees of Parliament for assenting by the President.

The Consumer Protection Regulations give effect to the new Consumer Protection Act, 2008 (Act No. 68 of 2008), which came into effect on 1 April 2011. This Act is expected to improve consumer confidence in the South African market by providing consumers with protection in regard to agreements, product quality, rights to refunds and repairs. This will complement the National Credit Act, 2005 (Act No. 35 of 2005), which has thus far made inroads in curbing reckless lending and spending. In addition, the National Consumer Commission (NCC) was launched by the Minister in March 2011 and established on 1 April 2011 with the appointments of the Commissioner and Deputy Commissioner.

An additional achievement on the regulatory front was the finalisation of the Intellectual Property Laws Amendment Bill. The legislative amendments to Intellectual Property laws will bring about the commercialisation and protection of indigenous knowledge which has been exposed to piracy and unlawful exploitation to the detriment of indigenous knowledge holders, who are mainly vulnerable rural and poor communities. Public hearings have been completed and Parliament is expected to deliberate on and finalise the Bill during the first half of the 2011/12 financial year.

The Gambling Review Commission completed its work in July 2010 and a report was finalised. The findings and recommendations are expected to shape the policy approach going forward to achieve a balance between

revenue generation and harm caused to society. The report was tabled and approved by Cabinet and following this process, the Minister published regulations to limit the advertising of gambling activities and to address illegal interactive gambling.

the dti has increased its visibility in the monitoring of compliance with liquor regulations through increased inspections and awareness campaigns. The Department has partnered with various players to combat alcohol abuse and the social effects of alcohol usage. While the use of licensing processes facilitates entry by small players into the market, the Department takes a cautious approach in this regard as there is a need to balance entry with the effects of alcohol products on society.

Administration and Co-ordination

During the year under review, the Department has focused on improving its institutional capacity and business processes to ensure the attainment of specific outcomes related to industrial development and employment creation. The filling of vacancies was high on the agenda and the Department has already abolished unfunded posts and those that have been vacant for extended periods. A specific project was put in place that has seen the Department's vacancy rate being reduced during the 2010/11 financial year.

In enhancing its capacity to deliver key services, the Department also focused on capacitating the Information, Communication and Technology (ICT) function to ensure maintenance of acceptable standards. A major upgrade of the ICT infrastructure was concluded, which resulted in a reliable and faster ICT network.

The Department continued its participation in the executive and management committees of the National Economic Development and Labour Council (NEDLAC) and is also responsible for convening the Trade and Industry Chamber. Achievements in this area include the holding of strategic sessions with social partners, chaired by the Minister of Trade and Industry, that focused on trade and industrial policy issues.

Through its membership of and participation in the Economic Sectors and Employment Cluster (ESEC) of Cabinet, the Department was able to facilitate the implementation of key projects within the IPAP2. The Cluster will continue to be an important platform to strengthen the implementation of IPAP2 going forward by focusing on the key concerns of industry.

Although the Department made notable progress on a number of fronts during the previous financial year, it is recognised that it has to intensify its policy interventions to achieve the Government outcome relating to decent employment through inclusive growth. In the year ahead, the Department will strengthen its capacity to deliver on this outcome.

In conclusion, I would like to thank the Minister, the Deputy Ministers, the previous Director-General, Mr Tshediso Matona and the entire staff of the Department for their contribution to the work undertaken during the 2010/11 financial year and look forward to their dedication in ensuring that we surpass those achievements during the 2011/12 financial year.



Mr Lionel October
Director-General

1.1 Vision

“A South Africa that has a vibrant economy, characterised by growth, employment and equity, built on the full potential of all citizens. To this end, **the dti** seeks to be an outwardly focused, customer-centric organisation.”

1.2 Mission

the dti aims to:

- Provide leadership to the South African economy through its understanding of the economy, its ability to identify economic opportunities and potential, and its contribution to government economic priorities;
- Act as a catalyst for the transformation and development of the economy;
- Respond to the challenges and opportunities of economic citizens and contribute to the achievement of government’s strategic objectives; and
- Provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade.

1.3 Values

- **Delivery:** Together we **DELIVER** value to the South Africa economy, its people and ourselves;
- **Trust:** **TRUST** and respect for others is the foundation of our success; and
- **Integrity:** In everything we say and do, our **INTEGRITY** and honour shines through.

1.4 Strategic objectives

the dti’s strategic objectives include:

- Promoting the co-ordinated and accelerated implementation of the government’s economic vision and priorities;
- Promoting direct investment and growth in the industrial and services economy, with particular focus on employment creation;
- Raising the level of exports and promoting equitable global trade;
- Promoting broader participation, equity and redress in the economy; and
- Contributing to Africa’s development and regional integration within the New Partnership for Africa’s Development (NEPAD).



2. LEGISLATIVE MANDATE

for the year ended 31 March 2011



2.1 Legislative Mandate

The Department is responsible for the administration of the following legislation:

Table 1

Act	Purpose
1. Abolition of the Fuel Research Institute Act, 1983 (Act No. 30 of 1983)	To repeal the Fuel Research Institute and Coal Act, 1963, and to provide for the vesting of the assets and liabilities, and the transfer of the employees, of the Fuel Research Institute in and to the CSIR.
2. Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice, 2008 (Act No. 19 of 2006)	To provide for an internationally recognised and effective accreditation and monitoring system for the Republic by establishing SANAS as a juristic person; to recognise SANAS as the only accreditation body in the Republic for the accreditation of conformity assessment and calibration as well as monitoring of good laboratory practice.
3. Alienation of Land Act, 1981 (Act No. 68 of 1981)	To regulate the alienation of land in certain circumstances and to provide for matters connected therewith.
4. Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice and to publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.
5. Business Names Act, 1960 (Act No. 27 of 1960)	To provide for the control of business names and for matters incidental thereto. (To be repealed in terms of section 121 of the Consumer Protection Act, 2008).
6. Close Corporations Act, 1984 (Act No. 69 of 1984)	To provide for the formation, registration, incorporation, management, control and liquidation of close corporations.
7. Companies Act, 1973 (Act No. 61 of 1973)	To consolidate and amend the law relating to companies and to provide for matters incidental thereto.
8. Consumer Affairs (Unfair Business Practices) Act, 1988 (Act No. 71 of 1988)	To provide for the prohibition or control of certain business practices; and for matters connected therewith. (To be repealed in terms of section 121 of the Consumer Protection Act, 2008).
9. Consumer Protection Act, 2008 (Act No. 68 of 2008)	To promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection, to provide for improved standards of consumer information, to prohibit certain unfair marketing and business practices, to promote responsible consumer behaviour, to promote a consistent legislative and enforcement framework relating to consumer transactions and agreements, to establish the National Consumer Commission and to repeal certain laws.
10. Convention on Agency in the International Sale of Goods Act, 1986 (Act No. 4 of 1986)	To provide for the application in the Republic of the Convention on Agency in the International Sale of Goods adopted by the International Institute of the United Nations Organization for the unification of Private Law.
11. Co-operatives Act, 2005 (Act No. 14 of 2005)	To provide for the formation and registration of co-operatives and matters incidental thereto.

Act	Purpose
12. Copyright Act, 1978 (Act No. 98 of 1978)	To regulate copyright in respect of, inter alia, artistic works, dramatic works, computer programs, and musical and literary works.
13. Counterfeit Goods Act, 1997 (Act No. 37 of 1997)	Strengthens prohibitions on trade in counterfeit goods, confers powers on inspectors and the police to enter and search premises, with and without a warrant, and confers powers on Customs and Excise to seize and detain suspected counterfeit goods.
14. Designs Act, 1993 (Act No. 195 of 1993)	To consolidate the law relating to designs, to provide for the registration of designs and to delineate the rights pertaining thereto.
15. Estate Agents Act, 1976 (Act No. 112 of 1976)	To provide for the establishment of an Estate Agents Board and an Estate Agents Fidelity Fund and for the control of certain activities of estate agents.
16. Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	To promote trade with countries outside the Republic by providing for the insurance on behalf of the Government of the Republic of contracts in connection with export transactions, investments and loans or similar facilities connected with such transactions.
17. Expropriation (Establishment of Undertakings) Act, 1951 (Act No. 39 of 1951)	To provide for the expropriation of land and the taking of the right to use land temporarily for or in connection with the objects or undertakings of national importance.
18. Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988)	To regulate the alienation of certain interests in housing development schemes for retired persons and to provide for matters connected therewith.
19. Intellectual Property Laws Rationalisation Act, 1996 (Act No. 107 of 1996)	To provide for the integration of intellectual property rights subsisting in the ex-Transkei, Bophuthatswana, Venda and Ciskei (TBVCs) into the national system, to extend the South African intellectual property rights legislation throughout the Republic and to repeal certain intellectual property laws.
20. Inventions Development Act, 1962 (Act No. 31 of 1962)	To provide for the promotion of the development and exploitation in the public interest of certain discoveries, inventions and improvements and to establish a South African Inventions. Development Corporation and to prescribe its powers and functions and the manner in which it shall be managed and controlled. (To be repealed by section 17 of the Technology Innovation Agency Act, 2008 (Act No. 26 of 2008).
21. International Convention for Safe Containers Act, 1985 (Act No. 11 of 1985)	To provide for the application in the Republic of the International Convention for Safe Containers so as to maintain a high level of safety of human life in the handling, stockpiling and transporting of containers.
22. Liquor Act, 2003 (Act No. 59 of 2003)	To establish national norms and standards in order to maintain economic unity within the liquor industry; to provide for essential national standards and minimum standards required for the rendering of services; to provide for measures to promote co-operative government in the area of liquor regulation; and to provide for matters connected therewith.

Act	Purpose
23. Lotteries Act, 1997 (Act No. 57 of 1997)	To establish a National Lotteries Board and to regulate and prohibit lotteries and sports pools.
24. Manufacturing Development Act 1993 (Act No. 187 of 1993)	To establish the Manufacturing Development Board, to provide for the establishment of programmes for manufacturing development; and for matters incidental thereto.
25. Measurement Units and Measurement Standards Act, 2008 (Act No. 18 of 2006)	To provide for the use of measurement units of the International System of Units; to provide for the designation, keeping and maintenance of national measurement units and standards; to provide for the establishment and functions of the National Metrology Institute; and to provide for the repeal of certain laws.
26. Merchandise Marks Act, 1941 (Act No. 17 of 1941)	To make provision concerning the marking of merchandise and of coverings in or with which merchandise is sold and the use of certain words and emblems in connection with business.
27. National Building Regulations and Building Standards Act 1977 (Act No. 103 of 1977)	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards.
28. National Credit Act, 2005 (Act No. 34 of 2005)	To promote a fair and non-discriminatory marketplace for access to consumer credit and for that purpose to provide for the general regulation of consumer credit and improved standards of consumer information.
29. National Empowerment Fund Act, 1998 (Act No. 105 of 1998)	Establishes a trust to promote and facilitate ownership of income-generating assets by historically disadvantaged persons, particularly assets in state-owned enterprises made available at a discount as part of restructuring programmes, and gives powers to the trust to enable it to establish sub-trusts and investment companies to promote black economic empowerment.
30. National Gambling Act, 2004 (Act No. 7 of 2004)	To provide for the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and to provide for the continued regulation of those matters; for that purpose to establish certain uniform norms and standards applicable to national and provincial regulation and licensing of certain gambling activities; to provide for the creation of additional uniform norms and standards applicable throughout the Republic; to retain the National Gambling Board; to establish the National Gambling Policy Council; to repeal the National Gambling Act, 1996; and to provide for matters incidental thereto.
31. National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	To provide for the administration and maintenance of compulsory specifications in the interest of public safety, health and environmental protection; and to provide for the establishment of the National Regulator for Compulsory Specifications.

Act	Purpose
32. National Small Enterprise Act, 1996 (Act No. 102 of 1996)	To provide for the establishment of the Advisory Board and the Small Enterprise Development Agency; and to provide for guidelines to be followed by organs of state to promote small enterprise in South Africa and for matters incidental thereto.
33. National Supplies Procurement Act, 1970 (Act No. 89 of 1970)	To empower the responsible Minister to manufacture, produce, acquire, hire or import goods, to acquire, hire or supply services, and to exercise control over goods and services and the manufacture, production, processing and treating of goods and to provide for the establishment and administration of a National Supplies Procurement Fund.
34. Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993)	To provide for control over weapons of mass destruction and to establish a council to control and manage matters relating to the proliferation of such weapons in the Republic; to determine its objects and functions and to prescribe the manner in which it is to be managed and controlled.
35. Patents Act, 1978 (Act No. 57 of 1978)	To provide for the registration and granting of patents for inventions and for matters connected therewith.
36. Performers Protection Act, 1967 (Act No. 11 of 1967)	To provide for the protection of the rights of performers of literary and artistic works.
37. Property Time Sharing Control Act, 1983 (Act No. 75 of 1983)	To regulate the alienation of time-sharing interests pursuant to property time-sharing schemes.
38. Protection of Businesses Act, 1978 (Act No. 99 of 1978)	To restrict the enforcement in the Republic of certain foreign judgments, orders, directions, arbitration awards and letters of request; and to prohibit the furnishing of information relating to businesses in compliance with foreign orders, directions or letters of request.
39. Rationalisation of Corporate Laws Act, 1996 (Act No. 45 of 1996)	To provide that certain corporate laws shall apply throughout the RSA, to repeal certain corporate laws and to provide for the retrospective incorporation of certain putative close corporations.
40. Registration of Copyright in Cinematograph Films Act, 1977 (Act No. 62 of 1977)	To provide for the registration of copyright in cinematograph films and for matters connected therewith.
41. Sale and Service Matters Act, 1964 (Act No. 25 of 1964)	To provide for the control of the sale of goods and the rendering of services and for matters connected therewith. (To be repealed in terms of section 121 of the Consumer Protection Act, 2008.)
42. Share Blocks Control Act, 1980 (Act No. 59 of 1980)	To control the operation of share block schemes, i.e. any scheme in terms of which a share, in any manner whatsoever, confers a right to or an interest in the use of immovable property.
43. Small Business Development Act, 1981 (Act No. 112 of 1981)	The entire Act was repealed save for section 2A dealing with the application of the Insurance Act, 1943.

Act	Purpose
44. Space Affairs Act, 1993 (Act No. 84 of 1993)	To provide for the establishment of a Council to manage and control certain space affairs in the Republic; to determine its objects and functions; and to prescribe the manner in which it is to be managed and controlled.
45. Standards Act, 2008 (Act No. 8 of 2008)	To provide for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services; and for that purpose to provide for the continued existence of the SABS, as the peak national institution; to provide for the repeal of the Standards Act, 1993, and to provide for transitional arrangements.
46. Sugar Act, 1978 (Act No. 9 of 1978)	To consolidate and amend the laws relating to the sugar industry; and to provide for matters incidental thereto.
47. Temporary Removal of Restrictions on Economic Activities Act, 1986 (Act No. 87 of 1986)	To empower the President to suspend temporarily laws or conditions, limitations or obligations thereunder, if their application unduly impedes economic development or competition.
48. Trade Marks Act, 1993 (Act No. 194 of 1993)	To consolidate the law relating to trademarks and to provide for the registration of trademarks, certification of trademarks and collective trademarks and for the protection of rights relating thereto.
49. Trade Metrology Act, 1973 (Act No. 77 of 1973)	To consolidate and amend the law relating to trade metrology so as to ensure the accuracy of measuring instruments utilised in trade on the basis of national measuring standards.
50. Trade Practices Act, 1976 (Act No. 76 of 1976) (To be repealed in terms of section 20 of Act 43 of 1990)	To provide for the control of certain advertisements; to restrict the giving or supply of benefits and to regulate the use of trade coupons in connection with the sale or leasing of goods or the rendering or provision of certain services; to prohibit or control certain trade practices; to repeal the Trade Coupons Act, 1935; and to provide for incidental matters (To be repealed in terms of section 121 of the Consumer Protection Act, 2008).
51. Unauthorised Use of Emblems Act, 1961 (Act No. 37 of 1961)	To provide for the continued operation of certain laws relating to the use of certain emblems and representations and to extend the scope of such laws.

2.2 Public Entities Reporting to the Minister

Table 2

Name of the Public Entity	Enabling Legislation	Mandate and Purpose
1. Companies and Intellectual Property Commission (CIPC) formerly known as CIPRO	Companies Act, 2008 (Act No. 71 of 2008), as amended.	It was established to enforce intellectual property and company laws, including the registration of companies; promote voluntary resolution disputes arising between a company and a shareholder or director, without intervening in, or adjudicating on the dispute; monitor patterns of compliance; evaluate complaints; initiate investigations, including referring matters to a court; and appearing before the court or the Companies Tribunal.
2. Estate Agency Affairs Board (EAAB)	Estate Agency Affairs Act, 1976 (Act No. 112 of 1976).	Its aim is to maintain and promote the standard of conduct of estate agents and to regulate the activities of estate agents, having due regard for the public interest.
3. Export Credit Insurance Corporation (ECIC)	Export Credit and Foreign Investments Insurance Act, 2001 (Act No. 9 of 2001, as amended)	It is a self-sustained, national export credit agency. Its mandate is to facilitate and encourage South African export trade by underwriting export credit loans and investments outside South Africa to enable South African contractors to win capital goods and services in other countries. It evaluates export credit and foreign investment risks and provides export credit and foreign investments insurance cover on behalf of the South African Government.
4. National Consumer Commission (NCC)	Consumer Protection Act, 2008 (Act No. 68 of 2008).	It is responsible for carrying out the functions and exercising the powers assigned to it. In carrying out its functions, the Commission may review international developments in the field of consumer protection; or consult any person, organisation or institution with regard to any matter relating to consumer protection.

Name of the Public Entity	Enabling Legislation	Mandate and Purpose
5. National Consumer Tribunal (NCT)	National Credit Act, 2005 (Act No. 34 of 2005).	It adjudicates any application that may be made to it, and makes any order provided for in respect of such an application or allegations of prohibited conduct by determining whether prohibited conduct has occurred and, if so, by imposing a remedy. It grants orders for costs, and can exercise any other power conferred on it by law.
6. National Credit Regulator (NCR)	National Credit Act, 2005 (Act No. 34 of 2005)	It is responsible for the promotion and supports the development, where the need exists, of a fair, transparent, competitive, sustainable, responsible, efficient, effective consumer credit market and promotes historically disadvantaged persons, low -income persons and communities, and remote, isolated or low-density populations and communities in the end-user credit market. It conducts research and proposes policies to the Minister in relation to any matter affecting the consumer credit industry, including but not limited to proposals for legislative, regulatory or policy initiatives that would improve access to credit for persons contemplated above.
7. National Empowerment Fund (NEF)	National Empowerment Fund Act, 1995 (Act No. 105 of 1995)	Its focus is to promote and facilitate black economic equality and transformation. It provides finance and financial solutions to black business across a range of sectors, and structures accessible retail savings products for black people based on state-owned equity investments. Its mandate and mission is to be Government's funding agency in facilitating the implementation of Broad-Based Black Economic Empowerment (B-BBEE) in terms of BEE codes of good practice.

Name of the Public Entity	Enabling Legislation	Mandate and Purpose
8. National Gambling Board (NGB)	National Gambling Act, 2004 (Act No. 7 of 2004)	It was established to monitor and investigate, when necessary, the issuing of national licenses by provincial licensing authorities entering into agreements with those authorities in respect of steps to be taken to correct any deficiencies, making recommendations, and monitoring the socio-economic patterns of gambling activity within the Republic and in particular must research and identify factors relating to, and patterns, causes, and consequences of; (i) the socio-economic impact of gambling; and (ii) addictive or compulsive gambling.
9. National Lotteries Board (NLB)	National Lotteries Act, 1997 (Act No. 57 of 1997)	It monitors and enforces the implementation of the national lottery and the establishment of private lotteries and promotional competitions. It manages the National Lottery Distribution Trust Fund, which distributes proceeds from its share of the lottery sales to worthy causes.
10. National Metrology Institute of South Africa (NMISA)	Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	It is responsible for realising, maintaining and disseminating the International System of Unit (SI). It maintains and develops primary scientific standards of physical quantities for South Africa and compares those standards with other national standards to ensure global measurement equivalence.
11. National Regulator for Compulsory Specifications (NRCS)	National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	It provides for the establishment of this institution. The Act protects consumers and promotes South Africa's competitiveness by ensuring that regulated products manufactured and sold in the marketplace meet minimum safety, health and fair trade requirements.
12. Small Enterprise Development Agency (seda)	Small Business Act, 2004 (Act No. 29 of 2004, as amended)	It provides non-financial business development and support services for small enterprises in partnership with other role players. Its mission is to develop, support and promote small enterprises to ensure their growth and sustainability.

Name of the Public Entity	Enabling Legislation	Mandate and Purpose
13. South African Bureau of Standards (SABS)	Standards Act, 2008 (Act No. 8 of 2008)	It aims to develop, promote and maintain South African National Standards; promote quality in connection with commodities, products and services; and render conformity assessment services and matters connected therewith.
14. South African National Accreditation System (SANAS)	Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006).	The aim of the SANAS is to accredit or monitor for Good Laboratory Practice (GLP) compliance purposes, organisations falling within its scope of activity; promote accreditation as a means of facilitating international trade and enhancing South Africa's economic performance and transformation; promote competence and equivalence of accredited bodies; and promote the competence and equivalence of GLP complaint facilities.

3. THE PERFORMANCE OF THE SOUTH AFRICAN ECONOMY

for the year ended 31 March 2011



3.1 Overview of the performance of the South African Economy

3.1.1 Background

The global economy continues its recovery, particularly strong among emerging and developing economies, while still being sluggish in some major advanced economies. According to the World Economic Outlook Report released by the International Monetary Fund (IMF) in January 2011, the world economic recovery continues with an expected growth rate of 4.6% in 2011 and 4.5% in 2012. Advanced economies are expected to grow at only 2.5% while emerging and developing economies are expected to grow at a much higher rate of 6.5%.

On the trade front, the World Trade Organisation (WTO) through its World Trade 2010, Prospects for 2011 publication released in April 2011, indicated that global export volumes surged by 14.5% in 2010. This rebound from the 12% slump in 2009 is expected to result in a growth rate of 6.5% in 2011. This bullish growth rate in global exports shows how trade has helped in strengthening and sustaining the global economic recovery in 2010.

However, there still is a downside to this global economic recovery which includes rising prices for food and other primary products; unrest in major oil exporting countries; serious public sector indebtedness in several peripheral euro-zone countries; and the natural disasters in Japan. Adverse developments in any of these areas could potentially set back the economic recovery and limit the expansion of trade.

The South African economy came out of recession in the second half of 2009 and showed a modest growth of 2.8% in 2010. Private consumption expenditure improved from a 2% decline in 2009 to a growth rate of 4.4% in 2010 as consumers took advantage of the low interest rate environment. This recovery was more broad-based, with all main sectors making positive contributions to overall gross domestic product (GDP) growth in 2010. The primary sector contributed 4.3%, the secondary sector 4.1% and the tertiary sector 2.2%.

Trade also boosted South Africa's economic recovery in 2010 with merchandise exports accelerating from R503.7 billion in 2009 to R566.8 billion in 2010, performing particularly strongly in the third and fourth quarters to record R585.5 billion and R616.7 billion respectively. Net gold exports also contributed significantly on the back of a strong demand from China and India as well as high commodity prices, resulting in a positive trade balance of R28.1 billion. **Despite this stable recovery trajectory, unemployment is still high at 24% in 2010, though it declined by 0.1% in the first quarter of 2011.**

3.1.2 Gross Domestic Product (GDP)

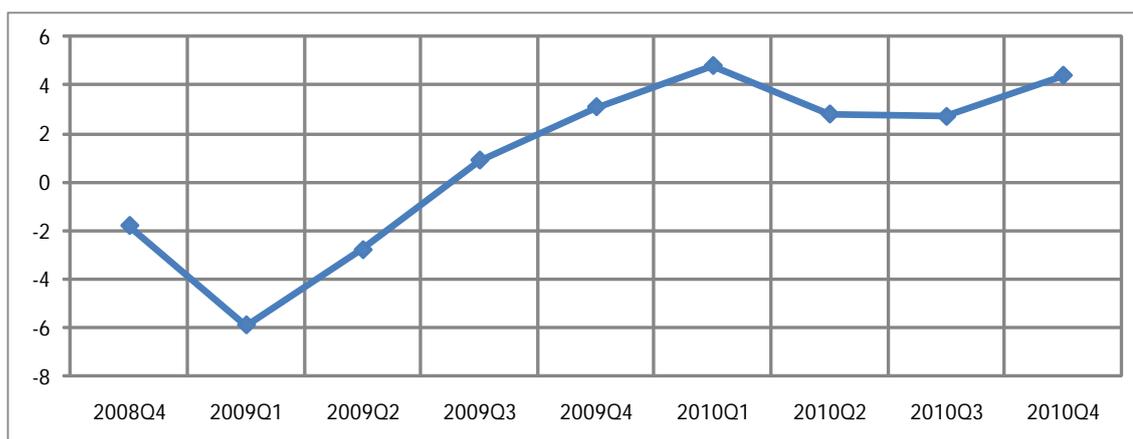
According to the Reserve Bank Quarterly Bulletin of March 2011, the South African economy grew by 2.8% in 2010, improving from a 1.7% decline in 2009. This growth was supported by particularly strong growth rates in the first and fourth quarters at 4.8% and 4.4% respectively, with the second quarter registering 2.8% and the third quarter 2.7%.

The strong performance of the economy in the first quarter of 2010 may be attributed to the strong performance of the mining and manufacturing sectors. During this period, the mining sector grew by 18.7%, an improvement of 11 percentage points when compared to the fourth quarter of 2009 when it only grew by 7.7%. The manufacturing sector, on the other hand, grew by 8.3% in the first quarter of 2010; this was a deterioration from the 10.8% growth rate it achieved in the fourth quarter of 2009.

A slightly lower real GDP growth rate of 2.8% in the second quarter of 2010 may be attributed to a strong and volatile currency. During this period, the mining sector declined from a growth rate of 18.7% in the first quarter of 2010 to eventually register a 24.5% contraction, while the manufacturing sector grew by 5.7%.

After shrinking by 4.9% in the third quarter, the manufacturing sector rebounded in the fourth quarter of 2010 to grow by 4.1%. Temporary factors that affected production in the third quarter normalised and several manufacturing sub-sectors registered positive growth. The tertiary sector growth rate accelerated from 1.9% in the third quarter of 2010 to 3.4% in the fourth quarter of 2010.

Figure 1: GDP growth rate, Q4 of 2008 - Q4 of 2010



Source: South African Reserve Bank.

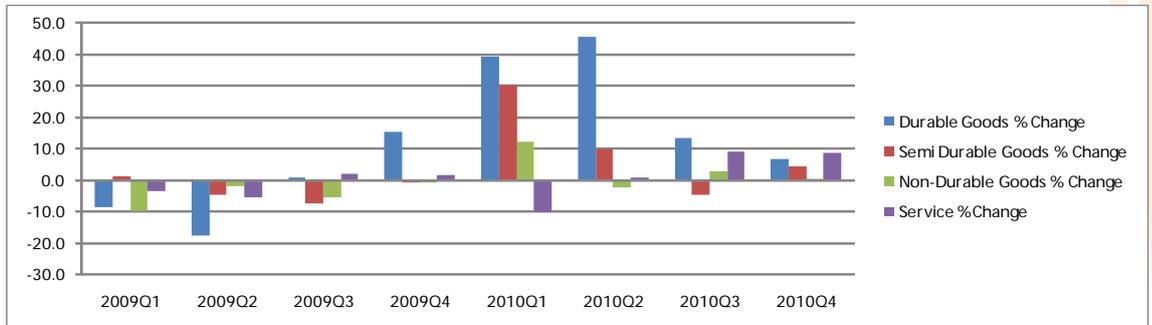
3.1.3 Household Consumption

Consumption levels improved dramatically, showing a growth rate of 4.4% in 2010 compared to a contraction of 2% in 2009. These increases in consumption levels were mainly attributable to durable and semi-durable goods benefiting from low interest rates; improved consumer confidence levels; and above-inflation salary increases.

Real consumer expenditure on durable goods consumption grew by 6.9% in the fourth quarter of 2010 from a 13.4% growth in the third quarter. This growth was mainly driven by increased spending on medical equipment; recreational and entertainment equipment; and computers and related equipment. The growth in the fourth quarter was weaker than those of the third and previous quarters due to the contraction in demand for furniture and household appliances, a normalisation after the boom that came with the 2010 FIFA World Cup football tournament.

On the other hand, real consumer expenditure on semi-durable goods declined by 4.8% in the third quarter of 2010 and grew by 4.6% in the fourth quarter. The rebound was due to increases in spending on household textiles and furniture; and motor car tyres, parts and accessories.

Figure 2: Percentage change in household consumption, Q1 of 2009 - Q4 of 2010



Source: South African Reserve Bank.

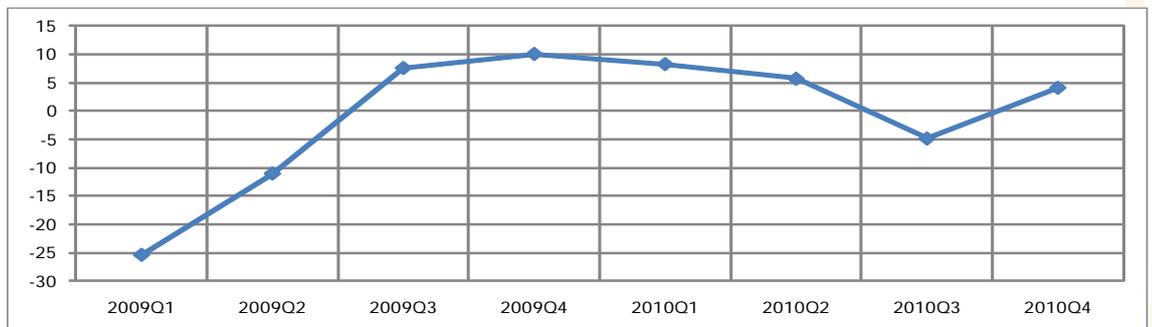
3.1.4 Manufacturing

The manufacturing sector is one of the sectors that have a high propensity to absorb low-skilled labour. After showing a steep decline of 10.4% in 2009, it performed well in 2010, growing by 5% for the year with its strongest quarterly growth rates achieved in the first, second and fourth quarters at 8%, 5% and 4% respectively.

Although this sector was one of the main drivers of the South African economic recovery in 2010, its strong rebound is still limited to a few sub-sectors such as the automotive; basic chemicals; iron and steel; and food and beverages industries.

Exports of manufactured goods remained under pressure due to poor global demand, particularly from South Africa's traditional trading partners from the developed world, and that continues to limit the performance of the sector.

Figure 3: Percentage change in manufacturing value added, Q1 of 2009 - Q4 of 2010



Source: South African Reserve Bank.

3.1.5 Employment

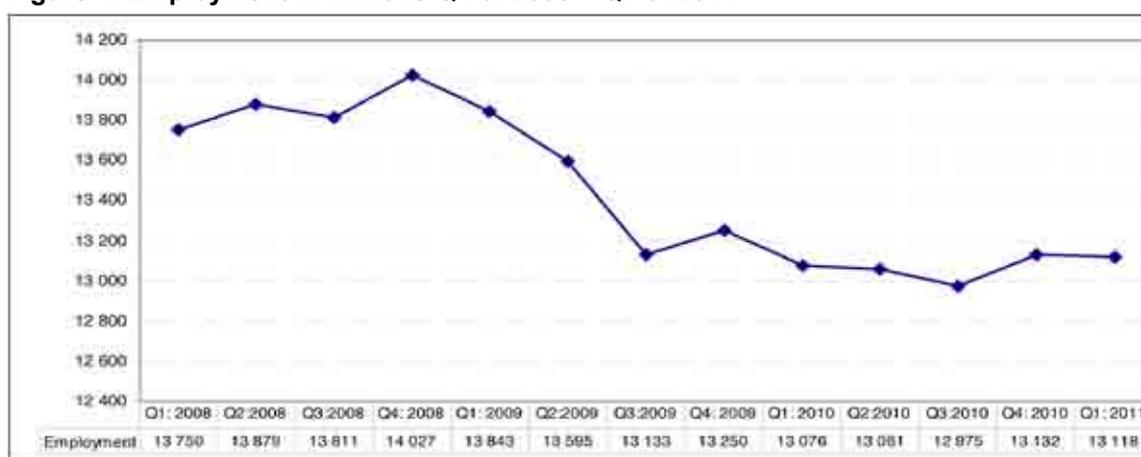
Prior to the global economic recession, employment was steady, albeit insufficient to reduce unemployment levels in any significant way. According to the Quarterly Labour Force Survey Quarter 1 of 2011, employment started declining from the fourth quarter of 2008 when about 14 million people were employed until it reached its lowest point in the third quarter of 2010 when only about 12.9 million people were employed, implying that more than 1 million jobs were lost during that period.

The number of employed people increased slightly to 13.132 million in the fourth quarter of 2010, but that marginal increase was short-lived. A further 14 000 people lost their jobs in the first quarter of 2011, reducing the number of employed people to 13.118 million people, despite the manufacturing sector's creation of about 20 000 more jobs.

This decline in employment was driven mainly by the transport, construction and agriculture sectors, which lost 34 000, 25 000 and 24 000 jobs respectively. On the other hand, finance and other business services; manufacturing; and mining did increase the numbers of people employed by 37 000, 20 000 and 15 000 respectively.

The employment picture for the 2010/11 financial year as a whole was not that gloomy, however, on the whole 57 000 new jobs were created between April 2010 and March 2011. Although most of those jobs were in the broader community and social services sector, which includes Government, the manufacturing and trade sectors also contributed a significant 48 000 and 80 000 new jobs, respectively.

Figure 4: Employment in millions Q1 of 2008 – Q1 of 2011



Source: StatsSA's Quarterly Labour Force Survey, Quarter 1, 2011.

3.1.6 Investment

The total real gross fixed capital formation declined by 3.7% in 2010 deteriorating from a 2.2% decline experienced in 2009. This overall decline was despite a positive growth of 3.7% achieved by state corporations which in itself represented a significant decline from the 26.1% achieved in

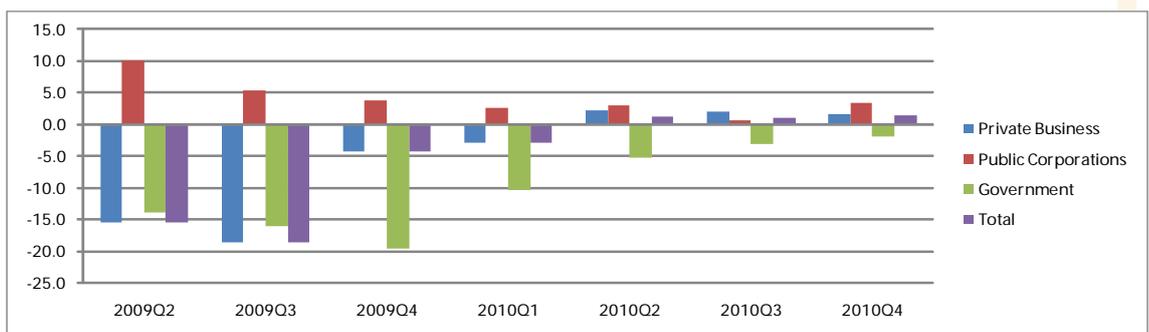
2009. This positive investment performance by state corporations is mainly due to their strong capital outlays on electricity and transport.

The economic decline was mainly due to persistent contraction in investment by the government which showed an aggregate decline of 10.9% for the year after showing consecutive declines in all quarters in 2010.

Investment by private business enterprises also contributed significantly to this decline showing a contraction of 4.4% in 2010. This decline in private investment was mainly driven by the construction industry while the demand for resources as well as coal exploration sustained investment in the mining sector.

This, together with capital spending in the automotive and communications sectors, contributed to positive growth in private investment in the second, third and fourth quarters when growth rates of 2.2%, 2% and 1.6% respectively were registered.

Figure 5: Percentage change in gross fixed capital formation, Q2 of 2009 - Q4 of 2010



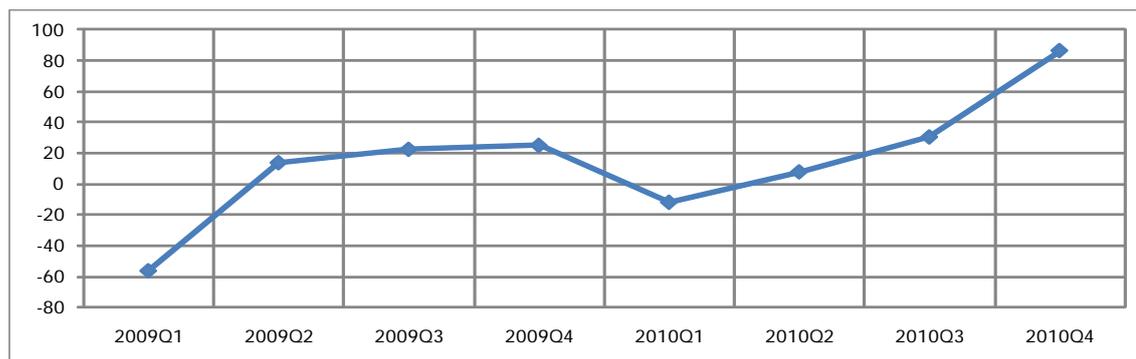
Source: South African Reserve Bank.

3.1.7 Trade Balance

The trade balance exhibited an interesting trend; it switched from a deficit of R11.8 billion in the first quarter of 2010, to surpluses of R7.8 billion in the second quarter; R30.3 billion in the third quarter; and R86 billion in the fourth quarter. Ultimately, the trade balance improved to R28.1 billion in 2010 from R2.3 billion in 2009. This trend was due to a massive decrease in imports compared to exports as a result of the sluggish global economic recovery.

Buoyant mining exports to both China and India were the main contributors to positive trade balances in the second, third and fourth quarters of 2010. A combination of strong commodity prices and lower imports due to limited infrastructure projects after the 2010 FIFA World Cup tournament and an increase in net exports to R86 billion in the fourth quarter of 2010 more than doubled the figure registered in the third quarter of 2010.

Figure 6: Trade balance (R billions), Q1 of 2009 - Q4 of 2010



Source: South African Reserve Bank.

3.1.8 Conclusion

The global economic recovery has been weak, particularly in advanced developed economies, but it is bullish in the emerging and developing countries. This suggests that South Africa's trade focus and strategies need to be revisited to reflect these new developments. South Africa's recently acquired membership of BRICS, made up of Brazil, Russia, India, China and South Africa, is an excellent move towards this new focus.

In addition, the imminent unification of three major regional trade formations in Sub-Saharan Africa – the Southern African Development Community (SADC), the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) which is expected to be launched during a tripartite summit in South Africa later during 2011 is another big step towards the new trade focus. This will create a massive market and thereby deepen economic integration in Sub-Saharan Africa.

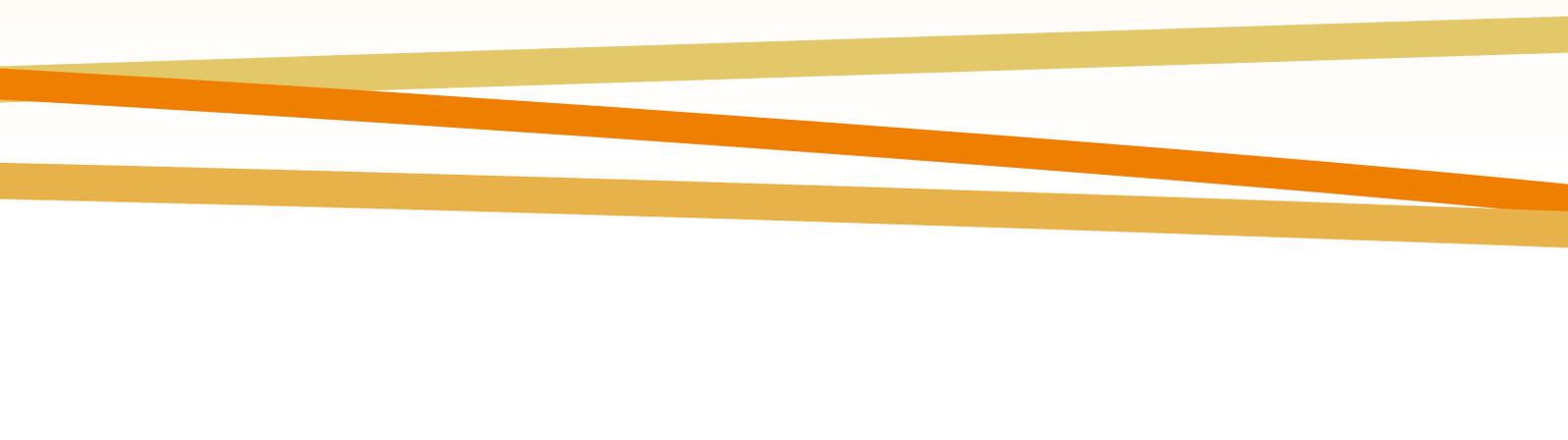
In South Africa, economic recovery is steady, boosted mainly by the manufacturing and mining sectors, which grew by 5% and 5.8% respectively in 2010. However, job creation is still weak and that is a threat to consumer demand and ultimately to the recovery itself.

President Zuma, in his State of the Nation Address on 10 February 2011, declared 2011 a job creation year. The Government is therefore constantly looking at new ways of boosting economic growth and job creation. The IPAP of 2011/12 – 2013/14 is but one of several initiatives introduced by government to deal with job creation. Other initiatives include the New Growth Path (NGP); skills development; public capital expenditure on infrastructure; public employment initiatives; and rural development programmes.



4. PROGRAMME PERFORMANCE

for the year ended 31 March 2011

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4.1 Voted Funds

Table 3

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
6,150,108	6,194,208	5,796,741	397,467
Responsible Minister	Minister of Trade and Industry		
Administering Department	Department of Trade and Industry		
Accounting Officer	Director-General of Trade and Industry		

4.2 Aim of Vote

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

4.3 Departmental revenue, expenditure and other specific topics

Table 4: Departmental Revenue

	2007/08	2008/09	2009/10	2010/11	2010/11	% deviation from target
	Actual R'000	Actual R'000	Actual R'000	Target R'000	Actual R'000	
Tax revenue	3,835	3,064	3,008	3,100	3,161	(61)
Non-tax revenue	11,315	1,912	1,950	1,227	740	487
Sale of goods and services other than capital assets	-	-	-	225	213	12
Fines, penalties and forfeits	-	-	-	-	14	(14)
Interest, dividends and rent on land	11,315	1,912	1,950	1,002	513	489
Sales of capital assets	204	110	2	-	93	(93)
Motor vehicle	204	110	2	-	93	(93)
Financial transactions (Recovery of loans and advances)	78,863	59,845	47,610	86,000	31,636	54,364
Total Departmental Receipts	94,217	64,931	52,570	90,327	35,630	54,697

Table 5: Departmental expenditure

Programme	Voted for 2010/11	Roll-overs and adjustments	Virement	Total voted	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	448,543	(5,292)	-	443,251	435,815	7,436
International Trade and Economic Development	131,138	(6,050)	-	125,088	106,949	18,139
Empowerment and Enterprise Development	777,797	18,237	18,000	814,034	801,173	12,861
Industrial Development	1,052,122	80,839	24,000	1,156,961	1,142,033	14,928
Consumer and Corporate Regulation	191,531	4,000	-	195,531	145,021	50,510
The Enterprise Organisation	3,175,296	(89,444)	(39,200)	3,046,652	2,792,994	253,658
Trade and Investment South Africa	291,447	60,029	2,000	353,476	328,582	24,894
Communication and Marketing	82,234	(18,219)	(4,800)	59,215	44,174	15,041
Total	6,150,108	44,100	-	6,194,208	5,796,741	397,467

Table 6: Transfer payments

Name of Institution	Amount Transferred	Estimated Expenditure
	R'000	R'000
Automotive Production and Development Programme (APDP)	294,252	538,000
Black Business Supplier Development Programme (BBSDP)	130,590	130,621
Business Process Outsourcing (BPO)	43,609	44,060
Centurion Aerospace Village (CAV)	37,454	37,454
Coega Development Corporation	714,000	714,000
Companies and Intellectual Property Commission (CIPC)	-	8,982
Co-operatives Incentive Scheme (CIS)	44,445	44,617
Council for Mineral Technology and Research : Customised Sector Programme (CSP)	400	400
Council for Scientific and Industrial Research (CSIR): Aerospace Industry	9,901	9,901
CSIR: Fibre and Textile Centre of Excellence	-	1
CSIR: National Cleaner Production Centre	32,082	32,082
CSIR: Technology Venture Capital	-	1
Development Bank of Southern Africa (DBSA) – Regional Spatial Development Initiatives	16,500	16,500

Name of Institution	Amount Transferred	Estimated Expenditure
	R'000	R'000
East London Industrial Development Zone (Pty) Ltd	198,000	198,000
Export Credit Insurance Corporation of South Africa (ECIC)	120,488	120,488
Export Consultancy Trust Fund: International Bank for Reconstruction and Development (World Bank)	5,542	5,542
Export Consultancy Trust Fund: International Finance Corporation	5,542	5,542
Export Market and Investment Assistance (EMIA)	133,876	133,998
Enterprise Investment Programme (EIP)	261,557	261,700
Film and Television Production Incentive	183,173	183,173
French Institute of South Africa: African Programme on Rethinking Development Economics (APORDE)	2,000	2,000
Industrial Development Corporation (IDC): Funds for Research into Industrial Development, Growth & Equity (FRIDGE)	2,600	2,600
IDC: Customised Sector Programme (CSP)	51,092	51,092
IDC: Clothing and Textile Production Incentive	400,000	400,000
IDC Isivande Women's Fund	10,500	10,500
Intsimbi: National Tooling Initiative	47,400	47,400
Manufacturing Development Programme (MDP)	-	1
National Consumer Commission (NCC)	-	24,800
National Consumer Tribunal (NCT)	22,059	22,059
National Credit Regulator (NCR)	46,000	46,000
National Gambling Board (NGB)	22,000	22,000
National Foundry Technology Network: Metals	6,500	6,500
National Metrology Institute of South Africa (NMISA)	57,519	57,519
National Regulator for Compulsory Specifications (NRCS)	33,042	33,042
National Research Foundation: Technology and Human Resources for Industry Programme (THRIP)	151,000	151,000
North West University : Advanced Manufacturing Skills Sector Support Centre	5,793	5,793
National Productivity Institute: Workplace Challenge	11,500	11,500
Other Critical Infrastructure Programme	80,643	80,680
Organisation for the Prohibition of Chemical Weapons (OPCW)	2,313	3,400
ProTechnik Laboratories	3,247	3,250
Proudly South Africa Campaign	27,500	27,500
Richards Bay Industrial Development Zone Company	20,000	20,000
SABS: Research Contribution	178,845	178,845
SABS: Plant Infrastructure	174,240	174,240
SABS: Small Business Technical Consulting	1,071	1,091

Name of Institution	Amount Transferred	Estimated Expenditure
	R'000	R'000
SA National Accreditation System (SANAS)	18,239	18,239
South African Women Entrepreneurs Network (SAWEN)	10,300	10,300
Small Enterprise Development Agency (seda)	401,621	401,621
seda : Technology Programme	76,000	76,000
Small and Medium Manufacturing Development Programme (SMMDP)	1,206	2,226
Small and Medium Enterprise Development Programme (SMEDP)	587,246	587,248
IDC: Support Programme for Industrial Innovation (SPII)	74,500	74,500
Staple Food Fortification Programme	-	1
United Nations Industrial Development Organisation (UNIDO)	3,096	4,000
United Nations Industrial Development Organisation: Automotive Component Supplier Development Programme	7,000	7,000
University of Johannesburg: Capacity Building Programme	-	1
University of Pretoria: Advanced Engineering Centre of Excellence	-	1
University of Stellenbosch: Furniture Centre of Competitiveness Programme	-	1,501
University of the Witwatersrand: National Aerospace Skills Sector Support Centre	9,000	9,001
Witwatersrand Business School: Centre of Entrepreneurship	-	1
World Intellectual Property Organisation (WIPO)	2,630	3,000
World Trade Organisation (WTO)	8,519	8,600
Total	4,787,549	5,062,133

4.4 Conditional grants and earmarked funds

No conditional grants were awarded.

Table 7: Earmarked funds

Name of Institution	Estimated Expenditure (as per ENE)
	R'000
Devolution of funds from Public Works	7,821
Clothing and Textile Production Incentive	400,000
Automotive Production and Development Programme	747,000
Companies and Intellectual Property Commission	8,982
National Consumer Commission	24,800
National Consumer Tribunal	22,059
South African National Accreditation System	17,739

Name of Institution	Estimated Expenditure (as per ENE)
	R'000
National Regulatory for Compulsory Specifications	27,142
Intsimbi: National Tooling Initiative	3,000
Sector Development Programme	4,800
National Foundry Technology Network: Metals	3,000
SABS: Plant infrastructure	174,240
Centurion Aerospace Village	5,000
Proudly South African Campaign	5,000

4.5 Capital investment, maintenance and asset management plan

4.5.1 Capital investment

Table 8: Capital investment

Name of Institution	Estimated Expenditure
	R'000
Coega Development Corporation	714,000
East London Industrial Development Zone (Pty) Ltd	198,000
Richards Bay Industrial Development Zone Company	20,000
South African Bureau of Standards	174,240
Centurion Aerospace Village	37,454

4.5.2 Maintenance

the dti entered into a 25-year contract with Rainprop (Pty) Ltd as the private party concessionaire responsible for providing fully serviced office accommodation at the dti Campus. The agreement was implemented in August 2003.

4.5.3 Asset management plan

As part of the Public-Private Partnership (PPP) agreement, the concessionaire will, for the duration of the contract period, own and maintain assets such as the land, the buildings and the majority of furniture items. Departmental assets excluded from this agreement include departmental vehicles, computer equipment and certain furniture items.

Departmental assets are managed in accordance with the policies issued by National Treasury, and an asset register is maintained on the Logistical Information System (LOGIS). The Department complied with the minimum requirements of the Asset Management Reforms as issued by National Treasury.

4.6 Policy and Legislative Changes

During the year under review, the Department embarked on a review of various pieces of legislation, some of which were passed by Parliament and assented to by the President of the Republic of South Africa. Key among those was the Companies Amendment Bill, which resulted in the establishment of a new entity called the Companies Intellectual Property Commission (CIPC). In addition, the regulations needed to effect the implementation of the Companies Act were promulgated.

The Consumer Protection Regulations were also promulgated to give effect to the Consumer Protection Act, 2008 (Act No. 68 of 2008). This will go a long way towards improving consumer confidence in our markets by protecting their rights.

The finalisation of the Intellectual Property Law Amendment Bill to protect indigenous knowledge has also commenced with public hearings having been completed. As part of the amendment of the Estate Agency Affairs Act, a policy framework and a draft bill were finalised and further work will be carried out during the 2011/12 year.

In our drive to promote and develop co-operative development, the Amendment Bill to the Co-operatives Act, 2005 (Act No. 14 of 2005) as well as a co-operative strategy were presented to Cabinet and approval was given for further consultation and publication in the Government Gazette for public comment. The Amendment Bill for the Co-operative Act was published for public comment in Government Gazette No. 33942 on 21 January 2011 and a report has been compiled on comments received.

4.7 Summary of programmes and achievements

4.7.1 Programme 1: Administration

(a) Purpose

Provide strategic leadership for the Department and its agencies, to ensure the successful implementation of the Department's mandate through sustainable and integrated resource solutions and services that are customer centric.

(b) Description of sub-programmes

- i. **The Offices of the Minister and Deputy Ministers** provide leadership and policy direction to the dti;
- ii. **The Office of the Director-General** (ODG) provides overall management of the dti's resources;
- iii. **Corporate Services** provides customer-centric and integrated resource solutions in human resource management, information and communication technology, corporate governance, legal services and facilities management;
- iv. **Office Accommodation** provides accommodation services to the dti and ensures continued maintenance service; and

- v. **Financial Management** provides support to **the dti**, with respect to financial resource allocation and the management thereof, to aid the fulfilment of the Department's goals and objectives.

(c) **Service Delivery Objectives and Indicators**

- Provide credible and customer-centric services that enhance service delivery.
- Attract, develop and retain professional and skilled officials.
- Implement transformation through employment equity and broad-based black economic empowerment.
- Ensure value-adding business resource management that enhances efficiency.
- Strengthen **the dti's** corporate governance.
- Ensure intra-divisional excellence.

(d) **Summary of key achievements**

i. **Human Capital**

The Department has devoted considerable effort towards investing in its people in the year under review. This has been made possible by the development and roll-out of various human resource policies and strategies that have enabled managers to better attract, retain, develop and reward their staff.

The holistic approach adopted by the Department goes beyond the traditional aspects of human resource management. It focuses on the total wellness of staff, their quality of work life and their growth. This is evident from the downward trends in staff turnover and vacancy rates, and the improvement in achieving employment equity targets with particular emphasis on women and people with disability.

ii. **Information and Communication Technology (ICT)**

ICT as another enabler for the implementation of **the dti** programmes also received closer attention during the year under review. The function was capacitated to ensure acceptable service standards. As part of improving the ICT service, a major upgrade of the ICT infrastructure was concluded which resulted in a reliable and faster ICT network. Positive feedback has been received from internal clients in this regard. In order to ensure that the ICT function is managed in accordance with industry-accepted standards, ICT governance and Risk Management Frameworks were also developed and are in the process of being rolled out.

iii. **Anti-corruption**

the dti is pleased to report that it has achieved a rating of 86%, second after the South African Revenue Services (SARS), which scored 87%, in the independent Minimum Anti-Corruption Audit (MACC) co-ordinated by the Department of Public Service and Administration (**dpsa**). This demonstrates the effort and the commitment that **the dti** is

putting towards anti-corruption measures, its forensic capabilities and its ethics promotion activities. A further achievement is the 100% disclosure of financial interests by its senior managers.

iv. Financial management

the dti continues to hoist the flag for sound financial management and good governance demonstrated by the year-on-year unqualified audit reports issued by the Auditor-General. This is reflective of the financial management capability within the Department.

Table 9: Performance against planned targets

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Group Systems and Support Services	Attract, develop and retain professional and skilled staff	Achievement of activities in the Implementation Plan	Implement: HR Development Strategy	HRD Strategy implemented and the following were achieved: <ul style="list-style-type: none"> 68 internal training interventions attended by 1 371 staff were rolled out. A comprehensive 3-month training programme for Foreign Economic Representatives to be deployed abroad in the 2011/12 financial year was rolled out. 47 interns were appointed with 12 retained within the Department. Programme on Industrial Development to develop a cadre of Economists for IPAP roll-out was launched on 7 February 2011 commencing with the Honours programme. The Certificate programme commenced in April 2011. 	None
			Retention Strategy	Retention Strategy implemented. Aspects of the newly developed retention policy are currently being implemented. The non-monetary award framework was adopted.	None
			Performance Management System	Performance Management System implemented. 98.7% of staff have submitted	None

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Group Systems and Support Services	Attract, develop and retain professional and skilled staff	Achievement of activities in the Implementation Plan	HR Plan	<p>HR plan implemented</p> <ul style="list-style-type: none"> • dpsa received evaluation report on HR Plan on 20 April 2010. • Reviewed HR Plan submitted to dpsa on 28 September 2010. • Progress as noted in the current HR Plan Implementation Report reflects the following: <ul style="list-style-type: none"> ▫ Key actions = 72 (100%) ▫ Fully achieved = 53 (73.6%) ▫ Partially achieved = 9 (12.5%) ▫ Not achieved = 4 (5.6%) ▫ Not applicable (due to other processes and cannot be assessed) = 6 (8.3%) 	None
			Reduce vacancy rate to 17%	<p>Vacancy Rate reduced to 16.9% as at 31 March 2011.</p> <p>Vacancy rate reduced despite an increase in newly created posts and normal attrition.</p>	None
			Reduce staff turnover 11.4%	<p>Staff Turnover rate reduced to 9.1%.</p>	None

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Group Systems and Support Services	Implementation of transformation through EE and B-BBEE	Achievement of activities in the Implementation Plan	Implement Disability Management Strategy	Implemented plan as per the Disability Strategy: Review of the Disability Management Policy commenced. People with disability provided with assistive devices. Five (5) Disability Workshops on the dti products were conducted for external clients. Commemoration and awareness sessions conducted.	None
			2.1% of people with disabilities employed	2.25% people with disabilities employed.	None
			Implement training and development for women, per programme	Training and development programme not yet implemented. Strategy drafted and in process of being consulted.	New post created for a Gender Focal Person, incumbent assumed duty on 1 September 2010
			42% women employed in senior management positions	42.56% of women are employed at SMS level as at 31 March 2011.	None

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Group Systems and Support Services		Percentage (%) spend on procurement to empower HDIs and SMMEs	65% procurement spend on HDIs and SMMEs	41% of total procurement spent on HDIs and 64% of total procurement spent on SMMEs. PPP procurement: 86% BEE qualifying spend – R20.5m on supplier payments.	Constraints due to the current PPPFA
	Value-adding business resource management that enhances efficiency	Achievement of activities in the Implementation Plan	Implement Information Security Strategy	Information Security Strategy implemented as follows: <ul style="list-style-type: none"> Information Security Strategy and Plan approved in July 2010. Awareness of compliance with Information Security policies conducted in December 2010. Vulnerability assessment was done by COMSEC. Remediation process started as per plan. Security Policy finalised. 	None
		Activities in the Master System Plan achieved	Upgrade the IT infrastructure	All Upgrade equipment installed to improve network reliability and performance.	None
			Enhance governance and desktop support	Desktop support adequately resourced to improve service standards. Monitoring tools acquired, configured and implemented.	None
			Automate identified business processes	Business processes identified and automated. Development and implementation of Non-Proliferation eRoom.	None
				Development and implementation of TISA Export Development eRoom.	None

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Group Systems and Support Services	Activities in the Master System Plan achieved			Open Source CCRD Management System partially achieved.	Alternative solution to be investigated and rolled out.
				Developed the dti Monitoring & Evaluation dashboard eRoom.	None
	Achievement of activities in the Implementation Plan	Amend and implement the Office Space Planning Strategy	Office space planning strategy not amended nor implemented.	Relocation of entities from the campus delayed.	
	Achievement of activities in the Implementation Plan	Review and implement the Fraud Prevention Plan	Revised Implementation plan developed. Revised and Implemented Fraud Prevention Plan based on new risks.	None	
	Strengthening the dti's corporate governance			Seven (7) Ethics and fraud awareness training sessions conducted and attended by approx 210 staff. Conflicts of Interest Policy drafted.	

4.7.2 Programme 2: International Trade and Economic Development (ITED)

(a) Purpose

To provide leadership on trade policy in South Africa to promote economic development by working to build an equitable multilateral trading system that facilitates development; by strengthening trade and investment links with key economies; and by fostering African development through *inter alia* regional and continental integration and development co-operation in line with the New Economic Programme for African Development (NEPAD).

(b) Description of sub-programmes

- i. **International Trade Development** facilitates bilateral and multilateral trade relations and agreements. This sub-programme makes transfers to: the Organisation for the Prohibition of Chemical Weapons (OPCW), as the South African contribution to the Chemical Weapons Convention; ProTechnik Laboratories, as the South African contribution to international non-proliferation treaties and regimes; and the World Trade Organisation (WTO), as the South African membership fee to this global organisation dealing with rules of trade between countries.
- ii. **African Economic Development** facilitates bilateral and multilateral African trade relations aimed at deepening regional integration. The sub-programme makes transfer payments to the Development Bank of Southern Africa (DBSA) for regional spatial development initiatives aimed at accelerating sustainable socio-economic development.

(c) Service Delivery Objectives and Indicators

- Promote national economic growth and development objectives through South Africa's international economic engagements by:
 - Negotiating agreements and rules that promote South Africa's exports and encourage inward investment for sustainable and beneficial global integration; and
 - Fostering trade and investment relations that facilitate South Africa's value-added exports and inward investment.
- Expand exports, attract investment and leverage technology transfer by consolidating trade relations with traditional markets in the North on an ongoing basis.
- Expand exports and attract investment by building economic relations with dynamic economies in the South on an ongoing basis.
- Assist South African companies to access international markets, including through the removal of non-tariff barriers.
- Champion NEPAD and contribute to advancing African economic development and integration at continental, regional and bilateral levels on an ongoing basis.
- Promote regional integration in SACU and SADC as platforms for integration into the global economy by combining trade integration, infrastructure development and sectoral policy co-operation on an ongoing basis.

(d) **Summary of key achievements**

the dti's Trade Policy and Strategy Framework was approved by Cabinet in July 2010. While guiding **the dti's** international trade engagements, the Framework also sets out an ongoing work programme to further develop South African trade policy through a consultative process at the National Economic Development and Labour Council (NEDLAC).

Cabinet also approved **the dti's** Policy Framework on Bilateral Investment Treaties (BITs). The South Africa-Zimbabwe Bilateral Investment Treaty was ratified by both Parliaments and has come into force.

the dti provided the economic content for the State visits to China, India, Brazil and Russia. South Africa and China signed a Comprehensive Strategic Partnership Agreement (CSPA) that included an undertaking to increase South Africa's value-added exports to China and to encourage Chinese investment in South Africa. Agreements were reached with India and Brazil to address non-tariff barriers that impede South Africa's bilateral trade.

During the year under review **the dti** continued to lead South Africa's negotiations under the Economic Partnership Agreement (EPA) negotiations with the European Union (EU) to establish a common trade in goods arrangement between the Southern African Customs Union (SACU) and the European Union (EU).

A new Vision and Mission were approved by the SACU Heads of State in April 2010. South Africa hosted a second SACU Summit in July 2010. As Chair of SACU since July 2010, South Africa, through **the dti**, has assisted in forging a consensus on a focused work programme in SACU on industrialisation; infrastructure development; trade facilitation; revenue sharing; and unified engagement in trade negotiations.

The Southern African Development Community (SADC) Ministerial Task Force approved an action plan with nine (9) priority focus areas that would help to consolidate the SADC Free Trade Area (FTA), and provide greater impetus to regional industrialisation. In addition, SADC has begun to forge a common position on the upcoming SADC-EAC-COMESA Tripartite FTA. South Africa has given support to this agenda.

Although there has been no political breakthrough to advance the World Trade Organisation (WTO) Doha Round, **the dti** has continued to participate in the negotiations with a view to ensuring a developmental outcome. Negotiating positions on all key issues have been strengthened and updated as the negotiations have unfolded. Finally, **the dti** has begun work to develop positions on the trade aspects of climate change.

Table 10: Performance against planned targets

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
International Trade Development	Negotiate trade rules for global integration, including those for market access (reciprocal/non-reciprocal); Manage tariff regimes and negotiate investment treaties	Agreed modalities that reflect South Africa's position	Participate in restarting the Doha Round	Continued participation in WTO negotiations on Trade Rules, NAMA, Trade Facilitation, Services and TRIPS in order to secure a developmental outcome.	No political breakthrough to advance Doha Round due to US position.
			Conclude PTA with India	Request list on tariff concessions exchanged with India. Await response from India.	Slow pace of negotiations. Response from India expected in June 2011. 6th PTA Round of negotiations scheduled for July 2011.
			Conclude PTA with China on Procurement	SA and China signed a Declaration for the Establishment of a Comprehensive Strategic Partnership Agreement (CSPA). The agreed Partnership for Growth and Development (PGD) inputs are incorporated in the signed CSPA.	China opposed to binding commitment such as a PTA.
	Establish and strengthen economic relations with dynamic economies in the South ('the new growth poles') through established intergovernmental platforms with trading partners	Agreed exchange of tariff concessions with India			
		SA Government approved PTA with China			

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
International Trade Development	Establish and strengthen economic relations with dynamic economies in the South ('the new growth poles') through established intergovernmental platforms with trading partners	Finalised modalities between South Africa and SACU for trilateral arrangements	Implement Trilateral FTA	A concept document has been developed and a South African position outlined through engagements with stakeholders both nationally and regionally and has been approved by Cabinet.	The timeframes for the Trilateral FTA extended. TFTA summit scheduled for June 2011.
			Identify other key players in the South		
	Consolidate trade relations with traditional markets in the North, to expand exports, attract investment and leverage technology transfers through established intergovernmental platforms	EPA acceptable to South Africa	Reopen Trade Development and Co-operation Agreement (TDCA) negotiations	Continued to engage in SADC-EU EPA Group negotiations to minimize damage to SACU and lay the basis for a common trade in goods arrangement between SACU and EU. 3 negotiating sessions with the EC resolved many (not all) concerns. Agreement facilitated in SACU. SA-EU Cheese Agreement finalised and submitted for ratification. Engaged stakeholders in wine industry to develop a common approach to the SA-EU Wines and Spirits Agreement. SA-EA work programme under TDCA developed.	Some progress on addressing textual concerns. EC has so far not agreed on how to resolve the contentious issues.

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
African Economic Development	Promote regional integration in SACU and SADC, as a platform for integration into the global economy, through development integration that combines: trade integration, policy co-ordination and sectoral co-operation	Compliance with SADC obligations	Consolidate Rules of Origin (RoO), Customs Standards and full implementation of FTA. Discussions on the Trilateral FTA	Revised RoO ratified. Tripartite Non-tariff barriers (NTBs) monitoring system established. SA Government Position on future of SADC agreed	Incorrect process for ratification of Sanitary and Phyto-Sanitary (SPS) Annex. Incomplete consultations on Customs.
			Hold discussions on the future of SACU	Work initiated to develop common competition and industrial policies. The full renegotiation of the SACU agreement is going to be discussed in future. The immediate area of focus is the five-point strategy. However, work on amending the SACU agreement to institutionalise the SACU Summit has been undertaken. South Africa has prepared a concept document on possible industrial projects that could be the basis for the industrial work programme for SACU. This has been presented to SACU and bilateral engagements have been undertaken to further consult on the projects identified.	None

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
African Economic Development	Promote regional integration in SACU and SADC, as a platform for integration into the global economy, through development integration that combines: trade integration, policy co-ordination and sectoral co-operation	Preparation of South Africa's inputs into the development of the Minimum Integration Programme at the AU level Approved reports, scans and feasibility studies.	Implementation of projects for the NEPAD SDP	Paper on the Minimum Integration Programme prepared. Africa Strategy approved by African Renaissance Committee of the ICTS Cluster.	NEPAD secretariat has not convened task team.
			Review and reprioritise (SDIs) Pursue the work of Angola, Namibia and South Africa	SDI Unit relaunched. Programme Co-ordinator, Deputy and four (4) senior SDI advisors appointed. Work initiated on SDIs in Zimbabwe, Mozambique, Tanzania, DRC and Angola. Clear work programme in place. A high-level Ministerial Workshop is planned for the Angola, Namibia and South Africa (ANSA) SDIs in June 2011.	None

4.7.3 Programme 3: Empowerment and Enterprise Development (EEDD)

(a) Purpose

Lead the development of policies and strategies that create an enabling environment for small, medium and micro enterprises, and enhance the competitiveness of local and provincial economies, to achieve inclusive shared equity, growth and job creation.

(b) Description of sub-programmes

- i. **Enterprise Development** creates an enabling environment conducive to the development and growth of SMMEs and co-operative enterprises, and provides a broad range of business development support services. Provision is made for the transfer payment to the Small Enterprise Development Agency (**seda**), which provides non-financial business development and support services for small enterprises.
- ii. **Equity and Empowerment** promotes B-BEE and women's economic empowerment. This sub-programme makes transfer payments to the National Empowerment Fund (NEF), which targets transactions that present the best and highest contribution to the entity's empowerment measure, to the South African Women Entrepreneurs' Network, a networking platform administered by Khula Enterprise Finance, which supports and grows women's entrepreneurship, and to the Industrial Development Corporation's (IDC's) Isivande Women's Fund, which provides financial support to women entrepreneurs.
- iii. **Regional Economic Development** promotes spatially balanced economic development and productivity improvements by crafting policies, strategies and programmes that focus on underdeveloped regions. The sub-programme makes transfers to the National Research Foundation's Technology and Human Resources for Industry Programme (THRIP), which supports research and technology development by strengthening the number and skills of appropriately trained people; Productivity South Africa's Workplace Challenge programme, which finances and supports world-class manufacturing and value chain efficiency improvements in South African companies; the Industrial Development Corporation's Support Programme for Industrial Innovation (SPII), which enables private sector enterprises to develop new products and services; the Small Enterprise Development Agency's Technology Programme, which finances and supports early, seed and start-up technology ventures aimed at increasing South Africa's competitiveness; and the Centre for Entrepreneurship, which combines technical graduate training and entrepreneurship in the higher-education curricula, thus empowering emerging entrepreneurs and unemployed graduates.

(c) Service Delivery Objectives and Indicators

- Foster the growth of SMMEs and co-operatives by:
 - Overseeing the support provided by the Small Enterprise Development Agency to increase the number of SMMEs (currently 2 million) and co-operatives by 2014; and
 - Ensuring that SMME and co-operative contributions to GDP increase from the current 40% to 45% by 2014.
- Facilitate access to procurement opportunities for SMMEs and co-operatives by overseeing the implementation of the ten (10) products strategy, so that government promotes the participation of SMMEs and co-operatives when procuring the identified products over the next three (3) years.

- Implement empowerment and equity policies, thus ensuring the increased economic participation of historically disadvantaged people by gazetting BEE charters under sections 12 and 9 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).
- Deepen technology support in the region through the technology incubator programme by providing access to technology and co-ordinating regional stakeholder participation in employment creation opportunities, thus forming partnerships that will create at least 4 000 jobs by 2013.

(d) Summary of key achievements

The Amendment Bills for the Co-operative Act, 2005 (Act No. of 14 of 2005) and the Co-operative Strategy have been presented to Cabinet and approval was given for further consultation. The Amendment Bills and strategy were published for public comment during January 2011 and a report on comments received has been compiled. The strategic aim is to support service delivery and reduce the administrative burden and cost of doing business.

A total of 100 new small-scale co-operatives were established, creating a minimum of 500 self-generated income and employment opportunities; 89 co-operatives were trained on the co-operative concept and the management to promote and ensure the viability and effectiveness thereof; and 113 co-operatives were assisted to participate in national and international exhibitions in a range of sectors such as arts and crafts, furniture, leather goods, clothing and agriculture.

The SMME payment hotline launched in 2009 provides a recourse mechanism for SMME service providers who have delivered services to government departments but have not been paid by government within 30 days. Early indications are that assistance to SMMEs through this project has had a positive effect on their cash flow in this tight financial environment. To date the hotline has facilitated payment to SMMEs to the tune of R230 million.

During the period 01 April 2010 to 31 March 2011, the Risk Capital Facility (RCF) supported 46 enterprises to the value of R291 477 974 creating a total number of 997 direct jobs. The support per sector was as follows: Agro-Processing 43%; Metals 3%; Chemicals 8%; Textiles 1%; Wood & Paper 3%; Media 3%; Technology 2%; Franchising 4%; Construction 5%; and Multi-Sector 17%.

During the year under review the Equity Equivalent Investment Committee approved two qualifying companies for the Equity Equivalent Investment Programme, namely Microsoft SA (Pty) Ltd, and Turner and Townsend (Pty) Ltd.

Microsoft (SA) is involved in marketing Microsoft products and the provision of consulting and technical support to end-users in the ICT sector. Based on the agreed terms and conditions, this programme will see Microsoft (SA) investing in the necessary infrastructure and other requirements to develop companies that are Black-Owned into being, among other things, Independent Software Vendors (ISVs). The programme will also leverage a close partnership

between Microsoft (SA) and the ISVs so that the ISVs may benefit from best practices, knowledge transfer, and specific product/market insight gained from various Microsoft (SA) products and marketing teams.

The Turner and Townsend programme will establish two sub-programmes targeting the Construction Sector, namely:

- The Project Controls Skills Development for the Rural and Bulk Water Roll-out Programme, in association with the Department of Water Affairs, to fast-track water and sanitation infrastructure in the rural areas, and
- The Competitive Supplier Development Sub-Programme for the energy sector through the establishment of a Quality Systems Forum for Black-Owned companies that are designated SMME suppliers. This sub-programme will help develop a locally based Energy Sector supply chain.

Presidential B-BBEE Advisory Council Sub-Committees were established and work plans were developed. Strategic engagements were held with various stakeholders in the economy to assess policy effectiveness. The Advisory Council recommendations were tabled at Cabinet for noting and are now being discussed at Government cluster level.

During the period under review, the gazetting of strategic sector charters took place with the approval of the Property Sector Charter in terms of Section 9(5), and the Chartered Accountants charter. **the dti** is currently involved in the monitoring of developments regarding the gazetting of the Financial Sector Charter with phase one (which deals with the ownership target) being approved for gazetting in terms of Section 9(5).

Since the inception of the Codes of Good Practice for Broad-Based Black Economic Empowerment (B-BBEE), **the dti** has endeavoured to capacitate and harmonize the verification industry and set standards for B-BBEE verifications. To complement this, the Department has finalised the process of incorporating the Independent Regulatory Board of Auditors into the verification industry. Furthermore, the Department has completed the process of developing a B-BBEE Management Development Programme targeting all B-BBEE practitioners. The aim of the programme is to build the capacity of practitioners in the verification industry. The completion of the programme is one of the conditions for qualifying as a verification agency.

The Bavumile Skills Development Programme supported close to 80 women in two provinces, namely the Northern Cape and the Eastern Cape, in the clothing and textile, and arts and craft sectors. A Techno-Girl workshop was held in Limpopo Province where 100 girl learners, from 10 schools in the five districts benefited through skills development. The Technology for Women in Business (TWIB) awards ceremony 2010/2011, which was held in Gauteng, was attended by over 600 business women from all nine provinces. Seven finalists competed for the awards, which comprised two categories namely micro and small-sized businesses in sectors such as engineering, and wood and furniture.

A Joint Report has been signed with China to cover the participation of women with regard to “the 10 set-aside products” and a Task Team with Terms of Reference is in place in both China and South Africa to take the partnership forward. This is expected to deepen the participation of women in higher-value- addition sectors in four provinces through an incubator programme supported by the rehabilitation of struggling women-owned enterprises and factories.

Through the Technology and Human Resources for Industry Programme (THRIP), **the dti** supported new technology and human resource development for industry. For the 2010/11 financial year, THRIP in collaboration with industry, provisionally supported 235 projects. Among the participants were 1664 students and 282 enterprises, of which 178 were SMMEs. Projects supported were, amongst others from the chemical, ICT, metals and minerals, agriculture and agro-processing, biotechnology and energy sectors.

the dti’s Support Programme for Industrial Innovation (SPII) supported 20 innovation projects in the 2010/11 financial year. This resulted in SPII contributing R22.7 million, with industry contributing an additional R21.7 million. Of the participating companies, 68% had total assets of less than R1 million.

Support through the **seda** technology programme resulted in the creation of 202 new SMMEs and 893 jobs and an increase in the turnover of supported enterprises of R37.9 million. The **seda** technology programme provided 756 SMMEs with support on incubation and quality. Of the enterprises supported, 35% were women-owned and 92% were black-owned.

The Department prepared a draft Technology Platform Policy applicable to platforms that promote collaboration between small and large enterprises working on new technologies. **the dti** technology 2010 Awards ceremony hosted in October 2010 was attended by 400 participants, and 50 entities participated in the exhibitions. The awards recognised innovation and encouraged firms to enhance further development of technology in South Africa. Furthermore, a study on the electronic industry highlighting opportunities for local manufacturing and attracting new foreign direct investment in this sector was completed.

A draft Strategic Policy Framework on Skills Development has been completed to guide the Department’s mandate on skills, industrial and enterprise development, and partnerships with the Department of Higher Education and Training and the Sector Education & Training Authorities (SETAs) in IPAP priority sectors. On the policy front, by advocating a more demand-driven approach to skills development, **the dti** has contributed to positive commitments in the National Skills Development Strategy (NSDS) III, including funding support for training for co-operatives. Skills development is now a new transversal factor in the updated IPAP2. The Workplace Challenge has extended its scope to SMEs in underdeveloped regions in Limpopo and 56 new companies were nurtured in total. In preparation for the scaling up of the impact of the programme, industrial clusters have been mapped in the North West and the Western Cape.

Achievements by the Centers of Excellence include:

- a. Centre of Aerospace – A bursary partnership between Airbus and Denel Dynamic sponsored 107 students in aeronautical engineering.
- b. Centre for Clothing and Textiles – A skills audit is currently underway, with the focus on skills for niche products. Scholarships were granted to 20 students in textiles education.
- c. Advanced Manufacturing Centre in the North West – This institution launched a fully-fledged extrusion laboratory for sector applications in polymers, wood polymers and agro-processing.

In order to promote balanced regional economic development and support local economic development, sixteen (16) projects were launched in under-developed communities. These are all at various stages of implementation. The projects include agro-processing clusters in Sekhukhune and Msinga, hemp clusters in the Eastern and the Western Cape, fisheries projects in Doornbaai, an essential oils project in the Eastern Cape and Gauteng, and a poultry project and Artisans and Taxi Co-operative, both in Pietermaritzburg.

Table 11: Performance against planned targets

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Enterprise Development	Implement the Co-operatives Development Programme to assist with the development of small-scale co-operatives	Total number of sustainable small-scale co-operatives established	Develop ten (10) co-operatives	Developed 100 new small scale co-operatives creating a minimum of 500 self-generated income and employment opportunities	Target exceeded due to improved awareness and support by other national and provincial departments and agencies.
			Provide 50 community members with self-generated income and employment		
	Establish the Co-operatives Academy	Functional Co-operative Academy	Finalise the three-year strategic and business plan	Service Level Agreement (SLA) signed with Service Provider and Service Provider started to develop Business Case	Change in strategy of compiling plans necessitated consolidating plans for Co-operative Academy, Tribunal and Agency
			Finalise three-year strategic and business plan	Development of the Business Case for the establishment of the Co-operative Development Agency has commenced	Change in strategy of compiling plans necessitated consolidating plans for Co-operative Academy, Tribunal and Agency
	Develop and implement an emerging franchise businesses development and support programme	Functional emerging franchise support programme	Finalise three-year strategic and business plans and source required funding	The implementation strategy was developed in collaboration with the Franchise Association of South Africa (FASA).	Funding to be sourced in the next financial year.

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Enterprise Development	Support the establishment of the dti – Foundation of African Business and Consumer Services (FABCOS) Academy	Functional the dti – FABCOS Academy	Develop and pilot proposals with on-site business skills training and mentoring to enterprises	Proposals for the on-site business skills training are in place and approval granted to implement the programme through the seda Learning Academy beginning in the 2011/2012 financial year.	The pilot phase was delayed due to changes in the delivery mechanism strategy as well as negotiations on the implementation modalities between the affected parties (the dti , FABCOS and seda) took longer than anticipated.
Equity and Empowerment	Implement the Equity Equivalent Investment Programme (EEIP)	Number and value of approved EEIP investment projects	Establish ten (10) participating multinational firms, with 25% of the value of their South African operations	Two (2) approved EEIP (Microsoft (SA) and Turner and Townsend). Advocacy on EEIP to American Chamber of Commerce, Switzerland Embassy, Ecuador (South America) Embassy. Monitoring and evaluation of approved EEIP (HP, Lieber & Hansen Transmissions) B-BBEE Advisory Council operational	Three (3) companies are still in the adjudication process. Intake of applications not as high as anticipated.
	Operational Presidential B-BBEE Advisory Council	Ensure the highest quality of policies, strategy and programmes emanating from B-BBEE Advisory Council	Fully operational B-BBEE Advisory Council	Presidential Council recommendations formulated, developed and tabled in Cabinet, resulting in reorientation of B-BBEE and alignment to broader government priorities (IPAP, NGP) Work-plan and sub-committees for council approved.	None

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Equity and Empowerment	Align legislation to other legislation to advance objectives of B-BBEE	Number of laws aligned to other legislation	Align the Preferential Procurement Policy Framework Act (PPPFA) to B-BBEE legislation	PPPFA regulations aligned to B-BBEE Act	Change in strategy and policy to focus on regulations.
	Roll out the accreditation of Verification Agencies (VAs)	Compliance with regulation by VAs	Monitor and evaluate VA reports	59 Accredited Verification Agencies	None
	Roll out the Isivande Women's Fund (IWF)	Number and value of IWF loans approved to support women enterprises	Assist 40 projects via the IWF	Six (6) women-owned enterprises have been assisted to the value of R5m. With the Fund Manager now in place the proposed portfolio of 40 projects will be catered for.	Challenges experienced with appointment of Fund Manager.
	Provide capacity-building for women in arts and crafts through the Bavumile Programme	Number of women supported and number of provinces where the Bavumile Programme is operational	Assist one additional province, with 100 women supported, via the Bavumile Programme	80 women trained in arts and crafts in two provinces.	Financial constraints
	Enhance implementation of the Support Programme for Industrial Innovation (SPII)	Number of new projects and total value of projects assisted via the SPII	Assist 80 new projects, to the total value of R100m, via the SPII	Supported 20 projects with total SPII contribution of R22,7m and industry contribution of R21,7m. Total value of projects assisted was R44,3m.	Insufficient funding. Additional amount secured through MTEF for next financial year.
Regional Economic Development					

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Regional Economic Development	Enhance the implementation of the Technology and Human Resources for Industry Programme (THRIP)	Number of new and continuing projects and number of students participating in THRIP	Support 250 projects and 2 000 students via THRIP	Supported 235 projects and 1664 students. 282 enterprises participated.	Less projects completed.
	Develop and implement the Regional Industrial Clusters Programme	Approved Regional Industrial Cluster Programme	Approve Programme, business plan and funding	The draft SME Cluster Programme has been developed.	The development took longer than anticipated due to lack of capacity.
	Develop and implement the Local Government Capacity-Building Programme for Economic Development	Capacity-Building Programme developed and implemented	Develop and approve Programme plan	The Capacity Building Programme is being implemented through a consortium of universities led by the University of Johannesburg.	None
	Develop and implement a strategy on the establishment of industrial parks, to support regional industrialisation programme	Approved strategy on industrial parks, and its business plan and budget	Approve the strategy on industrial parks, and its business plan and budget	Final draft strategy compiled, ready for approval, business plan and budget to be considered after approval of strategy.	Took longer, as expert advice delayed project.

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Regional Economic Development	Modify and expand the Centre for Entrepreneurship	Expanded Centre for Entrepreneurship Programme	Approve the Centre's expansion plan and budget	Monitoring and evaluation of performance and put in place corrective measures to address delivery challenges. In preparation for expansion, conducting a scoping exercise to determine financial, organizational capacity and practices on entrepreneurship development in alternative higher and further education institutions.	Challenges encountered in the management of the Centre.
	Strengthen the implementation of the Workplace Challenge Programme	Number of new participating enterprises in the Workplace Challenge Programme	Assist 51 new companies via the Workplace Challenge Programme	Assisted 56 new companies (baseline of 250); Expanded to Limpopo; mapped 2 industrial clusters in winemaking in Western Cape and agro-processing in North West. Conducted Competitiveness Week, hosting international experts. Appointed a panel of experts to advise the Minister on productivity issues and improve the WPC programme.	Target exceeded.

4.7.4 Programme 4: Industrial Development Division (IDD)

(a) Purpose

Facilitate industrial development supported by government procurement that creates an enabling environment for competitiveness, growth and job creation.

(b) Description of sub-programme

- i. **Industrial Competitiveness** develops policies, strategies and programmes to strengthen the ability of manufacturing and other value-added sectors to create decent jobs and increase value-addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP.
- ii. **The Customised Sector Programme** develops and implements high-impact sector strategies focused on manufacturing and other value-added sectors to create decent jobs and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP.

(c) Service Delivery Objectives and Indicators

- Contribute to the direct and indirect creation of decent jobs, and add value and competitiveness in both domestic and export markets by developing policies, strategies and programmes for the manufacturing sector and related sectors.
- Ensure, through regulatory institutions, that technical infrastructure policies and institutions (including standards, quality assurance, and accreditation and metrology institutions) play a strategic role in industrial policy, particularly to deal with unsafe and poor-quality imports, and promote access to high-value export markets on an ongoing basis.
- Upscale industrial policy by developing and implementing an annual three (3) year rolling industrial policy action plan.
- Support industrial upgrading through:
 - Specific incentives schemes that support capital investment over the Medium Term Expenditure Framework (MTEF) period; and
 - Developing and implementing an industrial climate change response plan and cleaner production initiatives in at least 200 companies from 2009/10 to 2012/13.
- Leverage the economic benefits and development support of South African industries through government procurement, thus creating or retaining 20 000 direct jobs by 2013.

(d) Summary of key achievements

The Industrial Policy Action Plan 2 (IPAP 2) 2011/12 – 2013/14 was approved by Cabinet in February 2011 and introduced to Parliament in March 2011. It represents a consolidation and strengthening of plans and programmes outlined in the previous version of the document. Key Action Plans (KAPs) have been upgraded to augment government's intervention to support industrial development and employment creation. Concrete interventions in two new transversal areas of focus, namely skills for the economy and innovation and technology, have been added to the four transversal interventions in IPAP2 for 2010/11-2012/13.

Other key sectoral achievements included Cabinet approval of the amendments to the regulations of the Preferential Procurement Policy Framework (PPPFA) Act, 2000 (Act No. 5 of 2000). The amendments are aimed at fast-tracking Government's localisation and employment creation drive, allowing for the designation of sectors for local procurement and alignment with B-BBEE codes. Proof of the efficacy of this type of policy instrument is illustrated in the recent R4.2 billion ARV government tender, 72% of the value went to South African manufacturers with significant price reductions relative to the 2008 ARV tender.

The first phase of mobilisation within the State Owned Enterprises (SOEs) to introduce localisation and supplier development into their approach to procurement has resulted in the introduction of new policies, processes, systems and capacity building to embed supplier procurement leverage more systematically. Initial drafts of documents for the designation of various sectors have been completed. Furthermore, a study by **the dti** on a more strategic evolution of the National Industrial Participation Programme (NIPP) has been completed. **the dti** is now in the process of finalising a Cabinet Memorandum which will give effect to the strengthened NIPP. Monitoring and evaluation of the NIPP demonstrates that since its inception in 1997 more than 220 projects have been implemented, with the creation of a cumulative estimated 25 000 direct jobs and 85 000 total jobs.

In the sphere of industrial financing, the IDC has committed R66 billion over the next five (5) years towards more labour-intensive sectors identified by the New Growth Path (NGP) and IPAP2. This will ensure that effective concessional financing measures are in place pending further policy interventions to secure long-term concessional industrial financing.

Significant progress has been made with respect to the implementation of key interventions to promote developmental trade policies as set out in the IPAP2 document. These include the launch of an early warning system to identify technical barriers to South Africa's exports and the finalisation of a range of compulsory standards for safety footwear, motor vehicles, electrical products and compact fluorescent lamps.

The finalisation of the Automotive Investment Scheme (AIS) has catalysed commitments by the automotive industry to the value of R14 billion, conservatively estimated to create a minimum of 12 000 jobs. In the clothing and textile sector 171 companies benefited from government support under the new Clothing and Textiles Competitive Programme (CTCP) and the Production Incentive (PI) Programme with 40 591 jobs being supported or saved and at least 1 111 new jobs being created. The PI Programme was successfully promoted as the long-term replacement of the Duty Credit Certificate System in the whole of the SACU region and work is being carried out to formulate a funding model which is acceptable to the whole of the SACU region.

With respect to renewable energy production, saving and local manufacture, a number of critical building and product standards have been completed, including the mandatory installation of solar water heaters in new buildings. Significant progress has been made with respect to remaining regulatory matters including the renewable energy feed-in tariff (REFiT).

The roll-out of the National Cleaner Production Centre (NCPC) Industrial Energy Efficiency Training Programme has started and more than 200 people were trained in Energy Optimisation in 2010/11.

Under the National Tooling Initiative, 142 students have completed the pre-apprenticeship programme, with 34 companies participating in the on-the-job training programme.

In the Business Process Services sector, R40 million worth of investments were made and 950 jobs were created in the 2010/11 financial year. In addition, new investment commitments to the value of R42 million were approved, linked to 806 jobs. The Monyetla II Programme has seen 3 400 young trainees being trained, of whom, 70% are guaranteed employment by the BPO consortium.

With respect to regional industrial development, areas of co-operation to support industrial development in the Southern African Customs Union (SACU) were developed and warmly received by SACU member states, and bilateral engagements are currently underway to concretize projects. A regional industrial development approach was developed and tabled at the Conference of African Ministers of Industry (CAMI). Proposed sectors of focus were successfully canvassed with member states and are now included in the work programme of CAMI.

Table 12: Performance against planned targets

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Industrial Competitiveness	Development and upscaling of the Industrial Policy Action Plan (IPAP)	Finalised and upscaled three-year IPAP	Continuously co-ordinate IPAP implementation	Launched the Industrial Policy Action Plan (IPAP2) 2011/12 – 2013/14 after approval by Cabinet. IPAP2 2011/12-2013/14 represents a consolidation and strengthening of plans and programmes outlined in the previous version of the document. Monthly, six-monthly and nine-monthly reports have been developed. Annual report completed in draft form.	Additional monitoring and evaluation measures were put in place including monthly and nine-monthly reporting.
	Revise and strengthen the National Industrial Participation Programme (NIPP) to optimise its effectiveness in leveraging government procurement	Approved Cabinet Memorandum by September 2010 Published amended NIPP Guidelines	Obtain approval of Cabinet Memorandum	Cabinet approval not obtained. Background paper finalised and this will form the basis for the development of a Cabinet Memorandum which is scheduled for presentation to Cabinet in August 2011.	Initial timelines did not include development of a background paper.
	Increase in total value of investment and export credits under the NIPP	Total value of investment and export credits	Exports and new investments to total US\$15 billion	Exports and new investments since inception of programme total US\$15.5 billion.	Larger than initially anticipated number of projects approved.

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Industrial Competitiveness	Total number of direct jobs created through the NIPP	Total number of direct jobs created	Create 19 000 direct jobs	Created 25 000 direct jobs since inception of programme.	Larger than initially anticipated number of projects approved.
	Strong mandatory standards. Enforcement and additional mandatory standards in sensitive areas	MoU between SARS and the NRCS	Stop illegal imports through a linkage between the NRCS and SARS, by introducing a pre-border approval system	Linkages not yet formed. NRCS and SARS have agreed to work together. Co-operation Agreement to be formalised through an MOU which has already been agreed to by both parties.	Pilot programme has been initiated in Durban to strengthen market surveillance on imports.
	Strong mandatory standards Enforcement and additional mandatory standards in sensitive areas	Publication of the Compulsory Specifications in the Government Gazette	Develop and publish compulsory specifications in the Government Gazette	Seven (7) compulsory specifications published - Five (5) for electrical products and 2 for vehicles. Two (2) published for comment for electrical products and safety footwear and two (2) correction notices were issued for Compact Fluorescent lamps and vehicles.	None

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Industrial Competitiveness	Develop quality infrastructure and regulations for energy efficiency	Publication in the Government Gazette of energy-efficient building regulations for new buildings, including: - Compulsory requirements for solar water heaters in all new buildings; -Energy-efficient (EE) lamps; and - Household appliances and equipment	Finalise energy-efficient building regulations and compulsory specifications for energy-efficient lamps	Energy-efficient building regulations not yet finalised but published for comment.	Final EEE building Regulations which include requirements for EE appliances in buildings, i.e. solar water heaters delayed to incorporate substantive comments made during the comment period.
				Compulsory specifications for energy efficient lamps published. An action plan for EE lamps was finalised and work on an action plan for EE household appliances started. Finalised phase-out action plan with DoE for energy-inefficient lamps. Introduced mandatory standards for incandescent lamps.	
	Embark on industrial energy-efficiency projects to contribute to reduction of industrial energy demand	Establishment of the Project Steering Committee	Reach consensus with Business Unity South Africa (BUSA) on the project execution plan	Consensus reached with BUSA on the project execution plan and monthly meetings held.	None
			Conduct the first energy practitioner 'train-the-trainer' training programme	Ten (10) energy practitioners trained on Energy savings verification. 238 trained on compressed air optimization and steam systems optimization.	

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Industrial Competitiveness	Enhanced conformity assessment. Capacity to support specific industries	Competitiveness Fund support for conformity assessment Upgraded capacity within the SABS and NMISA	Design incentive proposals targeted at testing, inspection and certification facilities Develop a Capital Expenditure (CAPEX) Fund proposal & the dti to establish a baseline.	Incentive proposals targeted at testing inspection and certification facilities were designed. Developed a Capital Expenditure (CAPEX) Fund proposal & the dti established a baseline. Provided substantive input into the ICUP. Guidelines regarding incentives for testing, inspection and certification facilities were developed. CAPEX funding secured for SABS, SANAS, NRCS and NMISA.	None
	Technical infrastructure support for exports	Common SADC standards and regulations	SADC Co-operation in Standardisation (SADCSTAN) develops common SADC standards and SADC Technical Relations Liaison Committee (SADCTRLC) commences work on common regulations	SADC standards work started on motor vehicle and chemical industries and work for common classification of chemicals regulations in SADC also started. Supported ITED on WTO NAMA negotiation sessions on TBTs. Developed African technical infrastructure position paper; Drafted SADC, COMESA and EAC TBT Chapter.	None
	Implementation of Cleaner Production (CP) measures	CP audits and advocacy	Conduct 105 CP audits in IPAP sectors	124 Audits conducted in IPAP sectors.	More than anticipated audits were conducted in IPAP sectors.

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Industrial Competitiveness	Implementation of Cleaner Production (CP) measures	Number of companies implementing cleaner production activities	26 companies targeted	31 companies implementing cleaner production measures.	More than anticipated number of companies are implementing cleaner production measures
	Competitive financing programme for suppliers into the public CAPEX programme	Percentage increase of local content in Public Works programmes Number of South African suppliers accessing incentive package/ winning Public Works tenders	Design and approval of incentive package	Draft package designed but not yet approved. Consulted with IDC, TEO and industry, however due to no funding allocation in the MTEF the programme has been put on hold. Engagements have been made with IDC to utilise the UIF funding in the interim.	Draft package not approved due to lack of funding. Additional engagement held with IDC to utilise the UIF funding in the interim. Facilitated presentation of the UIF scheme to industry.

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Industrial Competitiveness	Profiling, benchmarking and match-making programme with the United Nations Industrial Development Organisation (UNIDO)	Approved funding mechanism for the next 3 years Approved business plan	Approve business plan/ project proposal with UNIDO	Business plan and project document have been approved by UNIDO and the DG.	None
			Source funding for the programme and finalise the MoA	Funding has been secured through Employment Creation Fund (ECF) for the next 3 years (with annual disbursements).	
			Monitor the roll-out of UNIDO programme.	Monitoring of overall progress of the UNIDO programme was achieved.	
			Increase of Subcontracting and Partnership Exchange (SPX) centres; and participate in the hubs and task team to influence local content decisions.	Added 5 new SPX centres (to date 11 SPX centres have been established). To date: 341 profiles completed. 96 benchmarks completed and 62 benchmarkers have been trained.	

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Identification of fleets for the public CAPEX Programme to create a streamlined demand platform to make investments in the associated supply chains viable	Agreed fleet programme list with the procuring entities Agreement on the funding model	Finalise agreed list of fleets and products for implementation	Agreed to implement fleet programme for locomotives, wagons and passenger coaches.	Further work done: Completed drafts for designation of components in rolling stock and power lines structures.
			Obtain buy-in from the procuring entities and National Treasury (R1m funding required)	Agreed list of fleets and products for implementation not fully finalised. Draft Passenger Rail Agency of South Africa (PRASA) fleet requirements proposal completed. Technical team comprising the dti, NT, DoT and PRASA has been set up to develop funding options for the coaches. Completed drafts for designation of components in rolling stock and power line structures. Initial consultation undertaken with the pump and valve manufacturers.	Initial consultation undertaken with the pumps and valves manufacturers.

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Skills development and upgrading programmes via the National Foundry Technology Network (NFTN)	Approved business plan	Finalise 2010/11 business plan with the NFTN Steering Committee	Business plan 2010/11 finalised and approved,	None
		Signed MoA	Finalise and sign the MoA between the dti and the Council for Scientific and Industrial Research (CSIR)	MoA signed.	
		Secured additional funding	Source additional funding for the NFTN programme within the division	Funding secured, 55 additional workers trained and 103 technical benchmarks completed.	
			Monitor implementation of the business plan (R10,4m funding required)	Progress on implementation of business plan monitored through quarterly reports.	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Skills development and technology upgrades via the National Tooling Initiative (NTI)	Total number of apprentices trained via the NTI	Completion of NTI pilot pre-apprenticeship programme (150 students)	175 students were enrolled in the pre-apprenticeship programme and 142 students passed.	Programme was well received by industry and some FETs could accommodate more students.
		Total number of companies profiled via the NTI	Commence pilot National Tooling Initiative apprenticeship programme (350 students)	650 students enrolled in level 1 apprenticeship programme.	More students were attracted to the programme.
		Total number of companies assisted in upgrading via the NTI	50 companies profiled	50 companies profiled.	None
Development of a Gold Loan Scheme to improve access to gold	Development of a Gold Loan Scheme to improve access to gold	Finalisation of agreement with role-players on the Gold Loan Scheme, administrative functions and conditions for support	Obtain buy-in from the IDC to administer the programme and guarantee the gold	Buy-in obtained from the IDC to administer the scheme for large manufacturers.	None
				Buy-in obtained at technical level from Khula to administer scheme for SMEs, proposal to be discussed further.	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Development of a Gold Loan Scheme to improve access to gold	Finalisation of agreement with role-players on the Gold Loan Scheme, administrative functions and conditions for support		Guidelines for the two schemes developed in consultation with SA Jewellery Council, the IDC, Credit Guarantee, Johnson Matthey and AngloGold/Ashanti.	None
			Obtain approval of Gold Loan Scheme from role-players, including mining houses (no funding required)	In principle buy-in obtained from AngloGold/Ashanti subject to the off-set programme being finalised by DMR.	
	Increase in supply of capital equipment into projects in Africa	Completion of capital projects study and development of useable tool	Complete capital projects study and develop tool for use by South African suppliers	Capital projects study not completed and tool for use by South African suppliers not yet developed.	Delays in finalising procurement process

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Establishment of the National Food Safety Agency	Letter from the Director-General of the dti to the Department of Agriculture, Forestry and Fisheries (DAFF) and Department of Health (DoH) counterparts, indicating core elements for National Food Safety Agency	Draft the Policy on Food Safety, leading to the establishment of the National Food Safety Agency	Policy on Food Safety, leading to the establishment of the National Food Safety Agency not yet established. the dti position paper drafted. Agreement reached with DoH. Extensive consultation with DAFF and DOH.	Extensive interdepartmental consultation resulted in delays.
			Present Organic Produce Policy to Cabinet for approval	Organic policy developed and gazetted for public comments but not approved by Cabinet.	
	Implementation of all four key components of the Organic Produce Sector Strategy	Organic Produce Policy finalised for comment by industry players			

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Implementation of all four key components of the Organic Produce Sector Strategy	Organic standards finalised and approved	Implement produce standards to regulate certification of exports and imports of organic produce	Standards to regulate certification of exports and imports of organic produce have been drafted but cannot be promulgated on advice of the state law advisor.	Standards not finalised due to technical oversight in the Agricultural Products Standards Act which is administered by DAFF.
		Industry body, the South African Organic Sector Organisation (SAOSO) established and registered with the Companies and Intellectual Property Registration Office (CIPRO)	Contract at least ten (10) small farmers / processors to supply food retail chains with organic food	No contract signed with small farmers / processors to supply food retail chains with organic food. SAOSO has been registered as a non-profit organisation. Retailer/ small-scale programme developed.	Limited capacity in the unit resulted in delays in securing contracts with retailers.

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Implementation of phase two of the Public-Private Partnership (PPP) Fruit Canning Initiative	MoA developed and signed between the dti and the South African Fruit and Vegetable Cannery Association (SAFVCA)	Existing and established export market growth of at least 3% per annum, to an estimated sales value of R13m achieved	Existing and established export market growth of at least 3% per annum, to an estimated sales value of R13m achieved.	Data to determine whether exports have doubled notwithstanding strong rand will be finalised and available in the next 2 months.
		Chinese market penetrated and sales to the value of R2m achieved SAFVCA's exports to China doubled Increased labour on farms	Existing and established export market growth of at least 3% per annum, to an estimated sales value of R13m achieved	Data to determine whether exports have doubled notwithstanding strong rand will be finalised and available in the next 2 months. MoA developed and approved by the dti. Exports have been impacted by the strong rand.	
	Development and branding support for Rooibos and Honeybush teas	Rooibos and Honeybush Tea Strategy approved by the dti's Executive Board	Export Market Development Programme approved by the dti's Executive Committee and Board	Draft export market development programme complete, strategic framework developed and held initial consultations with Northern and Western Cape Provincial Departments as well as industry.	Consultation on strategic framework which informs the export market development programme took longer than anticipated.

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Development of a sustainable, commercially viable niche market in high-value organic cotton (100 hectares)	Provision of data, via the statutory body Cotton SA, on hectares of farm land availed for the planting of organic cotton and number of related jobs created	Develop the Technical Assistance programme Appoint a service provider to develop an appropriate marketing strategy Sign MoAith Cotton SA to implement the Technical Assistance Programme and marketing strategy Cotton SA to develop a training manual on the Programme, for Agri-SETA's approval	No progress due to lack of funding.	Lack of funding.

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Improvement in food security indices in South Africa via the number of children/adults reporting hunger and the contribution of food price inflation to national inflation. In addition to the poverty-alleviating effect of the project, 5 000 jobs will be created over a 10-year period	MoA with retailers and food corporations	Appoint service provider to develop institutional model	Service provider to develop an institutional model not appointed.	Funding for the development of an institutional model was only received during the Adjustment Estimates process. This introduced delays. The project will be deferred to 2011/12.
			Obtain approval for institutional model by the dti's Executive Board	Significant progress in the establishment of 5 mills in KZN and Free State provinces through the African Micro Mills Pty(Ltd).	
			Conclude MoA with SABS on compliance testing in basic food products	MoA not yet signed but agreement reached with NRCS to undertake bi-annual food blitz to assess compliance with trade metrology requirements on basic food products.	
			Publicise calls for Proposals from franchisors	Franchisor can only be appointed after feasibility study has been concluded.	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Improvement in food security indices in South Africa via the number of children/adults reporting hunger and the contribution of food price inflation to national inflation. In addition to the poverty-alleviating effect of the project, 5 000 jobs will be created over a 10-year period	MoA with retailers and food corporations MoA with SABS to test weight and flour content of bread on a quarterly basis Decline of 1% in the number of children and adults reporting hunger over the previous 12 months, as provided by Statistics South Africa (StatsSA)	Develop new technology in small-scale milling	In-depth assessment of technology requirements of small-scale millers revealed that appropriate technology is already available. Feasibility study will investigate further support mechanisms for small-scale millers.	
			Finalise the terms of reference for a scoping study on the establishment of a National Agro-Processing Innovation Centre	Terms of reference not approved because project put on hold due to reprioritisation of deliverables for sector support.	Project put on hold due to reprioritisation of deliverables.
	Scoping of the desirability of establishing a National Agro-Processing Innovation Centre	Establishment of an effective institution to drive the agro-processing innovation activities	Appoint a service provider to conduct a scoping study	Number of new products and process innovations commercialised	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Establishment of a commercially viable Biofuels Sector in South Africa	Number of companies operating in the Biofuels Sector	the dti to collaborate with DOE to develop Biofuel Regulations which provide investor certainty through a supportive regulatory environment and mandatory blending of 2%, scaling up to 10% over 10 years	the dti collaboration with DOE led to agreement reached to include Greenfields sugar as potential feedstock and agreement on the pricing formula for biofuels, the mandating targets, and a floor price support mechanism.	None
		Number of jobs created in the Biofuels Sector		In addition agreement also reached with Nersa to allow bagasse as feedstock and a favorable tariff regime has been developed under Co-fit1.	
	Development of the Aquaculture Sector	Aquaculture Sector Strategy Developed Support measures developed for the Aquaculture Sector	Obtain approval of the Aquaculture Sector Strategy from the dti's Executive Board	Aquaculture sector strategy approved. The strategy has been formally transferred to DAFF as the mandated Department to implement. An intergovernmental workshop was convened and extensive consultation with Industry and other National and Provincial departments took place.	None

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Long-term sustainability of the Sugar Industry	Sugar Industry Sector Strategy approved and implemented	Obtain approval of the Sugar Industry Strategy	Strategy recommended for consideration by ExBo in November 2010.	Implementation of key action programme can only commence once strategy is approved.
			Commence implementation of key action programmes		
		Analysis of the level of government intervention required to ensure viability of a Sugar Industry	Finalise an analysis of the level of government intervention required in the Sugar Industry	Analysis of the level of government intervention required was undertaken as part of the strategy finalisation process.	
	Sustainability and growth of local automotive and components manufacturing capacity	Value of investments per annum Publication of the Automotive Production and Development Programm (APDP) guidelines	R3 billion	Draft guidelines finalised for consultation with Industry. Industry consultation has taken longer than initially anticipated. Automotive Investment which is a component of the APDP has already been launched and has attracted actual investment of R3.994 billion as per NAMSA quarterly review report.	Protracted industry consultations due to the complex nature of the work involved.
Publish the APDP implementation guidelines					

Sub-Programme	Strategic Objective	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Sustainability and growth of local automotive and components manufacturing capacity	Number of firms participating in Supplier Development Programme	Increase participation of firms by 30 from the previous year	15 participating firms were assisted through the supplier development programme.	Due to the economic recession which delayed the commencement of the programme
	Growth and Support of the cosmetics value chain via the Cosmetics SMME Development Programme	MoJ signed between the dti and various stakeholders in the cosmetics industry 600 Black cosmetics SMMEs operating from backyards and other remote areas made more competitive on yearly basis	600 Black cosmetics SMMEs operating from backyards and other remote areas made more competitive	The programme to assist 600 Black cosmetics SMMEs has been delayed due to capacity constraints; however, an SMMEs database which will be used to target the SMMEs has been established.	A Cosmetic Directorate has been established to increase capacity to support the sector.
	Development and support of the Oil and Gas Services Industry	Approved Stakeholder Support Programme for implementation	Conclude bilateral agreements with oil-producing countries in East Africa	No agreement was concluded because the target was changed to developing key action plans to support growth of the sector. Key Action plans have been developed and included in the new iteration of the IPAP.	Target was changed during the year to developing key action plans to support growth of the sector. Key Action plans have been developed and included in the new iteration of the IPAP.

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Increased capacity and support provided to the Ship Repair Industry, via the Port Infrastructure Development Programme	Approved Stakeholder-supported Port Infrastructure Programme, for implementation	Increase efficiency and capacity at the Cape Town Port, to benefit the ship-building industry	Transnet is concessioning the ship-building infrastructure in the ports to increase efficiency.	None
	Identification of specialised tourism sectors, via the establishment of the Niche Tourism Development Framework	Niche Tourism Development Framework in place Number of Niche Tourism research reports completed	Finalise the Niche Tourism Development Framework Execute and finalise research on Niche Tourism sectors 1 and 2 (to be identified)	Niche Tourism Development Framework finalised and handed over to Department of Tourism. Launched an information and business opportunities booklet on Avitourism. The outcomes of the study will be key input into the national Avitourism development strategy by NDT. Research on Education Exports and Educational Tourism and Accessible Tourism still underway.	Application by the youth tourism confederation was submitted to the export council for their consideration.
		Number of associations registered with the dti, under the Sector-Specific Assistance Scheme (SSAS)	Register industry associations under the SSAS, via Avitourism	No industry association has been registered.	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Customised Sector Programmes	Implementation of the Electronics Strategy and Diversification thereof into set top box (STB) production, to realise the country's Digital Migration Policy	Competitive White Goods Sector	Obtain funding and upgrade programmes initiated, which seek to ensure the local production of white goods and STBs	Funding secured for upgrade of the white goods sector and support of local manufacturing of STBs via the Industrial Competitiveness Upgrading Programme which will be launched in 2 nd quarter of 2011.	None
	Creation of renewable and nuclear energy industries	New industries created in the nuclear and renewable energy sectors	Finalise strategies and source funding to support local production of identified components	Funding secured to support local production of identified components via the Industrial Competitiveness Upgrading Programme which will be launched in 2 nd quarter of 2011.	Funding support for nuclear energy industries to be sought given that Cabinet decision to increase production of nuclear powered energy was taken in March 2011.

4.7.5 Programme 5: Consumer and Corporate Regulation Division (CCRD)

(a) Purpose

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

(b) Description of Sub-Programmes

- i. **Policy and Legislative Development** develops regulatory solutions, *inter alia*, through ongoing legislative reviews. The 2010/11 financial year projects include the review of the Estate Agency Affairs Act, 1976 (Act No. 112 of 1976) and the review of intellectual property laws and policy.
- ii. **Enforcement and Compliance** provides the public and private sector with policy reviews and briefings on trends analysis, impact assessments, market surveys and the effectiveness of regulatory agencies' voluntary compliance. In the 2010/11 financial year, fifteen (15) stakeholders were engaged, workshops, community radio interviews and other outreach activities reached more than five (5) million people and sixty (60) inspections were carried out in the liquor industry.
- iii. **Regulatory Services** monitors and funds a number of regulatory agencies: the National Gambling Board (NGB), which provides a regulatory framework for gambling practices; the National Consumer Tribunal (NCT), which ensures equity in the credit market and balances the rights and responsibilities of credit providers and consumers; the National Credit Regulator (NCR), which regulates the consumer credit industry to improve consumer protection in the end-user credit market; the National Consumer Commission (NCC), which ensures well functioning markets that are fair, competitive and responsible to consumers; the Companies and Intellectual Property Commission (CIPC), which regulates the enforcement of intellectual property and company laws, including those relating to the registration of companies; the National Lotteries Board (NLB), which regulates the National Lottery and all other South African Lotteries; the Estate Agency Affairs Board (EAAB), which regulates the activities of estate agents and protects consumers; the Companies and Intellectual Property Tribunal (CIPT), which adjudicates matters arising in terms of the Companies Act, 2008 (Act No. 71 of 2008); the Takeover Regulation Panel and the Financial Reporting Standards Council, which will be established under the Companies Act, 2008 (Act No. 71 of 2008) and will regulate affected transactions and issue standards; and the World Intellectual Property Organisation (WIPO), which facilitates a South African contribution to an international regime for Intellectual Properties (IP).

(c) Service Delivery Objectives and Indicators

- Facilitate easy access to economic participation by:
 - Providing economic opportunities for historically disadvantaged citizens;
 - Enhancing business confidence and certainty in South African business regulation;
 - Overseeing **the dti's** regulating entities and developing legislation; and
 - Enhancing capacity to monitor the effectiveness of the regulatory agencies and to

assess their impact on the economy.

- • Ensure consumer protection by:
 - Aligning the Alienation of Lands Act, 1981 (Act No. 68 of 1981) with the Estate Agency Affairs Act, 1976 (Act No. 112 of 1976) over the MTSF period; and
 - Comprehensively reviewing various intellectual property (IP) laws and policies on an ongoing basis.
- Improve efficiency in the governance structures on lottery matters and ensure the optimal distribution of lottery funds for departmental purposes by ensuring harmonisation, avoiding fragmentation, promoting economic development and encouraging innovation.
- Increase public knowledge on the socio-economic impact of the consumption of alcohol by providing ongoing consumer education.
- Assess the socio-economic impact of gambling by reviewing the proliferation of gambling.

(d) Summary of key achievements

Finalisation of the Companies Amendment Bill and Regulations – The amendment Bill rectifies errors identified in the new Companies Act for the effective implementation of this Act. The Companies Act introduces the simplification of business registration processes, reduces red tape and enhances the transparency of companies. Public hearings were held and the Bill was adopted by the Select Committee for assent by the President. The Regulations were published for the second round following extensive consultation with stakeholders, and will give effect to the new Companies Act, implemented with effect from 1 May 2011, with a Commissioner and Deputy Commissioner having been approved for appointment by Cabinet.

Finalisation of the Consumer Protection Act Regulations - The regulations will give effect to the new Consumer Protection Act, 2008, which was to be implemented with effect from 1 April 2011. The Consumer Protection Act is expected to improve consumer confidence in the South African market by providing consumers with protection in relation to agreements, product quality, and rights to refunds and repairs, and to encourage responsible spending. This will complement the National Credit Act, which has thus far had a positive effect regarding the curbing of reckless lending and spending. The National Consumer Commission was also launched by the Minister in March 2011 and was set to be established on 1 April 2011, with the Commissioner and Deputy Commissioner having been appointed already.

Finalisation of the Intellectual Property Laws Amendment for the Protection of Indigenous Knowledge - The legislative amendments to the Intellectual Property Laws will bring about the commercialisation and protection of indigenous knowledge, which has for long been exposed to bio-piracy and unlawful exploitation to the detriment of indigenous knowledge holders, who are mainly vulnerable rural and poor communities. The Bill is supported fully by Contralesa and the House of Traditional Leaders as one key intervention to stimulate economic activity among rural-based communities. Public hearings have been completed and Parliament is expected to deliberate on and finalise the Bill in the first term of 2011/12.

Estate Agency Policy Framework - The Framework has been finalised and the draft Bill was produced for tabling to Cabinet. This provides a framework for the drafting of the new Estate

Agents Act to sufficiently protect consumers.

The Regulations and the Minister's Directive for Distribution of Funds issued in terms of the Lotteries Act – Most needy communities rely on grants to extend services to the poor and to uplift the standards of living in the areas of sports, arts and charities. The Minister introduced Regulations and a Directive to improve access to funds to needy communities and causes, improve governance structures on lottery matters and ensure the optimal distribution of lottery funds for developmental purposes. Priority areas include infrastructure development in rural communities which will contribute to the creation of jobs if monitored and project-managed properly. This was completed after a thorough identification of core problems and obstacles to the distribution of funds.

The Intellectual Property Policy Framework – This Framework has been finalised and aims to harmonise IP legislation and laws dealing with IP in relation to access to medicine, access to education, exceptions, and an interface between competition and IP and consumers and IP.

The Lotteries Policy Framework and draft Bill – These were produced for tabling to Cabinet and provide a framework for the distribution of grants and the streamlining of processes. The Interactive Gambling Regulations have been completed.

Gambling Review Commission – Following concerns regarding the effects of gambling activities and their apparent proliferation, the Minister commissioned a Gambling Review Commission to assess, inter alia, the socio-economic impact of gambling, particularly on the poor; the proliferation of gambling which might result from legislative or implementation gaps; and the impact of technological development in this industry, which seems to have contributed to an increase in gambling activities. The review also assessed whether there is a need for further limitation of gambling activities or for the introduction of new activities.

The findings and recommendations are expected to shape the policy approach going forward to achieve the perfect balance between revenue generation and the potential harm caused to society. The report with findings was tabled and approved by Cabinet. Coupled with this process, the Minister has developed and published regulations to limit the advertising of gambling activities and enhanced regulations addressing illegal interactive gambling.

Liquor Enforcement – National Liquor Licensing Guidelines and Liquor Regulations were developed for the 2010 FIFA World Cup™ to streamline application procedures and align trading terms across the country. These have improved procedures for the licensing of distributors and manufacturers, while at the same time increasing the monitoring of compliance with liquor regulations through increased inspections and awareness campaigns. **the dti** has increased its visibility in this area and has partnered with various players to combat alcohol abuse and the social effects of alcohol. While the use of licensing processes facilitates entry by small players into related markets, **the dti** takes a cautious approach in this regard as there is a need to balance entry with the effects of alcohol products on society. One hundred and thirty-five (135) inspections were conducted to ensure compliance and responsible trading.

A research report was produced on the findings of a Regulatory Impact Assessment (RIA) of the Cost Benefit Analysis on the National Credit Amendment Bill and Policy review. The draft research report produced on the review of the Alienation of Land Act in order to align it with the Estate Agency Affairs Act was completed. In addition, a draft RIA report on the Estate Agency Policy and Law reform was finalised.

Anti-Piracy Campaign – Activities in this regard included a consultation meeting with the industry; the launching of an Anti-Piracy Campaign; and the appointment of a Copyright Review Commission and Task Team. A Copyright Review Report is expected from the Commission in July 2011. The Commission will hold public hearings, conduct research and benchmark approaches regarding the collection and distribution of royalties, and make recommendations on how to address the concerns of artists.

Awareness campaigns on the Consumer Protection and Companies Acts have continued, and workshops have been conducted. These have included presentations at Ministerial Izimbizos on the impact of liquor in various provinces. Six (6) publications and guidelines were developed and produced as part of the consumer protection awareness campaigns. These included a consumer guide, a guide on returns and refunds, a pocket act and a small business guide to identity theft and unconscionable conduct.

Table 13: Performance against planned targets

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Policy and legislative development, enforcement and compliance and regulatory services	Development of regulations to implement legislation	All regulations developed and published by the Minister of Trade and Industry	Implementation and reports submitted	Final Regulations on Companies Act developed. Final Regulations on Consumer Protection Act developed and published.	None Legislation only effective 1 April 2011 and 1 May 2011.
			Implementation of regulations and submission of monitoring reports	Competition Act Regulations draft finalised and transferred to Economic Development Department (EDD).	
		Monitoring and evaluation reporting		Monitoring reports not due yet.	
	Estate Agency Law reform	Bill approved by Cabinet and introduced in Parliament	Obtain Cabinet approval of the Bill for its introduction in Parliament	Policy and Bill finalised and tabled in Cabinet.	Cabinet referred matter to Inter-Ministerial Committee with Minister of Human Settlement.
		Regulations issued	Develop and issue regulations for implementation	Regulations not issued for implementation.	Regulations dependent on the Policy and Bill.
	Review of the Alienation of Land Act	Cabinet endorsed Policy Developed and finalised	Obtain Cabinet approval for the Bill and its introduction in Parliament	Draft research report developed. Policy and Bill not developed yet.	Research process took longer than anticipated due to procurement processes.

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Policy and legislative development, enforcement and compliance and regulatory services	Intellectual Property (IP) Policy Framework developed	Policy Framework and Bill approved by Cabinet Bill introduced into Parliament Regulations published by the Minister	Cabinet endorses Policy and Bill secured	Draft Policy developed but not approved by Cabinet yet.	Resources were diverted to unplanned Companies Act Rectification Process. Extended public consultations also contributed to delay.
	National Lottery Policy reviewed and policy document finalised	Policy Review framework approved by Cabinet	Cabinet endorses Policy Review Framework and Bill Introduce Bill in Parliament	Policy and draft Bill finalised and pending Cabinet approval.	Had to await Gambling Review Commission report.
	Assessment of socio-economic impact	Selection panel members approved Gambling Review Commission established Report, with recommendations, to Minister and Parliament	Review recommendations and hold consultations with stakeholders Submit report to Cabinet and Parliament Implement recommendations, once endorsed by Cabinet and Parliament	Consultations held with stakeholders. Recommendations to Minister tabled at the National Gambling Policy Council and Cabinet.	None

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Policy and legislative development, enforcement and compliance and regulatory services	Regulation and monitoring of special events and related matters	Guidelines for National Licence for FIFA 2010 World Cup developed	Enforce and monitor compliance with the regulations and guidelines	Guidelines for National Licence for FIFA 2010 developed and implemented.	None
	Regulation and monitoring of special events and related matters	Liquor regulations for FIFA 2010 World Cup Developed		Liquor Regulations developed for FIFA 2010 and implemented. FIFA ticketing regulations developed and implemented.	None
		Improved turnaround time for issuing of liquor licences	Increase the number of legal licence holders	New applications analysed and processed - moved from more than 12 months to average 80 days.	None
		Reduction of number of illegal liquor operators		Sixteen outlets shut down to reduce illegal liquor operators.	
		Comprehensive and updated database of national liquor register	Ongoing updates and management of national liquor register	National liquor register database updated and maintained.	
		Monitoring of liquor licensing National Licence for FIFA 2010 World Cup activities	Monitor liquor licence conditions	License conditions monitored through inspections – there were 95 compliance notices down from 137.	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Policy and legislative development, enforcement and compliance and regulatory services	Awareness of and compliance with Liquor Legislation	Partnership developed between the dti , industry and National Liquor Regulators' Forum (NLRFF)	Increase the number of communities reached by 10%	Five (5) SAPS workshops reaching 265 persons. Awareness campaigns held reaching 2 314 people from 987 previously. Nine (9) capacity-building for registrants, 490 reached. Eight (8) school campaigns reaching 18 261 from 672. General campaigns coupled directly to media reached 23 730 from 21 149.	None
		Number of campaigns conducted		Reports produced.	None
	Increased number of Stakeholders reached	Increase the number of communities reached by 10 percent	7 416 stakeholders reached from 1 230 reached last year.	25 campaigns on IP conducted.	None
	Reports produced	Enforce and monitor compliance with IP and liquor legislation	153 inspections/search and seizures conducted on IP seizing R8.8 million worth of goods with the dti partners.	135 inspections (from 106 last year) conducted in the area of liquor.	None

4.7.6 Programme 6: The Enterprise Organisation (TEO)

(a) Purpose

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

(b) Description of Sub-Programmes

- i. **Broadening Participation Incentives** provide incentive programmes that promote broadened participation by historically disadvantaged communities and marginalised regions in the mainstream of the economy. The Black Business Supplier Development Programme (BBSDP) and Co-operatives Incentives Scheme (CIS) form part of this sub-programme.
- ii. **Competitiveness Incentives** provide incentive programmes that promote industrial upgrading and the growth of South African goods and services in the global economy. Incentive programmes under this sub-programme include Export Marketing and Investment Assistance (EMIA), the Sector Specific Assistance Scheme (SSAS) and the Green Enterprise Competitiveness Programme (GEMP) that will be launched during the 2011/12 financial year.
- iii. **Manufacturing Incentives** provide incentive programmes that promote additional investments in the manufacturing sector. Incentive programmes under this sub-programme include the Manufacturing Investment Programme (MIP) within the Enterprise Investment Programme (EIP), the Small and Medium Enterprise Development Programme (SMEDP), the Small and Medium Manufacturing Development Programme (SMMDP), and the Automotive Production and Development Programme (APDP).
- iv. **Services Sector Incentives** provide incentives that promote increased investment and growth in the services sectors. Incentive programmes under this sub-programme include the Business Process Services Programme (BPSP) (previously the business process outsourcing programme), the film and television production incentive, and the Tourism Support Programme (TSP) within the Enterprise Investment Programme (EIP).
- v. **Infrastructure Development Support** leverages investments in the South African economy by providing infrastructure critical to industrial development, thus increasing exports of value-added commodities and creating employment opportunities. Incentive programmes under this sub-programme include the Critical Infrastructure Programme (CIP) and the Industrial Development Zone (IDZ) programme.
- vi. **Product and Systems Development** aims to develop, review, monitor and evaluate incentive programmes to support the National Industrial Policy Framework (NIPF) and its action plan as well as sector strategies to address identified market failures.

- vii. Business Development and After Care** facilitates access to targeted enterprises through the dissemination of information on TEO's incentive programmes as well as the provision of business advisory services to potential and existing clients.

(c) Service Delivery Objectives and Indicators

- Develop and promote incentive schemes with the aim of promoting investment, job creation and exports.
- Improve the administrative requirements for the incentives to make them more user-friendly with an electronic online application and claim system.
- Annually achieve a measurable improvement in identified customer focus indicators for incentives administration by developing measurable indicators.
- Improve administrative efficiency by implementing a new management information system (including the Information Technology (IT) system) by March 2011 to improve the turnaround times on applications and claims for incentive administration.
- Improve the impact of incentive programmes by implementing a monitoring and evaluation system.
- Promote co-ordination between the different spheres of government and other state institutions by developing a new institutional and governance framework for the programme in 2010/11. This is critical for the success of the IDZ programme.
- Reduce reliance on government grants by developing a financing model for the IDZ programmes.

(d) Summary of key achievements

i. Industrial Development

- The Automotive Investment Scheme has been launched and investments approved to the value of R7.3 billion will result in significant increases in unit plant production volumes.
- Three enterprises with investment value of R7.9 billion were supported under the new 12i Tax Allowance.
- Guidelines have been approved for the new Business Processing Services (BPS) programme. The programme has been effective from 1 January 2011 and has attracted three enterprises.
- The Enterprise Investment Programme (EIP) has approved investments amounting to R11.3 billion projecting 12 394 jobs in the manufacturing sector and 2 624 in the tourism sector. In line with IPAP 2, 71% of the approved manufacturing projects are in the lead sectors of agro-processing; furniture, wood, pulp and paper; chemicals, plastic fabrication and pharmaceuticals; and capital/transport equipment and metals. Of the approved manufacturing projects, R2.6 billion investment has been confirmed to be in place and 4 463 jobs have been verified.
- The Critical Infrastructure Programme (CIP) has supported 12 new investment projects to the value of R34.6 billion which in turn will create 9 271 new jobs. The 12 supported investments were in the Mining, Chemical, Manufacturing, Steel and Energy sectors.

The geographic spread of the projects is as follows: three (3) projects in Gauteng, two (2) in Limpopo, two (2) in Mpumalanga, two (2) in the North West, one (1) in Kwazulu-Natal, one (1) in the Northern Cape and one (1) in the Eastern Cape.

- During the 2010/11 financial year the two IDZs, Coega and the ELIDZ, signed a total of thirteen (13) investors worth an estimated R744 million. Of the thirteen (13) signed investments, seven (7) investments worth R342 million were signed by the ELIDZ and six (6) worth R402 million were signed by the Coega IDZ. The IDZ investments will support an estimated combined 4 551 construction and 1 400 direct job opportunities. The ORTIA IDZ was awarded an operator permit in December 2010, which will enable the development of a jewellery manufacturing precinct in this IDZ.

ii. Broadening participation

- The BBSDP impact assessment survey has been completed.
- Participation in incentives has been significantly broadened with the Tourism Support Programme (TSP), with 73% of approvals achieving level 4 BEE contributor status. Whereas under the predecessor programme (SMEDP), Gauteng, the Western Cape and KwaZulu-Natal were receiving almost 70% of the incentives, now the other provinces (Eastern Cape, Free State, Limpopo, Mpumalanga, the North West and the Northern Cape) represent 54% of the approved projects. Similarly, participation by black-owned entities has increased, with 36% of approved projects having a majority black shareholding.
- The EMIA programme supported 1 753 enterprises, resulting in export sales to the value of R2.9 billion.
- The CIS supported 232 co-operatives, creating 3 084 jobs.

Table 14: Performance against planned targets

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance	
			Target	Actual		
Incentive Administration	Effective Management of the Enterprise Investment Programme (EIP)	Number of enterprises supported	500	759	Increased number of applications received. More SME projects approved.	
		Projected investment leveraged	R13.9 billion	R11.3 billion	Approved projects are projecting a lower number of new jobs than expected.	
		Projected number of jobs created	17 775	15 018	Fewer OEM applications received than expected.	
	Effectively Manage Business Process	Outsourcing and Off shoring (BPO&O) Scheme	Number of Original Equipment Manufacturer (OEM) projects and number of component manufacturer projects	37	36	Fewer OEM applications received than expected.
			Projected OEM and component manufacturers' investment leveraged	R8.9 billion	R7.3 billion	Fewer OEM applications were received than expected.
			Number of enterprises supported	15	3	Fewer applications than expected were received due to the new BPS incentive scheme that replaced the BPO&O.
		Projected number of jobs created	8 925	806	Potential applicants delayed the submission of their applications in order to take advantage of the preferred new incentive scheme.	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Incentive Administration	Effective management of the Film and Television Incentive Programme	Number of productions supported	55	49	Fewer applications than expected were received as a result of the economic downturn.
		Qualifying South African expenditure	R1.4 billion leveraged	R991 million	
	Effective management of the 12i Tax Allowance Programme	Number of enterprises supported	6	3	The programme was only launched in October 2010 and 3 applications were recommended for approval to the Minister.
		Investment leveraged	R5 billion	R4.1 billion	
	Effective management of the Co-operative Incentive Scheme (CIS)	Number of enterprises supported	280	232	Fewer applications were received than expected.
		Number of jobs created	1 300	3 084	On average each co-operative has 10 members, which is higher than estimated.
Effective management of the Black Business Supplier Development Programme (BBSDP)	Number of enterprises supported	1 830	1 104	Old programme ended on 31 August 2009 and 700 applications were returned because of non-compliance with mandatory requirements of scheme.	
	Number of jobs created	1 300	1 067	Fewer projects were approved resulting in a smaller number of jobs sustained.	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance		
			Target	Actual			
Incentive Administration	Effective management of the EMIA Scheme	Number of enterprises supported	1 600	1 753	Fewer national exhibitions attracted more applications for individual exhibitions.		
		Value of export sales	R210 million (EMIA TEO)	R2.856 billion (EMIA including TISA and TEO)	Exhibitions attracted more export sales.		
	Management of funding agreements of IDZs	Quarterly reports and financial statements	Business plan analysis		None		
			The Business Plans for Coega IDZ, East London IDZ and Richards Bay IDZ were analysed and feedback provided to the IDZs. The quarterly reports and financial statements have been received and assessed.				
			Coega	Coega		ELIDZ	RBIDZ
			15	6		7	0
			Number of investors	5			
	Value of investment	R7.65 billion	R300 million	R406 million	Richards Bay IDZ was still building its HR capacity. ELIDZ and Coega IDZ could not achieve their targets due to preference of areas by the investors.		
			432	193			
			3 000	400			
Management of proposals for new IDZs	Reference team establishment	Evaluation reporting	IDZ applications to be supported:				
			- Mafikeng	- Mafikeng		Mafikeng: No finality on the application.	
			- Bloemfontein		Bloemfontein: Application was returned due to lack of support from the local and provincial government in the Free State.		

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Incentive Administration	Management of proposals for new IDZs	Reference team establishment Evaluation reporting	- Durban	Durban: Progress on the application.	Durban: Except for the exploratory meeting with the KZN province about the potential IDZ, there was no further follow-up from the applicant.
			- Saldanha	Saldanha: Feasibility study in the final stages.	Saldanha: The joint Municipal, Provincial and the dti Feasibility Study into the establishment of an IDZ in Saldanha has been established and financed. Base line data gathering is complete, and consultants are formulating a business model for the potential IDZ. The study is expected to be completed by October 2011, and should lead to a formal application.
			- OR Tambo	OR Tambo: An IDZ Operator Permit was issued by the Minister in November 2010.	None
			- Secunda	Secunda: No progress with the application.	Secunda: the dti had a meeting with the Mpumalanga province but there has not been progress with the application.

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Incentive Administration	Management of the CIP, with focus on rural, labour-intensive and green projects	Number of investment projects	14	12	The variance is indicative of the economic climate that prevailed during the period under review.
		Value of investment projects	R7 billion	R34.6 billion	Larger investment value than expected was attracted particularly for mining projects.
		Number of jobs created	2 820	9 271	Investments projected more jobs than expected.
	Development and redesign of the Work-place Skills Development Plan (WSDP) incentive scheme	Gap analysis, proposal/concept document, budget, proposal for funding, submission for approval of guidelines, hand-over for implementation (training and technical support)	Submit guidelines for Ministerial approval	The project has been discontinued.	More sector co-ordination work needs to be done by the dti as DHET requires a departmental skills requirement document.
	Design the new Industrial Competitiveness and Upgrading Programme	Adoption of project proposal by DDG, proposal for additional budget, submission for approval of guidelines, hand-over to Incentive Administration for implementation	Submission of guidelines and budget proposal for Ministerial approval	Guidelines for Green Enterprise Competitiveness Programme have been drafted and workshoped for comments - currently consolidating inputs.	Change of programme focus and title resulted in changes to the programme guidelines and necessitated further stakeholder consultations.

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Incentive Administration	Upgrading of the BPO&O Programme and alignment to the National Industrial Policy Framework (NIPF)	Needs analysis, study report, proposal/concept document, submission for approval of revised guidelines, approval and hand-over for implementation (training and technical support)	Submission of guidelines for Ministerial approval	Guidelines for the new Business Processing Services (BPS) programme approved and the BPS has been effective from 01 January 2011.	None
	Improvement of the Enterprise Investment Programme (EIP) guidelines and align with industry outputs	Collate internal policy proposals, submission for approval by Minister, technical support	Submission of revised Guidelines for Ministerial approval	Submission for approval of Manufacturing Investment Programme Guidelines are being prepared and terms of reference for the Tourism Support Programme study review have been finalised.	A need for financial appraisal toolkit for Tourism Support Programme was identified and the process to appoint a consultant has been initiated
	Development of performance Indicators for TEO incentive clusters	Baseline study Reports	Develop baseline study reports	Appointment of the service provider to do baseline study for Manufacturing Investment Cluster (MIC) has been approved. Baseline study for Broadening Economic Participation cluster (BEPC) discontinued.	A new instruction from Treasury on procurement and the fact that the recommended service provider was not listed on the dti database delayed the MIC study.
		Approved performance indicators for incentive clusters	Obtain approval of performance Indicators		Service provider appointed for the BEPC study resigned and indicators were developed in-house.

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Incentive Administration	Implementation of a new Management Information System and integrated IT System by March 2011	Monthly, quarterly and annual reporting	Provide internal and external stakeholders with the following reports: - Sector distribution; - Provincial spread; - Enterprise size; and - Women-owned.	Internal reports were provided.	None
		Functional IT system to facilitate management of incentive programme applications	Track applications and claims of at least two incentive programmes	The Integrated Information Management system is in the initial stages.	
	Facilitate an Organisational Development process in TEO	Business cases to support the recommended structure	Implement recommendations of the study	Draft OD study report submitted and draft TEO organisational structure ready for implementation.	Fewer SMEDP inspections were received due to the closure and finalisation of the administration of the SMEDP scheme. EIP start-off was slower than expected.
		Number of Inspections	720 inspections	356	None
		Number of proactive risk interventions	24	24	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Incentive Administration	Facilitation of capacity-building within TEO	Provision of training programmes, manuals and Standard Operating Procedures (SOPs)	Skills development of TEO officials	Management trained on the following SOPs: Telephone SOP, Inspections SOP. 85 percent of officials attended records management training.	None
		Targeted/focused stakeholder outreach workshops/seminars	Intensify awareness, uptake and access to the dti's incentives	Capacity-building plan for TEO officials in partnership with IDC has been finalised in conjunction with Learning Centre.	None
	Development of a TEO-specific Retention Strategy aligned to that of the dti	Approved TEO Retention Strategy	Implementation of the approved TEO Retention Strategy	Nine (9) high-level provincial stakeholder briefings led by TEO senior management completed.	None
	Achievement of 10% improvement in selected customer focus indicators	Defined customer focus indicators and approved customer service standards	Improve service standards and turnaround times	TEO specific competencies/skills plan completed, divisional retention plan completed in conjunction with Talent Management unit.	None
		Number of complaints	Classification of customer complaints	Clustering of TEO incentive programmes completed with the aim of strengthening strategic partnership.	None
	Conduct customer satisfaction surveys	Submit annual customer survey reports	Achieve 80% customer satisfaction from selected grant applicants	Database of customer complaints compiled and categorised.	None

4.7.7 Programme 7: Trade and Investment South Africa (TISA)

(a) Purpose

Increase export capacity and support direct investment flows through strategies for targeted markets and an effectively managed network of foreign trade offices.

(b) Description of sub-programmes

- i. **Investment Promotion and Facilitation** facilitates an increase in the quality and quantity of foreign and domestic direct investment by providing an investment recruitment, problem-solving and information service. The sub-programme is promoting South Africa as an investment destination, with a target of R115 billion over three years, and it is also responsible for organising an international investment conference annually.
- ii. **Export Development and Promotion** develops new and existing South African exporter capabilities. It provides information, financial support and practical assistance to sustain organic growth in traditional markets and penetrate new high-growth markets. TISA recently participated at the 2010 Shanghai World Expo and held trade and investment seminars on the theme of the modern economy in July and August 2010.

(c) Service Delivery Objectives and Indicators

- Increase exports by fully implementing the Department's export strategy by 2012.
- Promote trade in new or undeveloped markets through expanding foreign economic offices by fully implementing the new foreign economic office strategy by March 2013.
- Promote South African products in targeted high-growth markets through six (6) international trade initiatives and 18 pavilions, and through funding 50 trade missions, among others, through the export council and provincial investment promotion agencies.
- Facilitate markets for Southern African products and services by promoting and implementing 8 export projects in high-yield targeted countries by March 2011.
- Provide support services for investors by establishing a one-stop facilitation centre for investors.
- Enhance the promotion of exports and investment in targeted countries by providing a full suite of corporate services on an ongoing basis to the foreign economic offices.
- Facilitate an Investment Pipeline with projects worth R30 billion.

(d) Summary of key achievements

During the 2010/11 financial year **the dti**, through its division TISA, implemented measures to assist business in securing market access opportunities and investments for South African products and services. These measures included National Pavilions, Trade and Investment Initiatives (ITIs), as well as missions.

During the financial year ending in March 2011, five (5) International Trade and Investment Initiatives have been facilitated to Zimbabwe, Brazil, Russia, the Democratic Republic of Congo

(DRC) and India. The objective is to target priority sectors in key economies for both export and investment. A total number of sixteen (16) National and one (1) Local Pavilion as well as twenty (20) Group Trade Missions took place during the period under review.

In support of outgoing State visits the division facilitated business delegations to the following countries: Algeria (27 business people), India (226 business people), Russia (112 business people), China (380 business people), Lesotho (20 business people), Egypt (150 business people), Cuba (17 business people), and France (144 business people). For visits by the Deputy President, the division facilitated business delegations to the following countries: Turkey (49 business people), Syria (8 business people), Kenya (19 business people) and the United Kingdom (UK). Support was also given through the business forum programme during in-coming State visits to Zambia, Angola, Botswana, Uganda and Brazil.

Substantive progress has been made in recruiting foreign direct investment in a targeted manner. Targeted countries included: China, India, Russia, Brazil, Japan, Spain, Germany, France, the UK, the USA and the Middle East. The work programme will translate over the next three years into an investment pipeline of R115 billion of projects. The results of the year are R31.228 billion in potential investment and 14 055 jobs. The pipeline reflects R15.546 billion in domestic investment and R15.682 billion in foreign investment.

TISA has facilitated expansion programmes for several auto assemblers, notably General Motors, Ford and Mercedes Benz. TISA has also facilitated the roll-out of several other foreign investments in the manufacturing sector such as Nestle, Proctor and Kimberley Clark. Investments have also been facilitated in advanced manufacturing, resource-based and services industries.

Time Warner and **the dti** hosted the Global Forum event in Cape Town from 26 to 28 June 2010. This event was built on South Africa's unique positioning in terms of the 2010 FIFA World Cup™ participation and served as the key trade and investment event chosen to leverage the benefits of the 2010 FIFA World Cup. The Global Forum event was opened by South African President Jacob Zuma, who addressed the forum live via satellite from the G-20 summit in Toronto and attracted 450 very high profile Fortune 500 participants.

Table 15: Performance against planned targets

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Investment Promotion	Advanced Manufacturing, including: <ul style="list-style-type: none"> • Aerospace; and • Energy: 	Value of projects in the investment pipeline	R8 billion	R4.395 billion	Integrated Resource Plan 2 in the energy sector only announced in March 2011. Significant investment in the energy sector took place.
	Nuclear programme, Wind, Concentrated, Solar Power, Photovoltaic Panels, Biomass, Biogas and Electric Vehicles	Number of jobs created	2 000	470 jobs	
Investment Promotion	Manufacturing, including: <ul style="list-style-type: none"> • Turbine assembly and components; • Automotives components; and • Chemicals, plastic fabrication and pharmaceuticals; • Solar heating systems; • Electronics; and • Batteries for electric vehicles 	Value of projects in the investment pipeline	R7.5 billion	R10.614 billion	The announcement of the APDP which replaced the MIDP in 2010 provided clarity to OEMs investment decisions and component manufacturers to expand or set up operations. Multi-nationals in the FMCG sector i.e. Nestle & Proctor & Gamble set-up manufacturing plants because of the growth opportunities in SA and to supply Sub-Saharan Africa.
		Number of jobs created	2 500	4 275 jobs	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Investment Promotion	Resource based industries, including: <ul style="list-style-type: none"> • Mining and Metal-Based Industries; • Agro-Processing; and • Biofuels 	Value of projects in the investment pipeline	R13 billion	R12.95 billion	Rare Metals project has the potential to create over 2 0000 jobs.
		Number of jobs created	2 000	2 500 jobs	Bio-fuels depended on announcement of policy. Growth in the advanced material cluster was more than expected.
	Services, including: <ul style="list-style-type: none"> Business Process Outsourcing (BPO); Knowledge Process Outsourcing; Information, Communication and Technology (ICT); Tourism Development; and Logistics and Infrastructure 	Value of projects in the investment pipeline	R1.5 billion 5 450 R500 million 5 000 R1 billion	R3.269 billion	Incentive change from Capex to Opex which is more attractive and has been able to attract large players, e.g Amazon.
		Number of jobs created	450	6 810 jobs	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Investment Promotion	Promotion of South Africa as an investment destination	Number of promotional activities conducted	3 international investment conferences	One (1) WAIPA annual conference	State visits have taken precedence and resources.
			One (1) local/international investment conference	One (1) Global Economic Forum in CT	
			60 investment presentations	49	
			Three (3) investment pavilions	Two (2)	
			Five (5) Ministerial or Presidential missions	26	Unplanned additional State Visits.
			20 in-bound missions	Seven (7)	Requests by the Presidency to arrange business missions for State Visits.
			12 out-bound missions	Five (5)	
			Four (4) technical missions	Two (2)	
			R30 billion	R31.228 billion	
			12 000 jobs	14 055 jobs	

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Investment Promotion	Provision of Investment Information: General	Publications developed, printed and distributed to South African missions.	Investor's Handbook publication	Investor Handbooks distributed.	Due to relative importance & substituted with sector propositions.
		Provincial Investment Promotion Agencies (PIPAs) and potential investors	Cost of Doing Business in South Africa publication	Discontinued	
			Geared for Growth publication	Geared for Growth distributed.	
Investment Promotion	Investment Facilitation and Aftercare	Number of recommendations to facilitate investors' entry into South Africa	Emerging Market Series, by March 2011	Project on hold.	Project discontinued due to a change in research focus.
			200 recommendations on all four categories viz. 1. Capital waiver 2. Corporate permits 3. Intercompany transfers 4. Investment visa facilitations	183 recommendations on all categories.	Economic downturn & stricter criteria set.
			300 new companies trained	47 companies trained through seda offices.	The seda training programme currently not aligned to the dti and there is no reporting structure between seda & TISA. A process is being developed with the Director-General to achieve alignment.
Export Development	National Exporter Development Programme	Number of small companies that are export-ready			

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Export Development	Export Development	Number of trade enquiries availed to local companies	550 trade enquiries	A total of 445 enquiries availed to local companies including international tenders bringing the total for the business plan to 795.	The dramatic increase in trade enquiries is a result of the introduction of international tenders and participation in United Nations procurement.
	Promote South African products in targeted high-growth markets by managing 52 National Pavilions	Number of committed projects	16 National Pavilions	A total of 19 National Pavilions took place.	3 additional pavilions were considered on the basis of priority sectors, i.e. craft as well as agro-processing, Handmade collection, Ambiente, Fruit, Logistical.
	Total export sales reported as a result of National Pavilion participation	Total export sales reported in South African Rand	R700 000 000	R1 670 487 982	Highly successful recruitment with a focus on high-growth markets, as well as outstanding exports from Automotive and Defence exhibitions in Abu Dhabi and Dubai.
	Estimated number of jobs created as a result of National Pavilion participation	Total estimated number of jobs created	Permanent jobs: 250 Temporary jobs: 300	Permanent jobs: 262 Temporary jobs: 78	Exceeded the target due to increase in efforts for exports to high-growth markets.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
PERFORMANCE INFORMATION for the year ended 31 March 2011

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Export Development	Estimated number of companies financially assisted	Number of companies financially assisted	280	452	Exceeded the target due to the review of EMIA rules as well as consideration for increased space for the dti's participation, awareness through export workshops.
	Promote South African products in targeted high-growth markets by conducting 118 Trade Missions	Number of committed projects	34 Trade Missions	54	Better recruitment of participants for Group Missions and ITIs resulting in larger delegations participating in missions.
	Total export sales reported as a result of Trade Mission participation	Total export sales reported in South African Rand	R150 000 000	R3 044 590	Two of the missions in Q1 were primary market research and development and as such no export sales were reported. Report for Q3 and Q4 will be available in July and October 2011 respectively.
	Estimated number of jobs created as a result of Trade Mission participation	Total estimated number of jobs created	Permanent jobs: 75 Temporary jobs: 80	Permanent jobs: 13 Temporary jobs: 0	Performance of Group Missions taking place during Q3+Q4 will only be available 6 months after the event as per EMIA rules and will therefore only be reported on in Q1 & Q2 of the next financial year.

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Export Development	Estimated number of companies financially assisted	Number of companies financially assisted	300	337	Improved co-ordination through export workshops across the 9 provinces.
	Development of regional Export Promotion Strategies and action plans for high-growth markets, based on market intelligence gathered	Implementation of Export Promotion Strategies and action plans	<p>Development of Export Promotion Strategies for:</p> <ul style="list-style-type: none"> - Brazil; - Russia; - Zimbabwe; - DRC; - India; and - China. <p>6 Investment and Trade Initiatives in high-growth markets, as follows:</p> <ul style="list-style-type: none"> - Russia; - India; - China, - Zimbabwe; - Brazil; and - DRC. 	<p>Export promotion strategies done for the listed countries.</p> <p>6 ITIs done</p>	<p>ITI to China replaced by the cti's participation in World Expo, which created additional opportunities.</p> <p>Investment: R1.25 billion</p> <p>Exports: R437 million</p>

4.7.8 Programme 8: Communication and Marketing

(a) Purpose

Facilitate greater awareness of the Department's role and increase the uptake of its products and services.

(b) Description of sub-programmes

- i. **Brand Management** manages the Department's image and ensures that excellent customer service standards are upheld. This entails improving customer touch points and ensuring strong customer relationship management.
- ii. **External Communications** creates consumer awareness and educational campaigns to ensure a meaningful understanding of the Department's offerings.
- iii. **Media and Public Relations** ensures that the Department's image is visible by improving media relations management and public relations activities.

(c) Service Delivery Objectives and Indicators

- Promote awareness of the Department's impact on growth and development by increasing awareness campaigns on the Department's programmes from two (2) campaigns per quarter in 2009 to three (3) per quarter in 2011.
- Minimise negative press coverage of the Department and assess performance against benchmarks on a quarterly basis.
- Improve communication about the Department's role, products and services by:
 - increasing the frequency of media updates from bi-weekly to daily;
 - reaching at least 95% of economic citizens through external events by March 2011; and
 - increasing the number of media briefings from two (2) per quarter to four (4) per quarter by March 2011.

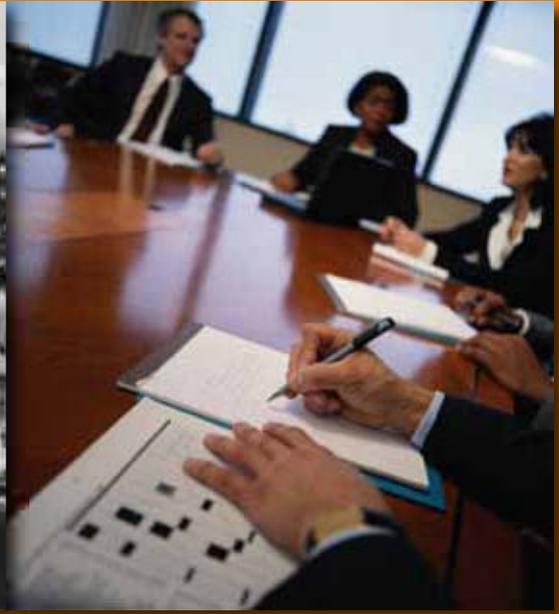
(d) Summary of key achievements

- Increased coverage (mainly positive) of the Department;
- Extensive coverage of international missions in both domestic and international media; and
- Redesign of the dti website.

Table 16: Performance against planned targets

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Brand Management	Sustainable advertising and marketing campaigns	Successful execution of one targeted campaign per quarter	Six (6) targeted campaigns	Eight (8) campaigns	Two additional campaigns had to be done informed by need. The campaigns were related to the launch of a new agency and an outreach event.
	Analysis of customer service and impact of the dti's communication methods via targeted Customer Perception Surveys	Annual customer satisfaction and perception survey reports	Conduct one comprehensive Customer Perception Survey	Discontinued	Executive decision taken not to proceed with this during 2010/11.
Brand Management	Effective management of the dti Customer Contact Centre	More than 80% service level per year: - 80% first-time resolution (industry norm); and - 6% abandonment rate (industry norm)	Achieve the 80% service level industry norm	47.3% average	Capacity challenges and ineffective back-office processes, which has negative consequences on service levels.
				28.1% average	the dti & Companies & Intellectual Property Commission call centres separated during 2011/12.

Sub-Programme	Strategic Objective	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
External Communication	Effective Management of Events and Exhibitions (including Izimbizo)	Well co-ordinated and managed events, exhibitions (qualitative and quantitative variables)	Well co-ordinated and managed events, exhibitions (qualitative and quantitative variables)	68 events and exhibitions	None
			High-quality Published and circulated publications	70 publications	None
External Communication	Publications Content Development and Distribution Management	Information and Marketing materials published and circulated to the intended target markets of the dti	Launch of the website	99% completed as at end of March.	Incompatibility of the SITA & the dti systems.
			Six (6) site visits	Website launched in May 2011.	
Media Relations and Publicity	Proactive Publicity of the dti 's programmes and identified success stories	Three (3) site visits per quarter	Issuing of media releases within 48 hours	79 media releases within 48 hours	None
			4 media briefings 6 events-linked media briefings per annum	24 media briefings held.	An increased need to inform or clarify the dti 's position on several issues, including the launch of programmes and responses to issues in the public domain.



5. ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

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Report of the Audit Committee

Audit Committee Report to the Executive Authority and Parliament of the Republic of South Africa

We are pleased to present our Audit Committee report for the financial year ended 31 March 2011.

Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and meets at least four times per annum as per its approved terms of reference.

During the current year four meetings were held.

Name of Member	Number of meetings attended
Non-Executive Members	
Mr L. Yanta (Chairperson)	2/4
Mr A. C. Coombe – (Membership term expired)	1/2
Mr D.A. Braithwaite	4/4
Ms P. Ndumo	4/4
Ms V. du Preez - (New Member)	1/1
Mr D. Dharmalingam - (New Member)	1/1
Executive Member	
Mr T. Matona (Director-General) - Term at the dti ended	2/3
Mr L. October (Acting Director-General)	1/1

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulations 3.1.13. The Audit Committee also reports that it has appropriate terms of reference as its Audit Committee Charter has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The systems of internal control are designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed.

In line with the PFMA and the King III Report requirements (applicable as per **the dti** AC Charter), internal audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification

of corrective actions and suggested enhancements to the controls and processes. A separate Risk Management Committee exists that monitors and oversees the control of risk areas throughout **the dti**.

From the various reports of the internal auditors, the Audit Committee noted that no significant or material non-compliance with prescribed policies and procedures has been reported.

Based on the audits conducted and presented at the Audit Committee meetings for the 2010/11 year, the Committee concludes overall that the controls evaluated during those audits were adequate, and materially effective for most of the areas tested. We do, however, emphasize that in certain instances controls were found to be only partially effective.

Quality of Management Reports

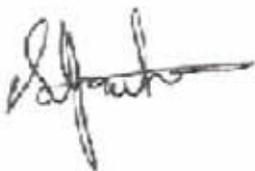
The Committee was satisfied in most instances with quality of the quarterly financial reports and Annual Financial Statements prepared and issued by the Accounting Officer and the Department during the year under review. Certain improvements have been recommended to the Accounting Officer.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed the 2010/11 Annual Financial Statements;
- Reviewed the Auditor-General's Final Management Letter and management's response thereto;
- Reviewed the appropriateness of accounting policies and practices;
- Reviewed significant adjustments resulting from the annual audit; and
- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements included in the annual report.

The Audit Committee concurs with and accepts the conclusions of the Auditor-General on the annual financial statements.



Chairperson of the Audit Committee
17 August 2011

Report of the Accounting Officer

Report of the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa

1. General review of the state of financial affairs

1.1 Strategic Overview

During the year under review, the Department of Trade and Industry (**the dti**) continued with the implementation of its programmes within an environment that was still characterised by the lingering recession of the South African economy, brought about by the global economic crisis. As part of contributing to the economic recovery, **the dti** reviewed its programme and brought new initiatives such as the introduction of new incentives schemes aimed at supporting the job creation agenda of the Government.

The Department continued with the implementation of Industrial IPAP2, which focuses on employment outcomes through aligning industrial incentive programmes to support labour absorption. Notable achievements have already been realised in some sectors during the year under review.

During the year under review, Cabinet approved the New Growth Path (NGP) as the overarching policy framework to deliver on the outcome of creating decent employment through inclusive growth. This outcome is co-ordinated by the Department under the stewardship of the Minister of Trade and Industry. The Minister had during the previous financial year concluded a Performance Agreement with the President of the Republic of South Africa which outlines the prioritised areas of delivery by **the dti** during the medium-term period. This was further strengthened with the conclusion of a Delivery Agreement between the Minister and other Ministers for the Outcome of “decent employment through inclusive growth”. These agreements serve as a base from which the Minister will steer the Department towards achieving the priorities and outcomes of the Government as contained in the Medium-Term Strategic Framework for the 2009-2014 electoral period.

- Notwithstanding the achievements that are outlined in the latter part of this report, the Department experienced key challenges that had a negative impact on the delivery of some service during the year under review, namely:
- Inter-departmental co-ordination with regard to the implementation of cross-cutting programmes;
- Effective monitoring and evaluation of programmes;
- Effective oversight of public entities;
- Pace of regulatory reform such as the export tax on scrap metals; and
- Insufficient human capacity within **the dti** and in the foreign offices.

the dti's outputs are inextricably linked to the performance of the South African economy and it is a challenge to set targets, which are in themselves, dependent on a range of factors, e.g. the exchange rate, failure to conclude the WTO negotiations as well as interests of our partner countries.

The areas for improvement identified by the Auditor-General (AG) do in no way constitute a breach of internal controls and plans are in place to develop and implement an online system for incentive application as well as strengthening the internal control environment.

With respect to the progress of performance information, several changes have been implemented and a capacitated unit is in place to facilitate the evaluation of **the dti's** work within a dynamic environment. There have been substantive leadership changes and the new team have implemented process changes to the collation and management of performance information. Performance review sessions were held and the Minister provided key areas of focus for each area of **the dti** at the beginning of January 2011. In addition, the Minister now approves the performance information of the Department.

1.2 Overview of key policy developments

Industrial Development

In the area of Industrial Development, an important achievement for the Department was the finalisation and launch of the new iteration of the IPAP2, covering the 2011/12 – 2013/14 period. During the year under review, achievements relating to the implementation of IPAP2 include: 171 companies that benefited from government support under the new Clothing and Textiles Competitive Programme (CTCP) and the Production Incentive (PI) programme, resulting in the saving of 40 591 jobs; 1 111 new jobs created; and 950 jobs created through the investments of R40 million in the Business Process Services sector. In addition new investment commitments worth R42 million were approved linked to 806 jobs. Under the Monyetla II Programme, 3 400 young trainees were trained of whom 70% are guaranteed employment by the BPO Consortium.

Work on green industries has laid the foundation for the revision of building standards that will require higher levels of energy efficiency and the mandatory installation of solar water heaters in new buildings. The South African Bureau of Standards has finalised enabling standards for solar water heaters, wind energy turbines, energy efficient lighting, appliances and products, electric battery and alternative fuel vehicles, and the co-generation of electricity and biofuels.

In the area of public procurement, Cabinet approved amendments to the regulations of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000). The amendments fast-track Government's localisation and employment creation drive and allows for the designation of sectors for local procurement and alignment with B-BBEE codes.

On the industrial financing front, during the year under review the Coega and East London Industrial Development Zones (IDZs) signed a total of thirteen (13) investments worth an estimated R744 million. The investments were in the following sectors: automotive, general manufacturing, agro-processing, mineral beneficiation, renewable energy, mariculture, and logistics.

As part of the alignment of industrial financing with industrial policy objectives, the Enterprise Investment Programme (EIP) has approved investments amounting to R11.3 billion. This investment is projected to create 12 394 jobs in the manufacturing sector and 2 624 in the tourism sector.

Trade, Investment and Exports

the dti finalised a Trade Policy and Strategy Framework which sets out the Government's approach to trade policy and strategy and clarifies that South Africa's trade policy will be informed by industrial development and employment objectives. Guided by this Framework, the Department continued to prioritise development and regional integration in Africa and Southern Africa.

The South Africa-Zimbabwe Bilateral Investment Treaty (BIT) was ratified by both Parliaments and has entered into force. A new Vision and Mission for the Southern African Customs Union (SACU) was approved by the SACU Heads of State in April 2010 and South Africa hosted a SACU Summit in July 2010.

The Southern African Development Community (SADC) Ministerial Task Force approved an action plan with nine (9) priority focus areas that will help to consolidate the SADC Free Trade Area and provide greater impetus to regional industrialisation. In addition, SADC has begun to forge a common position on the SADC – East African Community (EAC) – Common Market for Eastern and Southern Africa (COMESA) Tripartite Free Trade Area (FTA). South Africa has given its support to this agenda.

In addition to South Africa's regional engagements, the Department provided the economic content for the State visits to China, India, Brazil and Russia. South Africa and China signed the Comprehensive Strategic Partnership Agreement (CSPA) that included an undertaking to increase South Africa's value added-exports to China and to encourage Chinese investment in South Africa.

In support of the outgoing State visits, the Department facilitated business delegations to the following countries: Algeria (27 business people), India (226 business people), Russia (112 business people), China (380 business people), Lesotho (20 business people), Egypt (150 business people), Cuba (17 business people) and France (144 business people) in addition to facilitating business delegations to Turkey (49 business people), Syria (8 business people), Kenya (19 business people) and the United Kingdom for Presidential visits by the Deputy President. Support was also provided to the business forum programme during in coming State visits from Zambia, Angola, Botswana, Uganda and Brazil.

Broadening Participation

Based on the need to broaden the participation of enterprises in the economy, the Department, through the Small Enterprise Development Agency (**seda**), has to date established a network of forty two (42) branches, seventeen (17) mobile units and fifty eight (58) Enterprise Information Centres (EICs) countrywide. In the period under review, close to 63 916 new clients accessed the **seda** branch network.

The Technology Incubation Programme of the Department, which is managed by **seda**, created 202 new Small Medium and Micro Enterprises (SMMEs), 1 209 SMMEs were supported, 35% of which were women-owned and 91% were black-owned. This led to the creation of 893 direct jobs. Currently, there are thirty (30) incubators country-wide, supporting SMMEs in various industrial sectors, including chemical, biotechnology, floriculture, small-scale mining, Information and Communication Technology (ICT), stainless steel, furniture, construction, jewellery, bio-fuels,

agriculture, automotives, base metals, mixed manufacturing and aluminium.

With regard to co-operatives, a total of 100 new small-scale co-operatives with approximately 500 new job opportunities were established. To encourage the establishment and sustainability of co-operatives, 89 co-operatives were trained on the co-operative concept.

This is the fourth year since the promulgation of the Black Economic Empowerment (BEE) Codes of Good Practice, and in this regard, the Advisory Council made key policy recommendations that will redefine how Broad-Based Black Economic Empowerment (B-BBEE) is implemented. The Advisory Council's recommendations were tabled at Cabinet for noting and are now being discussed at cluster level. The objective is to ensure that, going forward, implementation translates into real meaningful empowerment resulting in the creation of sustainable black enterprises and quality jobs.

The Strategic Framework on Gender and Women Economic Empowerment is currently under review in partnership with International Labour Organisation (ILO). The approach to be taken affirms gender mainstreaming including targeted interventions as the key pillars for promoting the economic participation of women.

A draft strategic policy framework on skills development has been completed to guide the Department's mandate on skills, industrial and enterprise development and its partnerships with the Department of Higher Education and Training and its Sector Education & Training Authorities (SETAs) in the IPAP priority sectors. The Workplace Challenge has extended its scope to Small and Medium Enterprises (SMEs) in the under-developed regions in Limpopo, and fifty six (56) new companies were nurtured in total. In preparation of scaling up the impact of the programme, industrial clusters have been mapped in the North West and the Western Cape provinces.

Regulation

To transform and improve the regulatory environment, the Department finalised various pieces of legislation and regulation to effect the implementation of that legislation. The Companies Amendment Bill and its Regulations are intended to rectify errors identified in the Companies Act, 2008 (Act No. 71 of 2008). The Consumer Protection Regulations were finalised to give effect to the new Consumer Protection Act, 2008, (Act No. 68 of 2008). This will complement the National Credit Act, 2005 (Act No. 35 of 2005) which has thus far made inroads in curbing reckless lending and spending. In addition, the National Consumer Commission (NCC) was launched by the Minister in March 2011.

The Department also finalised the Intellectual Property laws amendment Bill aimed at bringing about the commercialisation and protection of indigenous knowledge, which has been exposed to piracy and unlawful exploitation to the detriment of indigenous knowledge holders, who are mainly vulnerable rural and poor communities. Public hearings have been completed and Parliament is expected to deliberate on and finalise the Bill during the first half of the 2011/12 financial year.

The Gambling Review Commission completed its work in July 2010 and a report was finalised. The findings and recommendations are expected to shape the policy approach going forward to achieve the balance between revenue generation and the harm caused to society. The report was tabled and approved by Cabinet and following this process, the Minister published regulations to limit the advertising of gambling activities and to address illegal interactive gambling.

Administration and Co-ordination Cluster

In this area, the Department has focused on improving its institutional capacity and business processes to ensure the attainment of specific outcomes related to industrial development and employment creation; filling of critical vacant posts with speed; and abolishing those that are not funded and vacant for extended periods; and maintaining and upgrading its Information Communication Technology (ICT) infrastructure.

Furthermore, the Department participated in various National Economic Development and Labour Council (NEDLAC) executive and management committees and also played its role as of convener of the Trade and Industry Chamber. In addition to that, the Department also continued its participation in the Economic Sectors and Employment Cluster (ESEC) of Cabinet.

1.3 Envisaged outcomes

Although the Department has identified its medium-term results, the primary objective is to ensure direct contribution towards three (3) of the twelve (12) outcomes of Government, namely:

- Outcome 4 – Decent employment through inclusive growth;
- Outcome 11 – Creating a better South Africa, a better Africa and a better world; and
- Outcome 12 – An efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship.

1.4 Overview of spending trends

The budget allocation for the 2010/11 financial year was R6.2 billion as compared to R6.4 billion in 2009/10. The expenditure for 2010/11 was R5.8 billion, i.e. 93,6% of the budget, and in 2009/10, it stood at 97,4%, i.e. R6.2 billion. This spending pattern should be considered in the context of the Departmental cost drivers, comprising mainly incentive schemes and transfer payments. Approximately 58% of the expenditure consisted of incentives and 22% of transfers to the departmental agencies. The remaining funds were utilised for operational expenses. The majority of **the dti's** transfer payments to business incentive schemes, as well as the infrastructure and investment support programmes, reside within the Empowerment and Enterprise Development (EEDD), Industrial Development (IDD) and The Enterprise Organisation (TEO) divisions.

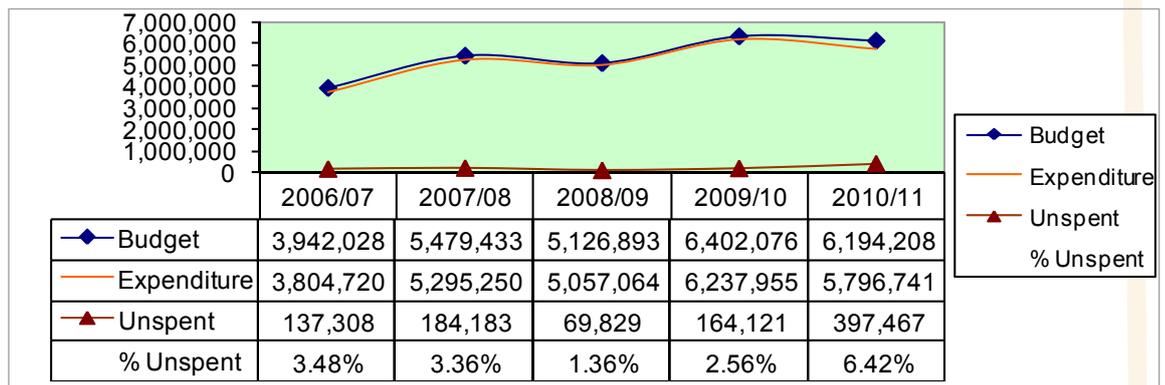
The under-spending was mainly in the area of International Trade and Economic Development (ITED), Consumer and Corporate Regulation (CCRD), The Enterprise Organisation (TEO), Trade and Investment South Africa (TISA), as well as Communication and Marketing divisions. Under-spending of R397.467 million must be read in the context of seven (7) requests for roll-overs, amounting to R318.223 million, of which two requests were approved by National Treasury.

The request for roll-over is in respect of the following:

Programme	Item/Project	Amount R'000
Programme 2	2nd Tripartite Summit	19,700
Programme 4	Intsimbi; National Tooling Initiative	20,993
Programme 4	South African Nuclear Energy Corporation	13,000
Programme 4	Centurion Aerospace Village	200,000
Programme 5	National Consumer Commission	24,800
Programme 5	Companies and Intellectual Property Commission (CIPC)	8,982
Programme 6	Automotive Production and Development: Production Allowance (AIS)	30,748
Total		318,223

The expenditure pattern over the past five years, as compared with the budget allocations, is reflected in the graph below:

Five-Year Comparison of Budget vs Expenditure – R'000



As depicted in the graph above, it should be noted that the 2010/11 financial year shows a slight deviation to the consistent spending over the past financial years. This was mainly due to delays in the launch of the Automotive Incentive Scheme (AIS).

The following table reflects the categories against which the Department's expenditure had been incurred:

	2010/11		2009/10	
	R'000	%	R'000	%
Total Allocated Budget	6,194,208		6,402,076	
Less: Payments to agencies	838,980	13.5%	1,440,308	22.5%
Less: Compensation	514,935	8.3%	445,577	7.0%
Less: Incentives	3,859,334	62.3%	3,762,528	58.8%
Incentives capital	1,229,092	19.8	1,407,324	22.0%
Other incentives	2,630,242	42.5	2,355,204	36.8%
Less: Goods & Services	474,830	7.7%	503,661	7.9%
Less: Other Payments	93,473	1.5%	60,230	0.9%
Less: Capital	15,189	0.2%	25,599	0.4%
Total Unspent	397,467	6.4%	164,121	2.56%

1.5 Virements

A total amount of R44.000 million was re-directed between main divisions of the vote by means of virement transactions approved by National Treasury, to address various changes in operational requirements. The most important operations for which redirected funds were utilised, are as follows:

Virements between Programmes

Virements From The Following Programme	Virements To The Following Programme	R'000	Reasons
The Enterprise Organisation	Empowerment & Enterprise Development	18,000	Redirected to fund shortage of SPII funds
	Industrial	24,000	Redirected to fund Centres of Excellence and the National Tooling initiative which were under-funded
	Development Trade & Investment South Africa	2,000	Funds redirected to Proudly South Africa which was under-funded
		(39,200)	Savings from Transfer Payments, Goods and Services, and on the Compensation of Employees
Communications and Marketing		(4,800)	Savings on Goods and Services at GSSSD
Total		-	

1.6 Expenditure trends per Programme

Programme 1: Administration

This programme provides strategic leadership to the dti and its entities. It comprises support for the offices of the Minister, Deputy Ministers and Director-General. The Director-General's office consists of the Strategy and Agency Management Unit, Internal Audit as well as the Economic

Research and Policy Co-ordination Unit. The programme also includes the Group Systems and Support Services Division (GSSSD), which is responsible human resource management and the learning centre, financial management, corporate governance, accommodation management, and information systems.

Expenditure increased from R416.8 million in 2009/10 to R435.8 million in 2010/11, amounting to an increase of 4.6%. This increase is largely as a result of unitary payments to the concessionaire for the provision of fully serviced office accommodation for the Department.

Programme 2: The International Trade and Economic Development Division (ITED)

This programme is responsible for the development of policies and the design of policy instruments for economic activity, aimed at further integrating South Africa into the global economy. This will be done by negotiating international trade agreements and managing South Africa's tariff regime. This programme also fosters economic integration in Africa within the New Economic Programme for African Development (NEPAD) framework.

International Trade and Economic Development provides leadership on trade policy in South Africa to promote economic development by working to build an equitable multilateral trading system that facilitates development; strengthening trade and investment links with key economies; and fostering African development including through regional and continental integration, and development co-operation in line with NEPAD.

The Division experienced a decrease in expenditure from R183.9 million in 2009/10 to R106.9 million in 2010/11, amounting to a decrease of 42%. The decrease in expenditure is as a result of the transfer of the International Trade Administration Commission (ITAC) to the Economic Development Department (EEDD).

Programme 3: Empowerment and Enterprise Development Division (EEDD)

Enterprise Development is responsible for creating an enabling environment conducive to the development and growth of SMMEs and co-operative enterprises, and to increase their contribution to the country's Gross Domestic Product (GDP), as well as improve the lives of all South Africans.

Equity and Empowerment, seeks to implement B-BBEE and gender policies. Regional Economic Development aims to enhance the competitiveness of local and provincial economies for sustained economic growth, as well as provide innovation and technology support.

The Division experienced a decrease in expenditure from R1.311 billion in 2009/10 to R801.1 million in 2010/11, amounting to a decrease of 38.9%. The decrease in expenditure is as a result of the transfer of South African Micro-Finance Apex Fund (SAMAF) and Khula Finance Enterprise to the Economic Development Department (EED).

Programme 4: Industrial Development Division (IDD)

Industrial Competitiveness does advocacy work and develops policies and interventions, such as technical infrastructure support diversification. It also eliminates intermediate barriers to entry,

deepens domestic technology linkages and participates in dynamic value chains to improve the industrial competitiveness of the South African economy. The Customised Sector Programme seeks to develop high-impact sector-specific strategies that are crucial for economic growth and employment creation.

A large number of **the dti** group of institutions reports to this division. Its expenditure increased from R413 million in 2009/10 to R1.142 billion in 2010/11, resulting in an expenditure increase of 176.5%.

National Industrial Participation Programme (NIPP)

the dti has been mandated with the management and monitoring of the NIPP. The objectives include increasing the levels of foreign direct investment, market access for South African value-added goods and services, job creation and skills development. This is achieved via the lever of government procurement. Participation in the Programme becomes obligatory when the imported content of any public sector purchase or lease of goods or services exceeds US\$10m.

The table below sets out the updated progress as at 31 March 2011 of the performance of the Strategic Defence Packages (SDPs). Five of the six obligors under the SDP completed their NIPP obligations to date, namely Obligor 2, Obligor 3, Obligor 4, Obligor 5 and Obligor 7.

Obligor 1's performance will be assessed in the next financial year. Obligor 6 has historically been audited by the Auditor General's office as part of the SDPs but is an obligation arising out of defence procurement rather than being part of the packages. This obligation however has been met in full.

On obligations unrelated to the defence procurement, significant progress has been made in getting the automotive sector to participate in the programme, with most Original Equipment Manufacturers (OEMs) having signed agreements with **the dti**. This has led to a number of localisation programmes in the cases of Volkswagen and Toyota. This has continued to motivate component manufacturing locally as NIPP is used as part of the OEM's bids to bring work to South Africa.

To date and in totality, the NIPP has seen the implementation of over 251 projects and credits in excess of US\$ 20 billion have been awarded. This was primarily in the form of investments made, as well as exports generated, which have led to the creation and/or retention of approximately 25 000 direct jobs.

In order to monitor the obligors' progress, **the dti** has endeavoured over the past years to develop an industrial participation electronic database that would allow staff to electronically update information. A system has been procured from an external vendor and has been customised and implemented. The backlog of data is currently being captured.

	Obligor 1	Obligor 2	Obligor 3	Obligor 4	Obligor 5	Obligor 6	Obligor 7
Value of milestone due	\$7,200,000,000	€2,852,460,454	\$2,047,600,000	\$652,408,990	\$767,930,000	\$17,749,959.44	£108,644,495
Milestone/ obligation Date	April 2009	January 2008	October 2008	April 2007, extended until April 2009	April 2007, extended until April 2009	February 2010	September 2010
Over/ Under achieved	Achieved in full	Achieved in full	Achieved in full	Achieved in full	Achieved in full	Achieved in full	Achieved in full
Date milestone/ obligation actually achieved	April 2009	February 2010	February 2010	August 2008	March 2009	May 2010	December 2010

- Obligor 1:** Currently on track to meet next and final milestone. Next milestone date is 2011.
- Obligor 2:** The last and final milestone has been achieved in full with an excess of €265,300,570 NIPP credits.
- Obligor 3:** The last and final milestone has been achieved in full with an excess of \$14,485,360 NIPP credits.
- Obligor 4:** The last and final milestone has been achieved in full with an excess of \$48,327,681 NIPP credits.
- Obligor 5:** The last and final milestone has been achieved in full with an excess of \$36,440,941 NIPP credits.
- Obligor 6:** The last and final milestone was achieved in full in May 2010 with an excess of \$4,740,926 NIPP credits.
- Obligor 7:** The last and final milestone was achieved in full in December 2010 with an excess of £61,330,858 NIPP credits.

Programme 5: Consumer and Corporate Regulation Division (CCRD)

CCRD's purpose is to develop and implement regulatory solutions for investors, inventors and consumers.

The Division experienced a decrease in expenditure from R227.6 million in 2009/10 to R145.2 million in 2010/11, amounting to a decrease of 36.2%, which can be attributed to the transfer of the Competition Commission and the Competition Tribunal to the Economic Development Department.

Programme 6: The Enterprise Organisation (TEO)

TEO supports the dti's strategic objectives of growth, equity and employment creation by providing efficient administration of enterprise support measures.

The Division's expenditure decreased from R3.344 billion in 2009/10 to R2.793 billion in 2010/11, resulting in a decrease of 16.5%. The decrease in expenditure is as a result of fewer claims being received from the SMEDP, BPO and the Film and TV incentives.

Programme 7: Trade and Investment South Africa (TISA)

TISA provides leadership to key growth sectors in the economy, and develops South Africa's capacity to export to various markets and increase foreign direct investment in the country.

The programme experienced an increase in expenditure from R298.9 million in 2009/10 to R328.6 million in 2010/11, amounting to an increase of 10%. The increase in expenditure was due to a payment towards the Proudly South African campaign.

Programme 8: Communication and Marketing

Communication and Marketing is responsible for promoting a greater awareness of **the dti** by professionally packaging and branding its products and services and facilitating access to, and an uptake of these, among the greater populous of South Africa. The Unit also seeks to position **the dti** as a driver of economic development and growth, building an image of trust and confidence, by improving brand presence and visibility through proactive marketing and public relations activities; establishing and maintaining effective communication and co-ordination within the Department; and ensuring that activities are impact-oriented, customer-centric in focus, and nationally and internationally relevant, and that they entrench the positive values of Batho Pele.

This programme experienced an increase in expenditure from R43 million in 2009/10 to R44.1 million in 2010/11, amounting to an increase of 2.51%. This is attributed to salary increases.

1.7 Other material matters

No unauthorised expenditure took place in the 2010/11 financial year.

Fruitless and wasteful expenditure of R159 000 as per Disclosure note 31 of the annual financial statements relates to penalty fees, "no-show" charges and interest charged on arrear payments. Two of these cases were condoned and one was transferred to receivables.

Irregular expenditure for an amount of R266 000 as per Disclosure note 30.3 to the annual financial statements was condoned by the Accounting Officer.

2. Services rendered by the Department

Tariffs and fees charged by the Department

The following amounts, based on the annual turnover of applicants, are charged by the National Liquor Authority (NLA) for liquor licences, which are accounted for as revenue accruing to the National Revenue Fund (NRF):

- Application fee: Between R500 to R25 000
- Initial registration fee: Between R2 000 to R15 000
- Annual renewal fee: Between R1 500 to R15 000
- Fee for Transfers: Between R1 500 to R15 000
- Fee for Notices of changed conditions: Between R1 500 to R15 000

Free services

No free services were rendered by the Department that would have yielded significant revenue had a tariff been charged.

3. Capacity constraints

The medium- to long-term strategy of the Department is to 'grow its own trees' by building internal capacity rather than being dependent on traditional methods of recruitment. Emphasis is on applied tertiary developmental programmes that respond to the skills needs of the Department. Other programmes that have been rolled out that support this approach are the bursary programme, career fairs, and the e-recruitment database, which facilitates skills search and matching. The maximum return on the internship programme will be realised once the public service framework has been aligned accordingly.

The Department is not only focusing on attracting new staff but also retaining its current staff. To this end, the Retention and Human Resource Development Strategies have been developed and are in the process of being implemented. In order to address its immediate capacity needs to enable it to deliver on the annual targets, a co-sourcing strategy has been adopted.

Significant strides have also been made in reducing its baseline vacancy rate of 18.2% at 1 April 2010, representing 245 posts, to 4.8% at 31 March 2011. This effort is not readily evident as the current vacancy rate is standing at 16.97%, mainly due to the creation of new posts, the termination of services by staff during the year, as well as posts that will be abolished as they have become redundant.

To give effect to the Presidential Directive flowing from his 2011 State of the Nation Address, that all vacant posts should be filled, the Department has embarked on a recruitment drive whereby most of the vacant posts have been advertised and have been given a lead time of four months to conclude the entire recruitment, selection and placement process. Regular reports are presented at the Executive Board (ExBo) and Operations Committee (OPSCOM) to monitor progress in this regard.

4. Utilisation of Donor funds

There are three main agreements that support **the dti's** objectives, of which two are with the European Commission (EC) and one with the United States of America (USA). The two agreements with the EC include the Sector-Wide Enterprise, Employment and Equity Programme (SWEEEP) and Risk Capital Facility (RCF). **the dti** also acts as an intermediary for funds received from Finland and Sweden (Swedish Trade Council), channelled via the Small Enterprise Development Agency (**seda**).

SWEEEP is a sector-wide programme between South Africa and the EC to provide budget support to **the dti** for the implementation of various initiatives. Utilisation of this funding commenced during 2004. The fourth and final tranche was paid by the EC into the Reconstruction and Development Programme (RDP) account on 24 December 2008. Although the EU has already done a final report on the programme, not all the committed funds have been paid out.

The RCF is managed by the Industrial Development Corporation (IDC). Phase two of the RCF was approved and an amount of R182 million was paid into the RDP account by the EC on 23 December 2008. The RCF 2 is playing a critical role in job creation and economic development, principally within under-developed and under-funded communities, where its impact will be most felt. Due to the programme meeting all requirements of the Finance Agreement with the EU, two further amounts of R32 248 591.08 and R98 318 480.08 were made available to the programme.

The Agreement with USAID supported economic growth in the financial sector, private sector competitiveness, small business development, Black Economic Empowerment (BEE) and skills development activities, although no direct funding was disbursed to projects during the reporting period.

the dti has been instrumental as a controlling agent for agreements between the Finland SMME Development Programme and **seda** to support SMME development. The amount of R20 million was paid to **seda** during the 2009/2010 financial year and a final amount of R2 699 174.29 during the current financial year.

Funding from Sweden supports the Swedish-South African Business Partnership Fund (SSBF) to promote business-to-business co-operation between Swedish and South African companies, targeting primarily small and medium-sized companies in both countries. A final amount of R4 750 622.00 was paid on the programme.

the dti also participated in the new funding support from the Employment Creation Fund (ECF) agreement between Government and the European Union. The programme was developed as a sector support to the economic cluster programme of action. The Fund was established to create long-term sustainable employment and contribute to the national target of halving unemployment and poverty by the year 2014. An amount of R76 076 650.00 was claimed during the current financial year for projects from the RDP under this fund. The Department for International Development United Kingdom (DFID) has also made funds available as part of the Employment Creation Fund.

5. Trading Public Entities

The trading and public entities listed below were funded from the Department's vote during the 2010/11 financial year:

Name of Entity	Purpose of Entity	Type of Institution	Transfers 10/11 (09/10) R'000	Enabling Legislation/Type of Listing
Development Finance Institutions				
 Small Enterprise Development Agency (seda)	Implement small enterprise development support service and products through a national integrated service delivery network, in order to improve the contribution of small enterprises to the economy, employment and equity.	Non-financial support	401 621 (331 177)	Small Business Act, 2004 (Act No. 29 of 2004, as amended) Schedule 3B
 National Empowerment Fund (NEF)	Promote savings and investments among Historically Disadvantaged Persons (HDPs) through its retail activities, and fund economic empowerment and black business through its investments division.	Development Finance	Nil (427 642)	National Empowerment Fund, 1998 (Act No. 105 of 1998) Schedule 3A
Regulatory Agencies				
 National Gambling Board (NGB)	Provide advice on the national gambling industry, and promote uniform norms and standards across provinces.	Regulatory	22 000 (21 570)	Gambling Act, 2004 (Act No. 7 of 2004) Schedule 3A
 National Lotteries Board (NLB)	Exercise national control over lottery activities.	Regulatory	Nil	Lottery Act, 1997 (Act No. 57 of 1997) Schedule 3A

Name of Entity	Purpose of Entity	Type of Institution	Transfers 10/11 (09/10) R'000	Enabling Legislation/Type of Listing
 <p>South African National Accreditation System (SANAS)</p>	<p>Provide an accreditation system for laboratories, certification, inspection and Good Laboratory Practice (GLP). Establish laboratory, personnel, and certification body in South Africa, as well as mutual recognition agreements with international accreditation organisations.</p>	<p>Regulatory</p>	<p>18 239 (14 707)</p>	<p>Accreditation for Conformity Assessment Calibration and Good Laboratory Practice Act, 2006 (Act No.19 of 2006)</p> <p>Schedule 3A</p>
 <p>National Credit Regulator</p>	<p>Regulate the South African credit industry.</p>	<p>Regulatory</p>	<p>46 000 (43 859)</p>	<p>National Credit Act, 2005 (Act No. 34 of 2005)</p>
 <p>Companies and Intellectual Property Registration Office (CIPRO)</p>	<p>Register companies, close corporations, and intellectual property, such as patents, copyright and trade marks. (Currently changed to Companies and Intellectual Property Commission)</p>	<p>Regulatory</p>	<p>Nil</p>	<p>Established as a trading entity of the dti</p>
 <p>National Consumer Tribunal</p>	<p>Adjudicate a wide variety of applications, and hear cases against credit providers that contravene the Act.</p>	<p>Regulatory</p>	<p>22 059 (17 519)</p>	<p>National Credit Act, 2005 (Act No. 34 of 2005)</p>

Name of Entity	Purpose of Entity	Type of Institution	Transfers 10/11 (09/10) R'000	Enabling Legislation/Type of Listing
 <p>National Regulator for Compulsory Specifications (NRCS)</p>	Administer compulsory specifications, otherwise known as technical regulations.	Regulatory	33 042 (35 933)	National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)
 <p>Estate Agency Affairs Board (EAAB)</p>	Regulate and control activities of estate agents.	Regulatory	Nil	Estate Agency Affairs Act, 1976 (Act no. 112 of 1976)
Specialist Services				
 <p>Export Credit Insurance Corporation of South Africa (ECIC)</p>	Facilitate and encourage South African export trade, by underwriting export credit loans and investments outside South Africa to enable South African contractors to win capital goods and services in other countries.	Specialist services	120,488 (122 400)	Export Credit and Foreign Investments Insurance Act, 2001 (Act No. 9 of 2001, as amended) Schedule 3B
 <p>South African Bureau of Standards (SABS)</p>	Promote standardisation and quality management in industry and commerce, and supervise trade metrology and units of measure.	Specialist services	353 085 (154 932)	Standards Act, 2008 (Act No. 8 of 2008) Schedule 3B
 <p>National Metrology Institute of South Africa (NMISA)</p>	Support global competitiveness through the provision of fit-for-purpose internationally acceptable measurement standards and measurements.	Specialist services	57 519 (54 806)	Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006) Schedule 3A

6. Organisations to which transfer payments have been made

Transfer payments made towards entities are reflected in the above summary, as well as in Annexures 1C, E and F of the financial statements. The entities to which transfer payments were made are dependent on the fiscus for the funding of their operations, and are aligned to **the dti** objectives.

7. Public-Private Partnerships (PPP)

7.1 Office Accommodation

the dti entered into a 25-year contract with Rainprop (Pty) Ltd as the private party concessionaire responsible for providing fully serviced office accommodation at **the dti** Campus. The agreement was implemented in August 2003.

Further focus was placed on expanding capacity within **the dti**, to execute the PPP agreement. Additional specialist positions that were created have been filled. The Department did not utilise a quantity surveyor consultant in the past financial year. All work was assessed via in-house capacity so created.

Variation orders proceeded though particular challenges around project management were experienced.

Unitary payments are based on a baseline amount of R108.6 million (2004) per annum, which appreciates at CPI on 1 July of each year. Cash flows in the form of unitary payments and payments to Rainprop (Pty) Ltd towards pass-through costs commenced during April 2004. In 2010/11 such payments totalled R172.932 million compared to the R159.960 million for the 2009/10 reporting period.

Payments made regarding variation orders amounted to R4.667 million in 2010/11, which is slightly down from R6.371 million for the previous year, mostly due to some work that is still in progress. Variation orders relate to changes and additions to the design of the building, and changes to accommodate increased numbers of staff, more so since **the dti** is also now providing accommodation for the Economic Development Department (EDD) and some of its agencies.

This has expanded the staffing complement that must be supported on campus. Payments of R2.714 million were made during the reporting period for small works and other work that is not variation orders, such as *ad hoc* furniture item requests and minor alterations compared to R2.326 million for the 2009/11 financial year.

Cash flows in the form of pass-through costs to Rainprop (Pty) Ltd for services such as rates, electricity, water and consumables amounted to R14.129 million. Performance deductions of R9 080 were charged and recovered from Rainprop (Pty) Ltd, whilst performance bonuses of R373 were paid to Rainprop. There is an amount of R151 due to Rainprop as a consequence of incorrect recoveries of a credit note in respect of penalties.

the dti claimed an amount of R964 776 for security-related under-delivery during 2007/08. The claim was subsequently disputed by the concessionaire and the arbitration hearing was held in December 2010. The result of the arbitration was not in favour of the Department. The necessary actions will be taken in this regard as soon as the details are available. Details of the agreement and associated costs are reflected in Note 31 of the financial statements.

7.2 Fleet Management

the dti participates in the Department of Transport's Fleet Management contract for the use of its pool vehicles. This agreement is a full maintenance lease transversal contract regulated by the National Treasury PPP and Supply Chain Management regulations. **the dti** leases short-term, long-term, chauffeur and point-to-point driven services. The contract term is for five years which commenced on 1 December 2006.

8. Corporate governance arrangements

the dti prides itself in the sound corporate governance structures that are in place. The highest executive structure in the department is the Executive Board (ExBo). ExBo is supported by the Operations Committee (OPSCOM) and the Bid Adjudication Committee (BAC) at an operational level.

The aforementioned committees effectively discharged their various responsibilities during the year under review as evidenced by the records of meetings.

Other governance structures in place include the Audit Committee, the Risk Management Committee, Internal Audit and the Corporate Governance Unit.

The following paragraphs provide a synopsis of activities undertaken by the aforementioned structures during the year under review.

8.1 Executive Board (ExBo)

ExBo comprised mainly of deputy directors-general and is chaired by the Director-General. The Chief Information Officer and the Chief Financial Officer also serve on the committee.

The position of a Chief Risk and Compliance Officer is to be established to further enhance capacity in this area of work and the incumbent would also serve as a member of ExBo.

The primary role of ExBo is to provide strategic direction towards the achievement of departmental strategic objectives. This is done in consultation with the Minister. To this end, **the dti's** 2011/2014 Medium Term Strategic Plan and 2011/12 Business Plan were considered and approved by ExBo.

As part of the annual strategic planning process, ExBo conducts a strategic risk assessment to identify strategic risks that could impede the department from achieving set targets. ExBo also

provides oversight over the actions identified and implemented to minimise these risks.

the dti's performance monitoring system provides for quarterly reviews of the implementation of the departmental business plan by ExBo. The purpose of such reviews is to evaluate progress reports against set targets and to take corrective action where necessary.

Furthermore, ExBo considers and approves policy recommendations of strategic importance.

ExBo conducted a self-assessment on its effectiveness, and this was used to inform the revision of its Terms of Reference. The Terms of Reference was also aligned to the King Report on Governance (King III) to ensure best practice.

8.2 Fraud Prevention

Management continued to report to the Risk Management Committee (RMC) according to the Fraud Prevention Plan Implementation Matrix, which is based on identified fraud risk. The Matrix is revised annually and aligned to the risk assessment process. An updated plan will be forthcoming from the risk assessment review to be completed in April 2011.

Promotion of Ethical Conduct and Fraud Prevention Workshops were held during the 2010/11 financial year, with seven (7) well-attended sessions having been conducted. The training interventions were focussed and tailored to address the unique fraud / ethical challenges of the particular audience. **the dti** continues to investigate all cases of reported and suspected fraud and corruption through the Internal Audit Unit's forensic component and its co-sourced forensic service providers. Appropriate action is taken in this regard and there is also extensive reporting done on this at pre-risk meetings.

During this past financial year, the Department of Public Service and Administration (**the dpsa**) concluded a Minimum Anti-Corruption Capacity (MACC) audit using an independent service provider (EthicSA), which assessed the capacity of participating national and provincial departments to combat corruption. **the dti** was rated second at 86.5%, one percent behind SARS, making it the best performer of all departments that participated.

8.3 Risk Management Committee (RMC)

The Risk Management Committee (RMC), which is responsible for oversight of operational risks, continued to meet on a quarterly basis during the past financial year. All divisions are represented at the RMC meetings, and provision is made for two external members, who are members of **the dti** Audit Committee to serve on the RMC. The Committee is also chaired by one of these external members. The risk management function is vested in the Corporate Governance Unit.

Overall, good progress was made in institutionalising the RMC. However, more emphasis will be placed on creating divisional capacity to manage risks.

The RMC Charter was extended to include oversight of the management of strategic risks and ethics. **the dti** also adopted a Risk Management Strategy for the organisation, at its Operations Committee (OPSCOM).

Risk assessment are conducted annually. It includes operational and strategic risks, and is conducted in such a manner as to ensure alignment with the business planning cycle. Thereafter, quarterly reviews are conducted during the year to track progress and maintain relevance.

Risk registers are continuously uploaded into the risk collaboration system, whereby divisional managers are required to report to the RMC on a quarterly basis on progress in addressing the identified risks. Divisional management also addresses matters of risk at business unit management meetings.

The Compliance Calendar, which stipulates the actions the Department is required to perform to ensure compliance with applicable legislation, particularly the Public Finance Management Act, and within specific timelines and via identified responsible individuals, is presented bi-annually at the RMC meeting. The Calendar was maintained for the year under review to mitigate legislative compliance risks facing **the dti**. Further work to strengthen the compliance function of the Department is currently underway.

8.4 Pre-Risk Management Committee

The Pre-Risk Management Committee consists of the Chairperson of the Risk Management Committee, a second external risk management committee member, the Chief Financial Officer, the Director: Legal Services, the Director: Employee Relations, the Chief Operations Officer: GSSSD and the Chief Audit Executive. The Committee is responsible for the oversight of forensic investigations in **the dti** and met on a quarterly basis during the past financial year. During these meetings, progress on forensic investigations was tracked and feedback is provided on the status of the implementation of recommendations made in forensic investigation reports.

8.5 Disclosure of financial interests by senior managers

For the 2009/10 disclosure period, all senior managers (100%) disclosed their financial interests, which were noted by the Minister and submitted to the Public Service Commission. An audit was conducted by **the dti** Internal Audit for the first time to compare the information disclosed by members with the information on the CIPRO database.

Disclosures for the 2010/11 period are underway, and it is anticipated that all senior managers will disclose and that **the dti** will meet the Public Service Commission deadline for submission.

8.6 Health and Safety

All identified Occupational Health and Safety (OH&S) representatives within internal divisions of **the dti** were trained. The appointments for the newly trained representatives are in progress. Section 16(2) appointments as contemplated in the OH&S Act are in progress. There has generally not been good attendance of OH&S representatives at the Statutory Safety Meetings, which was brought to the attention of relevant divisional managers to ensure attendance, as well as active participation by all stakeholders. However a rewards system has been devised and formally adopted to encourage and recognise the work done by OH&S representatives. **the dti's** manager responsible for OH&S is registered with the Institute of Safety Management.

Frequent newswashes, to advise staff on safety aspects, were issued during the financial year. Training of staff on the familiarisation of evacuation drills also commenced.

The concessionaire assisted in identifying OH&S risks, which resulted in a formal report been tabled with actions to mitigate those risks. The OH&S representatives are still infrequently submitting their reports. At least 5 inspections were conducted in conjunction with the Facilities Management Contractor of the concessionaire during 2010/11.

OH&S inspections were also executed in all regional offices and reports sent to the respective Landlords to action findings. Follow-up inspections were executed during the latter part of the 2010/11 period and furniture concerns have been attended to.

In terms of the Emergency Reaction Plan, evacuations were conducted successfully at Blocks B, D and in the Shared Service Centre.

8.7 Operations Committee (OPSCOM)

As already indicated, OPSCOM is a sub Committee of ExBo tasked with the role of ensuring operational effectiveness of the department. The members of the Committee are representatives from the various Divisions, chaired by the Deputy Director-General: Group Systems and Support Services.

During the year under review, OPSCOM considered and recommended various corporate policies on finance, procurement, human resources and information communication and technology for the Director-General's approval.

As part of assisting ExBo in cascading the planning process, OPSCOM evaluated and provided inputs into 2011/12 divisional plans. In striving to continuously improve the performance monitoring system, OPSCOM has implemented a Divisional Report Card System which is a dashboard of indicators on divisional 'operational wellness' and is tabled quarterly. The report card covers indicators in financial performance, human resource management, resolution of audit queries, operational performance and divisional planning.

8.8 Operational policies

the dti continued to review, develop and implement operational policies during the reporting period. Discussions on how to reduce the vacancy rate, HR planning and development including the assessment of HR as a strategic resource, retention, recruitment, job evaluation, employer value proposition, non-monetary awards, finances and spending, ICT, occupational health and safety issues, Monitoring and Evaluation Framework, Business Continuity Plan for **the dti** are examples of some of the key focus areas for the 2010/11 financial year.

These policies are placed on the Departmental intranet, where they can be accessed by all employees.

8.9 Internal audit

The capacity of the Internal Audit Unit has been enhanced to increase its audit coverage in line with identified risks and to perform more specialist audits, such as performance audits, information technology audits, and corporate governance audits. The internal Audit Unit and the appointed consultants are managing identified risks in the Fraud Prevention Plan, Risk Assessment Plan, and also in respect of general corporate governance concerns at **the dti**.

The internal capacity of **the dti** in-house function was strengthened during the reporting period with the appointment of three (3) assistant-directors (ASDs), two (2) in compliance audit and one in forensic audit. This is in line with implementing its new approved structure which includes five (5) ASD posts.

Forensic audit services continued to be co-sourced to the consultant Gobodo Forensic and Investigative Accounting (Pty) Ltd. The forensic audit capacity, along with the Internal Audit capacity, enabled **the dti** to improve its internal and risk management controls and corporate governance processes.

An amount of R1 673 381.87 was paid to KPMG for outsourced and co-sourced Audit Services, whilst an amount of R2 025 011.23 was paid to Gobodo Forensic & Investigative Accounting (Pty) Ltd for conducting Co-Sourced Forensic Investigations.

For the reporting period, the Internal Audit Unit spent an estimated 20 000 direct hours on audit work at **the dti**.

A total of 31 Internal Audit reports were issued to management and presented to the Audit Committee. These included 19 compliance audits, three (3) performance audits, five (5) IT audits and four (4) *ad hoc* assignments.

8.10 Audit Committee

The Audit Committee is responsible for monitoring the internal control environment of **the dti**, through its oversight of the Internal Audit function, as well as the review of the quarterly management accounts, the annual financial statements, the external audit process, and oversight of the risk management environment.

The Audit Committee amended its Charter for the 2010/11 year to include the role it has to play in relation to King III prescripts relevant to the public sector environment. Four scheduled Audit Committee meetings took place for the period under review.

Two new Audit Committee members were appointed in quarter 3 to cater for existing members' terms of appointment ending.

8.11 Minimising the impact of the Department on the environment

In accordance with its environmental strategy, and in compliance with the National Environmental Management Act (NEMA), **the dti** undertook the following environment-related actions:

- **the dti** Campus continued to address its impact on the environment by the efficient use of energy and water, landscaping, and efficient waste management, such as recycling and the re-use of equipment.
- **the dti** also continued with its energy-saving programme to alleviate electricity consumption. Consumption was monitored for deviation on a monthly basis.
- A plan has been put together to commence with key activities to reduce campus waste and to improve on the management thereof.

the dti reported on progress against its Environmental Implementation Plan (EIP), which was adopted by the Committee on Environmental Co-ordination (CEC) of the Department of Environmental Affairs. Specific actions include controls to ensure that recipients of grants adhere to environmental requirements, whilst specific grants for waste minimisation projects are allocated. **the dti** has compiled its 2010-2014 EIP, which was approved and adopted by the CEC on 25 February 2011. This will now be gazetted, in terms of section 15(2) (b) of the National Environmental Management Act, 1998 (Act No. 107 of 1998).

8.12 Departmental Bid Adjudication Committee

The Departmental Bid Adjudication Committee (BAC) continues to ensure that the awarding and adjudication of tenders is done in a fair, transparent and competitive manner in accordance with the Treasury Regulations on Supply Chain Management.

In line with the Departmental Financial Delegation of Authority, the BAC considers and approves tenders with values ranging between R500 000 and R4 million. With regard to tenders with values higher than R4 million, the BAC makes recommendations to the Accounting Officer for his consideration and approval.

The Committee comprises members with extensive knowledge and experience in public finance, legal and economic research and policy matters.

9. Discontinued activities/Activities to be discontinued

During the period under review, no activities were discontinued.

10. New and proposed activities

No new activities were introduced during the 2010/11 financial year.

11. Asset Management

As part of the PPP agreement, the concessionaire will, for the duration of the contract period, own and maintain assets such as the land, the buildings and the majority of furniture items. Departmental assets excluded from this agreement include departmental vehicles, computer equipment and certain furniture items. Departmental assets are managed in accordance with the policies issued by National Treasury, and an asset register is maintained on the Logistical Information System (LOGIS). The Department complied with the minimum requirements of the Asset Management Reforms as issued by National Treasury.

12. Inventories

Inventories of **the dti** consist primarily of stationery, which is valued in terms of the latest average price of all items in the store. The value of these items stood at R3.182 million at financial year-end.

13. Events after the reporting date

No events took place after the reporting date of 31 March 2011, which would impact on the financial position of **the dti** at that date.

14. Pre-determined objectives

the dti, as part of its processes, continues to review its strategic planning architecture. The review will inform the process of developing a more robust Monitoring and Evaluation (M&E) system for the Department. **the dti**'s strategic planning process already includes a quarterly review of the implementation of annual business plans by the Executive Board (ExBo) and extended ExBo. Quarterly reporting, in terms of Estimates of National Expenditure (ENE), also facilitated ongoing M&E of performance deliverables against targets and available resources. Annual performance reviews were carried out and approved internally, in terms of the Treasury Regulations, and subsequently submitted to the Auditor-General South Africa.

15 SCOPA resolutions

No Finance Act was promulgated during the reporting period regarding SCOPA resolutions on unauthorised expenditure.

16. Prior modifications to audit reports

Actions were taken to resolve all substantial matters reported by the Auditor-General during the audit of the 2009/10 financial year:

Nature of disclaimer, adverse opinion and matters of non-compliance	Financial year	Progress made in resolving matter
Performance information	2009/10	
ITED: Planned and reported performance targets are not specific, measurable and time-bound		Performance targets have been reviewed and are now adhering to the criteria of being specific, measurable, achievable, relevant and time-bound (SMART).
IDD: Planned and reported performance targets are not specific, measurable and time-bound		Performance targets have been reviewed and are now adhering to the criteria of being specific, measurable, achievable, relevant and time-bound (SMART).
EEDD: Planned and reported performance targets are not specific, measurable and time-bound		Planned and reported performance targets have been reviewed and are now specific, measurable and time-bound.
ITED: Planned and reported measures are not well defined		Planned and reported measures were reviewed and are now well defined.
IDD: Planned and reported measures are not well defined		Planned and reported measures were reviewed and are now well defined.
EEDD: Planned and reported measures are not well defined		Planned and reported measures have been reviewed and are now well defined.
Non-compliance with the Public Service Act and Regulations		
The organisational structure of the Department was not approved		<p>The Department does have an approved organisational structure.</p> <p>Prior to implementation, newly created organisational structures are approved by the Director-General and the Minister. In instances where the top three tiers of the organisation structure are affected, approval is done in consultation with the Minister of Public Service and Administration (MPSA).</p> <p>It is envisaged that the project to confirm the approved functional and organisational structure for the second bi-annual would be completed by 30 April 2011.</p>
Internal control	2009/10	

Nature of disclaimer, adverse opinion and matters of non-compliance	Financial year	Progress made in resolving matter
Internal policies and procedures pertaining to the planning and monitoring of performance information and overall performance were not complied with in all instances		Policy on managing organisational performance was approved by ExBo on 29 March 2011.
The Department did not have sufficient monitoring controls to ensure compliance with applicable laws and regulations		The audit finding relates to an additional control measure to confirm the approved organisational structure, which the Department does bi-annually. The Department does submit report quarterly reports to the Minister as part of monitoring and evaluation of its performance in accordance with the Treasury Regulations.

Most of the other important issues raised in the management letter by the Auditor-General have been resolved.

It should be noted that **the dti** utilises an audit findings matrix whereby all audit findings are recorded and progress monitored by both management and the Audit Committee.

17. Exemptions and deviations received from the National Treasury

No exemptions were requested or approved for the Department in terms of the Public Finance Management Act (PFMA) and Treasury Regulations, as may be applicable to any of the reporting requirements.

18. Approval

The attached Annual Financial Statements have been approved by me, in my professional capacity as Accounting Officer of **the dti**.



L. October
 Director-General

Date:

Report of the Auditor-General

Report of the Auditor-General to Parliament on Vote No 35:

Department of Trade and Industry

Report on the Financial Statements

Introduction

1. I have audited the accompanying financial statements of the Department of Trade and Industry, which comprise the appropriation statement, the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash-flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 162 to 214.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Trade and Industry as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Irregular Expenditure

9. The Department incurred irregular expenditure of R28 323 000 as the expenditure incurred was in contravention of the PFMA and the Public Service Act (promulgated under Proclamation 103 of 1994) relating to supply chain management and compensation of employees.

Significant uncertainties

10. With reference to note 25 to the financial statements, the Department is the defendant in several lawsuits. The Department is opposing the claims. The ultimate outcome of these matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

11. As disclosed in notes 17 and 27 to the financial statements, the corresponding figures for 31 March 2010 have been restated as a result of errors discovered during 2011 in the financial statements of the Department at, and for the year ended, 31 March 2010.

Material impairments

12. As disclosed in note 35 to the financial statements, material impairments to the amount of R215 407 000 were provided as a result of debtors being impaired.

Additional matter

13. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Financial reporting framework

14. The financial reporting framework prescribed by the National Treasury and applied by the Department is a compliance framework. Thus my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2)(a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the Department.

Report on Other Legal and Regulatory Requirements

15. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 32 to 115 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives

Usefulness of information

16. The reported performance information was deficient in respect of the following criteria:

- Measurability: The indicators are not well defined and/or verifiable, and targets are not specific, and measurable.

17. The following audit findings relate to the above criteria:

- For the selected programmes, 32% of the planned and reported indicators were not clear, as unambiguous data definition was not available to allow for data to be collected consistently.
- For the selected programmes, valid performance management processes and systems that produce actual performance against the planned indicators do not exist for 26 per cent of the indicators.
- For the selected programmes:
 - 24% of the planned and reported targets were not specific in clearly identifying the nature and the required level of performance; and
 - 23% of the planned and reported targets were not measurable in identifying the required performance.

Reliability of information

18. The reported performance information was deficient in respect of the following criteria:

- Validity: The reported performance did not occur and does not pertain to the entity.
- Accuracy: The amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.
- Completeness: All actual results and events that should have been recorded have not been included in the reported performance information.

19. The following audit findings relate to the above criteria:

- For the selected programmes the validity, accuracy and completeness of 24% of the reported targets could not be established as sufficient appropriate audit evidence could not be provided.

Compliance with laws and regulations

Annual financial statements

20. The accounting officer submits financial statements for auditing that were not prepared in all material aspects in accordance with generally recognised accounting practice as required by section 40(1)(b) of the PFMA. The material misstatements identified by the AGSA with regard to accruals, intangible assets, tangible assets and irregular expenditure were subsequently corrected.

Procurement and contract management

21. Certain goods and services with a transaction value between R10 000 and R500 000 were procured without inviting at least three written price quotations from prospective suppliers as per the requirements of TR 16A6.1 and National Treasury Practice Note 8 of 2007/08.

22. Certain employees performed remunerative work outside their employment in the Department without written permission from the relevant authority as per the requirements of section 30 of the Public Service Act.

Expenditure management

23. The accounting officer did not take effective and appropriate steps to prevent and detect irregular expenditure as per the requirements of section 38(1)(c)(ii) of the PFMA and Treasury Regulations 9.1.1.

Asset management

24. The accounting officer did not implement proper control systems for the safeguarding and maintenance of assets to prevent theft, losses, wastage and misuse as required by Treasury Regulations 10.1.

Internal Control

25. In accordance with the PAA and in terms of General notice 1111 of 2010, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies identified during the audit.

Leadership

26. **the dti** leadership did not exercise appropriate oversight in ensuring that the planned and reported indicators and targets were in accordance with National Treasury's Framework for Managing Programme Performance Information. Furthermore **the dti** leadership did not have sufficient monitoring controls to ensure compliance with applicable laws and regulations.

Financial and performance management

27. Management did not have adequate controls to ensure that the financial statements submitted for audit are accurate and complete. Furthermore sufficient appropriate audit evidence with regard to the reported performance information could not be obtained, as the system used for generating performance information was not appropriate to facilitate the preparation of accurate and complete actual performance information.

Auditor-General

Pretoria

30 July 2011



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Appropriation Statement

Appropriation per programme									
APPROPRIATION STATEMENT	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	428,480	(4,516)	-	423,964	420,386	3,578	99.2%	444,661	394,446
Transfers and subsidies	2,845	1,592	-	4,437	3,405	1,032	76.7%	3,255	2,463
Payment for capital assets	11,926	640	-	12,566	9,740	2,826	77.5%	32,316	19,855
Payment for financial assets	-	2,284	-	2,284	2,284	-	100%	-	-
	443,251	-	-	443,251	435,815	7,436		480,232	416,764
2. International Trade and Economic Development									
Current payment	92,808	(102)	-	92,706	75,772	16,934	81.7%	98,899	88,831
Transfers and subsidies	31,750	57	-	31,807	30,636	1,171	96.3%	95,686	94,479
Payment for capital assets	530	45	-	575	541	34	94.1%	1,006	574
	125,088	-	-	125,088	106,949	18,139		195,591	183,884
3. Empowerment & Enterprise Development									
Current payment	83,045	(432)	(9,170)	73,443	62,045	11,398	84.5%	77,696	63,423
Transfers and subsidies	712,354	20	27,220	739,594	738,624	970	99.9%	1,248,527	1,247,163
Payment for capital assets	635	412	(50)	997	504	493	50.6%	961	412
	796,034	-	18,000	814,034	801,173	12,861		1,327,184	1,310,998
4. Industrial Development									
Current payment	96,353	(450)	(13,227)	82,676	69,793	12,883	84.4%	75,761	62,385
Transfers and subsidies	1,035,875	218	37,227	1,073,320	1,071,714	1,606	99.9%	350,716	350,382
Payment for capital assets	733	232	-	965	526	439	54.5%	610	293
	1,132,961	-	24,000	1,156,961	1,142,033	14,928		427,087	413,060
5. Consumer and Corporate Regulation									
Current payment	68,090	(219)	-	67,871	51,830	16,041	76.4%	58,593	48,050
Transfers and subsidies	126,841	219	-	127,060	92,908	34,152	73.1%	179,494	179,292
Payment for capital assets	600	-	-	600	283	317	47.2%	778	261
	195,531	-	-	195,531	145,021	50,510		238,865	227,603
6. The Enterprise Organisation									
Current payment	118,327	(9)	(11,500)	106,818	99,115	7,703	92.8%	94,489	88,885
Transfers and subsidies	2,966,025	8	(27,700)	2,938,333	2,692,604	245,729	91.6%	3,260,349	3,252,890
Payment for capital assets	1,500	-	-	1,500	1,274	226	84.9%	2,046	1,800
Payment for financial assets	-	1	-	1	1	-	100%	-	-
	3,085,852	-	(39,200)	3,046,652	2,792,994	253,658		3,356,884	3,343,575
7. Trade and Investment South Africa									
Current payment	193,354	(1,532)	-	191,822	167,250	24,572	87.2%	171,651	164,521
Transfers and subsidies	157,072	100	2,000	159,172	159,172	-	100%	132,956	132,956
Payment for capital assets	1,050	1,410	-	2,460	2,139	321	87%	1,502	1,502
Payment for financial assets	-	22	-	22	21	1	95.5%	-	-
	351,476	-	2,000	353,476	328,582	24,894		306,109	298,979
8. Communication & Marketing									
Current payment	63,495	(144)	(4,800)	58,551	43,846	14,705	74.9%	63,145	41,902
Transfers and subsidies	-	144	-	144	144	-	100%	289	288
Payment for capital assets	520	-	-	520	184	336	35.4%	6,690	902
	64,015	-	(4,800)	59,215	44,174	15,041		70,124	43,092
Sub-Total	6,194,208	-	-	6,194,208	5,796,741	397,467	93.6%	6,402,076	6,237,955
Statutory Appropriation									
Transfers and subsidies	65,240	-	-	65,240	65,240	-	100%	-	-
TOTAL	6,259,448	-	-	6,259,448	5,861,981	397,467	93.7%	6,402,076	6,237,955

	2010/11		2009/10	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	6,259,448	5,861,981	6,402,076	6,237,955
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	35,630		510,034	
Aid assistance	209,343		18,598	
Actual amounts per statement of financial performance (total revenue)	6,504,421		6,930,708	
ADD				
Aid assistance		108,654		127,792
Actual amounts per statement of financial performance (total expenditure)		5,970,635		6,365,747

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
APPROPRIATION STATEMENT for the year ended 31 March 2011

Appropriation per economic classification									
Economic Classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	569,849	(3,593)	(14,508)	551,748	514,935	36,813	93.3%	497,348	445,576
Goods and services	574,103	(4,088)	(24,189)	545,826	474,830	70,996	87.0%	584,391	503,714
Interest and rent on land	-	276	-	276	275	1	99.6%	-	-
Transfers and subsidies									
Departmental agencies and accounts	859,609	-	13,153	872,762	838,980	33,782	96.1%	1,440,328	1,440,308
Universities & technikons	2,298	-	14,000	16,298	14,793	1,505	90.8%	15,500	15,500
Foreign governments and international organisations	39,084	-	-	39,084	36,642	2,442	93.8%	34,022	31,402
Public corporations and private enterprises	4,096,296	2,000	6,874	4,105,170	3,859,334	245,836	94.0%	3,770,220	3,762,528
Non-profit institutions	33,000	-	4,800	37,800	37,800	-	100%	7,597	7,597
Households	2,475	359	(80)	2,754	1,657	1,097	60.2%	3,605	2,578
Payment for capital assets									
Machinery and equipment	12,964	2,688	(50)	15,602	12,875	2,727	82.5%	40,100	22,879
Software and other intangible assets	4,530	51	-	4,581	2,314	2,267	50.5%	5,809	2,720
Payment for financial assets	-	2,307	-	2,307	2,306	1	99.9%	3,156	3,153
Sub-Total	6,194,208	-	-	6,194,208	5,796,741	397,467	93.6%	6,402,076	6,237,955

Statutory Appropriation									
Direct changes against the National / Provincial Revenue Fund	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
National Skills Fund	65,240	-	-	65,240	65,240	-	100%	-	-
Sub-Total	65,240	-	-	65,240	65,240	-	100%	-	-
Total	6,259,448	-	-	6,259,448	5,861,981	397,467	93.7%	6,402,076	6,237,955

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
 APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 1 – Administration	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payment	1,816	-	-	1,816	1,811	5	99.7%	1,789	1,789
	1,816	-	-	1,816	1,811	5	99.7%	1,789	1,789
1.2 Economic Development									
Current payment	-	-	-	-	-	-	-	22,999	14,214
Payment for capital assets	-	-	-	-	-	-	-	6,001	2,439
	-	-	-	-	-	-	-	29,000	16,653
1.3 Deputy Minister									
Current payment	1,496	92	-	1,588	1,587	1	99.9%	1,445	1,434
	1,496	92	-	1,588	1,587	1	99.9%	1,445	1,434
1.4 Deputy Minister									
Current payment	1,496	-	-	1,496	1,492	4	99.7%	1,417	1,398
	1,496	-	-	1,496	1,492	4	99.7%	1,417	1,398
1.5 Ministry									
Current payment	31,496	(5,446)	-	26,050	24,108	1,942	92.5%	23,729	22,302
Transfers and subsidies	945	(234)	-	711	-	711		900	777
Payment for capital assets	1,400	90	-	1,490	1,468	22	98.5%	3,362	3,038
	33,841	5,590	-	28,251	25,576	2,675		27,991	26,117
1.6 Office of the Director-General									
Current payment	54,895	(7,356)	-	47,539	46,034	1,505	96.8%	44,064	37,890
Transfers and subsidies	1,900	1,580	-	3,480	3,159	321	90.8%	2,048	1,409
Payment for capital assets	894	92	-	986	448	538	45.4%	643	566
	57,689	(5,684)	-	52,005	49,641	2,364		46,755	39,865
1.7 Corporate Services									
Current payment	329,460	8,194	-	337,654	337,533	121	100.0%	342,108	308,309
Transfers and subsidies	-	246	-	246	246	-	100%	307	277
Payment for capital assets	9,632	458	-	10,090	7,824	2,266	77.5%	22,310	13,812
Payment for financial assets	-	2,284	-	2,284	2,284	-	100%	-	-
	339,092	11,182	-	350,274	347,887	2,387		364,725	322,398
1.8 Property Management									
Current payment	7,821	-	-	7,821	7,821	-	100%	7,110	7,110
	7,821	-	-	7,821	7,821	-	100%	7,110	7,110
Total	443,251	-	-	443,251	435,815	7,436	98.3%	480,232	416,764

Economic Classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	139,797	(3,593)	-	136,204	132,762	3,442	97.5%	135,993	111,518
Goods and services	288,683	(1,200)	-	287,483	287,349	134	100%	306,065	280,325
Interest and rent on land	-	276	-	276	275	1	99.6%	-	-
Transfers and subsidies									
Public corporations and private enterprises	600	2,000	-	2,600	2,600	-	100%	596	596
Households	2,245	(407)	-	1,838	805	1,033	43.8%	2,659	1,867
Payment for capital assets									
Machinery and equipment	7,546	634	-	8,180	7,501	679	91.7%	27,696	18,314
Software and other intangible assets	4,380	6	-	4,386	2,239	2,147	51.0%	4,620	1,542
Payment for financial assets									
assets	-	2,284	-	2,284	2,284	-	100.0%	2,603	2,602
Total	443,251	-	-	443,251	435,815	7,436	98.3%	480,232	416,764

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 2 – International Trade and Economic Development	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 International Trade Development									
Current payment	63,406	(95)	-	63,311	48,975	14,336	77.4%	69,781	61,863
Transfers and subsidies	15,250	-	-	15,250	14,079	1,171	92.3%	79,815	78,608
Payment for capital assets	530	45	-	575	541	34	94.1%	1,006	574
	79,186	(50)	-	79,136	63,595	15,541		150,602	141,045
2.2 African Economic Development									
Current payment	29,402	(7)	-	29,395	26,797	2,598	91.2%	29,118	26,968
Transfers and subsidies	16,500	57	-	16,557	16,557	-	100%	15,871	15,871
	45,902	50	-	45,952	43,354	2,598		44,989	42,839
Total	125,088	-	-	125,088	106,949	18,139	85.5%	195,591	183,884

Economic Classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	61,855	-	-	61,855	53,459	8,396	86.4%	52,980	47,202
Goods and services	30,953	(102)	-	30,851	22,313	8,538	72.3%	45,919	41,629
Transfers and subsidies									
Departmental agencies and accounts	-	-	-	-	-	-	-	68,315	68,296
Foreign governments & international organisations	12,000	-	-	12,000	10,832	1,168	90.3%	11,500	10,312
Public corporations and private enterprises	19,750	-	-	19,750	19,747	3	100%	15,871	15,871
Households	-	57	-	57	57	-	100%	-	-
Payment for capital assets									
Machinery and equipment	500	45	-	545	541	4	99.3%	995	574
Software and other intangible assets	30	-	-	30	-	30	-	11	-
Total	125,088	-	-	125,088	106,949	18,139	85.5%	195,591	183,884

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
 APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 3 – Empowerment and Enterprise Development	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Enterprise Development									
Current payment	12,382	9,135	-	21,517	17,451	4,066	81.1%	20,394	17,567
Transfers and subsidies	404,121	-	1,500	405,621	404,717	904	99.8%	478,805	477,574
Payment for capital assets	133	-	(20)	113	98	15	86.7%	297	96
	416,636	9,135	1,480	427,251	422,266	4,985		499,496	495,237
3.2 Equity and Empowerment									
Current payment	23,438	862	(2,661)	21,639	18,563	3,076	85.8%	21,127	16,211
Transfers and subsidies	18,030	20	2,800	20,850	20,850	-	100%	445,269	445,178
Payment for capital assets	230	50	(10)	270	134	136	49.6%	414	212
	41,698	932	129	42,759	39,547	3,212		466,810	461,601
3.3 Regional Economic Development									
Current payment	47,225	(10,429)	(6,509)	30,287	26,031	4,256	85.9%	36,175	29,645
Transfers and subsidies	290,203	-	22,920	313,123	313,057	66	100%	324,453	324,411
Payment for capital assets	272	362	(20)	614	272	342	44.3%	250	104
	337,700	(10,067)	16,391	334,024	339,360	4,664		360,878	354,160
Total	796,034	-	18,000	814,034	801,173	12,861	98.4%	1,327,184	1,310,998

Economic Classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	44,058	-	(1,940)	42,118	40,989	1,129	97.3%	40,316	35,709
Goods and services	38,987	(432)	(7,230)	31,325	21,057	10,268	67.2%	37,380	27,714
Transfers and subsidies to:									
Departmental agencies and accounts	635,121	-	5,000	640,121	640,121	-	100%	1,089,839	1,089,839
Universities and technikons	1	-	-	1	-	1		15,500	15,500
Foreign governments and international organisations	4,000	-	-	4,000	3,096	904	77.4%	4,300	3,069
Public corporations and private enterprises	65,502	-	19,500	85,002	85,000	2	100%	131,041	131,041
Non-profit institutions	7,500	-	2,800	10,300	10,300	-	100%	7,597	7,597
Households	230	20	(80)	170	107	63	62.9%	250	117
Payment for capital assets									
Machinery and equipment	635	412	(50)	997	503	494	50.5%	961	412
Total	796,034	-	18,000	814,034	801,173	12,861	98.4%	1,327,184	1,310,998

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 4 – Industrial Development	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Industrial Competitiveness									
Current payments	52,213	(363)	(8,227)	43,623	38,417	5,206	88.1%	41,604	35,716
Transfers and subsidies	897,628	218	22,227	920,073	918,549	1,524	99.8%	289,508	289,275
Payment for capital assets	400	145	-	545	266	279	48.8%	255	159
	950,241	-	14,000	964,241	957,232	7,009		331,367	325,150
4.2 Customised Sector Programmes									
Current payments	44,140	(87)	(5,000)	39,053	31,376	7,677	80.3%	34,157	26,669
Transfers and subsidies	138,247	-	15,000	153,247	153,165	82	99.9%	61,208	61,107
Payment for capital assets	333	87	-	420	260	160	61.9%	355	134
	182,720	-	10,000	192,720	184,801	7,919		95,720	87,910
Total	1,132,961	-	24,000	1,156,961	1,142,033	14,928	98.7%	427,087	413,060

Economic Classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	61,080	-	(3,800)	57,280	54,046	3,234	94.4%	48,491	45,053
Goods and services	35,273	(450)	(9,427)	25,396	15,748	9,648	62.0%	27,270	17,332
Transfers and subsidies to:									
Departmental agencies and accounts	100,647	-	8,153	108,800	108,800	-	100%	105,446	105,446
Universities & technikons	2,297	-	14,000	16,297	14,793	1,504	90.8%	-	-
Foreign governments and international organisations	9,000	-	-	9,000	9,000	-	100%	5,000	5,000
Public corporations and private enterprises	923,931	-	15,074	939,005	938,903	102	100.0%	240,170	239,936
Households	-	218	-	218	217	1	99.5%	100	
Payment for capital assets									
Machinery and equipment	733	232	-	965	526	439	54.5%	610	293
Total	1,132,961	-	24,000	1,156,961	1,142,033	14,928	98.7%	427,087	413,060

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
 APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 5 – Consumer and Corporate Regulation	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Policy & Legislative									
Development									
Current payment	21,296	(3,921)	-	17,375	9,608	7,767	55.3%	11,848	10,579
Payment for capital assets	61	-	-	61	29	32	47.5%	80	-
	21,357	(3,921)	-	17,436	9,637	7,799		11,928	10,579
5.2 Enforcement and Compliance									
Current payment	41,015	1,336	-	42,351	35,939	6,412	84.9%	40,903	32,733
Transfers and subsidies	-	219	-	219	219	-	100.0%	-	-
Payment for capital assets	457	16	-	473	190	283	40.2%	500	215
	41,472	1,571	-	43,043	36,348	6,695		41,403	32,948
5.3 Regulatory Services									
Current payment	5,779	2,366	-	8,145	6,283	1,862	77.1%	5,842	4,738
Transfers and subsidies	126,841	-	-	126,841	92,689	34,152	73.1%	179,494	179,292
Payment for capital assets	82	(16)	-	66	64	2	97.0%	198	46
	132,702	2,350	-	135,052	99,036	36,016		185,534	184,076
Total	195,531	-	-	195,531	145,021	50,510	74.2%	238,865	227,603

Economic Classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	44,410	-	-	44,410	39,711	4,699	89.4%	41,602	36,395
Goods and services	23,680	(219)	-	23,461	12,119	11,342	51.7%	16,991	11,656
Transfers and subsidies to:									
Departmental agencies & accounts	123,841	-	-	123,841	90,059	33,782	72.7%	176,728	176,727
Foreign governments & international organisations	3,000	-	-	3,000	2,630	370	87.7%	2,766	2,565
Households	-	219	-	219	219	-	100%	-	-
Payment for capital assets									
Machinery and equipment	600	-	-	600	283	317	47.2%	778	260
Total	195,531	-	-	195,531	145,021	50,510	74.2%	238,865	227,603

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 6 – The Enterprise Organisation	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Incentive Administration									
Current payment	97,929	(9)	(9,420)	88,500	82,533	5,967	93.3%	79,649	74,050
Transfer and subsidies	2,966,025	8	(27,700)	2,938,333	2,692,604	245,729	91.6%	3,260,349	3,252,890
Payment for capital assets	1,500	-		1,500	1,274	226	84.9%	2,046	1,800
Payment for financial assets	-	1	-	1	1	-	100%	-	-
	3,065,454	-	(37,120)	3,028,334	2,776,412	251,922		3,342,044	3,328,740
6.2 New Incentive Development									
Current payment	8,299	-	(1,645)	6,654	5,816	838	87.4%	5,506	5,504
	8,299	-	(1,645)	6,654	5,816	838		5,506	5,504
6.3 Business Dev and aftercare									
Current payment	12,099	-	(435)	11,664	10,766	898	92.3%	9,334	9,331
	12,099	-	(435)	11,664	10,766	898	-	9,334	9,331
Total	3,085,852	-	(39,200)	3,046,652	2,792,994	253,658	91.7%	3,356,884	3,343,575

Economic Classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	87,389	-	(8,768)	78,621	73,536	5,085	93.5%	72,993	67,677
Goods and services	30,938	(9)	(2,732)	28,197	25,579	2,618	90.7%	21,260	20,973
Transfers and subsidies to:									
Public corporations and private enterprises	2,966,025		(27,700)	2,938,325	2,692,596	245,729	91.6%	3,260,142	3,252,684
Households	-	8	-	8	8	-	100.0%	207	206
Payment for capital assets									
Machinery and equipment	1,500	-	-	1,500	1,274	226	84.9%	1,042	796
Software and other intangibles	-	-	-	-	-	-		1,004	1,004
Payment for financial Assets	-	1		1	1	-	100.0%	236	235
Total	3,085,852	-	(39,200)	3,046,652	2,792,994	253,658	91.7%	3,356,884	3,343,575

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
 APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 7 – Trade and Investment South Africa	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Invest. Promotion & Facilitation									
Current payments	42,335	(1,526)	-	40,809	27,013	13,796	66.2%	44,070	41,861
Transfers and subsidies	25,500	-	2,000	27,500	27,500	-	100.0%	-	-
Payment for capital assets	415	-	-	415	153	262	36.9%	180	180
Payment for financial assets	-	10	-	10	10	-	100.0%	-	-
	68,250	(1,516)	2,000	68,734	54,676	14,058		44,250	42,041
7.2 Export Development & Promotion									
Current payments	30,547	1,601	-	32,148	25,163	6,985	78.3%	25,514	24,694
Transfers and subsidies	131,572	100	-	131,672	131,672	-	100%	132,956	132,956
Payment for capital assets	300	(7)	-	293	234	59	79.9%	130	130
	162,419	1,694	-	164,113	157,069	7,044		158,600	157,780
7.3 International Operations									
Current payments	120,472	(1,607)	-	118,865	115,074	3,791	96.8%	102,067	97,966
Payment for capital assets	335	1,417	-	1,752	1,752	-	100%	1,192	1,192
Payment for financial assets	-	12	-	12	11	1	91.7%	-	-
	120,807	(178)	-	120,629	116,837	3,792		103,259	99,158
Total	351,476	-	2,000	353,476	328,582	24,894	93.0%	306,109	298,979

Economic Classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	105,840	-	-	105,840	101,173	4,667	95.6%	85,978	83,561
Goods and services	87,514	(1,532)	-	85,982	66,077	19,905	76.8%	85,356	80,644
Transfers and subsidies to:									
Foreign governments & international organisations	11,084	-	-	11,084	11,084	-	100.0%	10,456	10,456
Public corporations & private enterprises	120,488	-	-	120,488	120,488	-	100.0%	122,400	122,400
Non-profit institutions	25,500	-	2,000	27,500	27,500	-	100.0%	-	-
Households	-	100	-	100	100	-	100.0%	100	100
Payment for capital assets									
Machinery and equipment	1,050	1,365	-	2,415	2,095	320	86.7%	1,502	1,502
Software and intangible assets	-	45	-	45	44	1	97.8%	-	-
Payment for financial assets									
	-	22	-	22	21	1	95.5%	317	316
Total	351,476	-	2,000	353,476	328,582	24,894	93.0%	306,109	298,979

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
APPROPRIATION STATEMENT for the year ended 31 March 2011

Programme 8 – Communication & Marketing	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Brand Management									
Current payment	30,988	(2,985)	-	28,003	22,099	5,904	78.9%	27,876	20,586
Transfers and subsidies	-	144	-	144	144	-	100.0%	-	-
Payment for capital assets	520	-	-	520	184	336	35.4%	490	383
	31,508	(2,841)	-	28,667	22,427	6,240		28,366	20,969
8.2 External Communications									
Current payment	24,612	3,639	(4,800)	23,451	17,125	6,326	73.0%	23,561	17,824
Transfers and subsidies	-	-	-	-	-	-		289	288
Payment for capital assets	-	-	-	-	-	-		6,200	519
	24,612	3,639	(4,800)	23,451	17,125	6,326		30,050	18,631
8.3 Media Rel. & Public Relations									
Current payment	7,895	(798)	-	7,097	4,622	2,475	65.1%	11,708	3,492
	7,895	(798)	-	7,097	4,622	2,475		11,708	3,492
Total	64,015	-	(4,800)	59,215	44,174	15,041	74.6%	70,124	43,092

Economic Classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	25,420	-	-	25,420	19,259	6,161	75.8%	18,995	18,461
Goods and services	38,075	(144)	(4,800)	33,131	24,588	8,543	74.2%	44,150	23,441
Transfers and subsidies to:									
Households	-	144	-	144	144	-	100.0%	289	288
Payment for capital assets									
Machinery and equipment	400	-	-	400	152	248	38.0%	6,516	728
Software and intangible assets	120	-	-	120	31	89	25.8%	174	174
Total	64,015	-	(4,800)	59,215	44,174	15,041	74.6%	70,124	43,092

Notes to the Appropriation Statement

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 10 (Transfers and subsidies) and Annexure 1 (A-F) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets:

Detail of these transactions per programme can be viewed in note 8 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Administration	443,251	435,815	7,436	1.68%
Explanation of variance: 50 vacant positions out of 389 posts resulted in the under-spending of R3.4 million under Compensation of Employees due to staff turnover and the vacancy rate. Under-spending of R134,000 under goods and services is as a result of most of the projects being kept on hold as a result of suppliers who did not meet the requirements. Savings of R1 million under households were as a result of provision made for bursaries of external employees which were not paid. Under-spending of R2.7 million under Capital is as a result of changes in the procurement process, which delayed the ordering and delivery of Computer Equipment.				
International Trade and Economic Development	125,088	106,949	18,139	14.50%
Explanation of variance: 36 vacant positions out of 152 posts resulted in the low spending of R8.3 million under Compensation of Employees due to higher vacancy rate. Under-spending of R8.5 million under goods & services was mainly under advertising and contractors due to delays in receiving invoices from service providers and consultants. Under-spending of R1 million under Transfer Payments to WTO is due to the exchange rate fluctuation.				
Empowerment and Enterprise Development	814,034	801,173	12,861	1.58%
Explanation of variance: The division had 16 vacant positions out of 106 posts, which resulted in the under-spending of R1 million under Compensation of Employees due to higher vacancy rate and higher staff turnover. Under-spending of R10.2 million under goods and service is due to a delay in the payment of the database project as a result of the expiry of their contract in the beginning of February 2011 as well as some projects that commenced later than anticipated due to the departmental processes to appoint service providers and Travel & subsistence and venues & facilities is being closely monitored as a cost-saving initiative. Under-spending of R494,000 is due to the introduction of new procurement process for computers which delayed delivery. Under-spending of R904,000 under Foreign is due to exchange rate fluctuation of UNIDO payment which was made in February 2011.				

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NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2011

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Industrial Development	1,156,961	1,142,033	14,928	1.29%
Explanation of variance: 4 vacant positions out of 145 posts resulted in the under-spending of R3 million due to higher vacancy rate in management positions. Under-spending of R9.6 million under goods and services is due to the appointment of consultants occurring late in the financial year, and the expenditure will only take place during 2011/12 financial year. The use of internal facilities for the meetings, workshops and conferences has led to a decline in expenditure. Under-spending of R439,000 under capital is as a result of computer equipment which was ordered but not delivered in time. Under-spending of R1.5 million under transfer payment is as a result of R1.5 million to the University of Stellenbosch as the project was deferred due to the lack of funding over the MTEF period.				
Consumer and Corporate Regulations	195,531	145,021	50,510	25.8%
Explanation of variance: The division had twenty seven (27) vacancies which resulted in a under-spending of R4.6 million under compensation of employees due to higher staff turnover and delay in advertisement of post due to restructuring of the division. Under-spending of R11.9 million under goods and services is as a result of outstanding invoice of operating expenditure, legal fees and some projects within the division which commenced later than anticipated due to departmental process. Under-spending of R317,000 is due to delay in the delivery of computer equipment which was already ordered. Under-spending of R34 million under transfer payments is due to the delay in the establishment of the National Consumer Commission and Companies and Intellectual Property Commission.				
The Enterprise Organisation	3,046,652	2,792,994	253,658	8.33%
Explanation of variance: 29 vacant positions out of 240 posts resulted in the under-spending of R5 million under Compensation of Employees due to higher staff turnover and vacancy rate. Under-spending of R2.6 million under goods and services is due to four (4) IT consultants being due to start in the beginning of the financial year but only starting in September 2010 as well as the service for product development which is still under investigation. Under-spending of R245 million under transfer payments is due to ministerial consultations with industry; the effective start date for the AIS was only in the 2nd quarter of 2010/11. Commitments have been made in the allocated budget and 3 claims were paid in March 2011.				
Trade and Investment South Africa	353,476	328,582	24,894	7.04%
Explanation of variance: 36 vacant positions out of 140 posts resulted in the under-spending of R4.6 million due to staff turnover and vacancy rate. The under-expenditure of R19.9 million under goods and services is due to outstanding invoices from DIRCO. The expenditure under Capital expenditure of R320,000 is due to delay in procurement of Computer equipment.				
Marketing	59,215	44,174	15,041	25.40%
Explanation of variance: 7 vacant positions out of 88 posts resulted in the under-spending of R6 million under Compensation of Employees. Under-spending of R8.5 million under goods and services is due to travel & subsistence and contractors as there were fewer requests from business units/divisions for events.				
Total				

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments:				
Compensation of employees	551,748	514,935	36,813	6.67%
Goods and services	545,826	474,830	70,996	13.01%
Interest and rent on land	276	275	1	0.36%
Transfers and subsidies:				
Departmental agencies and accounts	872,762	838,980	33,782	3.87%
Universities and Technikons	16,298	14,793	1,505	9.23%
Public corporations and private enterprises	4,105,170	3,859,334	245,836	5.99%
Foreign governments and international organisations	39,084	36,642	2,442	6.25%
Non-profit institutions	37,800	37,800	-	0%
Households	2,754	1,657	1,097	39.83%
Payment for capital assets:				
Machinery and equipment	15,602	12,875	2,727	17.48%
Software and other intangible assets	4,581	2,314	2,267	49.49%
Payments for financial assets	2,307	2,306	1	0.04%
Total	6,194,208	5,796,741	397,467	6.4%

Explanation of variances:

Compensation of employees – due to vacancies and higher staff turnover.

Goods and services – under-spending was due to the delay in the appointment of consultants, cost-cutting initiatives as well as payments on variation orders which could not be effected pending the finalisation of the CIPRO project.

Transfers and subsidies – due to the time lag in the payment of claims in respect of AIS, delay in establishment of National Consumer Commission and Companies and Intellectual Property Commission.

Capital – due to the delay in the implementation of IT and Marketing projects.

Statement of Financial Performance

	Note	2010/11 R'000	2009/10 R'000
REVENUE			
Annual appropriation	1	6,194,208	6,402,076
Statutory appropriation	2	65,240	-
Departmental revenue	3	35,630	510,034
Aid assistance	4	209,343	18,598
TOTAL REVENUE		6,504,421	6,930,708
EXPENDITURE			
Current expenditure			
Compensation of employees	5	514,935	445,576
Goods and services	6	474,830	503,661
Interest paid	7	275	53
Aid assistance	4	12,372	14,035
Total current expenditure		1,002,412	963,325
Transfers and subsidies			
Transfers and subsidies	10	4,854,446	5,259,912
Aid assistance	4	95,996	113,757
Total transfers and subsidies		4,950,442	5,373,669
Expenditure for capital assets			
Tangible assets	11	13,161	22,879
Software and other intangible assets	11	2,314	2,720
Total expenditure for capital assets		15,475	25,599
Payments for financial assets	8	2,306	3,154
TOTAL EXPENDITURE		5,970,635	6,365,747
SURPLUS FOR THE YEAR		533,786	564,961
Reconciliation of surplus for the year			
Voted funds	20	397,467	164,121
Departmental revenue	21	35,630	510,034
Aid assistance	4	100,689	(109,194)
SURPLUS FOR THE YEAR		533,786	564,961

Statement of Financial Position

	Note	2010/11 R'000	2009/10 R'000
ASSETS			
Current assets		550,986	532,117
Unauthorised expenditure	12	37,380	37,380
Fruitless and wasteful expenditure	13	-	11
Cash and cash equivalents	14	283,850	255,492
Prepayments and advances	16	7,444	15,306
Receivables	17	222,312	223,928
Non-current assets		1,129	1,707,139
Other financial assets	15	1,129	2,889
Investments	18	-	1,392,969
Loans	19	-	311,281
TOTAL ASSETS		552,115	2,239,256
LIABILITIES			
Current liabilities		338,749	320,963
Voted funds to be surrendered to the Revenue Fund	20	98,405	39,864
Departmental revenue to be surrendered to the Revenue Fund	21	3,200	129,472
Payables	22	2,779	13,200
Aid assistance repayable	4	234,365	138,427
TOTAL LIABILITIES		338,749	320,963
NET ASSETS		213,366	1,918,293
Represented by:			
Capitalisation reserve		-	1,704,250
Recoverable revenue		213,366	214,043
TOTAL		213,366	1,918,293

Statement of Changes in Net Assets

NET ASSETS	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Capitalisation Reserves			
Opening balance		1,704,250	1,674,250
Transfers:			
Movement in equity		-	30,000
Other movements		(1,704,250)	-
Closing balance		-	1,704,250
Recoverable revenue			
Opening balance		214,043	216,860
Transfers:		(677)	(2,817)
Irrecoverable amounts written off	9	(2,025)	(2,601)
Receivables revised		(3,289)	(6,003)
Receivables recovered (included in departmental receipts)		(22,597)	(28,219)
Receivables raised		27,234	34,006
Closing balance		213,366	214,043
TOTAL		213,366	1,918,293

The 2009/10 amount for receivables was restated.

Cash Flow Statement

	Note	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		6,205,266	6,686,451
Annual appropriated funds received	1.1	5,895,146	6,277,819
Statutory appropriated funds received	2	65,240	-
Departmental revenue received	3	35,537	390,034
Aid assistance received	4	209,343	18,598
Net increase in working capital		(932)	13,315
Surrendered to Revenue Fund		(201,766)	(420,161)
Surrendered to RDP Fund/Donor		(4,751)	-
Current payments		(1,002,412)	(963,325)
Payments for financial assets		(2,306)	(3,154)
Transfers and subsidies paid		(4,950,442)	(5,373,669)
Net cash flow available from/(utilised in) operating activities	23	42,657	(60,543)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for capital assets	11	(15,475)	(25,599)
Proceeds from sale of capital assets	3.4	93	-
Increase in loans		-	(30,001)
Decrease in investments		-	-
Decrease in other financial assets		1,760	232
Net cash flows from/(utilised in) investing activities		(13,622)	(55,368)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	120,000
Increase in net assets		(677)	25,405
Net cash flows from financing activities		(677)	145,405
Net increase in cash and cash equivalents		28,358	29,494
Cash and cash equivalents at the beginning of the period		255,492	225,998
Cash and cash equivalents at end of period	24	283,850	255,492

Accounting Policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act.

1. Presentation of the financial statements

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the accounting system by not later than 31 March of each year.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

1.3 Rounding

Unless otherwise stated, all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior year comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior year financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation statement

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds and adjusted appropriated funds are recognised in the accounting records on the date when the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the accounting records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance. Unexpended appropriated funds are surrendered to the National Revenue Fund, unless approval has been given by the National Treasury to roll over the funds to the subsequent financial year. These rollover funds form part of retained funds in the financial statements. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are indicated in the disclosure notes to the annual financial statements.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the Department in accordance with laws and/or regulations (excluding fines, penalties and forfeits). Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sale of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services are recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory, unrequited amounts which were imposed by a court or quasi-judicial body and collected by the Department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land are recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on the sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Transactions in financial assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are indicated in the disclosure notes to the financial statements. Cheques issued in previous accounting periods that expire before being banked, are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from revenue.

Foreign exchange gains are recognised in the statement of financial performance on payment of funds. The foreign exchange rate on the date of payment is used for the translation.

2.2.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements. Fair value is regarded as the equivalent of what would have been paid had the gift, donation or sponsorship been borne by the Department.

2.3 Direct exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received. All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system.

2.4 Aid assistance

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from National Treasury, or when the Department directly receives the cash from the donor(s). The total cash amounts received during the year are reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance is disclosed at fair value in the annexures to the financial statements. Fair value is regarded as the equivalent of what would have been paid had the gift, donation or sponsorship been borne by the Department.

Cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payment is effected in the accounting records. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

A receivable is recognised in the statement of financial position to the value of the amounts expensed prior to the receipt of funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance. Unutilised amounts are recognised in the statement of financial position.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees, including leave entitlements, thirteenth cheques and performance bonuses. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the payroll system. All other payments are also classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the payroll system.

Short-term employee benefits comprise leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the payroll system. Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements and are not be recognised in the statement of financial performance or position.

The Department also provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the payroll system.

3.1.2 Post-retirement benefits

The Department contributes towards retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the funds is effected on the payroll system. No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

The Department provides medical benefits for certain of its ex-employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system. Medical benefits made by the Department for certain of its ex-employees are classified as transfers to households in the statement of financial performance.

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer to households when the final authorisation for payment is effected on the payroll system. Households in this context refer to past employees.

3.1.4 Other long-term employee benefits

Other long-term employee benefits, such as capped leave, are recognised as an expense in the statement of financial performance as a transfer to households when the authorisation for payment is effected on the system.

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statements of financial performance or position.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system. The expense is classified as capital if the goods and services were used on a capital project, or if an asset of R5000 or more is purchased. All assets costing less than R5000 are expensed as goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payments for the rental of land and the fixed structures on it, the whole amount is recorded under goods and services.

3.4 Payment for financial assets

Receivables are written off when identified as irrecoverable. Receivables written off are limited to the amount of savings and/or under spending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but amounts are indicated as a disclosure note to the financial statements.

Foreign exchange losses are recognised in the statement of financial performance on the payment of funds. The foreign exchange rate on the date of payment is used for the translation of the foreign currency to SA Rand.

All other losses are recognised in the statement of financial performance when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the authorisation for payment is effected on the system.

3.6 Unauthorised expenditure

When discovered, unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person, or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding, it is recognised as expenditure, subject to the availability of savings, in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable, it is treated as an asset until it is recovered from the responsible person, or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system.

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Bank overdrafts are shown separately on the face of the statement of financial position. For the purposes of the cash-flow statement, cash and cash equivalents comprise cash-on-hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Revenue receivables not yet collected are included in the disclosure notes. Amounts that are potentially irrecoverable are also indicated in the disclosure notes to the financial statements.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash-flows such as proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received. Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is indicated in the disclosure notes to the financial statements.

4.6 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are indicated in the disclosure notes to the financial statements.

Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

4.7 Capital assets

Movable assets

A capital asset is recorded on receipt of the item at cost. The cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at a nominal value of R1. Fair value is regarded as the equivalent of what would have been paid had the asset been purchased. Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

The disclosure notes reflect the total movement in the asset register for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognised in the financial statements under the modified cash basis of accounting.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Direct exchequer receipts to be surrendered to the Revenue Fund

All direct exchequer fund receipts are recognised in the statement of financial performance when the cash is received.

Amounts received must be surrendered to the National Revenue Fund on receipt thereof. Any amount not surrendered at year-end is reflected as a current payable in the statement of financial position.

5.4 Payables

Recognised payables mainly comprise other government entities. These payables are recognised at historical cost in the statement of financial position.

Payables comprise mainly amounts owing to creditors where payments are authorised and processed for payment at financial year-end but only reflect on the bank statement in the new financial year.

5.5 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Department; or a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are included in the disclosure notes to the financial statements.

5.6 Commitments

Commitments other than lease commitments represent goods and services that have been approved and/or contracted, but where no delivery has taken place at the reporting date. Commitments, whether of a current or capital nature, are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are indicated in the disclosure notes to the financial statements.

5.7 Accruals

Accruals represent goods and services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the accounting system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are indicated in the disclosure notes to the financial statements.

5.8 Employee benefits

Short-term employee benefits not yet paid that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.9 Lease commitments

Finance leases

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and the interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating leases

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

5.10 Impairment and other provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the financial statements.

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting year. Amounts are recognised on disposal, repayment or recovery of such amounts.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial period becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered, or are transferred to the statement of financial performance when written off.

8. Related-party transactions

Related parties are departments that control or significantly influence the Department in making financial and operating decisions. Specific information with regard to related-party transactions is indicated in the disclosure notes to the financial statements.

9. Key management personnel

Key management personnel are those persons with the authority and responsibility for planning, directing and controlling the activities of the Department.

Compensation paid to key management personnel, including their family members where relevant, is indicated in the disclosure notes to the financial statements.

10. Public-private partnerships

A public-private partnership (PPP) is a commercial transaction between the Department and a private party in terms of which the private party:

- performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function, or from utilising the state property, either by way of:
 - consideration to be paid by the Department which derives from a Revenue Fund;
 - fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, including the contract fees and current and capital expenditure relating to the PPP arrangement, is included in the disclosure notes to the financial statements.

Notes to the Annual Financial Statements

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	Final Appropriation 2010/11	Actual Funds Received 2010/11	Funds not requested/ not received 2010/11	Actual Funds received 2009/10
	R'000	R'000	R'000	R'000
1. Administration	443,251	436,911	6,340	429,424
2. International Trade and Economic Development	125,088	112,868	12,220	186,391
3. Empowerment and Enter- prise Development	814,034	806,104	7,930	1,313,984
4. Industrial Development	1,156,961	1,146,161	10,800	415,417
5. Consumer and Corporate Regulatory Division	195,531	177,018	18,513	230,558
6. The Enterprise Organisation	3,046,652	2,811,152	235,500	3,351,884
7. Trade and Investment South Africa	353,476	353,476	-	303,087
7. Communications and Marketing	59,215	51,456	7,759	47,074
Total	6,194,208	5,895,146	299,062	6,277,819

The Final Appropriation for 2010/11 amounted to R6.2 million, which is reflected in the Statement of Financial Performance, whilst the amount of R5.9 million, reflected in the above table, is the actual funds received for the 2010/11 financial year.

Explanation of funds not requested/not received:

Refer to the Notes to the Appropriation Statement on pages 162 to 164 for the reasons why funds were not requested/not received.

	Note	2010/11 R'000	2009/10 R'000
2. Statutory Appropriation			
National Skills Fund		65,240	-
Total		65,240	-
Actual Statutory Appropriation received		65,240	-

Statutory appropriation relates to funds received by **the dti** from the Department of Higher Education based on the Skills Development Act.

3. Departmental revenue

Tax revenue		3,161	2,942
Sales of goods and services other than capital assets	3.1	213	221
Fines, penalties and forfeits	3.2	14	336,296
Interest, dividends and rent on land	3.3	513	122,965
Sales of capital assets	3.4	93	-
Transactions in financial assets and liabilities	3.5	31,636	47,610
Departmental revenue collected		35,630	510,034

Tax revenue relates to liquor licence fees received.

3.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the Department	212	221
Sales by market establishment	62	80
Other sales	150	141
Sales of scrap, waste and other used current goods	1	-
Total	213	221

Sales by market establishment relate to revenue received in respect of rental parking.

Other sales comprise commission received on the deduction of insurance and other premiums from employees' salaries and fees received by staff for directorships at other institutions.

	Note	2010/11	2009/10
		R'000	R'000
3.2 Fines, penalties and forfeits			
Penalties		-	336,286
Forfeits		14	10
Total		14	336,296

Penalties, which are fines imposed by the Competition Commission were with effect from 1 April 2010, deposited via the Economic Development Department into the National Revenue Fund.

Interest		513	2,965
Dividends (IDC)		-	120,000
Total		513	122,965

3.3 Interest, dividends and rent on land

The Industrial Development Corporation (IDC) was transferred from the Department of Trade and Industry to the Economic Development Department with effect from 1 April 2010.

3.4 Sale of capital assets

Tangible assets

Machinery and equipment	93	-
Total	93	-

Revenue received under the sale of capital assets was in respect of a sale of a motor vehicle.

3.5 Transactions in financial assets and liabilities

Receivables	23,339	22,587
Forex gain	143	124
Other Receipts including Recoverable Revenue	8,154	24,899
Total	31,636	47,610

Receivables consist of money collected on debt owed by public entities, private enterprises, staff and ex-officials resulting from non-contractual obligations.

Other receipts comprise refunds from entities of unused funds and interest earned, whilst recoverable revenue comprises recoveries made on prior-year expenditure.

	Note	2010/11 R'000	2009/10 R'000
4. Aid assistance			
4.1 Aid assistance received in cash from Reconstruction and Development Programme (RDP)			
Foreign			
Opening balance		138,427	247,621
Revenue		209,343	18,598
Expenditure		(108,654)	(127,792)
Current		(12,372)	(14,035)
Capital		(286)	-
Transfers		(95,996)	(113,757)
Current year (deficit)/surplus		100,689	(109,194)
Surrendered to the RDP		(4,751)	-
Closing balance	Ann1H	234,365	138,427
Analysis of balance			
Aid assistance repayable			
RDP		234,365	138,427
Closing balance		234,365	138,427

	Note	2010/11	2009/10
		R'000	R'000
5. Compensation of employees			
5.1 Salaries and wages			
Basic salary		339,277	297,167
Performance award		6,115	6,964
Service based		1,724	1,890
Compensative/Circumstantial		4,445	5,390
Periodic payments		411	296
Service bonus		19,301	16,351
Home owners allowance		4,248	2,656
Other non-pensionable allowances		60,403	54,723
Foreign allowance		22,565	15,875
Total		458,489	401,312

Other non-pensionable allowances comprise car allowances and benefits structured as part of salary packages for employees on level 11 and higher, etc.

Foreign allowances comprise cost-of-living allowances awarded to employees based abroad at foreign mission offices.

5.2 Social contributions

Employer contributions

Pension	40,806	32,518
Medical	15,574	11,712
Bargaining Council	66	34
Total	56,446	44,264
Total compensation of employees	514,935	445,576
Average number of employees	1,214	1,108

	Note	2010/11 R'000	2009/10 R'000
6. Goods and services			
Administration fees		3,140	5,060
Advertising		14,273	15,630
Assets less than R5 000	6.1	817	762
Bursaries (employees)		1,353	1,079
Catering		3,106	2,924
Communication		11,600	18,929
Computer services	6.2	13,973	14,438
Consultants, contractors and special services	6.3	63,359	82,449
Entertainment		1,101	1,005
Audit cost - External	6.4	8,641	9,829
Fleet services		245	-
Inventory	6.5	14,033	11,454
Operating leases		190,988	178,521
Owned and leasehold property expenditure	6.6	16,557	14,076
Travel and subsistence	6.7	79,250	81,085
Venues and facilities		26,232	40,365
Training and staff development		9,370	8,835
Other operating expenditure	6.8	16,792	17,220
Total		474,830	503,661

6.1 Assets less than R5 000

Tangible assets	797	369
Machinery and equipment	797	369
Intangible assets	20	393
Total	817	762

	Note	2010/11	2009/10
		R'000	R'000
6.2 Computer services			
SITA computer services		6,873	6,406
External computer service providers		7,100	8,032
Total		13,973	14,438

6.3 Consultants, contractors and agency/outsourced services

Business and advisory services		39,871	39,865
Infrastructure and planning		-	43
Legal costs		11,254	26,768
Contractors		7,508	8,310
Agency and support/outsourced services		4,726	7,463
Total		63,359	82,449

6.4 Audit cost - External

Regularity audits		7,036	6,108
Forensic investigations		1,605	1,530
Other audits		-	2,191
Total		8,641	9,829

6.5 Inventory

Learning and teaching support material		94	1
Maintenance material		543	116
Stationery and printing		12,927	10,900
Medicine		55	-
Other consumable materials		414	437
Total		14,033	11,454

	Note	2010/11	2009/10
		R'000	R'000
6.6 Owned and leasehold property expenditure			
Municipal services		763	697
Property management fees		7,821	7,110
Property maintenance and repairs		7,595	6,023
Other		378	246
Total		16,557	14,076

“Other” comprises expenditure incurred in respect of cleaning services, laundry services, pest control, fumigation services as well as safe guard and security for an amount of R53, R78, R3, R21 and R223 thousand respectively.

6.7 Travel and subsistence

Local		37,086	37,480
Foreign		42,164	43,605
Total		79,250	81,085

6.8 Other operating expenditure

Learnerships		103	-
Membership and subscription fees		3,561	4,896
Resettlement costs		3,231	4,315
Other		9,897	8,009
Total		16,792	17,220

“Other” includes courier and delivery services, printing and publications, drivers licences and permits as well as storage of files.

7. Other operating expenditure

Interest paid		275	53
Total		275	53

Interest paid is in respect of payments on overdue accounts and leasehold vehicles.

	Note	2010/11 R'000	2009/10 R'000
8. Payments for financial assets			
Receivables written off	8.2	2,268	2,601
Forex losses	8.3	12	11
Other material losses written off	8.1	26	542
Total		2,306	3,154

8.1 Other material losses written off

Nature of losses

Fruitless and wasteful expenditure		16	-
Court settlement		-	539
Claims for losses by staff		10	3
Total		26	542

8.2 Receivables written off

Nature of receivables written off

Black Business Suppliers Development Programme		149	-
Staff receivables		52	-
General Export Incentive Scheme		1,712	2,535
Regional Industrial Development Programme		181	-
Suppliers		133	-
Small and Medium Manufacturing Development Programme		41	-
Export Marketing and Investment Assistance		-	66
Total		2,268	2,601

8.3 Forex losses

Nature of losses

Expenditure at foreign offices		12	11
Total		12	11

	Note	2010/11 R'000	2009/10 R'000
9. Recoverable revenue written off			
Nature of losses			
	Stat Chg in NA		
Black Business Suppliers Development Programme		(149)	-
Staff debts		(16)	-
General Export Incentive Scheme		(1,712)	(2,535)
Regional Industrial Development Programme		(74)	-
Suppliers		(33)	-
Small and Medium Manufacturing Development Programme		(41)	-
Export Marketing and Investment Assistance		-	(66)
Total		(2,025)	(2,601)

The 2009/10 amounts for recoverable revenue written off were restated as a result of rounding off.

10. Transfers and subsidies

Departmental agencies and accounts	Annexure 1A	838,980	1,440,308
Universities and technikons	Annexure 1B	14,793	15,500
Public corporations and private enterprises	Annexure 1C	3,924,574	3,762,528
Foreign governments and international organisations	Annexure 1D	36,642	31,402
Non-profit institutions	Annexure 1E	37,800	7,597
Households	Annexure 1F	1,657	2,577
Total		4,854,446	5,259,912

11. Expenditure for capital assets

Tangible assets		13,161	22,879
Machinery and equipment	36.2	13,161	22,879
Software and other intangible assets		2,314	2,720
Capitalised development costs		-	1,004
Other intangibles	37.1	2,314	1,716
Total		15,475	25,599

11.1 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	12,875	286	13,161
Machinery and equipment	12,875	286	13,161
Software and other intangible assets	2,314	-	2,314
Capitalised development costs	-	-	-
Computer software	2,314	-	2,314
Total assets acquired	15,189	286	15,475

11.2 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	22,879	-	22,879
Machinery and equipment	22,879	-	22,879
Software and other intangible assets	2,720	-	2,720
Capitalised development costs	1,004	-	1,004
Computer software	1,716	-	1,716
Total assets acquired	25,599	-	25,599

12. Unauthorised expenditure

12.1 Reconciliation of unauthorised expenditure

	2010/11 R'000	2009/10 R'000
Opening balance	37,380	37,380
Less: Amounts approved by Parliament/Legislature (with funding)	-	-
Unauthorised expenditure awaiting authorisation	37,380	37,380
Analysis of awaiting authorisation per economic classification		
Current	37,380	37,380
Total	37,380	37,380

12.2 Details of unauthorised expenditure which was incurred in the 2004/05 financial year

Incident	Disciplinary steps taken/ criminal proceedings	2010/11 R'000
Awaiting approval		
GEIS [Overspending of the vote]	Referred to SCOPA	31,075
Compensation in terms of bilateral treaty [Overspending of the vote]	Referred to SCOPA	6,154
Staff Receivables written off [Overspending of the vote]	Referred to SCOPA	98
Other [Overspending of the vote]	Referred to SCOPA	53
Total		37,380

2010/11
R'000

2009/10
R'000

13. Fruitless and wasteful expenditure

13.1 Reconciliation of fruitless and wasteful expenditure

Opening balance	11	11
Less: Amounts condoned		
Current	(11)	-
Fruitless and wasteful expenditure awaiting condonement	-	11
Analysis of awaiting condonement per economic classification		
Current	-	11
Total	-	11

14. Cash and cash equivalents

Consolidated Paymaster General Account	282,952	255,088
Cash receipts	64	55
Disbursements	(26)	66
Cash on hand	76	-
Cash with commercial banks (local)	784	283
Total	283,850	255,492

15. Other financial assets

Non-current

Local

Staff debts (Fraud/court order)	22	53
Other (Bursary/fraud)	43	41
Sub-total	65	94

Foreign

Other (Rental deposits for employees based abroad)	1,064	2,795
Total non-current other financial assets	1,129	2,889

	2010/11	2009/10
	R'000	R'000
16. Prepayments and advances		
Staff advances	5	7
Travel and subsistence	950	438
Advances paid to other entities	6,489	14,861
Total	7,444	15,306

The amount for advances paid to other entities substantially relates to advance payments to the Department of International Relations and Co-operation for costs incurred by **the dti** foreign mission offices.

17. Receivables

	Note	2010/11			R'000	2009/10 R'000
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years		
				Total	Total	
Claims recoverable	17.1	2,603	5,081	203,543	211,227	214,407
Staff debt	17.2	1,304	81	120	1,505	523
Other debtors	17.3	269	1,046	8,265	9,580	8,998
Total		4,176	6,208	211,928	222,312	223,928

The 2009/10 amount for receivables was restated.

	Note	2010/11	2009/10
		R'000	R'000
17.1 Claims recoverable			
National departments	Annex 4	898	3,061
Provincial departments		-	27
Public entities	Annex 4	3,324	3,544
Private enterprises		207,005	207,775
Total		211,227	214,407

	Note	2010/11	2009/10
		R'000	R'000
17.2 Staff debt			
Bursaries		414	229
LWP (Leave without pay)		45	64
SOVRIS (Salary overpayment in service)		847	113
Telephone		21	24
Travel and subsistence		106	6
Cellular phone		8	9
Petty cash		4	45
Other		60	33
Total		1,505	523

17.3 Other debtors

Bursaries	272	154
Salary overpayment out of service	1,928	2,041
Medical	572	538
Tax	26	38
Fraud	5,759	5,520
Theft	176	166
Travel and subsistence	7	1
Damages to property	211	128
Cell Phone	74	56
State guarantee	212	194
Leave with payment	109	-
Other	234	162
Total	9,580	8,998

Of the total amount of R5.759 million in respect of fraud, R4.237 million is for a payment made not in accordance with service level agreements from donor fund.

	Note	2010/11 R'000	2009/10 R'000
18. Investments			
Non-current			
Shares and other equity			
IDC A Shares – 1,000,000 at cost (100% shareholding)		-	1,000
IDC B Shares – 1,391,969,357 at cost (100% shareholding)		-	1,391,969
Total		-	1,392,969
Total non-current		-	1,392,969
Analysis of non-current investments			
Opening balance		1,392,969	1,392,969
Non-cash movements		(1,392,969)	-
Closing balance		-	1,392,969

Investments in the Industrial Development Corporation (IDC) were transferred from the Department of Trade and Industry to the Economic Development Department with effect from 1 April 2010.

19. Loans

Public corporations		-	311,281
Total		-	311,281
Analysis of balance			
Opening balance		311,281	281,280
New Issues		-	30,001
Transfer		(311,281)	-
Closing balance		-	311,281

The Ernani loan that was issued for the capitalisation of Khula was transferred from the Department of Trade and Industry to the Economic Development Department with effect from 1 April 2010.

	Note	2010/11 R'000	2009/10 R'000
20. Voted funds to be surrendered to the Revenue Fund			
Opening balance		39,864	29,393
Transfer from statement of financial performance		397,467	164,121
Voted funds not requested/not received	1.1	(299,062)	(124,257)
Paid during the year		(39,864)	(29,393)
Closing balance		98,405	39,864

21. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		129,472	10,206
Transfer from Statement of Financial Performance		35,630	510,034
Paid during the year		(161,902)	(390,768)
Closing balance		3,200	129,472

22. Payables – current			
Amounts owing to other entities	Annex 5	22	48
Clearing accounts	22.1	140	113
Other payables	22.2	2,617	13,039
Total		2,779	13,200

22.1 Clearing accounts

PAYE	139	112
Pension fund	1	1
Total	140	113

	Note	2010/11 R'000	2009/10 R'000
22.2 Other payables			
CSIR		-	1,000
SMEDP		-	3,637
WESGRO		-	4,475
National Pavilions (EMIA)		1,187	2,711
PPP		965	965
Other		465	251
Total		2,617	13,039

23. Net cash flow available from operating activities

Net surplus as per Statement of Financial Performance	533,786	564,961
Add back non-cash/cash movements not deemed operating activities	(491,129)	(625,504)
Decrease in receivables – current	1,616	2,843
Decrease in prepayments and advances	7,862	6,572
Decrease in other current assets	11	-
Increase in payables – current	(10,421)	3,900
Proceeds from sale of capital assets	(93)	-
Expenditure on capital assets	15,475	25,599
Surrenders to Revenue Fund	(201,766)	(420,161)
Surrenders to RDP Fund/Donor	(4,751)	-
Voted funds not requested/not received	(299,062)	(124,257)
Dividends received (IDC)	-	(120,000)
Net cash flow generated by operating activities	42,657	(60,543)

24. Reconciliation of cash and cash equivalents for cash-flow purposes

Consolidated Paymaster General Account	282,952	255,088
Cash receipts	64	55
Disbursements	(26)	66
Cash on hand	76	-
Cash with commercial banks (Local)	784	283
Total	283,850	255,492

Disclosure Notes to the Annual Financial Statements

The following amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

	Note	2010/11 R'000	2009/10 R'000
25 Contingent liabilities			
Nature of liability			
Motor vehicle guarantees Employees	Annex 3A	-	556
Other guarantees IDC	Annex 3A	-	951,666
Claims against the Department	Annex 3B	610,146	3,442,440
Other departments (interdepartmental unconfirmed balances)	Annex 5	22	48
Total		610,168	4,394,710

Incentive grants approved by **the dti** to recipient firms are not always disbursed in the year of approval. Based on the rules of a particular Incentive scheme, grants approved in one year may be disbursed over a period of one to three years following approval. Disbursement of the incentive grant is in all cases conditional on the recipient firms carrying out their approved projects in line with the guidelines of the respective incentive scheme and meeting key performance requirements that are linked to the particular incentive such as achieved investment, output, employment, etc.

As per the standard conditions of contract for all incentive schemes, the firms have no legal entitlement to the grant upon approval and as such there is no reciprocal legal obligation for payment from the Department. The approvals are therefore at best described as conditional grants and are not included in the amount reflected above.

	Note	2010/11 R'000	2009/10 R'000
26 Commitments			
Current expenditure			
Approved and contracted		57,926	47,189
Capital expenditure			
Approved and contracted		1,289	2,751
Total commitments		59,215	49,940

27 Accruals

	2010/11		2009/10	
	R'000	R'000	R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	7,993	-	7,993	13,971
Machinery and equipment	260	-	260	716
Other	12,571	-	12,571	14,405
Total	20,824	-	20,824	29,092

Listed by programme level

Programme 1: Administration	744	804
Programme 2: International Trade and Economic Development	13	80
Programme 3: Economic and Enterprise Development	705	72
Programme 4: Industrial Development	56	104
Programme 5: Consumer and Corporate Regulation	-	33
Programme 6: The Enterprise Organisation	139	272
Programme 7: Trade and Investment South Africa	18,101	22,950
Programme 8: Communication and Marketing	1,066	4,777
Total	20,824	29,092

“Other” includes allowances payable to foreign officials and outstanding vouchers not yet received from DIRCO.

Prior-year figures were restated to include 2009/10 foreign mission accounts, which were received and paid for in the 2010/11 financial year.

	Note	2010/11 R'000	2009/10 R'000
28 Employee benefits			
Leave entitlement		13,765	13,952
Thirteenth cheque		10,927	9,376
Performance awards		174	-
Capped leave commitments		11,470	11,448
Total		36,336	34,776

Out of the amount of R13,765m leave entitlement, an amount of R834,692 has already been deducted in respect of negative balances on leave. This is due to an over-grant of leave taken as employees are given full leave credits in January of each year while the information in the financial statement is based on the leave accruals as at 31 March 2011.

29 Lease commitments

29.1 Operating leases expenditure

	Buildings and other fixed structures	Machinery and equipment	Total
2010/11	R'000	R'000	R'000
Not later than 1 year	167,965	2,301	170,266
Later than 1 year and not later than 5 years	778,869	323	779,192
Later than five years	4,244,233	-	4,244,233
Total lease commitments	5,191,067	2,624	5,193,691

	Buildings and other fixed structures	Machinery and equipment	Total
2009/10	R'000	R'000	R'000
Not later than 1 year	159,814	3,537	163,351
Later than 1 year and not later than 5 years	741,074	464	741,538
Later than five years	4,494,446	-	4,494,446
Total lease commitments	5,395,334	4,001	5,399,335

An amount of R1.308 million that is associated with the fleet management is included in the lease commitments for 2010/11.

The amounts reflected under building and other fixed structures relate to payments that will be made with respect to a Public-Private Partnership (PPP) agreement as detailed in note 34.1. These amounts are based on the assumption that the final unitary payment will be made in April 2029 and are calculated utilising a 6% increment annually, and are exclusive of pass-through costs (i.e. electricity, water, beverages) which are variable and paid monthly.

29.2 Finance lease expenditure**

	Machinery and equipment	Total
2010/11	R'000	R'000
Not later than 1 year	313	313
Later than 1 year and not later than 5 years	169	169
Total lease commitments	482	482
LESS: Finance costs	-	-
Total present value of lease liabilities	482	482

	Machinery and equipment	Total
2009/10	R'000	R'000
Not later than 1 year	448	448
Later than 1 year and not later than 5 years	142	142
Later than five years	-	-
Total lease commitments	590	590
LESS: Finance costs	-	-
Total present value of lease liabilities	590	590

30 Irregular expenditure

30.1 Reconciliation of irregular expenditure

	2010/11	2009/10
	R'000	R'000
Opening balance	1,880	251
Add: Irregular expenditure – relating to current year	28,323	1,889
Less: Amounts condoned	(266)	(260)
Irregular expenditure awaiting condonation	29,937	1,880

30.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2010/11 R'000
Services rendered without approval	Accounting officer recommended disciplinary action	62
Departmental policy	Accounting officer recommended disciplinary action	4
Departmental policy	Disciplinary action recommended	699
Tender amount exceeded	Accounting officer recommended disciplinary action	18
Prolonged acting allowance	To be investigated	426
Appointment of foreign national	To be investigated	391
Non-compliance with the SCM regulations	To be investigated	22,480
Procurement process not followed	Disciplinary action recommended	4,168
Payments made without a contract in place	To be investigated	75
Total		28,323

30.3 Details of irregular expenditure condoned – current year

Incident	Condoned by (condoning authority)	2010/11 R'000
Delegations	Accounting officer	182
Services rendered without approval	Accounting officer	62
Departmental policy	Accounting officer	4
Tender amount exceeded	Accounting officer	18
Total		266

31 Fruitless and wasteful expenditure

31.1 Reconciliation of fruitless and wasteful expenditure

	2010/11 R'000	2009/10 R'000
Opening balance	188	75
Add: Fruitless and wasteful expenditure relating to current year	159	113
Less: Amounts condoned	(221)	-
Less: Amounts transferred to receivables for recovery	(111)	
Fruitless and wasteful expenditure awaiting condonation	15	188
Analysis of awaiting condonation per economic classification		
Current	15	188
Total	15	188

31.2 Analysis of current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/Criminal proceedings	2010/11 R'000
Vehicle accident	Transferred to receivables	11
No show	Condoned	4
Interest paid	Condoned	144
Total		159

32 Related-party transactions

	Note	2010/11 R'000	2009/10 R'000
Revenue received			
Fines, penalties and forfeits	3.2	14	336,296
Rent on land	32.1	8,671	23,551
Dividends (IDC)	3.3	-	120,000
Total		8,685	479,847

	Note	2010/11 R'000	2009/10 R'000
Payments made			
Goods and services		32,286	53,267
Purchases of capital assets		1,578	597
Total		33,864	53,864

The above payments were made to the Department of International Relations and Co-operation for costs incurred by **the dti** foreign mission offices.

Year-end balances arising from revenue/payments

Receivables from related parties	Ann 4	3,324	3,544
Payables to related parties	Ann 5	(22)	(48)
Total		3,302	3,496

Loans to related parties

Non-interest-bearing loans to/(from)		-	311,281
Total		-	311,281

Other

Guarantees issued		-	951,666
Total		-	951,666

Refer to note 24 & Annexure 3A

32.1 Rent on land

Name of Agency

Competition Commission & Competition Tribunal		-	7,459
Companies & Intellectual Property Registration Office		8,671	8,142
International Trade Administration Commission		-	2,532
South African Micro Finance Apex Fund		-	569
Export Credit Insurance Corporation		-	4,063
Economic Development Department		-	786
Total		8,671	23,551

	No. of Individuals	2009/10 R'000	2009/10 R'000
33 Key management personnel			
Political office bearers (provide detail below)	4	4,747	8,095
Officials:			
Level 15 to 16	11	9,449	10,377
Level 14 (incl. CFO if at a lower level)	7	5,469	6,060
Total		19,665	24,532

Political office bearers consist of:

- Minister RH Davies
- Deputy Minister BM Ntuli
- Deputy Minister TV Tobias-Pokolo
- Deputy Minister E Thabethe

34 Public-Private Partnership**34.1 Buildings and other fixed structures****Nature of the arrangement**

the dti campus Public-Private Partnership (PPP) is based on a partnership between **the dti** and the City of Tshwane under which the City owns the land. The City will also own all fixed assets erected thereon. **the dti** will enjoy a unified service delivery environment, to be provided by Rainprop (Pty) Ltd as the private sector partner, who signed an experience delivery agreement with **the dti**. A separate Project Enablement Agreement, ensuring renewal rights under succeeding re-biddings of the PPP or some other future arrangement, binds the City and **the dti**.

Significant terms of the arrangement as they might affect future cash flows

The construction of **the dti** campus was finalised during the first half of 2004, whereafter the move and decant took place between May and November 2004. The retail areas on the campus became operational shortly thereafter.

Unitary payments are based on a baseline amount of R108.6 million per annum, which appreciates at CPI on 1 July of each year. Cash flows in the form of unitary payments and payments to *Rainprop (Pty) Ltd* towards pass-through costs commenced during April 2004 and totalled R172.932 million for the 2010/11 reporting period as compared to the R159.960 million for 2009/10.

Payments amounting to R4.667 million were made during 2010/11 regarding variation orders, which is slightly less than the R6.371 million for the previous year. This is due to some works that are still in progress.

Variation orders relate to changes and additions to the design of the building, and changes to accommodate increased numbers of staff, more so since **the dti** is also now providing accommodation for the Economic Development Department and some of its agencies. This has expanded the staffing complement that must be supported on campus. Payments of R2.714 million were made during the reporting period for small works and other works that are not variation orders, such as *ad hoc* furniture item requests and minor alterations, as compared to the R2.326 million paid for the 2009/10 financial year.

Cash flows in the form of pass-through cost to *Rainprop (Pty) Ltd* for services such as rates, electricity, water and consumables amounted to R14.129 million. Performance deductions of R9 080 were charged to and recovered from *Rainprop (Pty) Ltd*, whilst performance bonuses of R373 were paid.

During 2007/08, **the dti** claimed an amount of R964 776 for security-related under-delivery, which was subsequently successfully disputed by the concessionaire at an arbitration hearing that was held in December 2010.

Nature and extent of:

Right to use specified assets

The Concessionaire, who will have direct rights of use under its land availability agreement with the City, will manage the land and buildings owned by the City.

The Concessionaire, having in this manner mobilised the capital assets, will provide experienced delivery services to **the dti** as contractually defined by an “experience delivery matrix” over the term of the concession. **the dti** will enjoy the benefits as deemed contractually appropriate by the Concessionaire in the fulfilment of its obligations to **the dti**.

Obligation to provide rights or to expect the provision of services

The City is obliged to provide rights to the Concessionaire under **the dti**/City Project Enablement Agreement, as explained above. At the same time, **the dti** has rights to obtain services under its concession agreement with the private sector PPP partner.

Obligations to acquire or build items of property, plant and equipment

The Concessionaire will bear the risks of such obligations and associated risks.

Obligations to deliver, or rights to receive specified assets at the end of the concession period

the dti will have no obligations of any kind to deliver either fixed or moveable assets to any party at the end of the agreement.

Fixed assets, including buildings erected thereon by the Concessionaire as part of its asset mobilisation programme for the project, will at the end of the agreement become assets of the City. **the dti** will have rights against the City to compel the transfer of the rights of use of those assets on behalf of **the dti**, to a successor or the Concessionaire for successive periods, number of successions not less than one.

The moveable assets mobilised by the Concessionaire will fall to the Concessionaire at the end of the agreement for re-use or disposal as it may deem fit, in accordance with the generic provisions of PPP practice.

Renewal and termination options

the dti has rights of termination of contract or step-in as determined in the concession agreement, all such rights consistent with PPP practice in South Africa. The execution of such rights is subject to TA3 authority from National Treasury.

Other rights and obligations

A broad range of rights reflective of PPP practice, as regulated by National Treasury under Chapter 16 of the PFMA, will apply. Rights of overhaul are part of the lifecycle maintenance and handover obligations of the Concessionaire, which lifecycle maintenance obligations are clearly specified in the Maintenance Reserve Account (MRA) as an integral part of the concession agreement.

Changes in the arrangement occurring during the period

No changes in the arrangement occurred during the reporting period .

	Note	2010/11 R'000	2009/10 R'000
Contract fee paid		172,932	159,960
Indexed component		158,812	149,656
Pass-through costs		14,120	10,304
Total		172,932	159,960

34.2 Motor vehicles

Contract fee paid			
Indexed component		2,242	2,424
Pass-through costs		1,772	674
Total		4,014	3,098

the dti participates in the Department of Transport's Fleet Management contract for the use of its pool vehicles. This agreement is a full maintenance lease transversal contract regulated by the National Treasury PPP and Supply Chain Management regulations. the dti leases short-term, long-term, chauffeur and point-to-point driven services. The contract term is for five years, which commenced on 1 December 2006.

35 Impairment and other provisions

Impairment			
Receivables		215,407	213,821
Total		215,407	213,821

36 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance R'000	Current-year Adjust- ments to prior- year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT					
Transport assets	8,525	-	1,793	(2,108)	8,210
Computer equipment	54,620	(837)	8,408	(7,009)	55,182
Furniture and office equipment	28,705	313	2,365	(5,172)	26,211
Other machinery and equipment	4,490	(7)	1,824	(343)	5,964
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	96,340	(531)	14,390	(14,632)	95,567

36.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT					
Transport assets	1,793	-	-	-	1,793
Computer equipment	8,345	63	-	-	8,408
Furniture and office equipment	2,133	232	-	-	2,365
Other machinery and equipment	890	439	-	495	1,824
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	13,161	734	-	495	14,390

36.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transferred out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT				
Transport assets	-	(2,108)	(2,108)	-
Computer equipment	-	(7,009)	(7,009)	-
Furniture and office equipment	-	(5,172)	(5,172)	-
Other machinery and equipment	-	(343)	(343)	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	(14,632)	(14,632)	-

36.3 Movement for 2009/10

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	72,007	32,223	(7,890)	96,340
Transport assets	4,257	4,268	-	8,525
Computer equipment	44,982	16,761	(7,123)	54,620
Furniture and office equipment	18,586	10,864	(745)	28,705
Other machinery and equipment	4,182	330	(22)	4,490
TOTAL MOVABLE TANGIBLE ASSETS	72,007	32,223	(7,890)	96,340

36.4 Minor assets

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2011

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	640	10,011	10,651
Current-year adjustments to prior-year balances	-	(421)	(421)
Additions	8	1,261	1,269
Disposals	-	(3,583)	(3,583)
TOTAL	648	7,268	7,916

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	1	392	393
Number of minor assets at cost	1,373	5,585	6,958
TOTAL	1,374	5,977	7,351

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2010

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Value of minor assets	640	10,011	10,651
TOTAL	640	10,011	10,651

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	2,631	2,631
Number of minor assets at cost	1,363	8,255	9,618
TOTAL	1,363	10,886	12,249

37. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Current- year adjust- ments to prior-year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	2,011	-	-	-	2,011
COMPUTER SOFTWARE	15,989	(1,360)	2,706	-	17,335
TOTAL INTANGIBLE CAPITAL ASSETS	18,000	(1,360)	2,706	-	19,346

37.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Development work-in-progress current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	-	-	-	-	-
COMPUTER SOFTWARE	2,314	378	-	14	2,706
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	2,314	378	-	14	2,706

37.2 Movement for 2009/10

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	1,007	1,004	-	2,011
COMPUTER SOFTWARE	13,474	2,515	-	15,989
TOTAL	14,481	3,519	-	18,000

38. Transfer of functions

The undermentioned public entities were transferred from the Department of Trade and Industry to the Economic Development Department with effect from 1 April 2010.

- Industrial Development Corporation (IDC)
- Khula Enterprise Finance Limited
- International Trade Administration Commission (ITAC)
- Competition Commission and Tribunal
- South African Micro Apex Fund (SAMAF)

In view of the foregoing, the following assets and liabilities were transferred to the Economic Development Department in terms of Section 42 of the Public Finance Management Act:

- Shares in the Industrial Development Corporation
 - 1 000 000 x R1 (A shares)
 - 1 391 969 357 x RR1 (B shares)
- Guarantees amounting to R950.2 million that were issued on behalf of the Industrial Development Corporation as at 31 March 2010
- The Ernani loan amounting to R311.3 million that was issued for the capitalisation of Khula

The subsequent transfer of assets and liabilities as detailed above resulted in substantial changes to the Annual Financial Statements of the 2009/10 financial year, where the total net assets of **the dti** decreased from R1.92 million to R212.3 million.

38.1 Statement of Financial Position

	Note	Bal per dept 2009/10 AFS before trans- fer	Functions per dept (trans- ferred)	2009/10 Bal after transfer
		2009/10 R'000	2009/10 R'000	2009/10 R'000
ASSETS				
Current assets		530,339	-	530,339
Unauthorised expenditure		37,380	-	37,380
Fruitless and wasteful expenditure		11	-	11
Cash and cash equivalents		255,492	-	255,492
Prepayments and advances		15,306	-	15,306
Receivables		222,150	-	222,150
Non-current assets		1,707,139	(1,704,250)	2,889
Investments		1,392,969	(1,392,969)	-
Loans		311,281	(311,281)	-
Other financial assets		2,889	-	2,889
TOTAL ASSETS		2,237,478	-	533,228
LIABILITIES				
Current liabilities		320,963	-	320,963
Voted funds to be surrendered to the Revenue Fund		39,864	-	39,864
Departmental revenue and NRF receipts to be surrendered to the Revenue Fund		129,472	-	129,472
Payables		13,200	-	13,200
Aid assistance repayable		138,427	-	138,427
Aid assistance unutilised		-	-	-
TOTAL LIABILITIES		320,963	-	320,963
NET ASSETS		1,916,515	-	212,265

38.2 Disclosure notes

	Note	Bal per dept 2009/10 AFS be- fore transfer	Functions per dept (trans- ferred) / re- ceived	2009/10 Bal after transfer
		2009/10	2009/10	2009/10
		R'000	R'000	R'000
Movable tangible capital assets		22,879	(2,627)	20,252

39. World Cup expenditure

	2010/11		2009/10
	Quantity	R'000	R'000
Tickets acquired	200	4,640	-
Distribution of tickets	Quantity	R'000	R'000
Clients/Stakeholders	4	93	-
Accounting authority			-
Executive (Minister)	5	116	-
Non-executive (Deputy Minister)	1	23	-
Accounting officer	2	46	-
Senior management	5	116	-
Other employees (Officials)	3	70	-
Other government entities (Minister of Arts and Culture)	2	46	-
Other			-
Parliamentarians	3	70	-
Trade Minister of Namibia	2	46	-
Local and foreign investors	173	4,014	-
Total	200	4,640	
	2010/11		2009/10
Travel costs	R'000		R'000
Total	-		-
	2010/11		2009/10
Purchase of World Cup apparel	Quantity	R'000	R'000
	-	-	-
Total			
Total World Cup expenditure	200	4,640	-

Annexures to the Annual Financial Statements

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2009/10
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
Competition Tribunal	-	-	-	-	-		13,040
Competition Commission	-	-	-	-	-		80,739
Companies and Intellectual Property Commission	8,982	-	-	8,982	-		-
International Trade Administration Commission	-	-	-	-	-		60,885
National Consumer Commission	24,800	-	-	24,800	-	0%	-
National Consumer Tribunal	22,059	-	-	22,059	22,059	100%	17,519
National Credit Regulator	46,000	-	-	46,000	46,000	100%	43,859
National Empowerment Fund – Current	-	-	-	-	-		116,000
National Empowerment Fund – Capital	-	-	-	-	-		311,642
National Gambling Board	22,000	-	-	22,000	22,000	100%	21,570
National Metrology Institute of South Africa	55,266	-	2,253	57,519	57,519	100%	54,806
National Productivity Institute: Workplace Challenge	8,000	-	3,500	11,500	11,500	100%	11,530
National Regulator for Compulsory Specifications	27,142	-	5,900	33,042	33,042	100%	35,933
ProTechnik Laboratories (Current)	-	-	-	-	-		2,130
ProTechnik Laboratories (Capital)	-	-	-	-	-		5,281
National Research Foundation: Technology and Human Resources for Industry Programme	151,000	-	-	151,000	151,000	100%	163,823
Small Enterprise Development Agency	400,121	-	1,500	401,621	401,621		331,177
Small Enterprise Development Agency :Technology Programme	76,000	-	-	76,000	76,000	100%	78,320
South African Micro-finance Apex Fund: Current	-	-	-	-	-		58,047
South African Micro-finance Apex Fund: Capital	-	-	-	-	-		19,300
South African National Accreditation System	18,239	-	-	18,239	18,239	100%	14,707
TOTAL	859,609	-	13,153	872,762	838,980		1,440,308

ANNEXURE 1B**STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS**

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2009/10
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of available funds transferred	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
North-West University: Advanced Manufacturing Skills Sector Support Centre	793	-	5,000	5,793	5,793	-		-
University of Johannesburg: CAPA	1	-	-	1	-	1		5,000
University of Pretoria: Advanced Engineering Centre of Excellence	1	-	-	1	-	1		-
University of Stellenbosch-Furniture Centre of Competitiveness Programme	1,501	-	-	1,501	-	1,501		-
University of Witwatersrand: National Aerospace Skills Sector Support Centre	1	-	9,000	9,001	9,000	1		4,000
Witwatersrand Business School: Centre for Entrepreneurship	1	-	-	1	-	1		6,500
TOTAL	2,298	-	14,000	16,298	14,793	1,505		15,500

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2009/10
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Capital	Current	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers									
Centurion Aerospace Village	37,454	-	-	37,454	37,454	100%	37,454	-	-
Council for Scientific and Industrial Research : Aerospace Industry	9,901	-	-	9,901	9,901	100%	-	9,901	9,931
Council for Scientific and Industrial Research : Fibre and Textile Centre of Excellence	1	-	-	1	-		-	-	2,000
Council for Scientific and Industrial Research : Maritime Industry Project	-	-	-	-	-		-	-	-
Council for Scientific and Industrial Research : National Cleaner Production Centre	32,082	-	-	32,082	32,082	100%	-	32,082	18,966
Council for Scientific and Industrial Research : Technology Venture Capital	1	-	-	1	-		-	-	5,469
Development Bank of Southern Africa : Regional Spatial Development Initiatives	16,500	-	-	16,500	16,500	100%	-	16,500	15,871
Export Credit Insurance Corporation	120,488	-	-	120,488	120,488	100%	-	120,488	122,400
Clothing and Textile Production Incentive	400,000	-	-	400,000	400,000	100%	-	400,000	-
Industrial Development Corporation : Customised Sector Programmes	51,092	-	-	51,092	51,092	100%	-	51,092	48,657

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2009/10
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Capital	Current	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Industrial Development Corporation : Funds for Research into Industrial Development Growth & Equity	600	-	2,000	2,600	2,600	100%	-	2,600	596
Industrial Development Corporation : Isivande Women's Fund	10,500	-	-	10,500	10,500	100%	-	10,500	9,930
Industrial Development Corporation : Support Programme for Industrial Development	55,000	-	19,500	74,500	74,500	100%	-	74,500	47,661
INTSIMBI: National Tooling Initiative	3,000	29,400	15,000	47,400	47,400	100%	-	47,400	7,450
Manufacturing Development Programme	1	-	-	1	-	-	-	-	-
MINTEK: CSP	400	-	-	400	400	100%	-	400	-
Nuclear Energy of SA	-	-	-	-	-	-	-	-	5,341
National Foundry Technology Network: Metals	6,500	-	-	6,500	6,500	100%	-	6,500	-
ProTechnik Laboratories (Current)	2,250	-	-	2,250	2,247	100%	-	2,247	-
ProTechnik Laboratories (Capital)	1,000	-	-	1,000	1,000	100%	1,000	-	-
South African Bureau of Standards : Plant Infrastructure	174,240	-	-	174,240	174,240	100%	174,240	-	-
South African Bureau of Standards : Research Contribution	178,845	-	-	178,845	178,845	100%	-	178,845	153,731
South African Bureau of Standards : Small Business Technical Consulting	1,017	-	74	1,091	1,071	98%	-	1,071	1,201
KHULA Enterprise Finance	-	-	-	-	-	-	-	-	65,981

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2009/10
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Capital	Current	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Automotive Production and Development	-	-	-	-	-	-	-	-	-
Subsidies									
Business Process Outsourcing	63,060	-	(19,000)	44,060	43,609	99%	-	43,609	78,438
Business Process Outsourcing (National Skills Fund)	65,240	-	-	65,240	65,240	100%	-	65,240	-
Small and Medium Enterprise Development Programme	577,248	-	10,000	587,248	587,246	100%	-	587,246	1,346,435
Enterprise Investment Programme	246,700	-	15,000	261,700	261,700	100%	-	261,557	863
Film and Television Production Incentives	245,873	-	(62,700)	183,173	183,173	100%	-	183,173	175,555
Industrial Development Zone: Other	-	-	-	-	-	-	-	-	4,475
Small and Medium Manufacturing Development Programme	1,226	-	1,000	2,226	1,206	54%	-	1,206	3,333
Staple Food Fortification Programme	1,001	-	(1,000)	1	-	-	-	-	282
Sub-Total	2,301,221	29,400	(20,126)	2,310,495	2,308,768		222,595	2,086,173	2,124,566
Private Enterprises									
Transfers									
Automotive Production and Development Programme: Production Project	547,000	-	(9,000)	538,000	294,252	55%	-	294,252	-
Black Business Supplier Development Programme	105,621	-	25,000	130,621	130,590	100%	-	130,590	73,850
Co-Operatives Incentive Scheme	41,617	-	3,000	44,617	44,445	100%	-	44,445	34,523

ANNEXURE 1C**STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2009/10
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Capital	Current	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Export Market and Investment Assistance	123,998	-	10,000	133,998	133,876	100%	-	133,876	122,303
Other Critical Infrastructure Programme Project	80,680	-	-	80,680	80,643	100%	-	80,643	105,601
Sub-total	898,916	-	29,000	927,916	683,806		-	683,806	336,277
Private Enterprises									
Subsidies									
Coega Development Corporation	714,000	-	-	714,000	714,000	100%	714,000	-	859,889
East London Industrial Development Zone Company	198,000	-	-	198,000	198,000	100%	198,000	-	373,373
Richards Bay Industrial Development Zone (Pty) Ltd	20,000	-	-	20,000	20,000	100%	20,000	-	68,423
Sub-total	932,000	-	-	932,000	932,000		932,000	-	1,301,685
TOTAL	4,132,137	29,400	8,874	4,170,411	3,924,574		1,154,595	2,769,979	3,762,528

ANNEXURE 1D

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
French Institute of South Africa	2,000	-	-	2,000	2,000	100%	-
International Bank for Reconstruction and Development	5,542	-	-	5,542	5,542	100%	5,228
International Finance Corporation	5,542	-	-	5,542	5,542	100%	5,228
UNIDO: Automotive Component Supplier Development Programme	7,000	-	-	7,000	7,000	100%	5,000
United Nations Industrial Development Organisation	4,000	-	-	4,000	3,096	77%	4,300
Organisation for the Prohibition of Chemical Weapons	3,400	-	-	3,400	2,313	68%	3,000
World Trade Organisation	8,600	-	-	8,600	8,519	99%	8,500
World Intellectual Property Organisation	3,000	-	-	3,000	2,630	88%	2,766
TOTAL	39,084	-	-	39,084	36,642		34,022

ANNEXURE 1E

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
South African Women Entrepreneurs' Network	7,500	-	2,800	10,300	10,300	100%	7,597
Proudly South African Campaign	25,500	-	2,000	27,500	27,500	100%	-
TOTAL	33,000	-	4,800	37,800	37,800		7,597

ANNEXURE 1F**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Bursaries	965	-	-	965	581	60%	1,314
Donations and gifts	397	-	-	397	397	100%	517
Employee social benefits	1,296	-	-	1,296	583	45%	1,774
Social assistance	96	-	-	96	96	100%	-
TOTAL	2,754	-	-	2,754	1.657		3,605

ANNEXURE 1G**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
Received in kind			
Exclusive Books	Books for essay writing contest on Ethics - donation of books	-	12
Gender Action Programme [GAP]	Attend the World Bank workshop on Development Impact Evaluation for Finance and Private Sector - Travel costs	-	58
Organisation for Economic Co-operation and Development [OECD]	Attend the Trade and Agriculture working meeting - Meeting and travel cost	-	34
United Nations Conference on Trade Development [UNCTAD]	Attend the UNCTAD Regional Workshop on Southern African Customs Union - Travel costs	-	6
Japan International Cooperation Agency [JICA]	Attend and participate in the JICA Intensive seminar on advocating a law-oriented infrastructure approach to promote foreign direct investment - Training programme, travel cost and accommodation	-	30
Trade Policy Training Centre in Africa [Trapca] & International Institute for Sustainable Development [IISD]	Attend and participate in the training course on International Investment Agreements - Training course, travel cost and accommodation	-	13
International Development Law Organisation [IDLO]	Scholarship and attend the Strategy and Practice for Investment Growth - Tuition cost, accommodation and maintenance	-	58
Gremple Graduate School of Business [GGSB]	Attend two year full time Master in International Business (MIB) - Scholarship to cover a portion of the costs associated with the masters programme	-	36
Italian Trade Commission	Attend the Italian Trade Commission study tour - Study tour, including travel costs and accommodation	-	299
Swedish International Development Cooperation Agency (SIDA)	Attendance of the Advanced International Training programme on Strategies for Chemical management - Training programme, accommodation and meals	-	540

ANNEXURE 1G
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
Centre for the promotion of Imports from Developing countries [CBI]	Participate in the CBI's Tourism Export Coaching Programme and attendance of the International Tourism course - Training workshop and travel costs	-	21
AUSAID	Scholarship in Public Sector Management in Australia - Travel costs & tuition for the programme	-	205
South African Institute of Chartered Accountants [SAICA]	Attendance of an XBRL Conference - Registration fees	-	14
Federal Trade Commission	Federal Trade Commission African Dialogue Conference and financial commitment for the conference - All costs borne by FTC, including logistical arrangements	-	300
Estate Agency Affairs Board	Attendance of the Association of Real Estate License Law Officers - Travel costs & Registration fees	-	70
World Intellectual Property Organization [WIPO]	Attendance of the General Assemblies of the member State of WIPO - Forty-seventh series of meetings - Travel costs	-	70
US Department of Justice	Attendance of the First SACU Judicial workshop on the Proper Adjudication of Intellectual property cases - Travel costs	-	22
World Intellectual Property Organization [WIPO]	Attend the Advisory committee on Enforcement - Travel costs	-	25
National Gambling Board	Attend the Interactive Gambling Educational visit - Travel costs	-	84
US Embassy	Training workshop on Criminal Enforcement of IP - Accommodation and conference package	-	67
World Intellectual Property Organization [WIPO]	Attend the WIPO high-level forum on the Global Intellectual Property [IP] Infrastructure - Travel costs	-	26
AUSAID & Monash University	Capacity Building training for staff - Training and capacity building	-	766
National Gambling Board	Attending the Global Gaming Expo - Travel costs	-	109
United National Brewery [UNB]	Education awareness campaign regarding alcohol abuse - Gifts	-	10
The South African Breweries Limited [SAB]	Education awareness campaign regarding Alcohol abuse - Food parcels	-	26
Centre for the promotion of Imports from Developing countries [CBI]	Attendance of the CBI Market Intelligence training - Travel costs	-	12
seda	2009 TWIB Annual Conference and awards ceremony - Support the two overall winners with the Technology Transfer interventions	-	600
IDC	2009 TWIB Annual Conference and awards ceremony - Gala dinner	-	150
Khula	2009 TWIB Annual Conference and awards ceremony - Cost for the production of publications, report etc.,	-	20
SAMAF	2009 TWIB Annual Conference and awards ceremony - Expanding the winners businesses, contribute towards the conference and awards	-	15

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
Tshumisano Trust	2009 TWIB Annual Conference and awards ceremony - Technology-based services for project funding amongst winners	-	60
Phakisaworld	Attend and participate in the training course on fleet management programme - Training programme	7	-
University of Stellenbosch	Scholarship from the University of Stellenbosch to attend a course in Poland - Scholarship	11	-
African Leadership Institute	Participate in the 2010 Desmond Tutu African Leadership Programme - Travel, accommodation and tuition at the workshops	50	-
World Trade Organisation	Attend and participate in the WTO sponsored Regional Seminar on Trade and Development - Air travel, accommodation & programme	11	-
United Nation Economic Commission for Africa	Attend and participate in the United Nations Economic Commission for Africa, sponsored Exper Group meeting and workshop on Aid for Trade - Air travel, accommodation & programme	8	-
European Union	Attend of convention and international workshop - Travel, accommodation, travel and subsistence expenses	19	-
University of Manchester, Brooks World Poverty Institute	Participate in the training programme for senior policy makers - Travel, accommodation & daily allowance	21	-
Australian Government	Attend training in Trade policy course - Air fares, course fee & accommodation	14	-
Gremple Graduate School of Business [GGSB]	Attend two year full time Master in International Business (MIB) - Scholarship to cover a portion of the costs associated with the masters programme	18	-
European Union	Attendance of the SQAMEG meeting and WTO/TBT workshop - Air tickets, accommodation, daily allowance, etc.,	103	-
International Atomic Energy Association	Attend the Technical meeting on Industrial Involvement and Technology Transfer - Travel, living expenditure & incidentals	19	-
Nuclear Industry Association of South Africa [NIASA]	Training opportunity for an intern - Free attendance of a training programme	6	-
Commercial Law Development Programme & US Department of Commerce	Attend the SACU Regional Judges' Colloquium cum workshop on Intellectual Property Enforcement and Adjudication - Air ticket, accommodation, daily allowance & transport	17	-
Federal Trade Commission	Attended 2nd Annual African Consumer Protection Dialogue conference - Air ticket, accommodation, dialy allowance & transport	21	-
Japan International Cooperation Agency [JICA]	Attend the Japan Patent Office course on Patent Examination - Air ticket, accommodation, meals & daily allowance	27	-
National Lotteries Board	Trip to Australia for World Lotteries Conference - Travel cost	100	-
National Lotteries Board	Attend South African Traditional Awards - cost related to attending awards	10	-
Business Trust	Participation in the International Outsourcing Forum - Air fare & accommodation	61	-

ANNEXURE 1G
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
Business Trust	Participation in the Nasscom Leadership Forum - Air fare & accommodation	37	-
Marche International des Professionnels d'Immobilier [MIPIM]	Participate in the MIPIM 2011 - Registration and accommodation	17	-
South African Brewery (SAB)	Joint community awareness campaign within provinces at schools - Reimbursement of speakers, travel costs and gifts	50	-
Miscellaneous		13	13
TOTAL		640	3,771

ANNEXURE 1H
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Sector Wide Enterprise Employment & Equity Programme (SWEEEP)	To increase employment and greater social and economic equity and integration.	133,676	-	33,307	100,369
RDP Finland	To support small enterprises development through technical support by Small Enterprise Development Agency.	-	2,699	2,669	-
RDP Sweden	To provide business linkages training and skills development for Broad-Based Black Economic Empowerment.	4,751	-	-	-
Risk Capital Facility	To facilitate Broad-Based Black Economic Empowerment in the small and medium-sized enterprises sector.	-	130,567	32,249	98,318
Economic Cluster	To create long-term sustainable employment.	-	76,077	40,399	35,678
Sub-total		138,427	209,343	108,654	234,365
Surrendered to the RDP		-	(4,751)	-	-
TOTAL		138,427	209,592	108,654	234,365

ANNEXURE 1I

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items, including name of organisation)	2010/11	2009/10
	R'000	R'000
Paid in cash		
Bereavement benefits: several officials (funeral costs)		18
Agrifica: 3rd Agribusiness Africa conference 2009 (contribution)		30
CEO Communication (Pty) Ltd: Sponsor two tables at the SA's most influential Women in Business & Government		9
National Economic Development & Labour Council (NEDLAC): Bi-Annual High-level 20-a-side strategy workshop (flights, transport, venue, accommodation & meals)		80
Chamber of Commerce & Industry: Ninth Annual Gauteng Exporter awards (sponsor awards event)		100
Ingwenya Country Estate: Young Women Assembly - Annual National Convention (conference package)		99
Chamber of Commerce & Industry: Annual Gauteng Exporter awards (sponsor awards event)	100	
National Economic Development & Labour Council (NEDLAC): Bi-Annual High-level 20-a-side strategy workshop (flights, accommodation & conference-related cost)	90	
Cape Chamber of Commerce: Regional Chamber of Commerce hosting the International Entrepreneurship challenge (sponsor the event)	50	
Congress of South African Trade Unions: Funding the workshops by Cosatu on the Industrial Policy Action Plan (accommodation, conference fees for delegates)	67	
National Economic Development and Labour Council (NEDLAC): Bi-Annual high-level 20-a-side strategy workshop (conference-related cost)	90	
Sub-total	397	336
Made in kind		
LA Promotions: 2008 TWIB awards (gifts for adjudication panel members)		19
Hatima Events Management: National Liquor Authority conference (gifts to speakers & delegates)		19
Seabo Branding & Promotions: Teambuilding event (gifts)		25
Moepeng Trading 28: International Business Linkage Forum conference (dinner gifts)		15
Uthini Trading CC: Cell C TWIB Technogirl Entrepreneurship workshop (gifts)		7
Metro Home Centre: 67 minutes campaign (gifts)		6
Alfresco Trading: Long-service recognition (gifts)		26
Uthini Trading: 2009 TWIB Annual conference (gifts to speakers & delegates)		68
Natives Act Design & Advertising: 2009 Technology for Women in Business (TWIB) annual conference and awards ceremony (trophies for the winners)		53
Trophy Boutique: South African Quality awards (trophies for the winners)		10
Hatima Events Management: Mandela day (gifts)		24
Kwaziwe Media Relations: Youth Magazine launch (gifts)		40
the dti: 2009 TWIB Annual conference and awards ceremony (scientific calculators and travel costs)		97
the dti: 2008 Technogirl Entrepreneurial workshop (desktop computers)		87
the dti: 2009 TWIB awards and Technogirl Entrepreneurship programme (laptops and desktop computers)		28

ANNEXURE 1I

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items, including name of organisation)	2010/11	2009/10
	R'000	R'000
the dti: National Liquor Regulators Forum launch (travel costs for speaker)		6
the dti: Consumer Protection Conference (pre-conference dinner)		22
Blue Dot Events CC: Tokens of appreciation for the 2009/10 TWIB adjudication panel (gifts)	25	
Blue Dot Events CC: Corporate gifts for BBSDP launch stakeholder awareness (gifts)	68	
Machianas Trading Enterprise CC: Mandela day (blankets etc.,)	73	
Blue Dot Events CC: Women's Day Celebrations (Gifts)	54	
Fauchon Zamalek, Gourmet Egypt etc,: Promotional gifts for trade section (gifts)	13	
Rea Lema Trading & Projects: Hosting third space industry seminar (gifts)	46	
Spot the print CC: Anti-piracy campaign (gifts)	17	
TholuBonge Pottery and Crafts: Host the Sawen Small Business Women Entrepreneur event (gifts)	14	
the dti: Sponsor cost related to the participation of co-operatives at the ICA Africa 9th Regional Assembly events (Accommodation & travel)	97	
the dti: Sponsor the participation of local quality award winners in the SADC quality awards (travel, accomodation & subsistence)	25	
the dti: Sponsor cost related to the Sixth Regional OPCW assistance and Protection Course for African CWC States parties (Transport & accomodation)	48	
Miscellaneous (Exchange gifts with counterparts and business executive etc.)	46	45
Sub-total	526	597
TOTAL	923	933

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of Public Entity	State Entity's PFMA Schedule type (state year-end if not 31 March)	% Held 10/11	% Held 09/10	Number of shares held		Cost of investment R'000		Net asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed
				2010 /11	2009 /10	2010 /11	2009 /10	2010 /11	2009 /10	2010 /11	2009 /10	Yes/No
Industrial Development Corporation of SA Ltd	Schedule 2	-	100%	-	1,392,969,357	-	1,392,969	-	1,392,969	-	2,229	No
Total		-	100%	-	1,392,969,357	-	1,392,969	-	1,392,969	-	2,229	

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

Name of Public Entity	Nature of business	Cost of investment		Net asset value of investment		Amounts owing to entities		Amounts owing by entities	
		R'000		R'000		R'000		R'000	
		2010/11	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
Controlled entities									
Industrial Development Corporation of SA Ltd	Contribution to growth, Industrial Development and Economic Empowerment through its financial activities	-	1,392,969	-	1,392,969	-	-	-	-
Total		-	1,392,969	-	1,392,969	-	-	-	-

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2010	Guarantees draw-downs during the year	Guarantee repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2011	Guaranteed interest for year ended 31 March 2011	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
Stannic		372	556	-	(556)	-	-	-	-
Total		372	556	-	(556)				

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 – FOREIGN

European Investment Bank	IDC	990,042	123,841	-	123,841	-	-	-	-
African Investment Bank	IDC	733,500	476,775	-	476,775	-	-	-	-
Nordic Investment Bank	IDC	220,050	45,844	-	45,844	-	-	-	-
KFW	IDC	303,621	303,720	-	303,720	-	-	-	-
Total		2,247,213	950,180	-	950,180	-	-	-	-

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011

Nature of liability	Opening balance 01/04/2010 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing balance 31/03/2011 R'000
Claims against the department					
Witwatersrand Investment CC t/a Olympic Plastics	3,080	-	-	-	3,080
JHC Engelbreght	36	-	-	-	36
Sam Sekgoto	90	-	-	-	90
Frey's Foods	1,627	-	-	-	1,627
Andalusite Resources	645	-	-	-	645
Santam	42	-	-	-	42
Taishan Fibreglas	2,318	-	(2,318)	-	-
Rainprop	965	-	-	-	965
Top Conference and Events Co	11,167	-	-	-	11,167
Von Abo	97,163	-	-	-	97,163
Marina Lodge (Pty) Ltd & Others	5,000	-	(5,000)	-	-
Sarah Hobbs	100	-	(100)	-	-
SA Metal and Machinery	200	-	(200)	-	-
7i Management Consultants	1,997	-	(1,997)	-	-
ICSID	2,829,221	-	(2,829,221)	-	-
Porcor SMEDP	-	2,326	-	-	2,326
TEO: Dalview	-	1,270	(1,270)	-	-
TEO: Porcor	-	710	-	-	710
TEO: Aquajet	-	816	-	-	816
TEO: Blindsmart	-	3,722	(3,722)	-	-
TEO: CTM International	-	1,536	-	-	1,536
TEO: Trade off 200	-	217	(217)	-	-
Jay Jaganathan Jairaj v Fan Fan Gaba and Others	-	150	-	-	150
Phil Knight	-	920	-	-	920
Laurence Brick	-	900	-	-	900
SA Tyre Manufacturers Association	488,789	-	-	-	488,789
Total	3,442,440	12,567	2,844,861	-	610,146

The claim in respect of Top Conference and Events Co. relates to a counterclaim for breach of contract brought against **the dti**.

The claim in respect of Von Abo relates to an international case for damages brought against **the dti**, the Department of Foreign Affairs and The Presidency.

Other new claims incurred during the year relate to incentive scheme claims, non-payment of services rendered and access to information.

ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
DIRCO	-	-	-	288		288
Department of Water Affairs and Forestry	-	-	19	-	19	-
KZN Provincial Government: Transport	-	-	-	27	-	27
Department of Communications	-	-	-	15	-	15
Department of Provincial and Local Government	-	-	-	100	-	100
Department of Statistics	-	-	-	-	-	-
Department of Labour	-	-	-	2,658	-	2,658
Department of Economic Development	760	-	-	-	760	-
Department of Social Development	-	-	114	-	114	-
Department of Agriculture Forestry & Fisheries	-	-	3	-	3	-
Department of Tourism	-	-	2	-	2	-
Sub-total	760	-	138	3,088	898	3,088
Other Government Entities						
International Trade Administration Commission	-	-	-	-	-	-
Companies and Intellectual Property Registration Office	-	-	298	346	298	346
Competition Commission	-	-	63	92	63	92
Competition Tribunal	-	-	14	40	14	40
Export Credit Insurance Corporation	-	-	1,272	1,938	1,272	1,938
Khula	-	-	266	276	266	276
National Gambling Board	-	-	-	3	-	3
National Lotteries Board	-	-	226	198	226	198
Trade and Investment South Africa	-	-	-	1	-	1
South African National Accreditation System	-	-	52	52	52	52
South African Quality Institution	-	-	583	582	583	582
United Nations Industrial Development	-	-	3	-	3	-
Small Enterprise Development Agency	-	-	-	-	-	-
National Credit Tribunal	-	-	-	-	-	-
National Consumer Tribunal	-	-	1	1	1	1
National Consumer Commission	-	-	527	-	527	-
South African Micro-finance Apex Fund	-	-	19	15	19	15
Sub-total	-	-	3,324	3,544	3,324	3,544
TOTAL	760	-	3,462	6,632	4,222	6,632

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
DIRCO	-	-	-	-	-	-
Total	-	-	-	-	-	-
OTHER GOVERNMENT ENTITIES						
Current						
International Trade Administration	-	-	21	37	21	37
South African National Accreditation Centre	-	-		-		-
SEDA				11	-	11
National Gambling Board			1		1	-
Total	-	-	22	48	22	48

ANNEXURE 6
INVENTORY

Inventory	2010/11		2009/10	
	Quantity	R'000	Quantity	R'000
Opening balance	46,316	2,545	56,609	4,160
Add/(Less): Adjustments to prior-year balance	4	10	(1498)	(68)
Add: Additions/Purchases – Cash	144,889	9,720	212,092	11,680
Add: Additions - Non-cash	-	-	-	-
(Less): Disposals	-	-	(298)	(174)
(Less): Issues	(147,247)	(9,280)	(219,653)	(11,775)
Add/(Less): Adjustments	(1)	187	(936)	(1,278)
Closing balance	43,961	3,182	46,316	2,545

6. HUMAN RESOURCES OVERSIGHT REPORT



Human Resources Oversight Report

6.1 EXPENDITURE

Table 6.1.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	435,515	132,762	8,717	23,735	30.5	99	1344
International Trade & Economic Development	106,947	53,459	0	4,807	50.0	40	1344
Empowerment & Enterprise Development	801,176	40,989	239	7,398	5.1	30	1344
Industrial Development	1,142,033	54,046	6	3,919	4.7	40	1344
Consumer & Corporate Regulatory Division	144,970	40,240	0	11,317	27.8	30	1344
The Enterprise Organisation	2,792,993	73,536	0	10,944	2.6	55	1344
Trade & Investment SA	328,582	101,173	54	3,994	30.8	75	1344
Communication & Marketing	44,174	19,259	0	1,281	43.6	14	1344
Z=Total as on Financial Systems (BAS)	5,796,390	515,464	9,016	67,395	8.9	384	1,344

The above employment includes periodical appointments and staff recruited abroad by Mission offices.

Table 6.1.2 - Personnel costs by salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower-skilled (Levels 1-2)	443	0.1	110,750	515,464	4
Skilled (Levels 3-5)	6,640	1.3	154,419	515,464	43
Highly skilled production (Levels 6-8)	73,659	14.3	233,098	515,464	316
Highly skilled supervision (Levels 9-12)	221,478	43	451,996	515,464	490
Senior management (Levels 13-16)	128,662	25	739,437	515,464	174
Contract (Levels 1-2)	3,431	0.7	76,244	515,464	45
Contract (Levels 3-5)	5,191	1	207,640	515,464	25
Contract (Levels 6-8)	7,183	1.4	117,754	515,464	61
Contract (Levels 9-12)	9,307	1.8	320,931	515,464	29
Contract (Levels 13-16)	23,109	4.5	855,889	515,464	27
Periodical Remuneration	4,837	0.9	73,288	515,464	66
Abnormal Appointment	434	0.1	217,000	515,464	2
Staff recruited abroad by Mission Offices	31,090	5.8	501,452	515,464	62
Total	515,464	100	383,530	515,464	1,344

Table 6.1.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Administration	88,607	66.7	820	0.6	1,350	1	4,174	3.1	132,762
International Trade & Economic Development	35,458	66.3	657	1.2	577	1.1	1,549	2.9	53,459
Empowerment & Enterprise Development	27,408	66.9	10	0	254	0.6	1,194	2.9	40,989
Industrial Development	36,115	66.8	0	0	330	0.6	1,475	2.7	54,046
Consumer & Corporate Regulatory Division	27,146	67.5	0	0	356	0.9	1,394	3.5	40,240
The Enterprise Organisation	51,681	70.3	87	0.1	993	1.4	2,593	3.5	73,536
Trade & Investment SA	33,039	47.1	20	0	245	0.3	1,513	2.2	70,083
Communication & Marketing	13,681	71	62	0.3	143	0.7	572	3	19,259
Staff recruited abroad by Mission Offices	26,441	85	392	1.3	0	0	1,110	3.6	31,090
Total	339,576	65.9	2,048	0.4	4,248	0.8	15,574	3	515,464

Table 6.1.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Lower-skilled (Levels 1-2)	701	158.2	0	0	71	16	152	34.3	443
Skilled (Levels 3-5)	3,698	55.7	102	1.5	322	4.8	518	7.8	6,640
Highly skilled production (Levels 6-8)	43,148	58.6	969	1.3	1,836	2.5	4,275	5.8	73,659
Highly skilled supervision (Levels 9-12)	141,284	63.8	414	0.2	1,485	0.7	6,864	3.1	221,478
Senior management (Levels 13-16)	87,546	68	0	0	480	0.4	2,319	1.8	128,662
Contract (Levels 1-2)	2,713	79.1	2	0.1	0	0	0	0	3,431
Contract (Levels 3-5)	4,032	77.7	40	0.8	0	0	0	0	5,191
Contract (Levels 6-8)	5,682	79.1	99	1.4	1	0	0	0	7,183
Contract (Levels 9-12)	6,988	75.1	30	0.3	53	0.6	45	0.5	9,307
Contract (Levels 13-16)	17,343	75	0	0	0	0	291	1.3	23,109
Periodical Remuneration	0	0	0	0	0	0	0	0	4,837
Abnormal Appointment	0	0	0	0	0	0	0	0	434
Staff recruited abroad by Mission Offices	26,441	85	392	1.3	0	0	1,110	3.6	31,090
Total	339,576	66	2,048	0	4,248	1	15,574	3	515,464

6.2 EMPLOYMENT

Table 6.2.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration Permanent	390	340	12.8	50
Communication and Marketing Permanent	88	81	8	0
Consumer and Corporate Regulation Permanent	119	92	22.7	4
Empowerment and Enterprise Development Permanent	106	90	15.1	6
Industrial Development Permanent	145	111	23.4	9
International Trade and Economic Development Permanent	151	115	23.8	1
The Enterprise Organisation Permanent	238	210	11.8	12
Trade and Investment South Africa Permanent	147	111	24.5	13
Total	1384	1150	16.9	95
Of which Interns				61

Table 6.2.2 - Employment and Vacancies by Salary Bands at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower-skilled (Levels 1-2), Permanent	4	4	0	0
Skilled (Levels 3-5), Permanent	50	45	10	0
Highly skilled production (Levels 6-8), Permanent	399	338	15.3	0
Highly skilled supervision (Levels 9-12), Permanent	645	510	20.9	0
Senior management (Levels 13-16), Permanent	196	166	15.3	0
Contract (Levels 1-2)	0	0	0	0
Contract (Levels 3-5)	7	7	0	63
Contract (Levels 6-8)	40	40	0	14
Contract (Levels 9-12)	15	15	0	18
Contract (Levels 13-16)	28	25	10.7	0
Total	1384	1150	16.9	95
Of which Interns				61

Table 6.2.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration related, Permanent	336	293	12.8	51
Client information clerks (switchboard receipt information clerks), Permanent	0	0	0	0
Economists, Permanent	9	6	33.3	0
Finance and Economics Related, Permanent	45	39	13.3	1
Financial and Related Professionals, Permanent	7	6	14.3	0
Financial Clerks and Credit Controllers, Permanent	1	1	0	0
Food Services Aids and Waiters, Permanent	8	7	12.5	2
General Legal Administration & Related Professionals, Permanent	7	7	0	0
Head of Department/Chief Executive Officer, Permanent	1	0	100	0
Human Resources & Organisational Development & Related Professionals, Permanent	1	1	0	0
Human Resources Clerks, Permanent	2	2	0	0
Human Resources Related, Permanent	32	31	3.1	9
Information Technology Related, Permanent	6	6	0	0
Legal Related, Permanent	1	1	0	0
Librarians and Related Professionals, Permanent	1	1	0	0
Library Mail and Related Clerks, Permanent	14	10	28.6	0
Light Vehicle Drivers, Permanent	3	3	0	0
Motor Vehicle Drivers, Permanent	0	0	0	1
Logistical Support Personnel, Permanent	19	18	5.3	0
Messengers, Porters and Deliverers, Permanent	15	15	0	0
Other Administration & Related Clerks and Organisers, Permanent	8	8	0	24
Other Information Technology Personnel, Permanent	0	0	0	0
Other Occupations, Permanent	8	8	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	49	44	10.2	2
Security Officers, Permanent	16	13	18.8	0
Senior Managers, Permanent	231	191	17.3	0
Statisticians and Related Professionals, Permanent	0	0	0	0
Trade Industry Advisers & Other Related Professions, Permanent	564	439	22.2	5
Total	1384	1150	16.9	95
Of which Interns				61

6.3 EVALUATION

Table 6.3.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower-skilled (Levels 1-2)	4	0	0	0	0	0	0
Contract (Levels 1-2)	0	0	0	0	0	0	0
Contract (Levels 3-5)	7	0	0	0	0	0	0
Contract (Levels 6-8)	40	0	0	0	0	0	0
Contract (Levels 9-12)	15	0	0	0	0	0	0
Contract (Band A)	14	0	0	0	0	0	0
Contract (Band B)	5	0	0	0	0	0	0
Contract (Band C)	6	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	50	18	36	0	0	0	0
Highly skilled production (Levels 6-8)	399	32	8	0	0	0	0
Highly skilled supervision (Levels 9-12)	645	43	6.7	0	0	0	0
Senior Management Service Band A	149	10	6.7	0	0	0	0
Senior Management Service Band B	46	6	13	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
Total	1384	109	7.9	0	0	0	0

Table 6.3.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	9	0	1	2	12
Male	8	0	0	0	8
Total	17	0	1	2	20
Employees with a Disability	1	0	0	0	1

Table 6.3.3 - Employees whose salary level exceeds the grade determined by Job Evaluation [i.t.o. PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Administrative Related	1	11	13	Attraction	1
Administrative Related	18	11	12	Attraction	18
Administrative Related	6	9	10	Attraction	6
Administrative Related	1	9	10	Downgrade of post	1

Table 6.3.3 - Employees whose salary level exceeds the grade determined by Job Evaluation [i.t.o. PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Economists	1	12	13	Retention	1
Human Resources-Related	1	11	13	Attraction	1
Other Occupations	1	9	10	Retention	1
Senior Manager	1	14	15	Placed in a FER post due to posting abroad	1
Trade Industry Advisers & Other Related Profession	2	11	12	Attraction	2
Trade Industry Advisers & Other Related Profession	1	11	12	Retention	1
Trade Industry Advisers & Other Related Profession	1	11	12	Placement in lower level post	1
Trade Industry Advisers & Other Related Profession	1	10	11	Retention	1
Trade Industry Advisers & Other Related Profession	1	9	10	Attraction	1
Percentage of Total Employment	3.13%				36

Table 6.3.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	10	0	1	2	13
Male	18	0	2	3	23
Total	28	0	3	5	36
Employees with a Disability	0	0	0	0	0

6.4 VOLUNTARY SEVERANCE PACKAGE

Table 6.4.1 - Granting of Employee-Initiated Severance Packages

Category	No Of Applications Received	No of Applications referred to the MPSA	No of Applications supported by MPSA	No of Packages approved by Department
Lower-skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0

6.5 EMPLOYMENT CHANGES

Table 6.5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Lower-skilled (Levels 1-2), Permanent	11	2	0	0

Table 6.5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Skilled (Levels 3-5), Permanent	48	4	4	8.3
Highly skilled production (Levels 6-8), Permanent	316	28	19	6
Highly skilled supervision (Levels 9-12), Permanent	488	60	43	8.8
Senior Management Service Band A, Permanent	117	10	10	8.5
Senior Management Service Band B, Permanent	32	3	2	6.3
Senior Management Service Band C, Permanent	3	0	0	0
Senior Management Service Band D, Permanent	0	0	0	0
Contract (Levels 1-2)	0	34	21	0
Contract (Levels 3-5)	57	21	9	15.8
Contract (Levels 6-8)	61	13	7	11.5
Contract (Levels 9-12)	23	16	9	39.1
Contract (Band A)	18	4	2	11.1
Contract (Band B)	4	1	1	25
Contract (Band C)	5	0	2	40
Contract (Band D)	1	1	2	200
Total	1184	197	131	11.1
Of Which EDD	19	2	21	

Table 6.5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	318	83	45	14.2
Economists, Permanent	9	0	1	11.1
Finance and economics related, Permanent	35	6	4	11.4
Financial and related professionals, Permanent	5	0	0	0
Financial clerks and credit controllers, Permanent	1	0	0	0
Food services aids and waiters, Permanent	10	0	1	10
General legal administration & related professionals, Permanent	7	0	0	0
Head of department/chief executive officer, Permanent	1	1	2	200
Human resources & organisational development & related professionals, Permanent	1	0	0	0
Human resources clerks, Permanent	2	0	0	0
Human resources related, Permanent	26	14	2	7.7
Information technology related, Permanent	6	0	1	16.7

Table 6.5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Legal related, Permanent	1	0	0	0
Librarians and related professionals, Permanent	0	1	0	0
Library mail and related clerks, Permanent	12	2	4	33.3
Light vehicle drivers, Permanent	2	1	1	50
Logistical support personnel, Permanent	16	2	0	0
Messengers, porters and deliverers, Permanent	14	1	0	0
Motor Vehicle Drivers, Permanent	0	1	0	0
Other administration & related clerks and organisers, Permanent	20	23	10	50
Other information technology personnel, Permanent	1	0	0	0
Other occupations, Permanent	9	0	0	0
Secretaries & other keyboard operating clerks, Permanent	41	6	6	14.6
Security officers, Permanent	10	3	0	0
Senior managers, Permanent	179	18	17	9.5
Statisticians and related professionals, Permanent	0	0	0	0
Trade Industry advisers & other related professions, Permanent	458	35	37	8.1
Total	1184	197	131	11.1
Of Which EDD	19	2	21	

Table 6.5.3 - Reasons why staff are leaving the Department

Termination Type	Number	Percentage of Total Terminations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	1	0.8	0.1	131	1245
Resignation, Permanent	70	53.4	5.6	131	1245
Expiry of contract, Permanent	20	15.3	1.6	131	1245
Dismissal - misconduct, Permanent	5	3.8	0.4	131	1245
Retirement, Permanent	6	4.6	0.5	131	1245
Severance Package	0	0	0	131	1245
Transfers out of Department	29	22.1	2.3	131	1245
Total	131	100	10.5	131	1245
Of Which EDD	21			21	

Table 6.5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2009)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related, Permanent	318	24	7.5	151	47.5
Economists, Permanent	9	0	0	2	22.2
Finance and economics related, Permanent	35	7	20	20	57.1
Financial and related professionals, Permanent	5	1	20	4	80
Financial clerks and credit controllers, Permanent	1	0	0	0	0
Food services aids and waiters, Permanent	10	0	0	5	50
General legal administration & related professionals, Permanent	7	0	0	4	57.1
Head of department/chief executive officer, Permanent	1	0	0	0	0
Human resources & organisational development & related professionals, Permanent	1	0	0	1	100
Human resources clerks, Permanent	2	0	0	2	100
Human resources related, Permanent	26	3	11.5	14	53.8
Information technology related, Permanent	6	0	0	0	0
Legal related, Permanent	1	0	0	1	100
Librarians and related professionals, Permanent	0	0	0	0	0
Library mail and related clerks, Permanent	12	0	0	2	16.7
Light vehicle drivers, Permanent	2	0	0	1	50
Logistical support personnel, Permanent	16	0	0	13	81.3
Messengers, porters and deliverers, Permanent	14	0	0	10	71.4
Motor Vehicle Drivers, Permanent	0	0	0	0	0
Other administration & related clerks and organisers, Permanent	20	1	5	7	35
Other information technology personnel, Permanent	1	0	0	0	0
Other occupations, Permanent	9	0	0	2	22.2
Secretaries & other keyboard operating clerks, Permanent	41	9	22	25	61
Security officers, Permanent	10	0	0	1	10
Senior managers, Permanent	179	19	10.6	89	49.7
Statisticians and related professionals, Permanent	0	0	0	0	0
Trade Industry advisers & other related professions, Permanent	458	33	7.2	295	64.4
Total	1184	97	8.2	649	54.8

Table 6.5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2009)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower-skilled (Levels 1-2), Permanent	11	0	0	4	36.4
Skilled (Levels 3-5), Permanent	48	3	6.3	25	52.1
Highly skilled production (Levels 6-8), Permanent	316	21	6.6	213	67.4
Highly skilled supervision (Levels 9-12), Permanent	488	54	11.1	282	57.8
Senior Management (Levels 13-16), Permanent	152	19	12.5	77	50.7
Contract (Levels 1-2)	0	0	0	0	0
Contract (Levels 3-5)	57	0	0	4	7
Contract (Levels 6-8)	61	0	0	31	50.8
Contract (Levels 9-12)	23	0	0	1	4.3
Contract (Levels 13-16)	28	0	0	12	42.9
Total	1184	97	8.2	649	54.8

6.6 EMPLOYMENT EQUITY

Table 6.6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Co-loured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Co-loured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	68	8	10	86	26	48	5	11	64	20	196
Professionals, Permanent	204	11	11	226	31	211	12	22	245	44	546
Technicians and associate professionals, Permanent	97	7	2	106	3	204	12	4	220	33	362
Clerks, Permanent	14	0	0	14	0	65	2	0	67	10	91
Service and sales workers, Permanent	4	1	3	8	2	3	0	0	3	1	14
Plant and machine operators and assemblers, Permanent	3	0	0	3	0	0	0	0	0	0	3
Labourers and Related Workers, Permanent	15	0	0	15	0	17	1	0	18	0	33
Total	405	27	26	458	62	548	32	37	617	108	1245

Table 6.6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	11	0	0	11	2	11	1	0	12	3	28
Top Management, Permanent	0	1	1	2	0	0	0	0	0	0	2
Senior Management, Permanent	59	7	7	73	21	44	2	10	56	19	169
Professionally qualified and experienced specialists and mid-management, Permanent	162	10	11	183	30	179	11	18	208	34	455
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	100	3	3	106	5	221	10	5	236	45	392
Semi-skilled and discretionary decision making, Permanent	22	0	0	22	0	20	1	0	21	0	43
Unskilled and defined decision making, Permanent	1	0	0	1	0	2	0	0	2	0	3
Contract (Top Management)	1	0	1	2	1	2	1	0	3	0	6
Contract (Senior Management)	8	0	1	9	4	2	2	1	5	1	19
Contract (Professionally qualified)	10	3	1	14	1	8	0	1	9	4	28
Contract (Skilled technical)	17	3	1	21	0	25	4	2	31	5	57
Contract (Semi-skilled)	25	0	0	25	0	45	1	0	46	0	71
Contract (Unskilled)	0	0	0	0	0	0	0	0	0	0	0
Total	405	27	26	458	62	548	32	37	617	108	1245

Table 6.6.3 - Recruitment

Occupational Bands	Male, African	Male, Co-loured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Co-loured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	0	0	0	0	0	0
Senior Management, Permanent	5	0	0	5	0	6	2	0	8	0	13
Professionally qualified and experienced specialists and mid-management, Permanent	21	1	0	22	0	22	1	0	23	3	48
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	18	0	1	19	0	20	0	0	20	1	40
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	4	0	0	4	0	4
Unskilled and discretionary decision making, Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Top Management)	0	0	0	0	1	0	0	0	0	0	1
Contract (Senior Management)	3	0	0	3	1	1	0	0	1	0	5
Contract (Professionally qualified)	2	1	0	3	0	3	0	0	3	1	7
Contract (Skilled technical)	8	1	2	11	0	8	1	1	10	1	22
Contract (Semi-skilled)	11	0	0	11	0	9	1	0	10	0	21
Contract (Unskilled)	11	1	0	12	0	21	1	0	22	0	34
Total	81	4	3	88	2	94	6	1	101	6	197
Of Which EDD	0	0	0	0	1	0	1	0	1	0	2

Table 6.6.4 - Promotions

Occupational Bands	Male, African	Male, Co-loured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Co-loured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	1	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	7	1	1	9	2	3	0	2	5	2	18
Professionally qualified and experienced specialists and mid-management, Permanent	23	0	3	26	1	14	0	0	14	1	42
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	7	0	0	7	0	23	2	0	25	1	33
Semi-skilled and discretionary decision making, Permanent	1	0	0	1	0	2	0	0	2	0	3
Unskilled and defined decision making, Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Top Management)	0	0	0	0	0	0	0	0	0	0	0
Contract (Senior Management)	0	0	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified)	0	0	0	0	0	0	0	0	0	0	0
Contract (Skilled technical)	0	0	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled)	0	0	0	0	0	0	0	0	0	0	0
Total	38	2	4	44	3	42	2	2	46	4	97

Table 6.6.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	0	0	0	0	0	0
Senior Management, Permanent	5	1	0	6	1	3	0	1	4	1	12
Professionally qualified and experienced specialists and mid-management, Permanent	25	0	2	27	1	5	1	2	8	5	41
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	8	0	0	8	1	11	0	0	11	2	22
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	3	0	0	3	0	3
Contract (Top Management)	1	0	1	2	1	0	0	0	0	1	4
Contract (Senior Management)	1	0	0	1	0	0	1	0	1	1	3
Contract (Professionally qualified)	2	0	0	2	0	4	1	0	5	0	7
Contract (Skilled technical)	3	0	0	3	0	3	3	0	6	0	9
Contract (Semi-skilled)	4	1	0	5	0	4	0	0	4	0	9
Contract (Unskilled)	9	0	0	9	0	12	0	0	12	0	21
Total	58	2	3	63	4	45	6	3	54	10	131
Of Which EDD	7	0	0	7	2	6	4	0	10	2	21

Table 6.6.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Total	19	2	4	25	2	10	0	2	12	8	47

Table 6.6.7 - Skills Development

Occupational Categories	Male, African	Male, Co-loured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Co-loured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	76	1	3	80	41	46	8	8	62	25	208
Professionals	269	26	32	327	22	369	13	28	410	51	810
Technicians and Associate Professionals	201	11	9	221	3	459	15	4	478	21	723
Clerks	45	0	0	45	0	66	1	0	67	0	112
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0	0	0
Total	591	38	44	673	66	940	37	40	1017	97	1853
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

6.7 PERFORMANCE

Table 6.7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
African, Female	90	548	16	1,577	18
African, Male	76	405	19	1,605	21
Asian, Female	7	37	19	256	37
Asian, Male	8	26	31	311	39
Coloured, Female	5	32	16	123	25
Coloured, Male	2	27	7	125	63
Total Blacks, Female	102	617	17	1,956	19
Total Blacks, Male	86	458	19	2,041	24
White, Female	42	108	39	1,143	27
White, Male	19	62	31	685	36
Employees with a disability	4	28	14	113	28
Total	249	1245	20	5825	23

Table 6.7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
Lower-skilled (Levels 1-2)	4	4	100	22	6
Skilled (Levels 3-5)	17	45	38	116	7
Highly skilled production (Levels 6-8)	86	338	25	1,051	12
Highly skilled supervision (Levels 9-12)	109	510	21	3,223	30
Contract (Levels 1-2)	0	0	0	0	0
Contract (Levels 3-5)	1	70	1	8	8
Contract (Levels 6-8)	11	54	20	100	9
Contract (Levels 9-12)	0	33	0	0	0
Periodical Remuneration	0	0	0	0	0
Total	228	1054	22	4,520	20

Table 6.7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
Administrative related, Permanent	74	344	22	1 117	15
Economists, Permanent	0	6	0	0	0
Finance and economics related, Permanent	18	40	45	330	18
Financial and related professionals, Permanent	2	6	33	29	15
Financial clerks and credit controllers, Permanent	1	1	100	12	12
Food services aids and waiters, Permanent	6	9	67	33	6
General legal administration & related professionals, Permanent	1	7	14	51	51
Human resources & organisat developm & relate prof, Permanent	0	1	0	0	0
Human Resources Clerks, Permanent	1	2	50	11	11
Human resources related, Permanent	7	40	18	147	21
Information technology related, Permanent	4	6	67	81	20
Legal related, Permanent	0	1	0	0	0
Librarians and related professionals, Permanent	0	1	0	0	0
Library mail and related clerks, Permanent	1	10	10	7	7
Light vehicle drivers, Permanent	2	3	67	11	6
Motor Vehicle Drivers, Permanent	0	1	0	0	0
Logistical support personnel, Permanent	5	18	28	95	19
Messengers porters and deliverers, Permanent	5	15	33	31	6

Table 6.7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
Other administrat & related clerks and organisers, Permanent	2	32	6	14	7
Other occupations, Permanent	5	8	63	43	9
Secretaries & other keyboard operating clerks, Permanent	3	46	7	45	15
Security officers, Permanent	6	13	46	107	18
Senior managers, Permanent	21	191	11	1 309	62
Trade Industry advisers & other related profession, Permanent	85	444	19	2 352	28
Total	249	1245	20	5 825	23

Table 6.7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	16	139	12	901	56	0,70	128 556
Band B	5	45	11	405	81	0,93	43 761
Band C	0	7	0	0	0	0,00	11 393
Band D	0	0	0	0	0	0,00	1 294
Total	21	191	11	1306	62,2	0,71	185004

Table 6.7.5 Signed PM Agreements by SMS Members as on 31 May 2010

SMS Levels	Total Number of Funded SMS Post per Level	Total Number of SMS Members per Level	Total Number of Signed PM Agreements per Level	"Signed PM Agreements as
DG/HOD	1	1	0	0
"Salary level 16 but not HOD"	0	0	0	0
Salary Level 15	8	8	1	13
Salary Level 14	51	40	31	78
Salary Level 13	167	124	111	90
Total	227	173	143	83

Table 6.7.6 Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2010

DG/HOD	Aligned with the Minister's performance agreement. Agreement finalised and submitted to PSC on 30 June 2010
Salary level 16 but not HO	
Salary Level 15	1 - Sabbatical Leave 6 - DDG's and other Managers reporting directly to the DG. The Department ensured that the agreements of the DG's direct reports were amended according to the Auditor-General's comments. Agreements were finalised on 28 September 2010.
Salary Level 14	1 - Acting DDG - The Department ensured that the agreements of the DG's direct reports were amended according to the Auditor-General's comments. Agreement was finalised on 28 September 2010. 1 - Senior Manager reporting directly to the DG - the process of alignment between PAs and the dti Strategy and refinement of the KPI's delayed the finalisation of the PA. 3 - Due to work pressure, PA could not be completed on time. Agreement finalised during June and November 2010. 2 - Quality assurance done on the PAs. Agreements finalised during August and September 2010. 1 - Ambassador training at DIRCO. 1 - Employee did not submit/sign PA despite several reminders from his manager- disagreement. 2 - Quality assurance on PAs - agreements submitted on 28 September and 20 August 2010.
Salary Level 13	3 - FER returned/outgoing - roles and responsibilities had to be clarified. Agreements submitted in October 2010. 1 - Due to international travel commitments, the agreement was submitted on 1 September 2010. 1 - Disagreement on content of PA. Agreement signed on 2 August 2010 1 - Employee was seconded to NEPAD, but recalled - started 1 September 2010. 1 - Seconded to EDD. 1 - FER submission of agreement delayed due to change in Political Head at the mission. Agreement submitted on 7 March 2011. 3 - Change in reporting structure. Agreements finalised in October and November 2010. 2 - Quality assurance done on PA - agreements submitted on 7 June and 3 August 2010.

Table 6.7.4 - Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 July 2011

Disciplinary action was taken against one Senior Manager for non-compliance. This Manager will also not be considered for a cash award and package progression for the 2010/2011 performance management cycle.
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6.8 FOREIGN WORKERS

Table 6.8.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	1	2	0	0	-1	-2
Senior management (Levels 13-16)	0	0	0	0	0	0
Contract (Levels 6-8)	1	2	1	2	0	0
Contract (Levels 13-16)	1	2	2	3	1	2
Periodical Remuneration	0	0	0	0	0	0
Foreign employees appointed in Foreign Embassies	60	95	64	96	4	6
Total	63	100	67	100	4	6

Table 6.8.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Percentage of Total	Total Change in Employment
Senior Management	1	2	2	3	3	1
Other occupations	0	0	0	0	0	0
Professionals and Managers	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	3	1	1	1	-1
Foreign employees appointed in Foreign Embassies	60	95	64	96	96	4
Total	63	100	67	100	100	4

6.9 LEAVE

Table 6.9.1 - Disability Leave (Temporary and Permanent) for Jan 2010 to Dec 2010

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Skilled (Levels 3-5)	6	100	1	14.3	6	1	6	1
Highly skilled production (Levels 6-8)	22	100	4	57.1	6	12	22	4
Highly skilled supervision (Levels 9-12)	58	100	2	28.6	29	58	58	2
Senior management (Levels 13-16)	0	0	0	0	0	0	0	0
Total	86	100	7	100	12	71	86	7

Table 6.9.2 - Annual Leave for Jan 2010 to Dec 2010

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower-skilled (Levels 1-2)	79	20	4
Skilled (Levels 3-5)	1058	21	51
Highly skilled production (Levels 6-8)	6742	21	327
Highly skilled supervision (Levels 9-12)	9787	21	458
Senior management (Levels 13-16)	3788	22	175
Contract (Levels 1-2)	0	0	0
Contract (Levels 3-5)	360	14	26
Contract (Levels 6-8)	773	16	49
Contract (Levels 9-12)	212	12	18
Contract (Levels 13-16)	493	18	27
Not Available	0	0	0
Total	23292	21	1135

Table 6.9.3 - Capped Leave for Jan 2010 to Dec 2010

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2010	Number of Employees as at 31 December 2010
Skilled (Levels 2-5)	9	3	57	3	1660.00	29
Highly skilled production (Levels 6-8)	4	2	17	2	998.26	59
Highly skilled supervision (Levels 9-12)	44	6	35	8	4777.42	137
Senior management (Levels 13-16)	19	3	35	6	2552.37	72
TOTAL	76	4	34	19	9988.05	297

Table 6.9.4 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2010/11 due to non-utilisation of leave for the previous cycle	765	52	14,712
Capped leave payouts on termination of service for 2010/11	444	9	49,333
Current leave payout on termination of service for 2010/11	1,023	105	9,743
Total	2,232	166	13,446

6.10 HIV

Table 6.10.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Occupational Health Practitioner	Awareness and Training
First- Aiders	Training and access to Post-Exposure Prophylaxis

Table 6.10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms F Ngwendu, Director: Organisational Development and Transformation was appointed to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001.
2. Does the Department have a dedicated unit or have you designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The dedicated unit is called Quality of WorkLife. 2 Practitioners are responsible to promote health and wellness programmes, and 1 Administrative Assistant. The budget is part of the Directorate: Organisational Development and Transformation.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	X		Occupational & Primary Health Care; Counselling; Implementation of National Health & AIDS Calendar; Wellness Days; Stress and Financial Management Programmes. Counselling service has been implemented in the last quarter.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Ms F Gallie; Ms M Sibaca; Ms M Mphahlele; Ms L Phahla; Ms B Ndlovu; Ms F Ngwendu; Sr E Sebata; Ms C Sithole; and Ms Z Dube; Ms N Booii; Ms M Ndebele; Ms F Mataboge; Ms J Sibuyi; Ms K Xashimba; Ms L van Dieman; Ms M Ebombe; Ms M Pooe; Ms N Chaane; Ms Y Mathonsi; Mr B Ngubeni; Mr D Mabote; Mr N Maikoo; and Mr M Molepo. Members represent organised labour, gender, race, occupational levels and senior management.
5. Has the Department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The HIV and AIDS Policy was reviewed in quarter four of 2009-2010.

**Table 6.10.2 - Details of Health Promotion and HIV/AIDS Programmes
 [tick Yes/No and provide required information]**

Question	Yes	No	Details, if yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Policies such as the HIV&AIDS as well as the Employment Equity Policy have been developed to eliminate and/or prevent discrimination and unfair treatment. The grievance procedure is also used if people feel that they are discriminated against. Awareness programmes to create awareness around discrimination against people who are affected and infected are also implemented. Diversity Management training is offered.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		160 Employees were tested through the HCT Campaign of which 1 person tested positive.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	X		Monitoring is done through the monthly, quarterly and annual reports.

6.11 LABOUR RELATIONS

Table 6.11.1 - Collective Agreements

Subject Matter	Date
1. The transfer of employees from the Department of Trade and Industry and the Office of the Consumer Protection to the National Consumer Commission.	1-Apr-11
2. Agreement on the transfer of employees from the Department of Trade and Industry and the Companies and Intellectual Property Commission.	1-Apr-11

Table 6.11.1 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total
Dismissal	3	50
Suspension	1	2
Verbal warning	6	13
Written warning	11	23
Final Written Warning	6	13
Counselling	0	0
Demotion	0	0
Withdrawn	12	0
Resigned	2	4
Pending	6	13
Total	47	100

Table 6.11.2 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total
Fraud & Corruption	9	19
Prejudice of administration	1	2
Absenteeism/abscondment	9	19
Non-Compliance	12	26
Irregular expenditure	1	2
Insubordination	6	13
Abuse of state property	4	9
Failure to report stolen property	1	2
Failure to attend workshop	1	2
Negligence	3	6
Total	47	100

Table 6.11.3 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total
Resolved	20	61
Not Resolved	13	39
Total	33	100

Table 6.11.4 - Disputes Lodged

Number of disputes addressed	Number	% of total
Closed	5	55.6
Pending	4	44.4
Total upheld	9	100

Table 6.11.5 - Strike Actions

Strike Actions	
Total number of person working days lost	28
Total cost (R'000) of working days lost	16766.86
Amount (R'000) recovered as a result of no work no pay	15091.39

Table 6.11.6 - Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	10
Number of people whose suspension exceeded 30 days	10
Average number of days suspended	190.8
Cost (R'000) of suspensions	2.707.251.6

6.12 SKILLS DEVELOPMENT

Table 6.12.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	83	0	55	0	55
	Male	116	0	34	0	34
Professionals	Female	291	0	0	0	0
	Male	253	0	0	0	0
Technicians and associate professionals	Female	254	0	275	0	275
	Male	109	0	202	0	202
Clerks	Female	77	0	385	0	385
	Male	14	0	132	0	132
Service and sales workers	Female	4	0	0	0	0
	Male	10	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	3	0	0	0	0
Elementary occupations	Female	16	0	32	0	32
	Male	15	0	20	0	20
Gender sub-totals	Female	725	0	0	0	0
	Male	520	0	0	0	0
Total		1245	0	1135	0	1135

Table 6.12.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	83	0	87	0	87
	Male	116	0	121	0	121
Professionals	Female	291	0	0	0	0
	Male	253	0	0	0	0
Technicians and associate professionals	Female	254	0	461	0	461
	Male	109	0	349	0	349
Clerks	Female	77	0	499	0	499
	Male	14	0	224	0	224

Table 6.12.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Service and sales workers	Female	4	0	0	0	0
	Male	10	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	3	0	0	0	0
Elementary occupations	Female	16	0	67	0	67
	Male	15	0	45	0	45
Gender sub-totals	Female	725	0	0	0	1114
	Male	520	0	0	0	739
Total		1245	0	1853	0	1853

6.13 INJURIES

Table 6.13.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	5	100
Permanent Disablement	0	0
Fatal	0	0
Total	5	100

6.14 CONSULTANTS

Table 6.14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Consulting services for internal audit services	5	240	2,650,737.01
Organisational development intervention to effect team coherence	4	200	499,999.20
Consulting services to facilitate a strategic planning workshop for the dti	1	3	41,894.00
Advisory consulting services on qualification checks	4	60	35,000.04
Consulting services - qualification checks for sms & mms candidates	6	60	95,980.00

Table 6.14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Research and development services to conduct sms and mms competency assessments	2	60	95,980.00
Consulting services - system administration to support the dti with the Enterprise Content Management (ECM) solution	2	120	335,160.60
Facilitation of a strategic planning and priority - setting workshop	1	20	84,930.00
Technical Support And Skills Transfer Of Interim (IIMS) Project	1	60	244,156.00
Drafting of regulations for the Co-operatives Amendment act	2	120	419,577.00
Consulting services to conduct workstudy and organisational design for the Enterprise Organisation	8	100	499,538.88
Appointment of external inspectors to conduct investigations in terms of the companies act	2	120	2,450,675.22
The Empowerment and Enterprise development Programme	1	1020	77,520.00
Business Analyst	1	480	571,046.00
Functional Analyst	1	480	434,049.00
Business Analyst	1	480	578,240.16
Expert witness in employment relations case	1	100	45,372.00
Tdci training for gender and woman empowerment unit	5	290	193,800.00
Develop framework for financial management performance and social reporting system	3	120	499,548.00
SMS and MMS competency assessments	1	120	191,960.00
SMS and MMS competency assessments	1	120	191,960.00
Specialised service on Statistical Analysis and Modelling (SAM)	1	60	178,500.00
qualification checks for foreign economic representatives	1	30	58,611.99
Facilitation of a strategic planning workshop	1	2	55,859.00
Black business development programme as a pilot programme	3	60	349,915.00
Psycho-Social counselling	1	10	20,000.00
MBTI assessments and feedback	1	30	66,030.00
Counselling and E-Care Services	1	17	138,000.00
BBSDP project	2	30	200,421.22

Table 6.14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Study to identify equipment & science needed to conduct a nuclear power plant	4	44	499,183.20
Report on investigation of global call centre solutions limited	1	5	86,640.00
Provide evidence at a disciplinary Enquiry	1	5	45,372.00
Conduct research on the profiling of the s a craft sector	6	76	434,773.00
Develop a business case for the Establishment of a national co-operative training academy	1	160	1,095,351.90
Verify and validate the demand of skills and assess the adequacy for training in the plastic sector	7	120	492,240.00
Developing a business case for the establishment of the co-operatives agency	4	120	499,867.20
Professional engineering consultancy services for eip and ais inspections	2	48	300,000.00
Verify and validate the demand of skills and assess the adequacy for training in the metal sector	4	120	496,250.01
Trainer / speaker for the export awareness workshop	1	2	44,120.00
Panel of experts to review the past smme support initiatives	4	120	4,680,840.00
Monitoring of the National Credit Act 2005	3	160	500,000.00
Conduct forensic audit services for the dti	1	240	1,735,432.28
Research for accessible tourism	6	100	434,340.00
Research for educational tourism	6	100	452,238.00
Regulatory impact assessment of the lotteries law reform process, specifically on the Lotteries Amendment Bill	1	80	487,863.00
Development of a feasibility study and a business plan for the western cape fishing	4	120	498,710.00
Project management and business development of msinga packhouse	3	120	357,960.00
Resource for the iims project	1	30	383,57.61
Total number of projects	Total individual consultants	Total duration: Working Days	Total contract value in Rand
48	124	6 382	24,445,640.91

Table 6.14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Consulting services for internal audit services	50	50	4
Organisational development - Intervention to effect team coherence (TISA)	50	50	4
Consulting services to facilitate a strategic planning workshop for the dti	100	100	1
Advisory consulting services - Qualification checks	25	6.1	4
Consulting services - Qualification checks for SMS & MMS candidates	29	25	6
Research and development - To conduct with SMS and MMS competency assessments	100	100	2
Consulting services - system administration to support the dti with the Enterprise Content Management (ECM) solution	20	20	2
To facilitate a strategic planning and priority - Setting workshop	71	71	1
Technical support and skills transfer of interim (IIMS) project	25	25	1
Draft the regulations for the co-operatives amendment act	70	70	2
Consulting services to conduct workstudy and organisational design for the enterprise organisation	100	100	8
Appointment of external inspectors to conduct investigations in terms of companies act	72	72	2
Assist with the empowerment and enterprise development programme	4	4	1
Business Analysat	20	20	1
Functional Analyst	51	51	1
Business Analyst	20	20	1
Expert witness in employment relations case	50	50	1
TDCI training for gender and woman empowerment unit	50	50	5
Develop framework for financial management performance and social Reporting system	0	0	3
SMS and MMS competency assessment	100	100	1
SMS and MMS competency assessment	29	25	1
Specialised service Statistical Analysis And Modeling (SAM)	0	0	1
Qualification checks for foreign economic representatives	100	100	1
Facilitation of a strategic planning workshop	100	100	1

Table 6.14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Black Business Development Programme as a pilot programme	10	10	2
Psycho-Social Counselling	28	21	1
MBTI assessments and feedback	100	100	1
Counselling and E-Care services	28	21	1
BBSDP project	10	25	1
Study to identify equipment & science needed to conduct a nuclear power plant	100	10	1
Report on investigation of global call centre solutions limited	10	55	1
Provide evidence at a disciplinary Enquiry	0	0	0
Conduct research on the profiling of the sa craft sector	40	40	1
Develop a business case for the Establishment of a national co-operative training academy	40	40	1
Verify and validate the demand for skills and assess the adequacy of training in the plastic sector	100	100	7
Developing a business case for the establishment of the co-operatives agency	30	30	4
Professional engineering consultancy services for eip and ais inspections	10	10	0
Verify and validate the demand for skills and assess the adequacy of training in the metal sector	0	0	4
Trainer / speaker for the export Awareness workshop	30	30	1
Panel of experts to review the past smme support initiatives	30	30	5
Monitoring of the national credit act 2005	0	0	2
Conduct forensic audit services for the dti	72	72	1
Research for accessible tourism	20	20	2
Research for educational tourism	20	20	2
Regulatory impact assessment of the lotteries law reform process, specifically on the lotteries amendment bill	20	20	1
Development of a feasibility study and a business plan for the Western Cape fishing	70	70	0
Provide the project management and business development of Msinga packhouse	50	50	0
Resource for the IIMS project	51	51	0

Table 6.14.3 - Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Develop and implement a communication strategy for the new agencies	4	40	508,132.98
Study on the development of a feasibility study and a business plan for Sekhukhune Agro-Processing Project	5	82	33,200.00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
2	9	122	541,332.98

Table 6.14.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Develop and implement a communication strategy for the new agencies	80	80	4
Study on the development of a feasibility study and a business plan for Sekhukhune Agro-Processing Project	25	25	0

6.15 RECRUITMENT

Table 6.15.1 - SMS Post Information as on 31 March 2011

SMS Levels	Total Number of Funded SMS Posts per Level	Total Number of SMS Posts Filled per Level	% of SMS Posts Filled per Level	Total Number of SMS Posts Vacant per Level	% of SMS Posts Vacant per Level
DG/HOD	1	0	0	1	100
Salary level 16 but not HOD	0	0	0	0	0
Salary Level 15	9	7	78	2	22
Salary Level 14	51	45	88	6	12
Salary 13	163	139	85	24	15
Total	224	191	85	33	15

Table 6.15.2 - SMS Post Information as on 30 September 2010

SMS Levels	Total Number of Funded SMS Posts per Level	Total Number of SMS Posts Filled per Level	% of SMS Posts Filled per Level	Total Number of SMS Post sVa-cant per Level	% of SMS Posts Vacant per Level
DG/HOD	1	1	100	0	0
Salary level 16 but not HOD	0	0	0	0	0
Salary Level 15	9	8	89	1	11
Salary Level 14	51	43	84	8	16
Salary 13	166	126	76	40	24
Total	227	178	78	49	22

Table 6.15.3 - Advertising and Filling of SMS posts as on 31 March 2011

SMS Level	Advertising	Filling of Posts	
	Number of Vacancies per Level Advertised in 6 Months of Becoming Vacant	Number of Vacancies per Level Filled in 6 Months after Becoming Vacant	Number of Vacancies per Level not Filled in 6 Months but Filled in 12 Months
DG/HOD	1	1	0
Salary level 16 but not HOD	n/a	n/a	n/a
Salary Level 15	1	0	0
Salary Level 14	3	0	3
Salary 13	13	0	3
Total	18	1	6

Table 6.15.4 - Reasons for not having complied with the filling of funded vacant SMS-Advertised within 6 months and filled within 12 months after becoming vacant

Reasons for vacancies not advertised within six months

Some positions could not be advertised within six months due to reorganisation processes that led to positions being re-designed and re-evaluated.

Advertising of positions was in some cases delayed due to the work environments (extensive international travelling) of some Senior Managers.

All vacant positions not advertised within six months were however abolished or reallocated to areas requiring additional capacity.

Reasons for vacancies not advertised within twelve months

Some positions could not be advertised within twelve months due to reorganisation processes that led to positions being re-designed and re-evaluated.

All vacant positions not advertised within six months were abolished or reallocated to areas requiring additional capacity.

Table 6.15.5 - Disciplinary steps taken for not complying with the prescribed timeframes for filling of SMS posts within twelve months

No disciplinary steps were taken.
As remedial measure, all vacant positions not advertised within a period of six months were abolished and/or reallocated to areas requiring additional capacity. Other interventions were introduced to ensure compliance with the prescribed timeframes. These include: a. Outsourcing non-core recruitment functions b. Approval of overtime to employees involved in recruitment processes c. Reorganising functions within the Recruitment Office to ensure maximum production d. Assigning additional resources from within as well as outside the organisation.

7. ADDRESS LIST OF FOREIGN ECONOMIC OFFICES



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NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
ADDRESS LIST OF FOREIGN ECONOMIC OFFICES for the year ended 31 March 2011

East Africa and SADC		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Addis Ababa</p> <p>SA Embassy, Higher 23, Kebele 10, House No 1885, Addis Ababa, Ethiopia <u>Postal address</u> P O Box 1091, Addis Ababa, Ethiopia</p> <p>+1 Hour</p>	<p>Ms Noncedo Mviko Counsellor (Economic)</p> <p>Mr Metasebya Belayneh Marketing Officer</p>	<p>T 00251 11 371 3034 / 3683 M 00251 911 25 2728 (Noncedo) 00251 911 51 3627 (Metasebya) 00251 911 50 4475 (Anteneh) F 00251 11 371 3682/1330 E econ.saemb@ethionet.et nmviko@thedti.gov.za</p>
<p>Harare</p> <p>S A High Commission, 7 Elcombe Road, Belgravia, Harare, Zimbabwe <u>Postal Address:</u> P O Box A1654 Avondale, Harare, Zimbabwe</p> <p>0 Hours</p>	<p>Mr Adriaan Adams Ext 222/253 Counsellor (Economic)</p> <p>Mr Lawrence Kupika Marketing Officer</p>	<p>T 00263 4 753 147-9 00263 4 251 843-52 00263 4 251 850 M 00263 772 128 292 (Adriaan) 00263 772 135 344 (Lawrence) F 00263 4 757 908 00263 4 749 657 E aadams@thedti.gov.za trade@saembassy.co.zw trademarketing@saembassy.co.zw</p>
<p>Kampala</p>	<p>Vacant Counsellor (Economic)</p> <p>Vacant Marketing Officer</p>	
<p>Kinshasa</p> <p>SA Embassy, 77 Avenue Ngongo Lutete, Gombe, Kinshasa, Democratic Republic Of The Congo (DRC) <u>Postal address</u> Boite Postale 7829, Kinshasa 1, DRC</p> <p>-1 Hour</p>	<p>Ms Zanele Sanni Counsellor (Economic)</p> <p>Mr Tim Mpegere Marketing Officer</p>	<p>T 00243 00243 81 508 4477 (Tim) M 00243 81 001 7980 F 00243 E zsanni@stelecom.cd rsatradeindrc@stelecom.cd todyroxell@yahoo.com</p>
<p>Luanda</p> <p>SA Embassy, Rua Manuel Fernandes Caldeira 6B, Luanda, Angola <u>Postal Address:</u></p> <p>-1 Hour</p>	<p>Mr Madileke Liks Ramushu Counsellor (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00244 222 33 0593 M 00244 912 510 304 F 00244 222 33 3830 E mramushu@thedti.gov.za</p>
<p>Maputo</p> <p>SA High Commission Avenida Eduardo Mondlane 41 Caixa Postal 1120 Maputo, Mozambique</p> <p>0 Hours</p>	<p>Mr Meshack Mathye Counsellor (Economic)</p> <p>Mr Luis Labo Marketing Officer</p>	<p>T 00258 21 243000 x 264 M 00258 82 38 94941 (Meshack) 00258 84 398 7120 (Luis) F 00258 21 488896 E satrade@tropical.co.mz saeconomic@tropical.co.mz</p>
<p>Nairobi</p> <p>SA High Commission, 5th Floor Roshmaer Building, Lenana Road, Kilimani, Nairobi, Kenya <u>Postal Address:</u> P O Box 42441, Nairobi, Kenya.</p> <p>+1 Hour</p>	<p>Mr Sisanda Mtwazi Counsellor (Economic)</p> <p>Mr Gerald Ockotch Marketing Officer</p> <p>Ms Verydiana Selebwa Secretary</p>	<p>T 00254 20 282 7000/7218 Direct M 00254 71 460 6812 Sisanda F 00254 20 282 7219/7236 E mtwazis@dirco.gov.za gockotch@thedti.gov.za selebwa@dirco.gov.za</p>

West Africa & Middle East Region		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
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<p>Accra</p> <p>SA High Commission, 10 Klotey Crescent, North Labone, Accra, Ghana <u>Postal Address</u> P O Box 298, Trade Fair, Accra, Ghana -2 Hours</p>	<p>Vacant(Economic) Counsellor (Economic)</p> <p>Mr Francis Ntirakwa Marketing Officer</p>	<p>T 00233 21 768 477 M 00233 544 330 168 F 00233 21 764 484 E sahcgh@africaonline.com.gh trade@infinet.com.gh</p>
<p>Cairo</p> <p>S A Embassy, Building 11, Intersection Road 200 & 203, Digla-Maadi, Cairo, Egypt <u>Postal Address:</u> +1 Hour Working week is from Sunday - Thursday</p>	<p>Vacant Counsellor (Economic)</p> <p>Ms Abeer Aboul Enein Marketing Officer</p>	<p>T 00 202 2521 53000 M 00 201 014 53018 (Abeer) F 00 202 2521 3261 E essaemb@idsc.net.eg southafr@idsc.net.eg</p>
<p>Dakar</p> <p>SA Embassy, Mermoz Sud, Lotissement Ecole de Police. Lot no. 5 Dakar, Senegal <u>Postal Address:</u> BP 21010,Dakar-Ponty, Dakar Senegal no. 5 Dakar, Senegal -2 Hours</p>	<p>Mr Siphamandla Kumkani Counsellor (Economic)</p> <p>Mr Macoumba Dieng Marketing Officer</p>	<p>T 00221 33 864 6055 (direct) 00221 33 865 1959 M 00221 77 819 6113 F 00221 33 824 2125 E tradeafsud@orange.sn investafsud@orange.sn W www.saesenegal.info</p>
<p>Dubai</p> <p>South African Consulate, Khalid Bin Waleed Street, Al Karama, Bur Dubai, United Arab Emirates <u>Postal Address</u> P O Box 34800, Dubai, United Arab Emirates + 2 Hours Working week is from Sunday - Thursday</p>	<p>Vacant Consul (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00971 4 397 5222 M 00971 504436733 F 00971 4 397 9602 E satrade@thedti.ae tradeassistant@thedti.ae</p>
<p>Riyadh</p> <p>South African Embassy, 150 King Kalid Street, Um Al-Hammam District East, Riyadh, Saudi Arabia <u>Postal Address:</u> P O Box 94006 Riyadh 11693 +1 Hour Working week is from Saturday - Wednesday</p>	<p>Mr Rirhandzu Mahlale Counsellor (Economic)</p> <p>Mr Raza Ali Humayun Marketing Officer</p>	<p>T 00 966 1 442 9716 M 00 966 5 0565 8611 (Raza) F 00 966 1 442 9708 E rahumayun@thedti.gov.za</p>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
ADDRESS LIST OF FOREIGN ECONOMIC OFFICES for the year ended 31 March 2011

<p>Tehran</p> <p>SA Embassy, No 5 Yekta Street, Vali-e-Asr Avenue, Tajrish, Tehran, Islamic Republic of Iran <u>Postal Address:</u> P O Box 11365-7476, Tehran, Iran</p> <p>+2½ Hours</p> <p>Working week is from Sunday - Thursday</p>	<p>Mr Fariborz Farzaneh Marketing Officer</p> <p>Ms Maryam Samari Secretary</p>	<p>T 0098 21 2270 2866 – 9 x 304 M 0098 912 823 8405 F 0098 21 2271 6192 E ffarzaneh@satrade.ir msamari@satrade.ir</p>
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Asia East Region

Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Beijing</p> <p>South African Embassy, 5 Dongzhimenwai Dajie, Sanlitun, Chaoyang District, Beijing, People's Republic of China <u>Postal Address:</u></p> <p>+6 Hours</p>	<p>Mr Greg Munyai Minister (Economic)</p> <p>Vacant Marketing Officer</p> <p>Ms Michelle Liu Mo Secretary</p>	<p>T 0086 10 6532 0171 – 5 0086 10 6532 7320/1/3 0086 10 8532 0054 Direct M 0086 13 60 1169744 F 0086 10 6532 0182 E GMunyai@thedti.gov.za mmliu@thedti.gov.za</p>
<p>Hong Kong (Also Macau)</p> <p>SA Consulate -General, 2706-2710 Great Eagle Centre, 23 Harbour Road, Wanchai, HONG KONG <u>Postal Address:</u></p> <p>+6 Hours</p>	<p>Vacant Consul (Economic)</p> <p>Mr Davy Chiu Ka Wah Marketing Officer</p>	<p>T 00 852 2577 3279 M 00 852 91223014 F 00 852 2577 4532 E satrade@dtihk.org.hk</p>
<p>Seoul</p> <p>SA Embassy, 1-37 Hannam-dong, Yongsan - ku, Seoul, South Korea <u>Postal Address:</u></p> <p>+7 Hours</p>	<p>Mr Paul Pieterse Counsellor (Economic)</p> <p>Mr Kwangsu Jin Marketing Officer</p>	<p>T 0082 2 795 0948/792 4855 M 0082 11 9038 0948 (Paul) 0082 10 3467 9668 (Kwangsu) F 0082 2 795 0949 E satrade@korea.com paulp@southafrica-embassy.or.kr</p>
<p>Shanghai</p> <p>South African Consulate-General 222 Yan An Road East 27th Floor, Room 2705/6 Shanghai, Peoples Republic of China</p> <p>+6 Hours</p>	<p>Mr Sylvan Montshonyane Consul (Economic) (x114)</p> <p>Mr Jonathan Ni Wen Xiang Marketing Officer (x103)</p>	<p>T 0086 21 5359 4977 M 0086 136 7183 3084 (Sylvan) 0086 139 0189 2719 (Jonathan) F 0086 21 6335 2820 E dtishanghai@rsaconsulate.com Jonathan.ni@rsaconsulate.com</p>
<p>Tokyo</p> <p>SA Embassy, 3 & 4 Floor Oriken Hirakawa-cho Building, 2-1-1 Hirakawa-cho, Chiyoda-ku, Tokyo 102-0093, Japan <u>Postal Address:</u></p> <p>+7 Hours</p>	<p>Ms Tshepo Makhene Counsellor (Economic)</p> <p>Mr Shinji Yamamoto Marketing Officer</p> <p>Mr Kunio Katsunuma Marketing Officer</p> <p>Mr Tomokiyo Shimura Marketing Officer</p>	<p>T 0081 3 3265 2121/3366 M 0081 90 1429 3880 F 0081 3 3261 6445 E counsellor@sajapan.org yamamoto@sajapan.org katsunuma@sajapan.org shimura@sajapan.org yajima@sajapan.org</p>

Asia West Region		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Bangkok (also: Vietnam, Cambodia, Myanmar and Laos)</p> <p>SA Embassy, 12th A Floor, M-Thai Tower, All Seasons Place, 87 Wireless Road, Pathumwan, Bangkok 10330, Thailand Postal Address</p> <p>+5 Hours</p>	<p>Ms Phaopha-nga Auyyanon Marketing Officer</p>	<p>T 0066 2 659 2900 0066 2 659 2906 (Direct) M 0066 81 808 5400 F 0066 2 250 1065 E satrade@loxinfo.co.th</p>
<p>Canberra (also: New Zealand)</p> <p>SA High Commission, Rhodes Place, State Circle, Yarralumla, Canberra, A.C.T 2600, Australia +8 Hours</p>	<p>Mr Syed M H Jaffry Marketing Officer</p>	<p>T 0061 2 6272 7300 (Switchboard) 0061 2 6272 7328 (Direct) M 0061 416 197 460 F 0061 2 6273 4995 E samarket@optusnet.com.au</p>
<p>Jakarta</p> <p>SA Embassy, 7th floor, Wisma GKBI, Site 705, JL. Jend. Sudiman No 28 Jakarta 10210, Indonesia <u>Postal Address:</u></p> <p>+5 Hours</p>	<p>Mr Joe Sudjana Marketing Officer</p>	<p>T 0062 21 574 0660 M 0062 861 137 7339 F 0062 21 572 2206 0062 21 574 0661/0655 E satrade2@indo.net.id</p>
<p>Kuala Lumpur (also: Philippines and Brunei)</p> <p>Suite 22-01, Level 22, Menara HLA, No 3 Jalan Kia Peng, 50450 Kuala Lumpur, Malaysia <u>Postal Address:</u></p> <p>+6 Hours</p>	<p>Ms Yip Yoke Kim Marketing Officer</p>	<p>T 0060 3 2170 2400 0060 3 2161 1563 (Direct) M 0060 19 2713 224 F 0060 3 2162 7767 E saecon3@tm.net.my</p>
<p>Mumbai</p> <p>SA Consulate General, Gandhi Mansion, 20 Altamount Road, Cumballa Hill, Mumbai 400026, India <u>Postal Address:</u></p> <p>+3½ Hours</p>	<p>Ms Seema Sardha Consul (Economic)</p> <p>Mr Rajan Kumar Marketing Officer</p>	<p>T 0091 22 2351 3725 0091 22 2352 3726 M 0091 998 7346 622 (Seema) 0091 998 7345 599 (Rajan) F 0091 22 2352 1158 E ssardha@dtimumbai.com rajan@dtimumbai.com nilofer@dtimumbai.com</p>
<p>New Delhi</p> <p>South African High Commission, B-18 Vasant Marg, Vasant Vihar, New Delhi - 110045, India Postal Address:</p> <p>+3½ Hours</p>	<p>Mr Jardine Omar Counsellor (Economic)</p> <p>Mr Sarat C Pradhan Marketing Officer (Senior)</p> <p>Mr Ravi Issar Marketing Officer</p>	<p>T 0091 11 2614 8607 – 10 0091 11 2614 9411 - 20 M 0091 9818 1755 05 (Jardine) 0091 9818 1755 06 (Sarat) 0091 9818 1755 07 (Ravi) F 0091 11 2614 8605 0091 11 2614 3605 E dtidelhi@thedti.gov.za jardineo@thedti.gov.za spradhan@thedti.gov.za rissar@thedti.gov.za</p>
<p>Singapore</p> <p>SA High Commission, 15 Floor, Odeon Towers, 331 North Bridge Road, Singapore 188720 <u>Postal Address:</u></p> <p>+6 Hours</p>	<p>Mr Gimson Chong Marketing Officer</p>	<p>T 0065 6 339 3319 M 0065 9 615 0433 F 0065 6 337 0196 E satrade2@singnet.com.sg</p>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
ADDRESS LIST OF FOREIGN ECONOMIC OFFICES for the year ended 31 March 2011

Europe 1 Region		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Brussels (also: Luxembourg)</p> <p>SA Embassy to Belgium and Luxembourg and the SA Mission to the EU, Rue Montoyer 17-19 (B-1000), 1040 Brussels, Belgium <u>Postal Address:</u></p> <p>-1 Hour</p>	<p>Vacant Counsellor (Economic)</p> <p>Mr Norbert Massart Marketing Officer</p>	<p>T 0032 2 285 4439 0032 2 285 4442 Norbert 0032 2 285 4441 Secretary</p> <p>M 0032 47 906 7961 0032 47 921 6681 (Norbert)</p> <p>F 0032 2 285 4430</p> <p>E nmassart@thedti.be</p>
<p>London</p> <p>SA High Commission, South Africa House, Trafalgar Square, London WC2N 5DP, United Kingdom <u>Postal Address:</u></p> <p>-2 Hours</p>	<p>Mr Yusuf Timol Minister (Economic)</p> <p>Mr James Baillie Marketing Officer</p> <p>Mr Jacob Mothopeng Marketing Officer</p>	<p>T 0044 20 7451 7236</p> <p>M 0044 77 1448 7143</p> <p>F 0044 20 7839 0634</p> <p>E ytimol@sadti.co.uk jacob@sadti.co.uk james@sadti.co.uk</p> <p>W www.southafricahouse.com</p>
<p>Milan</p> <p>South African Consulate-General, Vicolo San Giovanni, Sul Muro 4, 20121, Milano, Italy <u>Postal Address:</u> Casella Postale 1468, 20101 Milano, Italy</p> <p>-1 Hour</p>	<p>Vacant Consul (Economic)</p> <p>Ms Marcella Uttaro Marketing Officer</p> <p>Ms Faldiela Collins Secretary</p>	<p>T 0039 02 885 8581</p> <p>M 0039 3483 333043</p> <p>F 0039 02 7200 2834</p> <p>E muttaro@thedti.gov.za fcollins@thedti.gov.za dtimilan@thedti.gov.za</p>
<p>Moscow (also: Belarus, Ukraine, Georgia, Armenia and Kazakhstan)</p> <p>South African Embassy, Granatny Per1, Building 9, Moscow 123001, Russia <u>Postal Address:</u></p> <p>+1 Hour</p>	<p>Mr George Bezoumatov Marketing Officer</p>	<p>T 007 495 926 1177 ext 111 007 495 789 9960 Direct</p> <p>M 007 985 768 0309</p> <p>F 007 495 789 9957</p> <p>E tradesa@econsa.ru chebourkovair@dirco.gov.za</p> <p>W www.econsa.ru</p>
<p>Stockholm (also: Denmark, Norway, Finland, Iceland and Baltic States)</p> <p>SA Embassy, Flemmeeggatan 20, 11226 Stockholm, Sweden <u>Postal Address:</u></p> <p>-1 Hour</p>	<p>Mr Josue Ponce Marketing Officer</p>	<p>T 0046 8 783 7743 (Trade) 0046 8 243950 (Switchboard)</p> <p>M 0046 736635801</p> <p>F 0046 8 660 2837</p> <p>E satrade@telia.com</p>
<p>The Hague</p> <p>SA Embassy, Wassenaarseweg 40, 2596 CJ The Hague, The Netherlands <u>Postal Address:</u></p> <p>-1 Hour</p>	<p>Mr Herman van der Kroef Marketing Officer</p>	<p>T 0031 70 750 7643 Herman Direct</p> <p>M 0031 614600714</p> <p>F 0031 70 361 7862</p> <p>E hvdkroef@thedti.nl</p>

Europe 2 Region		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Berlin</p> <p>SA Embassy, Economic Section, Tiergartenstrasse 18, 10785 Berlin, Germany <u>Postal Address:</u></p> <p>-1 Hour</p>	<p>Mr Hans-Friedrich Schmeding Marketing Officer</p>	<p>T 0049 30 22073152 M F 0049 30 22073207 E hfschmeding@suedafrika.org schmedingf@dirco.gov.za</p>
<p>Berne</p> <p>South African Embassy, Alpenstrasse 29, 3006 Berne, Switzerland <u>Postal Address</u> Postfach, 3000 Berne 6, Switzerland</p> <p>-1 Hour</p>	<p>Mr Peter Kistler Marketing Officer</p>	<p>T 0041 31 350 1313 M 0041 79 822 8371 F 0041 31 368 1750 E peter.kistler@southafrica.ch</p>
<p>Madrid (also: Portugal)</p> <p>SA Embassy, Calle Claudio Coello 91, 6th Floor, Madrid, 28006, Spain <u>Postal Address:</u></p> <p>-1 Hour</p>	<p>Vacant Counsellor (Economic)</p> <p>Ms Alicia Segura Marketing Officer</p>	<p>T 0034 91 436 3780 / 3783 M 0034 60 765 0952 (Alicia) F 0034 91 575 5389 E alicia_segura@sudafrica.com econ@sudafrica.com</p>
<p>Munich</p> <p>SA Consulate-General, Sendlinger-Tor-Platz 5, 80336 Munich, Germany <u>Postal Address:</u></p> <p>-1 Hour</p>	<p>Ms Karin Liebenberg Consul (Economic)</p> <p>Mr Marc Mueller Marketing Officer</p>	<p>T 0049 89 2311 6351 M 0049 17 0463 0157 F 0049 89 2311 639 E kliebenberg@thedti.gov.za liebenberg@suedafrika.org mueller@suedafrika.org mmueller@thedti.gov.za</p>
<p>Paris</p> <p>SA Embassy, 59 Quai d'Orsay, 75343 Paris, France <u>Postal Address:</u></p> <p>-1 Hour</p>	<p>Vacant Counsellor (Economic)</p> <p>Ms Charlotte Yzerman Marketing Officer</p> <p>Mr Mustapha Adams Marketing Officer</p>	<p>T 0033 1 5359 2323 M 0033 6 1820 0114 F 0033 1 4555 4867 E satrade@wanadoo.fr mustapha.adams@orange.fr</p>
<p>Vienna</p> <p>SA Embassy, Sandgasse 33, A-1190 Vienna, Austria <u>Postal Address:</u></p> <p>-1 Hour</p>	<p>Mr Karl Neuberger Marketing Officer</p> <p>Ms Andrijana Ruzic Marketing Officer</p>	<p>T 0043 1 320 649333 M 0043 664 4204 999 F 0043 132 0649 351 E vienna.trade@dirco.gov.za neubergerk@dirco.gov.za ruzic-terglava@dirco.gov.za</p>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 35
ADDRESS LIST OF FOREIGN ECONOMIC OFFICES for the year ended 31 March 2011

Americas Region		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Buenos Aires (Also: other Latin American Countries except Brazil)</p> <p>SA Embassy, Marcelo T de Alvear 590, 8th Floor Capital Federal, 1058 Buenos Aires, Argentina</p> <p><u>Postal Address:</u></p> <p>-5 Hours</p>	<p>Ms Florencia Achcar Marketing Officer</p>	<p>T 0054 11 43172900 0054 11 43172923 (Direct)</p> <p>M 0054 911 4171 5685</p> <p>F 0054 114 3172 962</p> <p>E achcarf@dirco.gov.za</p>
<p>Chicago</p> <p>SA Consulate-General, 200 South Michigan Ave, Suite 600, Chicago, Illinois 60604, USA</p> <p><u>Postal Address:</u></p> <p>-7/8 Hours</p>	<p>Vacant Consul (Economic)</p> <p>Ms Valentina Tomov Marketing Officer</p>	<p>T 001 312 939 7929 ext 228 001 312 939 7929 ext 229 (Valentina)</p> <p>M 001 312 659 2442</p> <p>F 001 312 939 2588</p> <p>E vtomov@thedti.gov.za</p>
<p>New York</p> <p>SA Consulate-General, 333 East 38th Street, 9th Floor, New York, NY 10016, USA</p> <p>-7/8 Hours</p>	<p>Vacant Consul (Economic)</p> <p>Mr Jeffrey Govan (x2430) Marketing Officer</p> <p>Ms Bing Alo-Villareal (x2455) Marketing Officer</p> <p>Myrna x2427 Sandra x2494</p>	<p>T 001 212 692 2428/27</p> <p>M 001 917 496 5007 (Jeff) 001 917 496 4006 (Bing)</p> <p>F 001 212 856 1576</p> <p>E govanj@dirco.gov.za alo-villarealb@dirco.gov.za peraltam@dirco.gov.za nwes@dirco.gov.za</p>
<p>Sao Paulo</p> <p>SA Consulate-General, Avenida Paulista 1754, 17th Floor, 01310-920, São Paulo, SP, Brazil</p> <p>Postal Address</p> <p>-5 Hours</p>	<p>Mr Willem vd Spuy Consul (Economic)</p> <p>Mr Mark T Rabbitts Marketing Officer</p>	<p>T 0055 11 3265 0441/2/3</p> <p>M 0055 11 8579 1964(Willem) 0055 11 7140 7741 (Mark)</p> <p>F 0055 11 3288 3742</p> <p>E willemvds@terra.com.br safrica@terra.com.br</p>
<p>Toronto</p> <p>South African Consulate General Toronto, 110 Sheppard Avenue East, Suite 600, Toronto, Ontario, Canada M2N 6Y8</p> <p><u>Postal Address:</u></p> <p>-6/7 Hours</p>	<p>Vacant Consul (Economic)(x25)</p> <p>Mr Corrie Germin Marketing Officer (x24)</p> <p>Ms Sybil Miller Assistant: Trade Section (x23)</p>	<p>T 001 416 944 8825 (Switchboard) 001 416 730 7283 (Corrie) 001 416 730 7284 (Sybil)</p> <p>M</p> <p>F 001 416 944 2761</p> <p>E satrade@thedti.org cgermin@thedti.org smiller@thedti.org</p>
<p>Washington</p> <p>SA Embassy, 3051 Massachusetts Avenue, NW, Washington, DC 20008, USA</p> <p><u>Postal Address:</u></p> <p>-6/7 Hours</p>	<p>Vacant Minister (Economic)</p> <p>Ms Jennifer Cheong Marketing Officer</p>	<p>T 001 202 232 4400 001 202 274 7973 (Minister) 001 202 274 7975 (Cheong)</p> <p>M 001 202 527 8338</p> <p>F 001 202 966 5919</p> <p>E thedti@saembassy.org jcheong@saembassy.org</p>

International Trade And Economic Development Division

Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Geneva</p> <p>SA Permanent Mission, 65 rue du Rhone, 1204 Geneva, Switzerland <u>Postal Address:</u></p> <p>-1 Hour</p>	<p>Mr Faizel Ismail Minister (Economic)</p> <p>Mr Wamkele Mene Counsellor (Economic)</p> <p>Ms Kim Kappel Counsellor (Economic)</p> <p>Mr Ephraim Mogashoa Counsellor (Economic)</p>	<p>T 0041 22 849 5401/2 0041 22 849 5404 (Wamkele) 00411 22 849 5405 (Kim) 0041 22 849 5403 (Miguel)</p> <p>M 0041 79786 6024 (Faizel)</p> <p>F 0041 22 735 7365</p> <p>E faizel.ismail@ties.itu.int wamkele@bluewin.ch wtoMission.southafrica@gmail.com KKappel@bluewin.ch emogashoa@bluewin.ch</p>

GLOSSARY

for the year ended 31 March 2011



ABBREVIATIONS AND ACRONYMS

AGSA	Auditor-General South Africa
AGOA	African Growth and Opportunity Act
AIS	Automotive Investment Scheme
APDP	Automotive Production and Development Programme
APORDE	African Programme on Rethinking Development Economics
ARV	Anti-Retroviral
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
BBSDP	Black Business Supplier Development Programme
BEE	Black Economic Empowerment
BIT	Bilateral Investment Treaty
BPO	Business Process Outsourcing
BPSP	Business Process Services Programme
BRICS	Brazil, Russia, India, China and South Africa
CAMI	Conference of African Ministers of Industry
CCRD	Consumer and Corporate Regulation Division
CFO	Chief Financial Officer
CIO	Chief Information Officer
CIP	Critical Infrastructure Programme
CIPC	Companies and Intellectual Property Commission
CIPRO	Companies and Intellectual Property Registration Office
CIS	Co-operatives Incentive Scheme
COMESA	Common Market for Eastern and Southern Africa
COTII	Council of Trade and Industry Institutions
CSIR	Council for Scientific and Industrial Research
CSP	Customised Sector Programme
CSPA	Comprehensive Strategic Partnership Agreement
CTCP	Clothing and Textile Competitiveness Programme
DBSA	Development Bank of Southern Africa
DDG	Deputy Director-General
DG	Director-General
DPSA	Department of Public Service and Administration
EAAB	Estate Agency Affairs Board
EAC	East African Community
ECIC	Export Credit Insurance Corporation
EDD	Economic Development Department
EEIP	Equity Equivalent Investment Programme
EE	Employment Equity
EEDD	Empowerment and Enterprise Development Division
EFTA	European Free Trade Association
EICs	Enterprise Information Centres
EIP	Enterprise Investment Programme
ELIDZ	East London Industrial Development Zone
EMIA	Export Marketing and Investment Assistance

EPA	Economic Partnership Agreement
ERPC	External Relations and Policy Co-ordination
ESEC	Economic Sectors and Employment Cluster
EU	European Union
ExBo	Executive Board of the dti
FABCOS	Foundation of African Business and Consumer Services
FASA	Franchise Association of South Africa
FDI	Foreign Direct Investment
FERs	Foreign Economic Representatives
FIG	Foreign Investment Grant
FSB	Financial Services Board
FSM	Foreign Service Management
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GEMP	Automotive Production and Development Programme
GLP	Good Laboratory Practice
GSSSD	Group Systems and Support Services Division
HDI	Historically Disadvantaged Individuals
HoM	Heads of Mission
HQ	Headquarters
IBSA	India-Brazil-South Africa
ICT	Information and Communication Technology
ICTS	Information Co-operation, Trade and Security Cluster
IDD	Industrial Development Division
IDZ	Industrial Development Zone
ILO	International Labour Organisation
IMF	International Monetary Fund
IP	Intellectual Property
IPAP2	Industrial Policy Action Plan 2 (2010/11 – 2012/13)
ISV	Independent Software Vendors
IT	Information Technology
ITI	Trade and Investment Initiative
ITED	International Trade and Economic Development Division
IWF	Isivande Women's Fund
KAP	Key Action Plan
LBSC	Local Business Service Centre
LED	Local Economic Development
LOGIS	Logistical Information System
MIDP	Motor Industry Development Programme
MIP	Manufacturing Investment Programme
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NAMA	Non-Agricultural Market Access
NCC	National Consumer Commission
NCPC	National Cleaner Production Centre

NEDLAC	National Economic Development and Labour Council
NEF	National Empowerment Fund
NEPAD	New Partnership for Africa's Development
NCPC	National Cleaner Production Centre
NCT	National Consumer Tribunal
NCR	National Credit Regulator
NGB	National Gambling Board
NGOs	Non-Governmental organisations
NGP	New Growth Path
NIPP	National Industrial Participation Programme
NIPF	National Industrial Policy Framework
NLA	National Liquor Authority
NLB	National Lotteries Board
NLDTF	National Lotteries Distribution Trust Fund
NLPC	National Liquor Policy Council
NLRF	National Liquor Regulators' Forum
NMAC	National Manufacturing Advisory Centre
NMISA	National Metrology Institute of South Africa
NP WMD	Non-Proliferation of Weapons of Mass Destruction
NRCS	National Regulator for Compulsory Specifications
NRF	National Research Foundation
NSBAC	National Small Business Advisory Council
NSDS	National Skills Development Strategy
ODG	Office of the Director-General
OEMS	Original Equipment Manufacturers
ORTIA	Oliver Reginald Tambo International Airport
PGD	Partnership for Growth and Development
PI	Production Incentive
PIPAs	Provincial Investment Promotion Agencies
PoA	Programme of Action
PPPFA	Preferential Procurement Policy Framework Act
PRASA	Passenger Rail Agency of South Africa
PTA	Preferential Trade Agreement
RCF	Risk Capital Facility
R&D	Research and Development
RIA	Regulatory Impact Assessment
SABS	South African Bureau of Standards
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAMAF	South African Micro-Finance Apex Fund
SARS	South African Revenue Service
SAQI	South African Quality Institute
SAWEN	South African Women Entrepreneurs' Network
SDIs	Spatial Development Initiatives
SDP	Spatial Development Programme
SDIP	Service Delivery Improvement Plan

seda	Small Enterprise Development Agency
SAOSO	South African Organic Sector Organisation
SANAS	South African National Accreditation System
SETA	Sector Education and Training Authority
SEZ	Special Economic Zones
SI	International System of Unit
SIP	Strategic Industrial Projects
SLA	Service Level Agreement
SME	Small and Medium Enterprise
SMEDP	Small and Medium Enterprise Development Programme
SMMDP	Small and Medium Manufacturing Development Programme
SMMEs	Small, Medium and Micro Enterprises
SOEs	State-Owned Enterprises
SPII	Support Programme for Industrial Innovation
SSAS	Sector Specific Assistance Scheme
SWEEEP	Sector-Wide Enterprise, Employment and Equity Programme
TBT	Technical Barriers to Trade
TDCA	Trade, Development and Co-operation Agreement
TEO	The Enterprise Organisation
the dti	Department of Trade and Industry
THRIP	Technology and Human Resource for Industry Programme
TISA	Trade and Investment South Africa
TSP	Tourism Support Programme
TWIB	Technology for Women in Business
UN	United Nations
USA	United States of America
WEF	World Economic Forum
WB	World Bank
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation