

Department of Trade and Industry ANNUAL REPORT 2009-2010



“Ensuring an economy that benefits all”



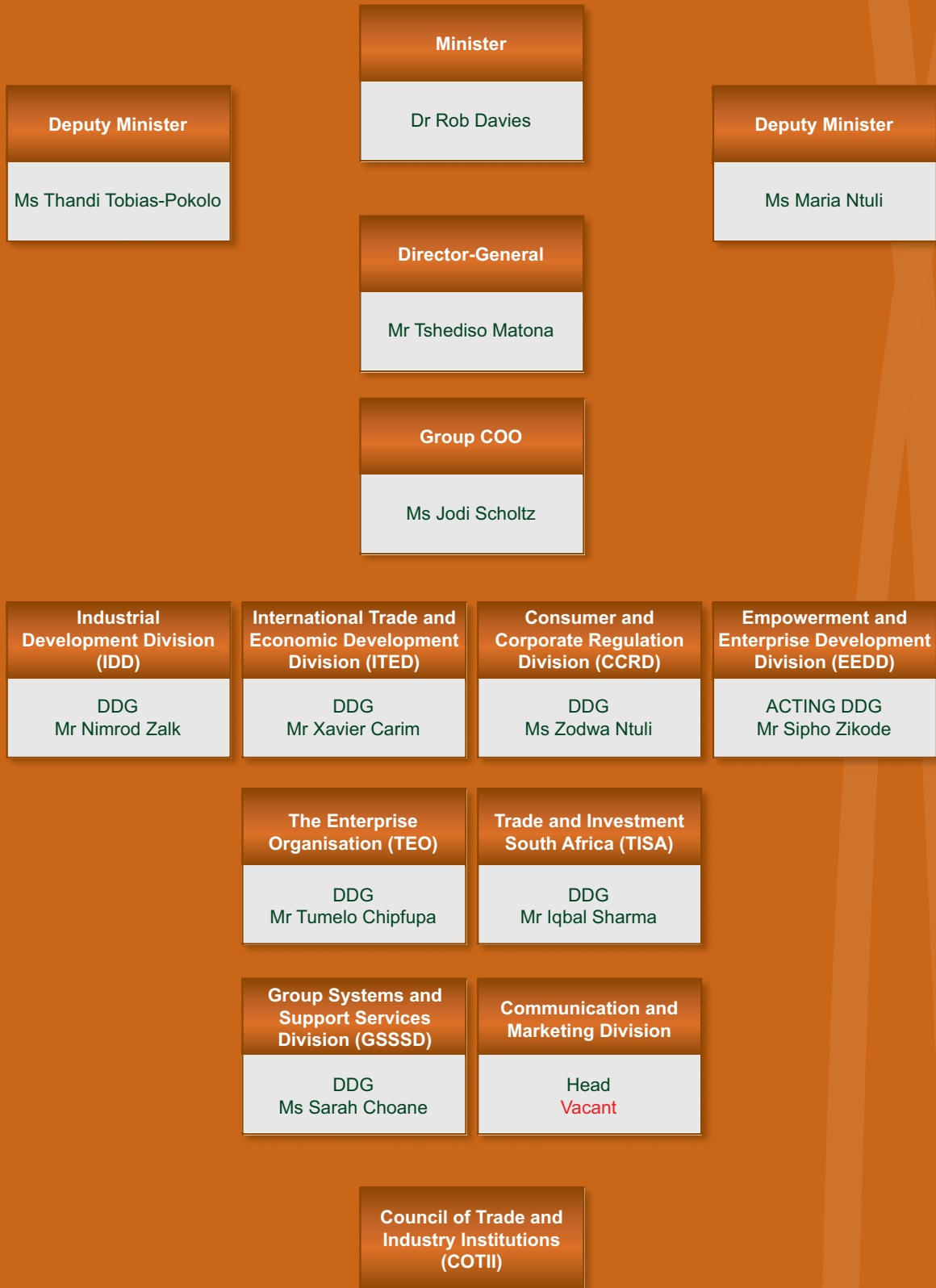
the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

“Notwithstanding the achievements outlined in this annual report, the department recognises that considerable work still needs to be undertaken to address the structural imbalances that remain within the economy that were exacerbated by the global economic crisis.”



the dti ORGANOGRAM



the dti LEADERSHIP



**Dr Rob Davies
(Minister)**



**Ms Thandi Tobias-Pokolo
(Deputy Minister)**



**Ms Maria Ntuli
(Deputy Minister)**

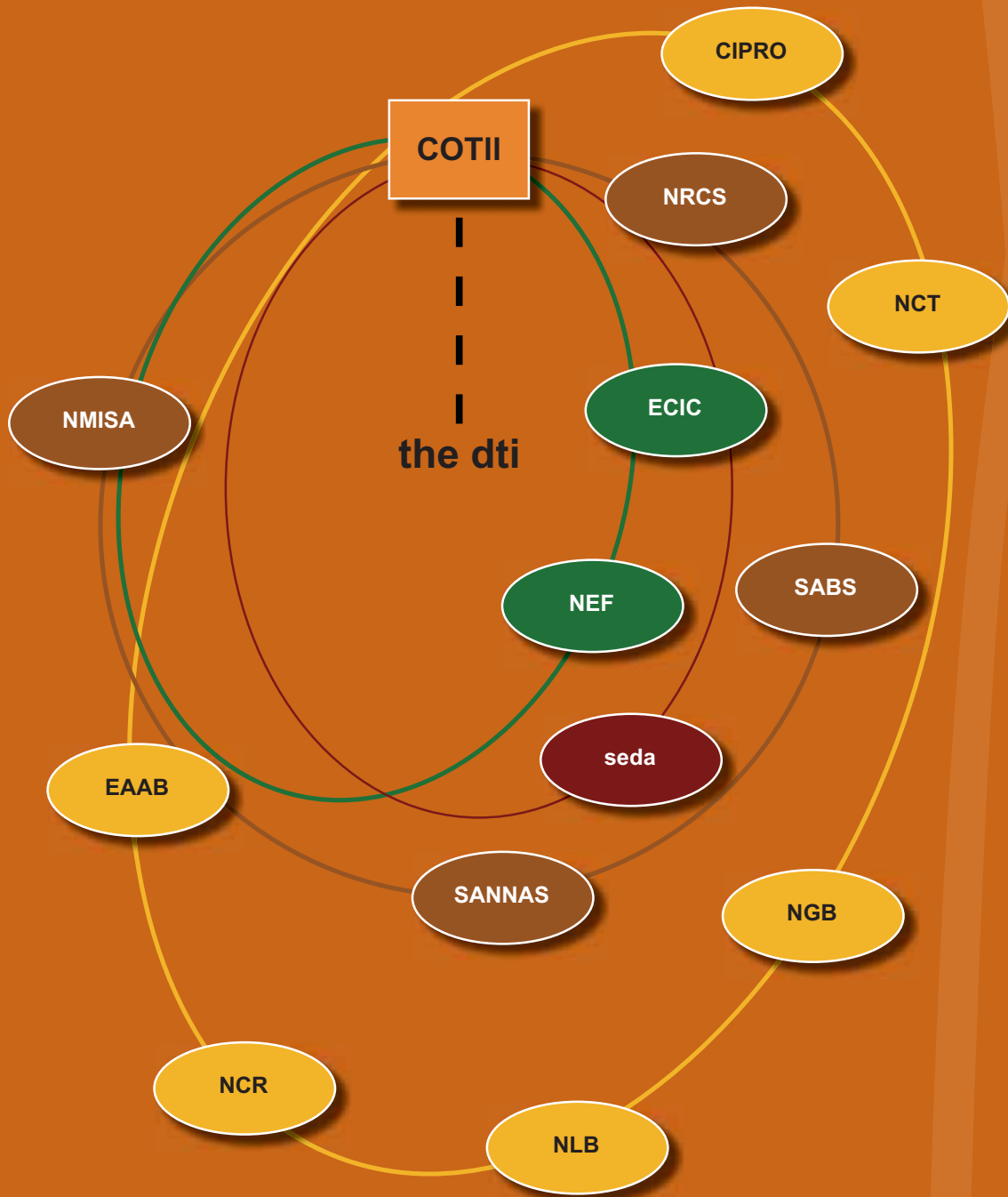


**Mr Tshediso Matona
(Director-General)**

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the dti GROUP



 REGULATORY INSTITUTIONS

 DEVELOPMENT FINANCE INSTITUTIONS

 SPECIALIST SERVICES INSTITUTIONS

“As part of strengthening our industrial policy interventions, the department recognised that trade policy can be used as an important vehicle in achieving industrial policy objectives.”



GENERAL INFORMATION 1

Foreword by the Minister

The main focus of the work of **the dti** during the period under review was dealing with the impact of the global economic crisis on the South African economy. This brought to the fore the structural imbalances that still exist in the economy.

the dti was therefore seized with the task of addressing the negative consequences of the crisis that became for South Africa a deep real economy and jobs crisis. A key intervention in this regard was the development of the new Industrial Policy Action Plan to address the ongoing challenge of structural imbalance in the economy. I am pleased to say that **the dti**, in conjunction with key government stakeholders in the Economic and Employment Cluster, finalised the new three-year Industrial Policy Action Plan known as IPAP2 during the 2009/10 financial year. IPAP2 is an integral part of a new growth path to develop and diversify the South African economy's productive capacity. It is an important element of the government's strategy to achieve sustainable economic growth and the creation of decent work. The Action Plan underwent extensive public hearings through the Portfolio Committee and **the dti** is satisfied that the broad thrust of the plan has been widely supported.



As part of strengthening our industrial policy interventions, the department recognises that trade policy is an important vehicle in achieving industrial policy objectives. As a result, a Trade Policy and Strategy Framework has been finalised and circulated for public comment. The policy document outlines how trade policy and strategy in South Africa can make a contribution to the objectives of upgrading and diversifying the economic base in order to increase the production and export of value-added products that generate employment.

A concerted effort was also made to align the industrial financing regime to the thrust of the industrial policy. Through this process, the Government Assistance Programme, introduced in 2008, has put South Africa on the global map as a supplier of Business Process Outsourcing Services. Six thousand jobs have already been created in the past two and a half years. Also, support schemes were developed for the manufacturing, tourism, clothing and automotive sectors, as well as a tax-based incentive in collaboration with National Treasury.

The department also took cognisance of the need to have a regulatory environment that supports our industrial development objectives. Focus was placed on those areas of regulation that still needed to be amended to enhance enterprise and industrial development. Three pieces of legislation were assented to by the President during the previous financial year. The first of these is the new Companies Act, which simplifies business registration and reduces unnecessary onerous financial reporting burdens on SMME's. The second is the new Consumer Protection Act, which provides safeguards for consumers through compulsory product description and labelling, product safety, product choice and information disclosure. Thirdly, the Competition Amendment Act, which will allow sector-wide and general market inquiries to be conducted to deal with uncompetitive outcomes and competitive constraints in certain sectors of our economy.

We believe that were, it not for our intervention in these areas of the real economy, we may well have faced a greater danger of de-industrialization than is now the case. While short-term indicators are signalling that the South African economy has slowly turned the corner, the long-term indicators suggest that the economy is still weak. For **the dti**, this means that we must continue to intensify our work and sharpen our focus to ensure that we make inroads in attaining the new outcomes that **the dti** has been charged with during the 2009/14 Medium Term Strategic Framework (MTSF) period, namely, decent employment through inclusive growth.

In conclusion I would like to recognise the contribution made by the Deputy Ministers, Maria Ntuli and Thandi Tobias-Pokolo, the Director-General, Tshediso Matona, and the senior management and staff in the department. I would like to extend my gratitude to all of them for the achievements made during the past financial year.



DR ROB DAVIES (MP)
MINISTER: TRADE AND INDUSTRY

“A concerted effort was also made to align the industrial financing regime to the thrust of the industrial policy.”





Submission of the Annual Report to the Executive Authority

It is with great pleasure that I, as the accounting officer of this department, table the performance and progress report of the department for the financial year 2009/10. In terms of the Public Finance Management Act, 1999, I wish to state that the information contained in this report will be taken up as part of the Annual Report to be tabled in parliament.

Tshediso Matona
Director-General
Date: 27 August 2010

Introduction by the Director-General

During the year under review, the Department of Trade and Industry (**the dti**) grappled with a number of challenges that arose as a result of the impact of the global economic crisis on the South African economy. Key amongst these was the economy experiencing its first recession in almost two decades, resulting in a decline in industrial capacity and the loss of almost a million jobs. This Annual Report outlines the efforts of the department in grappling with the impact of the global economic crisis while still undertaking the work of its mandate.

the dti focused on implementing policy interventions that moderated the impact of the global economic crisis on the real economy. Through its engagements within the Economic and Employment Cluster and NEDLAC, the department finalised the Response to the International Crisis which included a R2.4 billion “worker layoff training scheme” as an alternative to retrenchment, and the Industrial Development Corporation (IDC) fund of R6,2 billion to assist firms in distress as a result of the crisis.

In addition, the department scaled up its policy interventions without which the crisis may have resulted in a greater loss of industrial capacity and jobs in the manufacturing sector. This included the development of the new three-year Industrial Policy Action Plan known as IPAP2. IPAP2 builds on the National Industrial Policy Framework (NIPF) and the 2007/8 IPAP. It is a significant step forward in increasing government’s efforts to promote long-term industrialisation and industrial diversification beyond the economy’s current reliance on traditional commodities and non-tradable services. Its purpose is to expand production in value-added sectors with high employment and growth multipliers that compete in export markets as well as in the domestic market against imports.

Key additional policy interventions included sectoral initiatives to alleviate the impact of the global economic crisis on sectors such as Automotives, and Clothing and Textiles. In the Automotives sector, a new Automotive Investment Scheme (AIS) has been finalised. The new programme will extend existing benefits, previously only available to light vehicle assemblers and their first-tier suppliers, to all firms in the automotive component sector. In the Clothing and Textiles sector, the Clothing and Textiles Competitiveness Programme (CTCP) was established and is being administered by the IDC. The objective of the programme is to stimulate the productive capacity of firms within the sector.

As part of aligning industrial policy and trade policy, Cabinet approved the Trade Policy and Strategy Framework developed by **the dti** during the 2009/10 financial year. The Framework outlines how trade policy measures can make a contribution to the objectives of accelerating economic growth and development, and generating decent jobs in the economy.

In addition, in terms of industrial finance, **the dti**, through the development of the guidelines for the Enterprise Investment Programme and Section 12i Tax Allowance Regulations, took important steps to ensure that the industrial financing regime supported industrial policy objectives.

In the period under review, as part of the department's response to improve support for SMME's given the negative economic climate, **the dti** finalised both the ten product procurement policy programme to increase access to markets for SMMEs through government procurement and the one-stop-shop framework for the co-location of SMME support services. Furthermore, in September 2009 **the dti** launched the SMME payment hotline which provides a recourse mechanism for SMME service providers who have delivered services to government departments and who are not paid by government within 30 days.

In advancing the transformation of the economy, the B-BBEE Advisory Council was launched in December 2009. One of the key functions of the Council will be to monitor the implementation of B-BBEE across the economy.

On the regulatory front, during the 2009/10 financial year, the process to establish the National Consumer Commission and the Companies and Intellectual Property Commission commenced and is on track for the establishment of these entities within the 2010/11 period. In addition, awareness campaigns were conducted on the Companies and Consumer Protection Acts to educate, train and capacitate stakeholders before the legislation became effective. With regard to the 2010 FIFA World Cup, in order to prevent scams regarding tickets for the World Cup, **the dti** published regulations to deal with the unlawful selling of tickets, in addition to having established the legal framework for protecting the event against ambush marketing. Enforcement of these regulations will see the scams being uncovered and dealt with effectively.

The work undertaken by the department during the past financial year could not have been undertaken without the support of stakeholders within government, in business and labour. Through its engagement in the Economic and Employment Cluster and NEDLAC, **the dti** was able to improve the robustness of interventions intended to mitigate the impact of the global economic crisis.

Notwithstanding the achievements outlined in this Annual Report, the department recognises that considerable work still needs to be undertaken to address the structural imbalances that remain within the economy that were exacerbated by the global economic crisis. This is the priority of the new administration as outlined in the Medium Term Strategic Framework (MTSF). The MTSF identifies specific outcomes that **the dti** will have to work towards going forward. This will require that the department considerably enhance its efforts and capacity, including funding, in order to be able to deliver on the outcome of decent employment through inclusive growth.

I would like to conclude by thanking the Minister, Dr Rob Davies, and the Deputy Ministers Maria Ntuli and Thandi Tobias-Pokolo, for their leadership and guidance, and to thank the staff of the department for their contribution to the work covered in this report.



Tshediso Matona
Director-General: the dti

the dti's Mission Statement

- Provide leadership to the South African economy through **the dti's** 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 and respond to the challenges and opportunities of the economic citizens, in order to support the government's economic goals of growth, employment and equity.
- Provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade.

the dti's Strategic Objectives

- 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 African Development (NEPAD).

Key interventions

Within the above strategic and operational framework, **the dti** will undertake programmes and interventions over the medium term, under the following themes:

- Industrial Development
- Trade, Investment and Exports
- Broadening Participation
- Regulation
- Administration and Coordination



"The global economic recovery has largely been driven by public sector investments which were targeted to sustain economic activities and place different economies on a competitive path as the global economy recovery gains traction."



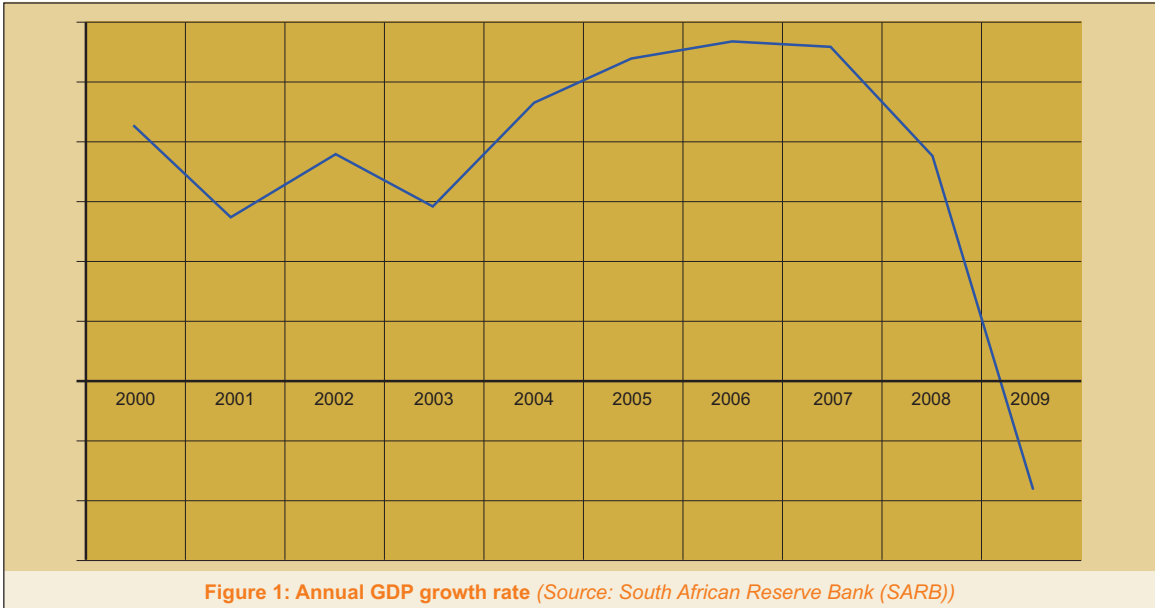
THE PERFORMANCE OF THE SOUTH AFRICAN ECONOMY 2

GDP Growth rate

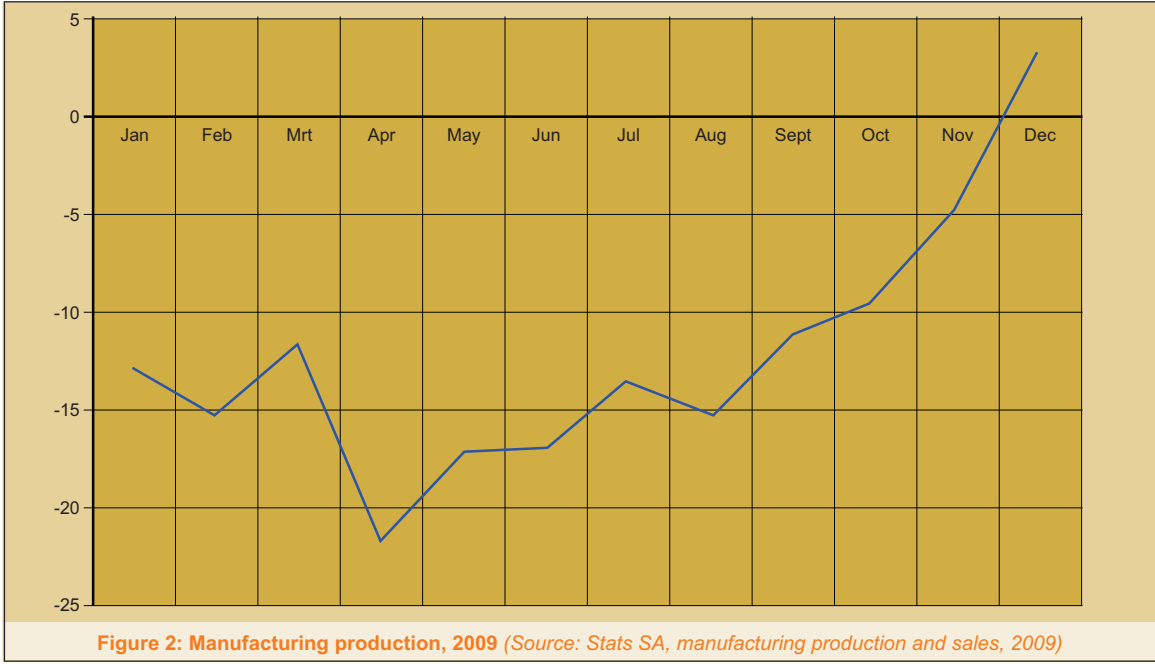
The impact of growth stimulating policies introduced by different governments to halt the complete collapse of the global economy began to bare results during 2009. The global economic recovery has largely been driven by public sector investments which were targeted to sustain economic activities and place different economies on a competitive path as the global economy recovery gains traction. The threat of a double deep recession continues to threaten the global economy with fiscal pressures experienced by most developed and developing countries.

The sharp decline in economic activities during the first half of 2009 resulted in South Africa's real gross domestic product (GDP) for the year as a whole contracting by 1,8%. Economic growth recovered from negative quarter-to-quarter rates in the first half of 2009 to a small positive rate in the third quarter that strengthened considerably further in the final quarter of the year.





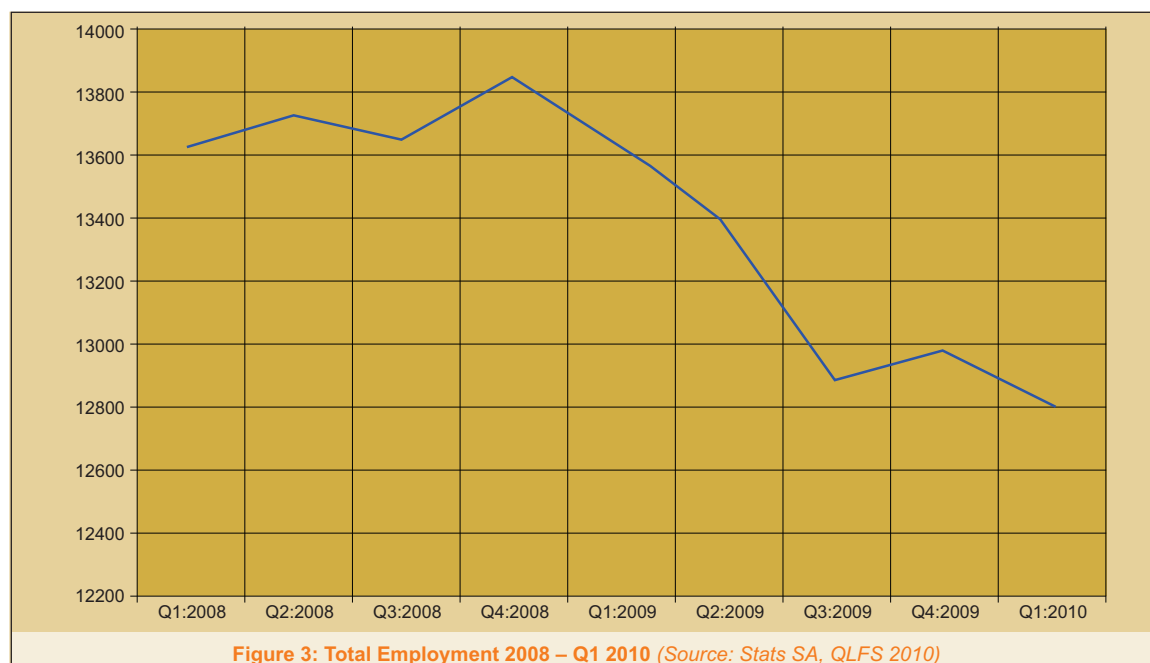
The decline in GDP was largely as a result of a significant decline in manufacturing production, whose annual decrease of 12,5% was mainly due to lower production in metals and machinery division (-18,7% and contributing -4,1 percentage points), autos (-24,4% and contributing -2,5 percentage points); chemicals (-8,9% and contributing -2,1 percentage points); and clothing and textiles (-14,6% and contributing -0,7 of a percentage point).



Employment

Recent data confirmed that the employment-creating capacity of the formal non-agricultural sector of the South African economy remained weak during 2009 and first quarter of 2010, despite the uptake in economic activity during the last quarter of 2009 and the first quarter of 2010. Total employment decreased by over 800 000 jobs between 2009 and the first quarter of 2010. This reflects a decrease of 6,1% in total employment. Most job losses occurred in the manufacturing (173 000) and trade (196 000) sectors.

The current episode of job losses in the economy has significantly reversed progress made during 2004 – 2007. As a result of the decline in employment, the unemployment rate increased from 23,5% to in the first quarter of 2009 to 25,3% during the first quarter of 2010.



International Trade

The narrowing of the current-account deficit in 2009 could primarily be attributed to an increase in international trade volumes and a concomitant stronger rise in the value of merchandise goods exported from South Africa. South Africa's trade surplus with the rest of the world consequently widened from R22,3 billion in the third quarter of 2009 to R24,9 billion in the fourth quarter. For the year as a whole the trade balance changed from a deficit of R35,6 billion recorded in 2008 to a surplus of R2,3 billion in 2009. Despite the improvement in the trade balance, the current account deficit was 4 percent of the GDP during 2009.

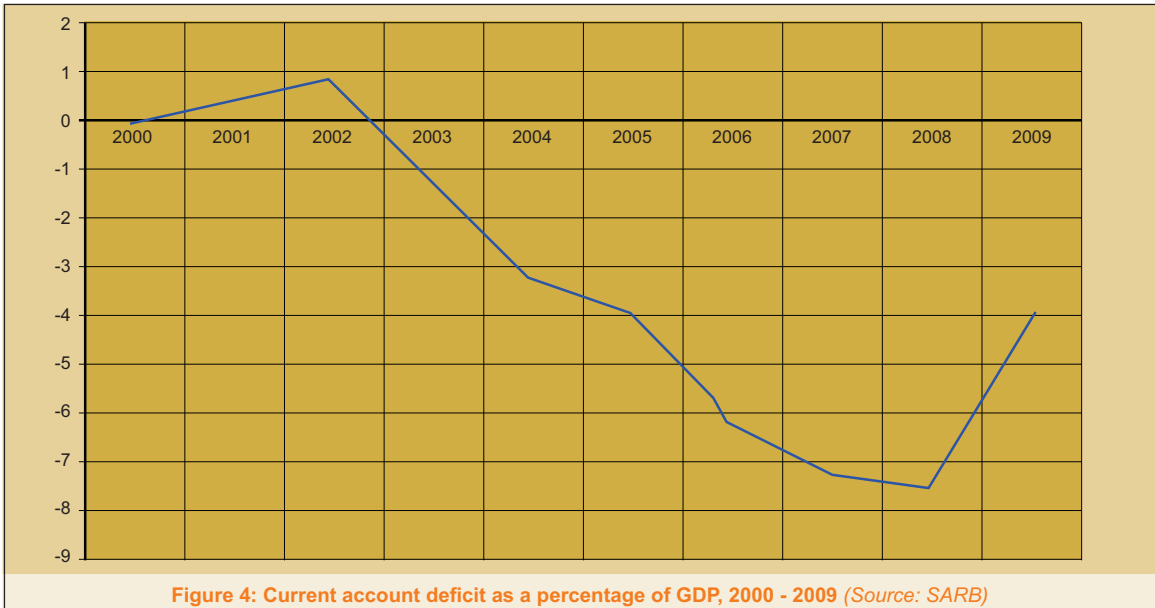


Figure 4: Current account deficit as a percentage of GDP, 2000 - 2009 (Source: SARB)

The public corporations continued to drive investment growth which remained above 20 percent during 2009. In the first and second quarter of 2009, the investment growth rate was 150% and 42% respectively. This growth was due to expansion projects of two national utilities, Eskom and Transnet. Poor export demand further exacerbated the decline in private sector capital spending, contributing to its negative growth rates throughout 2009.

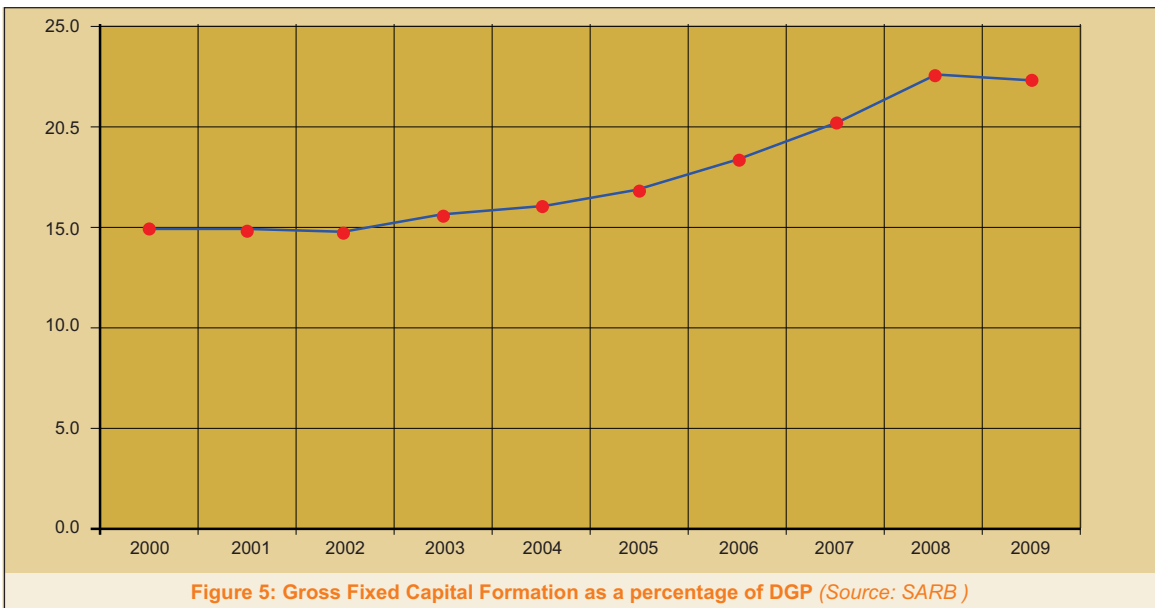


Figure 5: Gross Fixed Capital Formation as a percentage of DGP (Source: SARB)

In conclusion, despite the improvement in the economy during the last two quarters of 2009, the downside risk continues to persist. The unemployment challenge will require targeted interventions to accelerate growth and increase employment intensity of the economy going forward. The current administration has prioritised the creation of decent work opportunities as the central focus of economic policies.

Implementation of government policies such as the Industrial Policy Action Plan² will be critical to reverse employment losses experienced over the past two years, restore lost production capacity and begin to place the economy on a sustained recovery path. Strengthening support to small enterprises which have been worst affected by the downturn is fundamental. While the economic outlook for 2010 – 2014 has improved, sustaining and scaling-up current interventions is required to achieve the developmental imperatives of decent work and inclusive growth.

Government Mandate

The department has been mandated to improve competitiveness, create a fair trading environment, enhance growth in the economy, improve the creation of new jobs and focus on the disadvantaged communities, particularly the rural, youth and women.

In addition the department has been mandated to develop the economic region as a whole, forming relationships with neighbouring countries.

the dti's participation in Coordination Mechanisms

the dti plays an integrating role with other government departments in two clusters, namely the Economic and Employment Cluster and the International Cooperation, Trade and Security Cluster. A key stakeholder management role has been established within the Office of the Director-General of the dti to help coordinate the inter-departmental activities.



ACTS ADMINISTERED BY the dti

- 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 and 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, (Act No. 68 of 2008)***
To promote a fair, accessible and sustainable market place 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.
- 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.

ACTS ADMINISTERED BY the dti

- 1** ***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-TBVC's 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; 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.
- 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.
- 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.

ACTS ADMINISTERED BY the dti

- 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 coordination 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.
- 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; 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; 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 letters patent for inventions and for the rights of a patentee.
- 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.

ACTS ADMINISTERED BY the dti

- 3** ***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 Republic; 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)***
Whole Act was repealed save for section 2A dealing with the application of the Insurance Act, 1943.
- 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 trade marks; to provide for the registration of trade marks, certification of trade marks and collective trade marks; 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.

ACTS ADMINISTERED BY the dti

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.





ENTITIES SUPPORTING THE MANDATE 4
during the 2009/10 financial year and their main objectives

Industrial Development Corporation (IDC)

Establishment: The IDC is a government-owned development financing institution, which promotes entrepreneurship through building competitive industries and enterprises. The IDC remains one of the most important instruments for developing South Africa's economy to be viable and sustainable. The IDC's focus is on contributing to economic growth, industrial development and economic empowerment through its financing activities.

The IDC has evolved from being a leading industrial player at national and regional levels to being the first South African Development Finance Institution to have its mandate extended to the rest of the African continent in support of Nepad.

Purpose: The IDC's aim is to be a self-financing national development finance institution whose primary objectives are to contribute to the generation of balanced, sustainable economic growth in Africa and to the economic empowerment of the South African population, thereby promoting the economic prosperity of all citizens. The IDC achieves this by promoting entrepreneurship through the building of competitive industries and enterprises based on sound business principles.

Khula Enterprise Finance Ltd

Establishment: Khula was founded in 1996 and specialises in ensuring the enhanced availability of loan and equity capital to small and medium enterprises.

Purpose: Making finances available by:

- Offering loans through retail finance intermediaries that Khula provides with cost competitive on-lending capital, risk sharing and risk mitigation support, and organisational management capacity support;
- Offering collateral security assistance through commercial finance institutions that Khula provides with credit indemnity guarantees;
- Offering equity finance solutions directly and indirectly through public and private sector partnership joint venture funds and external funds managed by Khula; and
- Providing assistance and guidance on financing and business investment opportunities through the Khula Mentorship Programme.

National Empowerment Fund (NEF)

Establishment: The NEF was established by the National Empowerment Fund, Act No 105 of 1995, for the purpose of promoting and facilitating economic equality and transformation.

Purpose: The aim of the NEF is to be a catalyst of Broad Based Black Economic Empowerment in South Africa. This includes enabling, developing, promoting and implementing innovative investment and transformation solutions to advance sustainable economic participation of black people. The NEF's focus is development finance so as to maximise the 'empowerment dividend', which is made up of Broad Based Black Economic Empowerment, Black Women Empowerment, Job Creation, Growth Sectors, Geographic Spread, and Investment Return. In an effort to broaden the impact, the NEF has launched Provincial Roundtables in six provinces, with the objective of optimising regional invested portfolios through intensive local interaction and communication.

Export Credit Insurance Corporation (ECIC)

Establishment: The ECIC is an independent, limited liability company established with the government of South Africa as the sole shareholder.

Purpose: The objective of the ECIC is to provide long-term insurance and investment guarantees on behalf of government. It also facilitates and encourages South African export trade by underwriting bank loans and investments outside the country in order to enable foreign buyers to purchase capital goods and services from South Africa.

The main outputs of the agency encompass:

- Providing insurance cover for capital projects abroad, mainly in the Southern African Development Community (SADC) region; and
- Issuing investment guarantees against political and transfer risks.

The Competition Commission is responsible for promoting competitive market conditions



South African Micro Finance Apex Fund (SAMAF)

Establishment: The SAMAF was established in 2005 in response to the country's need for a micro-finance institution that would cater for the needs of the very poor. It became fully operational as a trading entity on 1 April 2006.

Purpose: Its business model focuses on capacity building and formalisation of indigenous financial intermediaries, particularly financial services co-operatives, and other forms of micro-credit organisations that have outreach potential to the rural and urban poor wanting to engage in some form of economic activity. These intermediaries provide a network of access points for affordable micro-finance with loans up to a maximum of R10 000.

Competition Commission

Establishment: The Competition Commission was established in terms of the Competition Act (1998).

Purpose: The Competition Commission is responsible for promoting competitive market conditions through investigating and prosecuting anti-competitive activities; reviewing and approving mergers and exemption applications; doing research; and disseminating information to businesses, consumers and other stakeholders.

Competition Tribunal

Establishment: The Competition Tribunal was established in terms of the Competition Act (1998).

Purpose: It adjudicates cases referred to it by the Competition Commission.

National Gambling Board

Establishment: The National Gambling Board was established in terms of the National Gambling Act (33 of 1996), which was repealed in November 2004 by the new National Gambling Act (2004).

Purpose: The primary objective of the board is to exercise control over gambling; provide advice to the Minister; and promote uniform norms and standards across provinces.

National Lotteries Board (NLB)

Establishment: The NLB was established in terms of the National Lotteries Act (57 of 1997) and the Amendment Acts 10 of 2000 and 46 of 2001. The board monitors and enforces the implementation of the National Lottery, as well as the establishment of private lotteries and promotional competitions. In addition, the board manages the National Lotteries Distribution Trust Fund (NLDTF) and takes responsibility for the distributing agencies.

Purpose: The aim of the NLB is to ensure that the national and other lotteries are run with the utmost integrity; the interests of all players are protected; the national lottery generates maximum revenues for good causes in responsible ways; and these revenues are disbursed expeditiously.

The National Credit Regulator (NCR)

Establishment: The National Credit Act (2005), which replaced the Usury Act (1968) and the Credit Agreements Act (1980), enables the NCR to execute its mandate.

Purpose: The purpose of the NCR is to improve the regulation of the consumer credit market, to improve consumer protection, and the efficiency and fairness of the end-user credit market.

The NCR is governed by a board of directors appointed by Cabinet and is responsible for registrations; education; complaints resolution; investigations; debt counselling and advocacy.

The National Consumer Tribunal (NCT)

Establishment: The NCT was established in terms of the National Credit Act, (No.30 of 2008).

Purpose: The purpose of the National Credit Act is to ensure equity in the credit market and to balance the respective rights and responsibilities of credit providers and consumers.

Companies and Intellectual Property Registration Office (CIPRO)

Establishment: CIPRO is a trading entity that originated from the merger of the South African Companies Registration Office and the South African Patents and Trademarks Office.

Purpose: CIPRO is responsible for the registration of companies, patents and trademarks.

Estate Agency Affairs Board (EAAB)

Establishment: The EAAB was established in terms of the Estate Agency Affairs Act (No.112 of 1976).

Purpose: The objective of the board 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.

International Trade Administration Commission of South Africa (ITAC)

Establishment: ITAC was established through an Act of Parliament, the International Trade Administration Act (No.71 of 2002), which came into force on 01 June 2003.

Purpose: The aim of the ITAC is to create an enabling environment for fair trade through customs tariff amendments; trade remedies; and import and export controls.

Small Enterprise Development Agency (seda)

Establishment: **seda** was established in December 2004, through the National Small Business Amendment Act (Act No. 29 of 2004).

Purpose: It is mandated to implement government's small business strategy; design and implement a standard and common national delivery network for small enterprise development; and integrate government-funded small enterprise support agencies across all tiers of government.

The South African Bureau of Standards (SABS)

Establishment: The SABS administers the Standards Act (Act No.29 of 1993), and promotes the use of standards and quality control in industry and commerce.

Purpose: The aim of the SABS is to be the provider of choice for conformity assessment services; certification; testing; training; and consulting.

The SABS also regulates 80 compulsory specifications that deal with health and safety of the public, and supervises trade metrology; national building regulations; and building standards.

South African National Accreditation System (SANAS)

Establishment: SANAS administers the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act (Act No.19 of 2006). SANAS's responsibility is to establish conformity assessment and good laboratory practices accreditation in South Africa, and facilitates mutual recognition agreements with international accreditation organisations.

Purpose: The aim of SANAS is to create an impartial and transparent mechanism for organisations to independently demonstrate their competence; to facilitate the beneficial exchange of goods, services and knowledge; and to provide a service that is recognised as comparable to best international practice while reflecting the demographics of South Africa.

National Metrology Institute of South Africa (NMISA)

Establishment: The NMISA administers the Measurement Units and Measurement Standards Act (Act No.18 of 2006). NMISA is mandated to provide for the use of measurement units of the International System of Units and certain other measurement units for the designation of national measurement standards, and for keeping and maintaining national measurement standards and units.

Purpose: The aim of the NMISA is to support the development of measurement techniques in enterprises, and to contribute to the harmonisation of measurement results across Africa, in order to facilitate trade and market access.

National Regulator for Compulsory Specifications (NRCS)

Establishment: The National Regulator for Compulsory Specifications Act (Act No.5 of 2008) was promulgated in Government Gazette 31216 on 4 July 2008 and took effect on 1 September 2008.

Purpose: The NRCS protects the public by enforcement of regulations governing the safety of the producers, fairness of trade and protection of the environment.

"The aim of the Department of Trade and Industry is to lead and facilitate access to sustainable economic activity and employment for all South Africans through its understanding of the economy..."



PROGRAMME PERFORMANCE 5

Programme Performance

Programme 1: Administration

Programme 2: International Trade and Economic Development (ITED)

Programme 3: Empowerment and Enterprise Development Division (EEDD)

Programme 4: Industrial Development Division (IDD)

Programme 5: Consumer and Corporate Regulation (CCRD)

Programme 6: The Enterprise Organisation (TEO)

Programme 7: Trade and Investment South Africa (TISA)

Programme 8: Communication and Marketing



Programme performance – information to be reported

Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
	R'000	R'000	R'000	R'000
	6,344,192	6,402,076	6,237,955	164,121
Responsible Minister	Minister Rob Davies			
Administering Dept	Department of Trade and Industry			
Accounting Officer	Director-General: Mr Tshediso Matona			

Aim of vote

The aim of the Department of Trade and Industry 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 the future. 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 a dynamic and restructured economy, characterised by accelerated economic growth, employment creation and greater equity by 2014.

Key measurable objectives, programmes and achievements

Key measurable objectives

- Promoting the coordinated 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 African Development (NEPAD).

Programmes

Programme 1: Administration

Purpose:

To provide strategic leadership to the department and its agencies, and facilitate the successful implementation of the department's mandate through sustainable and integrated resource solutions and services that are customer-centric.

Programme 2: International Trade and Economic Development (ITED)

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; to strengthen trade and investment links with key economies; and to foster African development, including through regional and continental integration and development cooperation, in line with New Economic Programme for African Development (NEPAD).

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**Programme 3: Empowerment and Enterprise Development
Division (EEDD)**

Purpose:

To provide leadership in the formulation of legislation, policies and strategies aimed at creating an enabling environment for the promotion and development of cooperatives and small, micro and medium enterprises (SMMEs), as well as lagging regions, in a manner that enhances contribution towards the country's GDP growth rate; to assist in reducing unemployment through an increase in the creation of sustainable employment; to reduce poverty; and to achieve an inclusive shared equitable economy.

Programme 4: Industrial Development Division (IDD)

Purpose:

To provide leadership in the development and implementation of policies and strategies that facilitate long-term industrial development and diversification, which will lead to sustainable economic development, growth, and job creation.

Programme 5: Consumer and Corporate Regulation (CCRD)

Purpose:

To develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens; and to promote competitive, fair and efficient markets.

Programme 6: The Enterprise Organisation (TEO)

Purpose:

To stimulate and facilitate the development of sustainable, competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities.

Programme 7: Trade and Investment South Africa (TISA)

Purpose:

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

Programme 8: Communication and Marketing

Purpose:

To position **the dti** as a driver of economic development and growth to all economic citizens by employing integrated marketing-communication techniques and systems aimed at intensifying awareness, uptake and access to its products and services.

"...the accelerated implementation of the Response to the International Crisis formed the basis of the government's response to minimise the impact of the crisis."



Strategic overview: Key policy developments, progress and challenges

During 2009, the global economic crisis and its impact on developmental objectives and performance continued to shape the policy landscape, both domestically and globally. In the South African context, the accelerated implementation of the Response to the International Crisis formed the basis of the government's response to minimise the impact of the crisis.

In addition, the new administration adopted the Medium Term Strategic Framework (MTSF) 2009-2014, which sets out the objectives and outcomes that government will pursue in the next five years. Given the new challenges arising from the global economic crisis, the main focus of the current administration as outlined in the MTSF is to minimise the impact of the economic downturn on the country's productive capacity; as well as on jobs and poverty; to identify opportunities for new areas of growth and economic participation; and to progressively set the country on a new growth and development path. Fundamental to the attainment of these objectives is a growing economy that is transformed and inclusive.

During the 2009/10 financial year, the work of **the dti** was greatly influenced by the global economic crisis and its impact on the economy, which resulted in the economy experiencing its first recession in almost two decades. **the dti's** focus was on policy interventions aimed at minimising the impact of the economic downturn on the economy and the manufacturing production sector in particular. This work is reflected in this Annual Report, which outlines the achievements, progress and challenges of the Department under the following key performance areas of:

- Industrial Development
- Trade, Investment and Exports
- Broadening Participation
- Regulation
- Administration and Coordination

Industrial Development

In the 2009/10 financial year, the department finalised and published the new three-year Industrial Policy Action Plan known as IPAP2. IPAP2 drew on inputs from departments within the Economic and Employment cluster and is an important part of a New Growth Path to develop and diversify our productive economic capacity. IPAP2 was approved by Cabinet and Parliament began a process of engaging with it in February 2010.

As part of implementing IPAP2, the department finalised proposals on an export duty on scrap metal. Under the National Tooling Initiative, a training curriculum for pre-apprenticeship training was developed and agreed with industry. Seven training centres were identified in six provinces namely, Gauteng, Eastern Cape, KwaZulu-Natal, Limpopo, Mpumalanga and the Western Cape.

A multi-year Supplier Development Programme for the Automotive sector has been finalised. The aim of this programme is to assist automotive component suppliers to better compete globally in a manner that increases local economic activity. The first sixteen firms are currently being assisted through this program which should result in a total of 75 companies being assisted by 2012.

The Business Process Outsourcing (BPO) sector continues to contribute significantly to the economy by creating jobs and attracting some of the world's biggest players, such as AEGIS and Genpact. Working with the Business Trust and the Department of Labour, **the dti** completed its pilot project for Monyetla (a programme of training unemployed matriculants and unemployed graduates to be "work ready" for the sector), resulting in about 90% of learners being gainfully employed, and exceeding the target from a planned 1 000 learners to 1 307 learners being trained. In addition, 11 enterprises were supported with R796,8 million in investment that is projected to create 11 852 jobs of which 1 534 jobs were created in the financial year under review.

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As regards the furniture industry, **the dti** launched the R20 million Mthatha furniture incubation centre in order to kick start the redevelopment and growth of the furniture and wood industries in the Eastern Cape. Within the creative industry sector, in taking the Mzansi Collection Brand forward, the business plan for the high-end retail concept was completed and the initial store is ready to be launched in Sandton, Gauteng. In addition, the SA Handmade Collection Brand is being successfully established nationally and internationally through participation in trade shows and partnerships with key local retailers.

During the past financial year, substantial work was undertaken to align industrial financing with industrial policy objectives. **the dti** completed the development of the revised guidelines for the Enterprise Investment Programme, the Automotive Investment Scheme (AIS), as well as the development of Section 12i Tax Allowance Regulations in collaboration with National Treasury.

Under the Film and Television incentive programme, 55 productions were approved, which include 45 South African productions and co-productions and 10 foreign productions with Qualifying South African Production Expenditure (QSAPE) of R1,3 billion. Two films supported by the incentive, namely, District 9 and Invictus have been nominated for Golden Globe and Oscar awards.

The Tourism Support Programme (TSP) approved 164 projects with projected investment of R2,3 billion and 4 770 projected jobs. The Manufacturing Investment Programme (MIP) has approved 290 projects leveraging investment of R6,1 billion which is expected to create 11 336 jobs.

Impact assessments of the Critical Infrastructure Programme (CIP) and Industrial Development Zones (IDZ) programmes were completed. The Coega IDZ secured four investors in the Automotive sector (three in Coega IDZ and one in Nelson Mandela Bay Logistics Park) with an estimated combined investment of R1,7 billion and 192 direct jobs. The East London IDZ secured six investors in the Agro-processing, Logistics, Steel and Metals, Manufacturing, Aqua-culture and Minerals beneficiation sectors, with estimated investment of R309 million and an estimated 2 050 direct jobs. A total of four infrastructure projects have been approved for the Critical Infrastructure Programme (CIP) with an estimated infrastructure value of R600 million. The infrastructure is in support of investment projects estimated at R8,9 billion. The investments were made in the Mining, Energy, Manufacturing and Chemicals sectors.

- The geographic spread of these projects is as follows: two are in Gauteng and another two projects located in the North West province.
- Over 4 832 direct jobs will be created during the operational phase of these investments.

Trade, Investment and Exports

the dti has continued to lead South Africa's engagement in international trade and economic relations. These engagements were also the subject of extensive consultations and collaborations in the International Cooperation, Trade and Security (ICTS) Cluster, as well as with national stakeholders, particularly in NEDLAC and with Parliament.

A Trade Policy and Strategy Framework was submitted and approved by Cabinet. It will shape the terms and conditions of the country's integration into the global economy in support of South Africa's national economic developmental objectives. Regional integration in Southern Africa and extending economic cooperation within Africa have been key strategic focus areas for the department. In this regard, **the dti** led preparations for state and ministerial engagements with key economic partners on the continent. Economic cooperation agreements were signed with Angola, Nigeria, Zambia, Egypt and Senegal, as well as a bilateral investment treaty with Zimbabwe. Agreements with Ethiopia, Uganda and Burundi were also concluded.

In the Southern African Development Community (SADC), **the dti** focused on consolidating the SADC Free Trade Agreement (FTA), whilst developing an approach to advance the SADC-EAC-COMESA Tripartite FTA. In the Southern Africa Customs Union (SACU), **the dti** managed to facilitate consensus on the development of a focused strategic vision for SACU through which SACU can be an anchor for deeper integration in SADC.

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During the 2009/10 financial year, based on the conclusion and sign-off by members of SACU, of a preferential trade agreement (PTA) with the MERCOSUR (Mercado Común del Sur) trade bloc, **the dti** submitted the SACU-Mercosur PTA to Parliament for ratification. This is the first trade agreement concluded by SACU as a single entity with another developing country region, and it will provide new trade opportunities for South African businesses.

Building economic relations in the context of the India-Brazil-South Africa (IBSA) continued and new areas of cooperation were identified, notably non-tariff barriers that impede trade.

During the financial year under review, **the dti** continued engagement on the Partnership for Growth and Development (PGD) with the People's Republic of China. Further engagements with the People's Republic of China have led to a new approach to fold the PGD into a proposed Comprehensive Strategic Partnership Agreement (CSPA). It is expected that this agreement will be signed during the State visit to the People's Republic of China during the 2010/11 financial year.

In terms of engagements with key economies in the North, during engagements with the USA, **the dti** argued for the extension of the Africa Growth and Opportunity Act (AGOA); for broadening and deepening preferences offered to African countries; and extending third country fabric to South Africa to ensure uniform application of AGOA's benefits to the Southern African region. **the dti** continued to lead South Africa's participation in the Economic Partnership Agreement (EPA) negotiations with the European Union to ensure that the outcome supports regional integration, promotes development and trade diversification. The SA-EU Enlargement Protocol was also signed, extending TDCA preferences to Bulgaria and Romania.

On the multilateral front, **the dti** continued to engage in the World Trade Organisation (WTO) Doha Round to secure a developmental outcome and led the preparations for the 7th WTO Ministerial Conference held in Geneva from 30 November to 2 December 2009.

As part of expanding market access for South African exports and strengthening trade and investment links, during the financial year under review International Trade and Investment Initiatives (ITIs) were facilitated to Brazil, China and the DRC. The objective of the ITIs is to target priority sectors in key economies for both export and investment.

An important achievement of **the dti** was the facilitation of the T6 Puma expansion programme at Ford, resulting in the establishment of new component suppliers such as Magnosto from Italy, and Motherson and KLT from India. This represents new investments of R570 million and the creation of 350 jobs. The department also facilitated the roll out of the Heineken Brewery in the Sedibeng region, as well as the establishment of new manufacturing plants by Proctor and Gamble and Kimberly Clark.

Under the Small Exporters Development Programme, 365 emerging exporters were trained in partnership with the **seda**, and 183 new small exporters were assisted to promote their products in international markets.

Broadening Participation

The department finalised both the targeted procurement programme for small enterprises through identifying ten products to be procured from SMMEs, and the one-stop-shop framework for the co-location of SMMEs support services.

The SMME payment hot-line was successfully launched in September 2009. Early indications are that this project has assisted SMMEs with a positive effect on their cash flow in a tight financial environment. The development of a business plan for Khula to provide direct lending to SMMEs has been finalised, with the National Treasury having been consulted on the funding model. This project will be managed by the Department of Economic Development in future.



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The National Small Business Advisory Council has successfully completed its term. This has laid the foundation for the newly appointed Council to take the work forward based on the guidelines and advisory framework developed by the previous council. In the area of access to information for SMMEs, the information toolkit agreement has been finalised and signed between **the dti** and relevant business partners. The toolkit is a platform that provides packaged information on SMME development and support services existing in South Africa across the public and the private sector. Alongside the toolkit, the National SMME Directory has been finalised, incorporating SMME support programmes from the public, private sector and donor-funded programmes.

To promote a more conducive environment for the development and growth of cooperatives, the legislative amendment of the 2005 Cooperatives Act has been completed and submitted to Cabinet and Parliament for approval. Furthermore, the development of the Cooperative Development Strategy that seeks to enhance support programmes and institutional capacity for the development of the cooperatives sector has been completed and with consultations in NEDLAC. A key success in this area was the establishment of 100 youth-owned e-cooperatives and 20 women-owned cooperatives.

An important milestone in promoting transformation in the economy was the launch of the B-BBEE Advisory Council, on 3 December 2009. The Council is chaired by the President of the Republic. In addition, the recent gazetting of the Chartered Accounting Charter under section 9(5) of the BEE Act is a key step towards promoting sector-specific transformation measures in line with B-BBEE.

Another significant achievement was the publication of the draft Preferential Procurement Regulations in partnership with the National Treasury. The new regulations seek to align the Preferential Procurement Policy Framework Act (PPPFA) and the B-BBEE Act. This will change the rules governing procurement to bring about credible empowerment.

In responding to the challenge of accelerating the economic empowerment of women, the Isivande Women's Fund is now operational. This has resulted in the first approvals to assist women entrepreneurs, especially those in rural and peri-urban areas, through an affordable financial tool. The Fund aims to provide financial and business development support services to women-owned enterprises.

As part of strengthening support to SMMEs, the Centre for Entrepreneurship was launched in collaboration with Wits Business School with a view to developing the core competencies in entrepreneurial education, and creating a sustainable entrepreneurial eco-system that promotes and nurtures entrepreneurial capacity in individuals, communities and organisations across South Africa.

Regulation

the dti made major advances in modernising economic regulation during the 2009/10 financial year. Three bills were signed into law by the President, namely the Consumer Protection Act, the Companies Act and the Competition Amendment Act. The Consumer Protection Act aims to prevent harm to consumers and to enhance the economic welfare of consumers. The Companies Act intends to reduce the regulatory burden, especially on small businesses, and to provide simplicity in the registration process. The Competition Amendment Act strengthens the provisions of the Competition Act in order to deal effectively with cartels. The Intellectual Property Amendment Bill was also introduced to Parliament and public hearings, commenced in May 2010. This Bill aims to extend intellectual property laws to protect indigenous knowledge which has remained unprotected to the detriment of traditional and indigenous communities.



Research projects were undertaken in the area of Liquor Regulation, looking at the policy framework and identifying inadequacies and areas for reform to effectively regulate the industry. The research focussed on the effect of advertising in the gambling and liquor industries to assess whether advertising increases liquor consumption or gambling activities, and examined policy options with regards to banning or limiting advertising.

The process to establish the National Consumer Commission and the Companies and IP Commission was commenced and is on track for the establishment of the entities during the 2010/11 financial year. In addition, awareness campaigns were conducted on the Companies and Consumer Protection Acts to educate, train and capacitate stakeholders before the legislation becomes effective.

The increasing concern about the influx of low quality and sub-standard products into South Africa necessitated a much more focused strategic intervention in regards to Country of Origin labelling. One hundred and nine inspections were conducted at retail level across the country. In order to prevent scams regarding tickets for the 2010 FIFA World Cup, **the dti** published regulations to deal with the unlawful selling of tickets. Enforcement of these regulations will see the scams being uncovered and dealt with effectively. Parallel to this, a campaign to warn consumers about these scams was carried out.

Administration and Coordination

Notable progress has been made in addressing the vacancy rate in critical leadership positions by filling key vacancies such as the posts of Group Chief Operating Officer and Deputy Director-General: Industrial Development. The recruitment and selection processes have been sharpened through competency assessment measures to enable the department to appoint highly competent candidates who will improve the implementation of the department's policy interventions. A retention strategy has also been developed as a step to retain the skills of key officials who have been exposed to a variety of unique and diverse activities and opportunities within the department.

As part of the department's goal of improving service delivery, a new service delivery plan has been developed. In addition, **the dti** has started the process of revamping its website which will be launched during the 2010/11 financial year. This will ensure that the department's stakeholders have better access to information on the department's services.

Notwithstanding the progress made by **the dti**, the past financial year presented the department with some testing challenges related to the effects of the global economic crisis and the recession on the South African economy.

Although the economy started showing signs of recovery from the second half of 2009, the effects of the recession remain a challenge that requires rigorous intervention by government. It is evident that **the dti** and its partners in the Economic and Employment Cluster are faced with the substantial challenge of placing the economy on a new growth path that is characterised by decent jobs and sustainable livelihoods, as outlined in the Medium Term Strategic Framework (MTSF) of government. The attainment of the MTSF goals will require a concerted and collaborative effort by government and its stakeholders in business and organised labour.

Overview of the service delivery environment for 2009/10

The imminent implementation of **the dti's** first Service Delivery Improvement Plan (SDIP), which is at the final stage of preparation, will bring about a sound basis for evaluating and improving standards of performance in relation to service delivery to the country's economic citizenry.

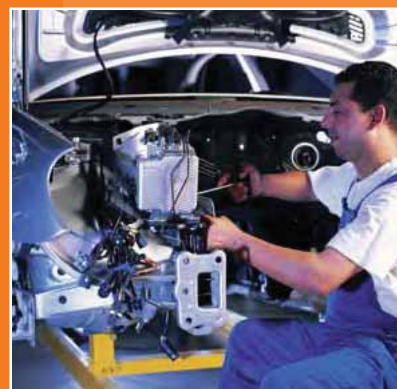
Financial and human resources will be allocated accordingly, to ensure that the programme is effective in meeting its desired objective.

Going forward, the review of the SDIP will be aligned to **the dti's** broader annual planning processes.

Overview of the organisational environment for 2009/10

The key areas relating to this section are covered in the section dealing with HR oversight in this report.

"... a new approach was taken to fold the PGD into a proposed Comprehensive Strategic Partnership Agreement."



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Departmental revenue, expenditure, and other specific topics

Collection of departmental revenue

	2006/07	2007/08	2008/09	2009/10	2009/10	% deviation
	Actual	Actual	Actual	Target	Actual	from target
	R'000	R'000	R'000	R'000	R'000	R'000
Tax revenue	2,106	3,655	2,854	3,340	2,942	398
(Specify)						
Non-tax revenue	207,623	240,786	246,517	226,200	459,482	(233,282)
(Specify)						
Sales of goods and services and other capital assets	24,903	180	210	200	221	(21)
Fines, penalties and forfeits	107,483	154,291	144,395	125,000	336,296	(211,296)
Interest, dividends and rent on land	75,237	86,315	101,912	101,000	122,965	(21,965)
Sales of capital assets (Capital Revenue)	55	204	110	-	-	-
(Specify)						
Financial transactions (Recovery of loans and advances)	34,353	78,863	59,845	82,000	47,610	34,390
TOTAL DEPARTMENTAL RECEIPTS	244,137	323,508	309,216	311,540	510,034	(198,494)

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Departmental Expenditure

Programmes	Voted for 2009/10	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance R'000
	R'000	R'000	R'000	R'000	R'000	
Programme 1	420,858	76,278	(16,904)	480,232	416,764	63,468
Programme 2	173,541	17,750	4,300	195,591	183,884	11,707
Programme 3	1,307,854	9,330	10,000	1,327,184	1,310,998	16,186
Programme 4	414,586	12,331	170	427,087	413,060	14,027
Programme 5	238,595	9,894	(9 624)	238,865	227,603	11,262
Programme 6	3,439,983	(83,099)	-	3,356,884	3,343,575	13,309
Programme 7	283,051	11,000	12,058	306,109	298,979	7,130
Programme 8	65,724	4,400	-	70,124	43,092	27,032
TOTAL	6,344,192	57,884	0	6,402,076	6,237,955	164,121

PROGRAMME PERFORMANCE

Transfer Payments

Name of Institution	Amount Transferred	Estimate Expenditure
Protechnik Laboratories	7,410,858	7,410,858
SA Micro Finance Apex Fund	77,347,000	77,347,000
National Consumer Commission	0	1,000
National Consumer Tribunal	17,519,000	17,519,000
National Credit Regulator	43,859,000	43,859,000
National Regulator for Compulsory Specifications	35,933,000	35,933,000
Competition Commission	80,739,000	80,739,000

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Name of Institution	Amount Transferred	Estimate Expenditure
Competition Tribunal	13,040,000	13,040,000
Internat Trade & Admin Comm	60,885,000	60,885,000
National Empowerment Fund	427,642,000	427,642,000
National Gambling Board of SA	21,570,000	21,570,000
National Metrology Institute of SA	54,806,000	54,806,000
National Productivity Institute	11,530,000	11,530,000
National Research Foundation	163,823,000	163,823,000
SA National Accreditation System	14,707,000	14,707,000
Small Enterprise Development Agency	409,497,000	409,497,000
University of Johannesburg	5,000,000	5,000,000
University of The Witwatersrand: National Aerospace Skill Sector Support Centre	4,000,000	4,000,000
Witwatersrand Business School: Centre for Entrepreneurship	6,500,000	6,500,000
World Bank (FIGO)	10,456,000	10,456,000
UNIDO: Automotive Component Supplier Development Programme	5,000,000	5,000,000
Organisation for the Prohibition of Chemical Weapons	2,596,312	3,000,000
United Nations Industrial Development Organisation	3,068,752	4,300,000
World Intellectual Property Organisation	2,565,295	2,766,000
World Trade Organisation	7,715,956	8,500,000
IDC: Isivande Women's Fund	9,930,000	9,930,000
IDC: Technology Venture Capital	5,469,000	5,469,000
CSIR: Fibre & Textiles Centre of Excellence	2,000,000	2,000,000

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Name of Institution	Amount Transferred	Estimate Expenditure
CSIR: Aerospace Industry Support	9,931,000	9,931,000
SABS: Research Contribution	153,731,000	153,731,000
SABS: Small Business Technical Consulting	1,201,000	1,434,000
CSIR: National Cleaner Production	18,966,000	18,966,000
INTSIMBI: National Tooling Initiative	7,450,000	7,450,000
IDC: Customised Sector Programme	48,657,000	48,657,000
Co-operatives Incentives Scheme	34,523,371	34,544,000
Nuclear Energy Corporation of SA	5,340,517	5,340,517
Coega Development Corporation	859,889,000	859,889,000
East London Industrial Development Zone	373,373,000	373,373,000
Richards Bay Industrial Development Zone Company	68,423,000	68,423,000
Development Bank of SA: Regional Spatial Development Initiatives	15,871,000	15,871,000
Export Credit Insurance Corporation of SA	122,400,000	122,400,000
Funds for Research into Industrial Development Growth & Equity (Fridge)	596,000	596,000
IDC: Support Programme for Industrial Innovation	47,661,000	47,661,000
Khula Enterprises	65,981,000	65,981,000
Other Critical Infrastructure Programme	105,600,766	105,639,000
Industrial Development Zones: Other	4,475,000	4,475,000
Enterprise Investment Programme	863,474	950,000
Small and Medium Enterprise Development Programme	1,346,435,000	1,348,520,000
Small and Medium Manufacturing Development Programme	3,333,000	3,357,000

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Name of Institution	Amount Transferred	Estimate Expenditure
Business Process Outsourcing	78,438,437	81,659,000
Film and Television Production Incentive	175,555,290	176,899,000
Black Business Supplier Development Programme	73,849,868	73,888,000
Staple Food Fortification Programme	282,476	751,000
Export Market and Investment Assistance	122,303,000	122,433,000
South African Woman Entrepreneurs Network	7,597,000	7,597,000

There are no Conditional Grants

Earmarked Funds

Devolution of funds from Public Works	7,110,000
Small Enterprise Development Agency (technology programme)	68,802,000
Small Enterprise Development Agency	333,512,000
National Regulator for Compulsory Specifications	21,685,000
Council for Scientific and Industrial Research: Cleaner Production Centre	19,100,000
South African Bureau of Standards: Research Contribution	153,731,000
Automotive Production and Development Programme	250,000,000
National Consumer Tribunal	17,642,000
Competition Commission	68,198,000

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Capital Investment

Coega Development Corporation	859,889,000
East London IDZ	373,373,000
Richards Bay IDZ	68,423,000
Industrial Development Zone	4,475,000

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.

Asset Management

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, 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 the 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 the National Treasury.

Programme Performance with Tables

Programme 1: Administration (Group Systems and Support Services)

Purpose: To provide strategic leadership to the department and its agencies, and facilitate the successful implementation of the department's mandate through sustainable and integrated resource solutions and services that are customer-centric.

Measurable objectives: Group Systems and Support Services

- 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.

Divisional Achievements

Filling of key positions

One of the key focus areas of the group systems and support services division of the department is to ensure that **the dti** has the required capacity to successfully execute its work and, to this end, notable progress has been made to provide the necessary leadership capacity by filling key existing and new positions.

Enhancing the recruitment and selection process

As **the dti** continues to manage the vacancy and turnover rates to acceptable levels, the department is mindful of the fact that its efforts are not about chasing targets only, but also ensuring that **the dti** recognises well-deserving staff by promoting and retaining them within the department. **the dti** is coupling internal promotions with an external recruitment drive so that new entrants can be brought into the system, who bring new thinking and ideas to optimise learning and growth within the department.

The recruitment and selection processes have been sharpened to enable **the dti** to appoint highly competent candidates. To this end, **the dti** has introduced competency assessment of candidates applying for middle management positions, previously confined to those applying for senior management positions only.

Interviews are now complemented with written assignments to assess functional capabilities and computer literacy.

Human Resource Development & Performance Management

The departmental Human Resources Development (HRD) strategy was approved and functional and executive learning interventions were rolled out. One of the key functional programmes in the HRD Strategy initiated during the year is the professional programme for economists. The aim of this programme is to create a critical mass of economists specialising in industrial policy and sector work. Other HRD initiatives included in the HRD Strategy are the employees' bursary scheme, the external post graduate bursary research programme, and the internship programme.

The revised Performance Management System that came into operation during the year will ensure that the department's monitoring and reporting on departmental performance against set targets is enhanced and strengthened. Another objective that the revised Performance Management System sought to achieve was the alignment between staff performance and business units/divisional performance. Notable progress in this regard has been made, which became evident during the 2009/10 Bi-Annual Assessments and the Annual Performance Review Process.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2010

- **Corporate Policy Frameworks**

Great strides have also been made in laying a solid foundation of corporate policy to ensure that **the dti** is managed on sound corporate governance principles. Some of the key policy frameworks that were concluded in 2009/10 are the Human Resource Development Strategy; the Retention Strategy; the Human Resource Plan; the Performance Management System; the Ethics Management Framework; the ICT Plan; and the ICT Security Strategy.

- **Empowerment of Women and People with Disability**

In line with **the dti's** commitment to ensure increased participation of Historically Disadvantaged Individuals (HDIs) in the South African economy, there is a steadfast process within **the dti**, to continue to empower women and people with disabilities. In this regard with women representation at senior management at 42%, the department has made good progress compared to previous years.

Similarly through the implementation of **the dti's** disability strategy, the department has exceeded the 2% target for the employment of people with disabilities. Notable progress has also been made to equip people with disabilities with assistive devices.

- **Sound Financial Management**

The department prides itself on having a very sound and solid financial management function whose efforts have produced unqualified audit reports from the Auditor-General over the past five years. The payment of service providers well within the 30-day period is another indicator of the responsiveness of the department's finance unit.

- **Fraud & Corruption Prevention**

the dti's stance towards fraud is that of zero tolerance, which is realised through the reviewed fraud prevention plan, implemented during the year. In instances where employees are found guilty of fraud or corruption, not only are they dismissed from employment, they are also subjected to criminal proceedings.

- **ICT & Support to the Economic Development Division**

The long overdue ICT Infrastructure upgrade has been initiated to provide a reliable and responsive network service.

With the reorganisation of the State in May 2009, which resulted in new departments, **the dti** has been providing the new Economic Development Department with accommodation and other services such as finance, procurement, human resource operations and recruitment services.

*"One of the key focus areas of the group systems and support services division of the department is to ensure that **the dti** has the required capacity to successfully execute its work ..."*



NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
Group Systems and Support Services	Attract, develop and retain professional and skilled officials.	Human Resource Development Strategy.	Implementation according to annual plan.	<p>HRD Strategy approved by the Director-General and Workplace Skills Plan covering generic and functional programmes was developed on the basis of the HRD Strategy. A review of the HRD Strategy is planned for 2010/11 to shift the focus from generic to functional programmes to enhance technical skills within the department.</p> <p>Some of the key programmes rolled out during 2009/10 were:</p> <p>The Executive Leadership as well as the Middle Management Development Programmes.</p> <p>3rd session of the Khaedu Programme. This is a foundation action learning programme for middle and senior managers.</p> <p>Framework for a Professional Programme for Economists developed and adopted.</p> <p>The WTO Trade Policy / Negotiations Programme.</p> <p>Business writing skills programme.</p> <p>26 Interns appointed.</p> <p>180 active Bursaries.</p>	No deviation.
		Human Resource Retention Strategy.	Availability of strategy & implementation plan.	Human Resource Retention Strategy approved by Director-General and implementation plan is available. Draft Retention Policy to give effect to the Strategy is also available.	No deviation.

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
		Reviewed Performance Management System implemented.	Implementation: Performance Management System.	<p>The reviewed performance management system has been implemented with comprehensive training conducted.</p> <p>93% of all staff submitted their Performance Agreements. Percentage for SMS is 96%.</p> <p>Report produced on the quality assurance of the Performance Agreements.</p> <p>Report to Cabinet compiled and disciplinary procedures and actions instituted.</p> <p>Alignment of the business plan review and individual performance review partially achieved.</p>	No deviation.
		Reduction in vacancy rate.	15%.	Although the overall vacancy rate has slightly increased from 18.1% to 18.3%, due to the creation of new posts during the year, the baseline vacancy rate (that was the vacancy rate at beginning of 2009/10, 01.04.2010) has been significantly reduced to 6.3%.	A significant number of new posts were created during the year which increased the vacancy rate from its baseline of 18.1% as at 1 April 2009.
		Reduction high staff turnover.	14%.	Staff turnover reduced significantly to 6%.	No deviation.
	Implement transformation through Employment Equity and Broad-Based Economic Empowerment.	Disability Management strategy.	Availability of strategy & implementation plan.	<p>Disability Management Strategy and implementation plan have been developed and recommended by the Operations Committee for approval by the Director-General.</p> <p>Needs analysis of assistive devices required by people with disability conducted and most of the assistive devices have been acquired.</p> <p>Disability Forum established.</p>	No deviation.

PROGRAMME PERFORMANCE

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
		Percentage of people with disability employed.	1.2%.	2.2%. annual target exceeded. Representation also at middle and senior management level Identification of posts earmarked for people with disabilities and engagements with disability fora targeted recruitment is underway.	No deviation.
		Accelerated Training and Development Programmes.	Availability of training programmes & implementation plan.	Programmes already identified. This would be included in the framework for approval and implementation.	No deviation.
		Percentage of women employed in senior management positions.	42%.	42.9%, annual target exceeded.	No deviation.
		Percentage of procurement spend towards HDIs & SMMEs.	60%.	Annual target exceeded. the dti procurement: HDI - 67% SMME – 61% PPP Procurement: 88%	No deviation.
	Ensure value adding business resource management that enhances efficiency.	Information security strategy implemented.	Availability of strategy & implementation plan.	Stakeholder engagement and audit findings utilised in the development of the ICT Security Policy framework. ICT Security Strategy recommended by Operations Committee for approval by the Director-General. High level implementation plan available.	No deviation.
		Master Information System Plan.	Availability of plan & implementation plan.	'As-Is' business needs analysis and Information Technology Architecture completed. Master System Plan recommended by Operations Committee for approval by Director-General.	No deviation.

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
		Space Planning Strategy.	Availability of strategy & implementation plan.	Space Planning Strategy and implementation approved. The Strategy would have to be revised to take into account the accommodation needs of the Economic Development Department, to be accommodated on Campus.	Roll-out deferred due to the delay in the relocation of Cipro which should free up office space needed to implement the Strategy.
	Strengthening the dti's corporate governance.	Fraud Prevention Plan.	Availability & implementation of plan.	Fraud Prevention Policy and Strategy recommended by the Operations Committee and approved by Director-General. 142 officials attended the first workshop on Ethics. 94 officials attended the second workshop.	No deviation.

PROGRAMME PERFORMANCE

Programme 2: International Trade and Economic Development

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; to strengthen trade and investment links with key economies; and to foster African development, including through regional and continental integration and development cooperation, in line with the New Economic Programme for African Development (NEPAD).

Measurable objectives:

- Expand market access opportunities for South Africa's exports and strengthen trade and investment links through aiming to conclude six bilateral trade and investment agreements and/or memoranda of understanding per year over the MTEF period.
- Develop and implement a work programme for enhanced South-South cooperation.
- Develop and implement a cooperative Trilateral work programme for Angola, Namibia and South Africa (ANSA) focusing on Spatial Development Initiatives (SDIs).
- Advance South African position on trilateral Free Trade Area (FTA) encompassing SADC-EAC- COMESA.
- Consolidate SADC FTA through focused work on improving rules of origin, trade facilitation measures, and establishing a mechanism to address non-tariff barriers.
- Develop a clear programme of work to guide participation in SACU in light of disruption caused by Economic Partnership Agreement (EPA).
- Update negotiating positions for a developmental outcome in Doha negotiations.
- Conclude tariff negotiations with EU under Trade, Development and Cooperation Agreement/Economic Partnership Agreement (TDCA/EPA) alignment.
- Conclude SACU-India Preferential Trade Agreement (PTA).
- Oversee International Trade and Administration Commission (ITAC) administration of tariff regime (managing customs tariffs, trade remedies, import and export control permits, and duty credit certificates).
- Ensure compliance with international non-proliferation treaties by monitoring production and trade in relevant industries.

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Divisional Achievements

Through the dti, ITED has continued to lead South Africa's engagement in international trade and economic relations. These engagements were also the subject of extensive collaborations and consultations in the ICTS Cluster, as well as with national stakeholders, particularly in NEDLAC. There has also been enhanced reporting to the Parliamentary Portfolio Committee. The following constitute notable highlights:

- **Africa:** The division led preparations in a series of state and ministerial engagements with key trade partners. Economic cooperation agreements were signed with Angola, Nigeria, Zambia, Egypt and Senegal, as well as a bilateral investment treaty with Zimbabwe. Agreements with Ethiopia, Uganda and Burundi were concluded and await signature. In SADC, ITED focused on consolidating the SADC FTA, whilst developing an approach to advance the SADC-EAC-COMESA Tripartite FTA. The SADC Services Protocol was adopted by the SADC Trade Ministers. ITED managed to facilitate consensus on the focus areas towards the development of a new strategic vision for SACU. ITED engaged in the EPA and forestalled implementation that would undermine SACU. ITED re-established management of the Regional Indicative Strategic Development Programme (RISDP) Unit located at the Development Bank of South Africa (DBSA) and begun work on Spatial Development Initiatives (SDIs) with Namibia and Angola.
- **South-South:** ITED prepared and submitted the SACU-Mercosur PTA for ratification by Parliament. ITED is leading the ongoing negotiations on SACU-India PTA as well as participating in the exploration of modalities for a trilateral trade arrangement between SACU, Mercosur and India. ITED will continue to provide support for bilateral engagements with India and Brazil, under the IBSA framework. In addition, an MOU on trade and economic partnership with Brazil was signed. ITED will continue to engage on the Partnership for Growth and Development (PGD) with the People's Republic of China. Further engagements with China have led to a new approach to fold the PGD into a proposed Comprehensive Strategic Partnership Agreement (CSPA). It is expected that this agreement will be signed during the State visit to China during the 2010-11 financial year.
- **Relations with the North:** Under AGOA, ITED developed/advanced positions for the extension of third country fabric to South Africa, to ensure uniform application of AGOA to the region, and to ensure that the extension of benefits to LDCs is balanced. ITED facilitated the first technical session and work programme for the Trade, Investment, Development and Cooperation Agreement (TIDCA). The SA-EU Enlargement Protocol was signed, extending TDCA preferences to Bulgaria and Romania. The SA-EU Cheese Agreement was implemented. An Economic Cooperation Agreement was signed with Hungary. ITED participated in the notification of the SACU-EFTA FTA to the WTO.
- **Multilateral:** ITED continued to engage in the WTO Doha Round to secure a developmental outcome; led preparation for the 7th WTO Ministerial Conference; submitted SACU notification to the WTO; and participated in the SACU WTO Trade Policy Review. In addition, ITED supported government's participation in the G20 process addressing the global economic crisis; shaped the outcome of the investment policy dialogue in the G8+5 process; facilitated the inclusion of South Africa and Africa sessions in the formal World Economic Forum programmes; and developed an initial position on the trade aspects of the climate change negotiations. ITED worked to develop common African positions in FOCAC, India-Africa, EU-Africa, South America-Africa engagement and TICAD.
- **Non Proliferation:** The Non-Proliferation Secretariat continued the implementation of government policy and, in the absence of a Non-Proliferation Council, various interim measures to ensure effective service delivery to industry and to avoid hindrances to trade in controlled goods and technologies were implemented. A new Council was appointed on 14 September 2009. The Council approved amendments to the Regulations and Notices under the Non-Proliferation Act and these were published in the Government Gazette in February 2010.
- **Trade Policy & Legal:** ITED developed the Trade Policy and Strategy Framework and submitted it to Cabinet for approval. It will now be circulated for public comment. ITED provided guidance to the South African legal team on the Italian arbitration case. The review on Bilateral Investment Treaties was finalised and will be submitted to Cabinet during the 2010/11 financial year.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
International Trade and Development	Negotiate trade rules for global integration including market access (reciprocal/ non reciprocal); manage tariff regime; negotiate investment treaties.	Agreed modalities that reflect SA's position.	Consolidate SA's position in Doha Development Agenda.	Defined responsibilities in meeting with DEA. Briefing of input into final DEA Copenhagen report forwarded to DEA. Briefing report on climate change for WEF submitted. Comments on DEA Cab Memo on Copenhagen and Way Forward submitted.	No trade participation in February WTO meetings. SA will not pre-empt negotiations on Trade and Environment at WTO in isolation from progress on other negotiating areas.
	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.	Negotiate PTA (Tariffs) with India.	Exchange of tariffs offers did not take place as agreed in the 4th Round of negotiation. SACU submitted its proposed coverage of Tariff Preference Request Lists.	India was not in a position to exchange final tariff preference list as they are still analyzing SACU's proposed coverage of 6.5%.
		SA government approved PTA with China.	Restart Partnership for growth and Development (PGD) discussions.	Visit to China undertaken.	During the visit a new approach was taken to fold the PGD into a proposed Comprehensive Strategic Partnership Agreement (CSPA). The CSPA is envisaged to be concluded and signed during the State visit to China in the second quarter of 2010-2011.

PROGRAMME PERFORMANCE

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / ser- vice delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
		SA approved IBSA positions.	Finalise modalities for Trilateral discussions.	4th IBSA Summit convening in Brazil from 12-15 April 2010. Brazil, India and SA have commented on the MOU on Intellectual Property Rights (IPRs). Minister Rob Davies will not sign the MOU on IPRs with his IBSA counterparts as planned during the Summit. Participated in preparatory meetings for the Summit.	MOU still requires technical experts, who will not form part of the delegation to the Summit. Possible video conference session to finalise the negotiations.
	Consolidate trade relations with traditional markets in the North to expand exports, attract investment and leverage technology-transfer through established intergovernmental platforms with trading partners.	EPA acceptable to SA.	Final decision on SA's continued participation.	SA continues to engage in the negotiations to limit the damage the EPAs may have on SACU. It has successfully advocated that SACU develops a common strategy in engaging in the EPA negotiations. TWGs are engaging with the work on tariff alignment; ROO alignment; tariff negotiations on agriculture; NAMA and fisheries; unresolved negotiating issues; and services trade. SADC members agreed to consult internally on the package approach proposed by Swaziland as a possible solution to the challenges experienced in the EPA negotiations. Managed to forge consensus that the process going forward should accommodate the interests of all Member States.	Awaiting political direction from Cabinet in terms of its way forward in the EPA negotiations.
Africa Economic Relations	Promote regional integration in SACU and SADC as platform for integration into global economy through "development integration" that combines trade integration; policy coordination; and sectoral cooperation.	Compliance to SADC obligations.	Consolidate SADC FTA.	Briefing document assessing the progress prepared for the February 2010 Regional Task Force meeting. SA has managed to get consensus that the priority for SADC integration is the consolidation of the FTA. However, SA has been unsuccessful in shifting the debate away from the establishment of a Customs Union.	A political decision is necessary on whether SA should continue to engage in discussion around the establishment of a Customs Union in the immediate future.

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
			Approved SA position paper on the establishment of the trilateral FTA (COMESA/EAC/SADC).	<p>Majority of SADC Member States still see this as a priority after the consolidation of the FTA, while SA views the T-FTA as more important.</p> <p>SA continues to advance a position for SADC to prioritise the consolidation of the FTA. SA advocates for Member States to meet their obligations under the Protocol on trade. SA/SACU liberalised up to 90% of the tariffs. SA also advocates for Member States that have not joined the FTA to do so to ensure full implementation of the FTA.</p> <p>The process of developing a position paper is ongoing. In the process of undertaking a study through the NEDLAC FRIDGE process on the establishment of COMESA-EAC-SADC FTA.</p>	<p>A Cabinet memo has been prepared and it is in the final stages of being approved within ITED.</p> <p>The initial road map/ time frames for negotiating the tripartite FTA were changed by the Ministerial Task Force on Regional Economic Integration; a new road map was adopted in February 2010.</p>

PROGRAMME PERFORMANCE

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
					The procurement process for a study was initiated, but subsequently direction came that it should be channeled through the FRIDGE process instead; that is currently underway. Consultations with industry stakeholders and other government departments were initiated in March 2010.
	Promote regional integration in SACU and SADC as platform for integration into global economy through “development integration” that combines trade integration; policy coordination; and sectoral cooperation.	Agreed government SA strategy.	Decision on future of SACU – deeper integration or roll-back.	SA Strategy for SACU developed and agreed to through the Permanent Trade Forum (PTF) and forms the basis for SA engagement with SACU.	No deviation.
	Promote regional integration in SACU and SADC as platform for integration into global economy through “development integration” that combines trade integration; policy coordination; and sectoral cooperation.	Prepare SA inputs into the development of the Minimum Integration Programme at AU level. Enhanced engagement with the NEPAD Secretariat, RECs and DFIs to develop a credible NEPAD SDP.	NEPAD SDP: Identify anchor projects through stakeholder forums and facilitate implementation through private sector engagement on the projects.	Position paper developed. Meeting held with the NEPAD Secretariat. No progress on allocation of resources for NEPAD SDP but political support for projects from multilateral partnerships i.e. China-Africa, Africa-EU, etc.	Broader consultations necessary but contingent on finalisation of Africa strategy.

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / ser- vice delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
	Promote regional integration in SACU and SADC as platform for integration into global economy through "development integration" that combines trade integration; policy coordination; and sectoral cooperation.	Agreed government SA strategy.	Decision on future of SADC – deeper integration or roll-back.	Convened Reitt meetings to discuss SA Strategy on regional economic integration. Briefed business and organised labour through Teselico. Multilateral issues form part of discussion during bilateral engagements with SADC countries. Declaration on regional cooperation in competition & consumer laws and policies signed in September 2009 and allows for cooperation on measures that will ensure effective cooperation between the Member States on issues of enforcement of competition and consumer laws.	A political decision is necessary on whether SA should continue to engage in discussion around the establishment of a Customs Union in the immediate future.
	Promote regional integration in SACU and SADC as platform for integration into global economy through "development integration" that combines trade integration; policy coordination; and sectoral cooperation.	Approved documents, reports, scans and feasibility studies.	Pre-feasibility studies for Angola, Lesotho, Mozambique, Zimbabwe and Namibia. Host RESDICC.	Updated country profile and strategy for Zimbabwe. Undertook a visit to Angola and presented the results of scanning exercise highlighting the available potential SDIs projects in Angola. No progress on hosting RESDICC.	Fact-finding mission to Zimbabwe postponed as the Ministerial visit to the DRC was prioritised in order for the Minister to discuss challenges in the projects that have been identified along the Bas Congo. The stakeholder meetings delayed due to lack of capacity at the RSDIP unit. Once the appointment of the Project Coordinator has taken place, the process of meeting with the stakeholders will be initiated.

PROGRAMME PERFORMANCE

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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
	Promote regional integration in SACU and SADC as platform for integration into global economy through "development integration" that combines trade integration; policy coordination; and sectoral cooperation.	Regular meetings, launch of coordinating committee, and regular Ministerial Bilaterals.	Implementation of the PoA for the MPISI project. Launch of Ministerial coordinating committee.	No progress on MPISI project.	New issues raised by Mozambicans regarding the MPISI Project. A meeting between the Mozambican counterparts and the IDC to be facilitated by the dti . the dti is still awaiting possible dates for this meeting from Mozambique.

Programme 3: Empowerment and Enterprise Development Division (EEDD)

Purpose: To provide leadership in the formulation of legislation, policies and strategies aimed at creating an enabling environment for the promotion and development of cooperatives and Small, Micro and Medium Enterprises (SMMEs), as well as lagging regions, in a manner that enhances contribution towards the country's GDP growth rate; to assist in reducing unemployment through an increase in the creation of sustainable employment; to reduce poverty; and to achieve an inclusive shared equitable economy.

Measurable objectives:

- Foster growth of SMMEs and cooperatives by creating an enabling environment and overseeing the support provided by agencies such as Khula, the Small Enterprise Development Agency (**seda**) and the South African Micro-finance Apex Fund (SAMAF).
- Facilitate access to government procurement opportunities by SMMEs and cooperatives through overseeing the implementation of the ten approved products.
- Facilitate the increased participation of black people in business and business transactions through promoting empowerment and equity policies by facilitating the effective implementation of B-BBEE, holistically including Sector Charters.
- Develop and implement policies and strategies for regional economic development, with a special emphasis on lagging regions.
- Innovation and technology deepening through development of appropriate technology policies; human capital development; enhancement of technology transfer and technology-based business incubation, as well as effective facilitation of access to finance through technology incentive measures.

Divisional Achievements

• Enterprise Development

The targeted procurement for small enterprises, through the ten products procurement programme aimed at increasing access to markets for SMMEs through government procurement, has been finalised. Once the guidelines are approved and issued by National Treasury, the roll-out of this programme will result in access to procurement opportunities by SMMEs and the cooperatives, thereby increasing the number of SMMEs and cooperatives firms from which government procures, with the target of at least 85% of procurement expenditure on the targeted products benefiting SMMEs and cooperatives through the “ten targeted products” over the next three years.

The SMME payment hotline was successfully launched in September 2009. Early indications are that this project has assisted SMMEs with a positive effect on their cash flow in a tight financial environment. To further bolster support for SMMEs, the one-stop-shop framework to provide for co-location of SMMEs support service through the relevant agencies has been completed. The Small Enterprise Development Agency (**seda**) is engaging with the relevant provincial and municipal structures to not only co-locate, but to co-fund, the delivery of some of the products and services within the **seda** branches. The development of a business plan for the roll-out of the Khula direct model to provide direct lending to SMMEs is progressing very well, with the National Treasury having been consulted on the funding model. This project was taken over by the Department of Economic Development from 1 April 2010.

The investment in capacity-building of the main intermediaries of the South African Micro Apex Fund (SAMAF) is beginning to yield results. These intermediaries are beginning to demand more funding to increase their disbursement levels. This project was taken over by the Department of Economic Development from 1 April 2010.

In the area of access to information for SMMEs, the information toolkit agreement has been finalised and signed between **the dti** and business partners. The toolkit provides packaged information on SMME development and support services existing in South Africa across the public and the private sectors. Alongside the toolkit, the National SMME Directory has been finalised, incorporating SMME support programmes from the public sector, the private sector and donor-funded programmes.

In order to further enhance a conducive environment for the development and growth of cooperatives, constraints affecting cooperative development, mainly relating to legislation, have been identified and addressed through the proposed amendment of the 2005 Cooperatives Act. The legislative amendment has already been completed and has been submitted to Cabinet and Parliament for approval. Moreover, the development of the Cooperative Development Strategy that seeks to enhance support programmes and institutional capacity aimed at developing cooperatives, has been completed and approved by all NEDLAC constituencies reflected in the finalised NEDLAC report. A report, wherein constituencies unanimously agreed to support the cooperatives strategy, is being taken to Parliament and Cabinet for approval in the 2010/11 financial year.

A hundred youth-owned e-cooperatives were established and are currently operational through assisting and facilitating their registration. Sixty e-coops receiving ICT training with the University of Technology and business training through **seda**, as well as receiving funding from the Cooperative Incentive Scheme (CIS). In addition, the establishment of 20 women cooperatives was facilitated through the registration of their entities and assisting them to obtain funding from the CIS.

A massive awareness campaign on cooperatives was carried out throughout the country. The aim of this intervention was to increase the level of appreciation, understanding and compliance on cooperative legislation using various programmes and platforms. In this regard, the International Cooperative celebration and exhibition was conducted and co-hosted by **the dti** and KZN DED in KwaZulu-Natal, which 200 cooperatives attended and where they exhibited their products.

In addition, 124 workshops (national, provincial, district and municipal) on cooperatives were conducted and attended by more than 1 500 participants. Seven additional provincial workshops dealing with compliance issues were held with secondary cooperatives, and this resulted in the development of a database of 300 secondary cooperatives in the national economy. About 3 000 handbooks that combine all available support services for cooperatives were printed and are being distributed to various parts of the country, thus providing requisite information to the public. A Memorandum of Understanding (MOU) has been signed between **the dti** and Proudly South Africa with the aim of providing an additional platform for communication on cooperatives, as well as facilitating the utilisation by cooperatives of the procurement facility as a platform for market access.

Finally, 23 cooperatives were given access to market opportunities, wherein 11 cooperatives participated in the Milan exhibition, eight arts and craft cooperatives participated in the Portugal Handicraft exhibition, and four participated in the Decorex exhibition that took place in Johannesburg.

- **Equity and Empowerment**

The establishment of the B-BBEE Presidential Advisory Council was a significant milestone, which will provide guidance and direction in the implementation of B-BBEE. A successful marketing and communication campaign on B-BBEE was undertaken in all provinces which attracted 3 200 business entities from different sectors. The recent gazetting of the Chartered Accounting Charter under section 9(5) is an important milestone in promoting sector-specific transformation measures in line with B-BBEE.

The draft Preferential Procurement Regulations have been published in partnership with National Treasury to align the PPPFA and the B-BBEE Act. This is an important milestone and will change the rules governing procurement significantly to bring about substantial and credible empowerment.

The Equity Equivalent Investment Programme seeks to broaden participation through alternative targeted developmental initiatives aimed at job creation, poverty alleviation, and skills and entrepreneurship development. Three Equity Equivalent Investment Programmes have already been approved, totalling R500 million.

B-BBEE verification and measurement is vital in the implementation of B-BBEE. To date there are 35 accredited BEE verification agencies. A new framework to create more capacity in the verification space has been approved and is ready to be implemented.

Seventeen district municipalities were supported to develop Local Economic Development (LED) strategies to build their capacity to undertake local economic development projects, which were identified as part of the strategies.

the dti Isivande Women's Fund is now operational and has seen the first approvals to assist women entrepreneurs, especially those in rural and peri-urban areas, through an affordable and highly subsidised financial tool. Bavumile, the skilling and capacity-building programme, is gaining momentum in the training and development of women entrepreneurs to enhance the quality of the products for ease of access to markets. The roll-out of this programme has benefited 120 women in Limpopo and the North West in the current financial year.

the dti has moved towards strengthening SAWEN as a vehicle to deepen the participation of women in both policy and development issues.

- **Enterprise Technology**

The Centre for Entrepreneurship was launched in collaboration with Wits Business School with a view to develop core competencies in entrepreneurial education, to create a sustainable entrepreneurial eco-system that promotes and nurtures entrepreneurial capacity in individuals, communities and organisations across South Africa. The Draft Human Capital Strategy Framework has also been finalised and is ready for discussion with relevant stakeholders.

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The Technology and Human Resources for Industry Programme (THRIP) leveraged R227 million from the private sector for new technology development and supported 298 enterprises (64% of which are SMMEs) in 2009/10. THRIP supported 2 187 students and 685 researchers.

The Support Programme for Industrial Innovation recorded sales of R237 million, of which R103 million were export sales for new products and processes. In 2009/10 the programme provided 176 shop floor jobs and 57 new projects were supported against a target of 80 projects.

seda's Technology Programme supported 29 incubators which resulted in the creation of 243 new SMMEs, 675 SMMEs supported, (39% women and 90% black-owned), and 6 778 jobs being created. The technology transfer programme supported 66 SMMEs to acquire technology that will enhance the competitiveness of their businesses. On quality, 1 052 SMMEs have been trained on the different quality standards (ISO 9000, HACCP and GMP).

The TechnoGirl Programme continues to encourage young girls to look at Maths and Science as career paths with a view to assisting them to become entrepreneurs in the future. The programme has benefited ten schools and a hundred learners in the current year and the winning schools were awarded high-tech prizes.

Generally, the economic downturn impacted on firms doing Research and Development (R & D) and studies were successfully completed to establish reasons for reduced applications.

"The establishment of the BBBEE Presidential Advisory Council was an important milestone, which will provide guidance and direction in the implementation of BBBEE."



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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / ser- vice delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
Regional Economic Development	Number of new projects receiving grants through the support programme for industrial innovation each year.	New projects.	80 new projects.	57.	Economic recession impacting on firms doing R & D.
	Value of support programme for industrial innovation projects.	Value of project.	R130 million programme support.	R359 million total project value. R101 million value of support.	Economic recession impacting on firms doing R & D.
	Number of new projects receiving funding through the technology and human resources for industry programme each year.	New projects.	230 new projects.	214.	Fewer applications received.
	Number of additional students supported under the technology and human resources for industry programme each year.	Students supported.	2 240 students supported.	1 936	Lower number of applications received due to economic challenges leading to researchers reducing the number of participating students.
	Building regional industrial agglomeration.	Implementation programme for Regional Industrial Development Strategy.	Policy framework for special economic zones and industrial development zones finalised.	Mapping process completed and 10 opportunities identified. The study on the assessment of government-owned industrial parks has been completed. The next phase will focus on a strategy to align industrial parks with the regional economic clusters .	

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Sub-programmes	Outputs/Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
				<p>A draft concept paper on the approach to regional economic development has been drafted for internal approval. The Regional Industrial Clusters Programme is being finalised for implementation.</p> <p>A study on the viability of a Regional Industrial Development Fund is being finalised. However, further work on the fund may be transferred to the Economic Development Department.</p>	
Equity and Empowerment	Enhanced access to finance for women entrepreneurs.	Fund functioning.	Fully operational Women Fund.	The Isivande Women's Fund has been launched and already approved the first loans.	None.
	B-BBEE Institutional support and implementation framework.	Facilitate establishment and coordination.	Fully operational Presidential B-BBEE Council.	B-BBEE Advisory Council appointed in Dec 2009 and inaugurated by the President in February 2010. Advisory Council Secretariat fully functional and partnership established with Sector Councils in preparation for signing of MOUs.	None.
		Identification of regulatory and monitoring sections to be amended. Facilitate the alignment of various pieces of legislation to the B-BBEE Act.	Legal process, drafting and audit.	<p>the dti's comments on the draft amended Preferential Procurement Regulations submitted to NT.</p> <p>Internal (TISA and ERPC) and external (DMR Mining) stakeholder engagements.</p>	None.
		Facilitate the accreditation process.	Legal refinement Verification Guidelines.	<p>30 verification agencies accredited as at the end of March and the process is ongoing.</p> <p>Recommendations to capacitate and regulate verification industry approved by the Minister.</p>	None.

PROGRAMME PERFORMANCE

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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
Enterprise Development	Amendment of the Cooperatives Act & regulation.	Amendment Bill on Cooperatives formulated. Ministerial approval of the Amendment Bill. Amendment Bill published in the Government Gazette for public comment and input. NEDLAC and Parliamentary approval of the Amendment Bill. President proclamation of the Amended Cooperatives Act (2010).	Finalisation of the Cooperatives Strategy and its approval by Cabinet and Parliament. Approval of the Cooperatives Advisory Board (CAB) by the Minister of Trade and Industry, the Cabinet, NEDLAC and Parliamentary approval of the amended Act.	Ministerial approval obtained to present cooperatives Amendment Bill at NEDLAC. Draft Bill presented to Nedlac. It was also forwarded to the legal advisors for technical editing. Bill scheduled for presentation to Cabinet. The Cooperatives Strategy has been completed and approved by NEDLAC and scheduled for approval by the Cabinet and Parliament.	NEDLAC consultation on the strategy took longer than expected. Provincial consultation on the Bill went beyond the targeted time-frame. The Advisory Council establishment is dependent on the Bill being approved by Cabinet.
	One Municipality One Product (OMOP).	Appointment of service provider to assist in developing business case for OMOP.	Finalisation of the business case and implementation plan on OMOP.	OMOP business case and implementation framework finalised and ready for presentation to the dti Board. Final study report completed.	N/A.
		OMOP Forum created to drive implementation.	Launch of the OMOP in the conference.	OMOP Forum established in 4 Pilot provinces comprising of the municipalities, provincial agencies, other government departments, and the dti as the leading department.	
	Establishment of the Emporium for Jobs for Growth.	Business Plan formulated. Assist cooperatives to exhibit at established emporium.	10 cooperatives exhibiting.	23 cooperatives were given market access, wherein, 11 cooperatives participated in the Milan Exhibition. 8 cooperatives participated in Portugal Handicraft exhibition. 4 cooperatives participated in the Decorex exhibition.	N/A.

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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
	Youth Economic Empowerment Strategy & Youth Service Programme.	Draft Strategy on Youth Economic Empowerment. Approval of the Strategy on Youth Economic Empowerment by Cabinet and Parliament.	Approval of the Strategy on Youth Economic Empowerment by Cabinet and Parliament.	First draft completed and revised. YED strategy completed and is being submitted to the dti and Minister for approval. Cabinet approval to be secured in the new financial year.	Restructuring of Umsobomvu to combine with National Youth Commission to form the National Youth Development Agency.
					Youth Development Agency delayed finalisation of the strategy.
		Roll-out of the CEDO project (NYS) and the placement of the youth beneficiaries inside the dti agencies.	Roll-out of CEDO Project (NYS).	R3 million sponsorship transferred to Umsobomvu Youth Fund to roll-out the CEDO project (NYS). Project team constituted and draft project plan completed. Development of manuals and registration of programme with SETA / SAQA Project implementation to be completed in 2010/2011 financial year.	Restructuring of Umsobomvu to combine with National Youth Commission to form National Youth Development Agency.
		the dti divisions support the NYS through budgeting in order to contribute to NYS. the dti divisions and agencies implement the NYS requirements.	Placement of the youth beneficiaries inside the dti agencies.	Approved Youth Economic Empowerment strategy delayed as a result of restructuring of Youth Agency. Strategy completed and revised and ready for internal approval.	Restructuring of Umsobomvu to combine with National Youth Commission to form National Youth Development Agency.
	Call centre (a platform for SMMEs to complain about late or non-payment by government).	Call centre launched and operational with continuous reporting of performance and impact.	Ongoing monitoring of performance to decide the status of the call centre for the next financial year (whether to be run by seda or remain outside seda).	The call centre is operational and was launched on the 21 September 2009 and is fully operational amid challenges in turn around times. As at the end of March 2010, 19 264 calls were logged, thus facilitating payments to the value of R30,956,832.97.	None.

PROGRAMME PERFORMANCE

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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
	Align all development programmes of SMME programmes & Institutions (DFIs) to ensure their accessibility (one-stop-shop programme) with provincial economic development department.	Coordination model.	Continuous implementation.	Guidelines document drafted for discussion with the provinces.	

Programme 4: Industrial Development Division (IDD)

Purpose: To provide leadership in the development and implementation of policies and strategies that facilitate long-term industrial development and diversification, which will lead to sustainable economic development, growth and job creation.

Measurable objectives:

- Grow and diversify manufacturing and tradable services by facilitating and monitoring the implementation of the industrial policy action plan over the next three years.
- Foster an enabling environment for industrial upgrading and support for sustainable development by developing and implementing a technical infrastructure strategy (including standards, quality, assurance, accreditation and metrology);
- Respond to the impact of climate change by developing and implementing an industrial climate change response plan and launching cleaner production initiatives involving at least 110 companies by 2012.
- Support industrial development in South Africa and retain a total of 20 000 direct jobs by 2012 by leveraging government procurement through the national industrial participation programme.
- Strengthen regional industrial development and cooperation by collaborating with regional economic communities to harmonise business laws and develop strategies on continental norms for agricultural, industrial and environmental standards.
- Support industrial upgrading through technological infrastructure programmes, for example tooling and casting facilities, and manufacturing excellence programmes.

Divisional achievements

The main achievement of IDD during 2009/10 was to develop and finalise the 2010 – 2013 Industrial Policy Action Plan (IPAP2) in partnership with the Economic Sector and Employment Cluster of Departments. The IPAP2 was approved by Cabinet and launched in February 2010. It represents a significant step forward in scaling up efforts to promote long-term industrialisation and industrial diversification beyond the current reliance on traditional commodities and non-tradable services. It will contribute to the structural changes needed by expanding production in value-added sectors with high employment and growth multipliers. The IPAP2 identifies new industrial development opportunities potentially arising from the infrastructure investment programmes, as well as the imperative to adopt energy-saving and “greener” production techniques, and points to steps required to realise those opportunities (through re-configuring public procurement and industrial financing measures, among others). It also outlines a range of up-scaled interventions in identified lead sectors. In addition to four transversal and substantive industrial policy interventions (procurement; industrial financing; developmental trade policies; and competitions policy), IPAP2 sets out 93 Key Action Plans (KAPs) across 13 sectors with quarterly milestones for each.

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Progress has been made and will be monitored for each of the 93 KAPs against the quarterly targets set for each.

In light of the global economic crisis and the danger it presented to the real economy, the division was tasked to coordinate **the dti's** response to the economic crisis as part of the framework Response to the International Economic Crisis. The IDC set aside R6,2 billion to assist firms distressed as a consequence of the crisis, in key targeted sectors including Automotives; Metals Fabrication, Capital and Transport Equipment; and Clothing and Textiles. IDD liaised with IDC in relation to the establishment of a Distressed Company Facility. In addition, the division facilitated the establishment of a dedicated task team in SARS to tackle illegal imports, particularly in Clothing as well as worked with ITAC to expedite tariff investigations related to distressed sectors.

In response to the energy crisis that threatened to undermine manufacturing activities in the economy, the division participated in the National Energy Response Team (NERT) and Electricity Growth Management (EGM) task team where it developed a criteria for New Large Electricity feeding into a balanced score-card as the preferred mechanism for allocating new electricity connections. It also developed a Strategy on Compact Fluorescent Light bulbs. In addition, compulsory specification for Compact Fluorescent Luminaires (CFLs) was finalised and donor funding was secured to develop the Wind Energy Manufacturing Strategy.

Further work was undertaken including in the following areas:

- In the Metals sector, a cost-benefit analysis on the introduction of an export tax on scrap metal has been completed and submitted to the National Treasury for further assessment. Benchmarking of 110 companies has been finalised to assess technology levels and skills required as part of the National Foundry Initiative. This initiative is aimed at increasing competitiveness in the Manufacturing sector. In addition, work was undertaken to enable the identification of fleet programmes to leverage government procurement; a Competitive Financing Programme for suppliers into the public sector capex programmes; benchmarking and matchmaking for OEMs in specific supply chains; and the National Tooling Initiative, designed to rehabilitate the tool, die and mould-making industry.
- With respect to the Clothing and Textile sector, the competitiveness programme was launched in April 2009. Further work is underway to finalise the architecture of a production incentive scheme, aimed at preserving production capabilities and employment within the sector. The Clothing and Textile Competitiveness Programme desk at IDC is currently putting in place the various panels and committees to administer the programme. **the dti** has worked closely with SARS to coordinate efforts to ensure increased capacity and intervention to clamp down on illegal imports.
- Progress with respect to the implementation of the Automotives, Components and Medium and Heavy Commercial Vehicles sector strategy set out in IPAP2 includes the start of a transition process from the Motor Industry Development Programme to the Automotive Production and Development Programme (APDP) and progress to broaden automotive component manufacturing. The Competitiveness Improvement Component Manufacturers (CIACM) programme is set to enhance firm-level manufacturing competitiveness improvement through benchmarking, gap identification and assistance. The Enterprise Reference Architecture portal for SME suppliers will help optimise existing technology investments through best practices and work is in progress to complete a study to resuscitate the medium and heavy commercial sector.
- Climate change concerns including energy and water efficiency, the development of new generation "green" industry opportunities, and the imperative to best utilise South Africa's high solar intensity, necessitated that the ground work be urgently undertaken to lay the basis for rapid up-scaling of the "green" industries. Work was therefore undertaken to lay the basis for the plans set out in IPAP2 on Solar Water Heating; Concentrated Solar Thermal; the development of an industrial energy efficiency programme and water efficiency standards, as well as sector strategies for wind and biomass energy generation and recycling. These strategies and programmes have been set out in IPAP2 for finalisation and implementation.

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- With respect to the Agro-Industrial sector, work was undertaken which will be finalised in the IPAP2 timeline regarding the establishment of the National Food Control Agency; the development of strategies for the aquaculture and marine aquaculture sectors; the organic food and organic cotton sectors; the development of a small-scale milling industry; competitiveness enhancement in the fruit and vegetable canning industry and beneficiation; and export programmes for Rooi and Honeybush products.
- In the Plastics, Pharmaceuticals and Chemicals sector, scoping studies were undertaken to enable interventions and programmes set out in IPAP2, including a study into potential downstream polypropylene products, which was used for investment promotion campaigns abroad. Additional work was done to enable expanded local production in local vaccines and antigens, as well as investigative work to enable informed decisions to be made on the new liquid fuels and crude oil refinery mega projects.
- With respect to biofuels, a feasibility study was completed for the investment and project plan required for a biodiesel refinery, as well as work to enable the appropriate regulatory environment for the industry. This will allow accelerated development of the sector as set out in IPAP2.
- Regarding the Forestry, Timber, Paper and Pulp and Furniture sector, work was concentrated on skills and technology upgrading for small scale saw-millers; the development of furniture clusters; and support for the establishment of charcoal plants in rural areas.
- On Creative Industries, the establishment of rural satellites of craft hubs is underway. The business and implementation plan for the Mzansi Collection brand has been completed.
- The Tourism Sector has continued to play a role supportive of the broader national tourism strategy of the Department of Environmental Affairs and Tourism, primarily with respect to the development of niche tourism strategies and the groundwork for the establishment of a private-sector driven Tourism Export Council.
- On Modernising the South African Technical Infrastructure (SQAM), a Technical Infrastructure (SQAM) strategy was drafted for the period 2010-2012. The draft strategy was used as input into the IPAP2 after consultations with NEDLAC and Technical Infrastructure Institutions. A Technical Infrastructure Institutions Committee, which will be used to align implementation, has been set up. Considerable progress has been registered in efforts to upscale the technical and operational capacity of the SQAM institutions so that they can meet the demands of an ever-changing global trade environment and meet the targets set out in the IPAP.
- Draft regulations for the National Regulator for Compulsory Specifications Act have been developed by **the dti** and NRCS and consultation workshops with industry stakeholders were held in Midrand and Cape Town.

“The purpose of the division is to provide leadership in the development and implementation of policies and strategies that facilitate long-term industrial development and diversification, which will lead to sustainable economic development, growth and job creation.”



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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / ser- vice delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
Industrial Competitive- ness	Development and Up-scaling of the Industrial Policy Action Plan (IPAP).	Finalise and Up-scaled three year IPAP.	Finalise and publish a three year IPAP.	<p>Three high-level workshops chaired by the Minister held to decide on the process to be followed in upscaling IPAP were convened.</p> <p>TIPS was resourced and brought in as a partner to provide research support to the IPAP development process.</p> <p>Four strategic Action Papers were produced through TIPS to enhance IPAP.</p> <p>IPAP was presented to and endorsed by Cabinet in February 2010.</p> <p>IPAP2 has been presented to various stakeholders.</p>	
	Projects implemented under the National Industrial Participation Programme.	Total number of new projects.	250.	20 new, total 230.	Number of projects submitted were less than projected.
	Total value of investment and export credits under the National Industrial Participation Programme.	Total value of investment and export credits.	US\$14 billion.	US\$15 billion.	
	Total number of direct jobs created through the National Industrial Participation Programme.	Total number of direct jobs created.	18 500.	25 000.	
	Number of new companies implementing cleaner production activities, including energy efficiency each year.	Number of new companies.	20.	11.	No incentives programmes responsible for implementation of CP recommendations. However 11 companies used their own funding to implement.

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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
	Number of new cleaner production audits, including energy efficiency each year.	Number of new audits.	80.	87.	Exceeded.
	Formation of an aeromechanical cluster Centurion Aerospace Village(CAV) around tier 1 suppliers.	Number of related SMME companies operating from the park. Number of related SMME's moving up the tier level and participating in the global supply chains.	Initialising the earthworks and bulk infrastructure for the landside development of the park and construction of first buildings.	All statutory matters achieved. However, earthworks, bulk infrastructure and construction process could not be launched due to the uncertainty over the further funding of the project post SWEEEP funding.	Uncertainty on future funding of the project.
	Modernising the SA Technical Infrastructure.	Consultation completed. Exbo approval for the plan. Roll-out of the plan.	Draft the strategy Consult technical infrastructure institutions. Include the input Submit for approval.	The draft strategy was used for input into the IPAP2. Technical infrastructure institutions as well as NEDLAC were consulted and inputs incorporated. A Technical Infrastructure Institutions Committee, which will be used to align implementation and roll out, was established.	Plan was approved through its inclusion in IPAP2.
	Industrial Climate Change Response Plan.	Consultation completed. Exbo approval for the plan. Roll-out of the plan.	NEDLAC climate change study completed. Commence with drafting of the industrial climate change response plan for the roll-out in 2011.	Climate change study completed. Draft ICCRP submitted. Additional: Energy Efficiency Strategy commitment in IPAP2.	Exceeded.
	Design programmes to implement strategy for the development of the furniture industry.	Programmes approved and supported by all stakeholders.	Programme to revitalise furniture clusters and conceptual framework for centre of excellence.	Programme to establish a furniture cluster developed for piloting in KZN. Conceptual framework for the centre of excellence developed and approved by stakeholders.	
	Skills transfer and technology upgrading programme for the small saw milling industry.	Programme approved and its implementation supported by all stakeholders.	Skill transfer programme designed. Programme of upgrading technical equipment designed.	Skills transfer and technology upgrading programme designed and piloted in the Eastern Cape with 60 participants.	

PROGRAMME PERFORMANCE

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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
	Establish Biofuel Industry.	Number of jobs created.	Feasibility study, Environmental Impact Assessment (EIAs) and basic engineering. Total cost 5 million Euro, including 2 million Euro from offsets.	Feasibility study completed. Commenced EIA and basic engineering which was not completed due to a change in investment site from East London to Coega IDZ.	Investment site was changed from East London to Coega.
Customised Sector Programmes	Niche Tourism Sector Development.	Niche Tourism Development Framework in place. Number of associations registered with the dti under the Sector Specific Assistance Scheme (SSAS).	Niche Tourism Development Framework complete. South African Youth Tourism Confederation (SAYTC) registered under SSAS. Birding Tourism research completed.	First Draft of Niche Tourism Development Framework complete. Registration of SAYTEC currently being finalised. Birding Tourism Research complete.	Delays in TISA relating to approval of business plan.
	Sustaining and growth of local automotive and components manufacturing capacity.	Value of investment per annum.	R3 billion.	R3,2 billion for 2009 calendar year. Investment picked up in latter part of year in line with a few model introductions.	
	Cosmetic SMME Development Programme.	MoU signed between the dti and various stakeholders in the cosmetics industry.	Black cosmetics SMMEs operation from backyards and other remote areas made "bigger and better".	New Export Council established and Board Meetings held. The MoU between the dti and CTFA has been signed.	
	Agro-processing sector strategy development.	Strategy approved by Exbo.	Strategy approved by Exbo.	Draft strategy framework developed.	Delayed due to the need to incorporate new government priorities and apply full value-chain analysis approach to the work of the dti and DAFF.

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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
					An over-arching Strategic Framework for Agro-processing has been developed and will be presented to Exbo in FY 2010/11.
	Business Process Outsourcing (BPO) Sector Development.	BPO Sector Strategy approved.	Review of current strategy and development of a new one.	Strategy review has not commenced.	Lack of funding.

PROGRAMME PERFORMANCE

Programme 5: Consumer and Corporate Regulation Division (CCRD)

Purpose: To develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens, and to promote competitive fair and efficient markets.

Measurable objectives:

Increase access to economic opportunities for historically disadvantaged individuals by:

- Facilitating financial support to and overseeing implementation of legislation through the department's regulating entities;
- Regulating and monitoring special events and facilitating the license processes to advance transformation and entry into markets; and
- Reducing regulatory burden to business and lowering the costs of doing business.

Improve confidence and certainty in South Africa business regulation by:

- Establishing the Companies Commission in 2009/10, to enforce and implement the newly signed Companies Act which seeks, among others, to introduce corporate governance culture in companies, encourage shareholder activism and reduce regulatory burden on SMEs.
- Establishing the National Consumer Commission in 2009/10, to implement the newly signed Consumer Protection Act and enforce consumer rights contained in the Act.
- Introducing the Intellectual Property Laws Amendment Act and publishing a policy document on intellectual property reform for public comment in 2009/10, which aims to align and harmonise Intellectual Property (IP) Laws and national policies related to IP.
- Developing regulations in terms of the Companies Act of 2008 and the Consumer Protection Act to give effect to these pieces of legislation.
- Implementing amendments to the Competition Act (1998) in 2009/10 by developing regulations that will strengthen cartel enforcement and empower Competition Authorities to proactively investigate markets and deal effectively with complex monopolies in highly concentrated markets to ensure market transparency.
- Reviewing the Estate Agency Affairs Act (1976), which mainly regulates estate agents activities in order to protect consumers.

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To increase awareness of rights and duties, activism and redress to economic citizens by:

- Conducting awareness campaigns on the new Companies Act and the Consumer Protection Act, while continuing to educate citizens on intellectual property rights and responsible trading in alcohol and gambling.
- Conducting inspections and investigations in relation to violation of legislation and regulations in the area of liquor, companies, intellectual property rights, and consumer protection.

Promote competitive and socially responsible business by:

- Reviewing the Lotteries Act (1997) to improve the management and distribution of lottery funds for good causes aligned with government priorities to advance health facilities, alleviate poverty, advance sports, arts and culture, as well as rural development.
- Reviewing of the gambling industry to determine and address aspects of unintended proliferation, as well as the socio-economic impact of advertising in the gambling and liquor industries.
- Assessing the outlook of the liquor industry in South Africa and the efficacy of the regulatory instruments for the size of the industry.
- Finalising regulations necessary for the implementation of the Interactive Gambling Amendment Act of 2008.

Divisional achievements

• **Law Reform**

CCRD has successfully completed major law reform processes, which culminated in three (3) bills being signed into law by the President. CCRD acknowledges the constructive engagement with stakeholders in this regard, and the effective role of NEDLAC constituencies in enriching these important pieces of legislation, which bring our legislative framework in line with global best practice.

The Consumer Protection Act aims to prevent consumer harm and to enhance economic welfare of consumers by providing speedy redress, decriminalising certain unnecessary violations and introducing administrative penalties that will complement the criminal provisions to effectively give confidence in markets. It further introduces strict liability provisions that will curb the tendency of shifting liability for defective products and enhances the enforcement mechanism for dealing with product labelling, in particular the Country of Origin Labelling, which will assist in enhancing product standards and curbing the influx of sub-standard products that enter South African shores on a daily basis.

The Companies Act intends to reduce the regulatory burden, especially on small businesses, and simplify the registration process. One important and new feature in the Companies Act is the introduction of the business rescue provisions that will assist to prevent efficient assets and skills from exiting the market as a result of liquidations that have continued to plague our economy. This replaces the previous judicial management process and aims to facilitate a speedy turnaround process for companies in financial distress. Corporate governance and transparency principles have also been improved to address the scourge of scandals resulting from lack of corporate governance in companies. Shareholder activism has been improved and financial reporting lessened by reducing the burden of compulsory audits for companies that need not be audited.

The Competition Amendment Act seeks to strengthen the provisions of the Competition Act in order to deal effectively with hard core cartels such as price fixing, market allocation and collusive tendering. Importantly, the new amendments provide competition authorities with wider powers to conduct sector-wide inquiries and deal with complex monopolies that have the same negative effect as cartels in our economy. This is expected to identify and remove the binding constraints to growth and competitiveness of various strategic markets.

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Following the above adopted laws, **the dti** has commenced the process of developing regulations that will give effect to the Companies Act, the Consumer Protection Act and the Competition Amendment Act. As is typical of cross-cutting legislative reforms, the consultation on the regulations for the Companies Act has been extensive and intense, but has advanced significantly with first draft having been published for public comments. Workshops on various aspects of the regulations are being conducted, with some being more stakeholder-focussed. CCRD intends to afford stakeholders an additional period to contribute to the finalisation of these regulations. Parallel to this, the division also consulted stakeholders on the Rectification Bill that merely seeks to correct grammatical, syntax and cross referencing errors in the Companies Act. Full implementation is expected in 2010/2011.

The Intellectual Property Amendment Bill was introduced into Parliament and public hearings are expected to commence in the first quarter of 2010/2011. This Bill brings about significant changes in the intellectual property landscape to effectively deal with bio-piracy and unlawful exploitation of knowledge without recognition or compensation to the owner. The Bill aims to extend intellectual property laws to protect indigenous or traditional knowledge, which has remained unprotected to the detriment of traditional and indigenous communities. The opportunity of commercialisation, which has proven to be profitable, is expected to enhance development of these various communities and individual owners through benefit-sharing agreements, royalty payments, licensing and innovations support. This Bill follows the adoption of the Policy on Indigenous Knowledge which was adopted by Cabinet in 2004.

In the quest to ensure socially responsible markets, CCRD embarked on a process to review the gambling industry in light of ongoing concerns about proliferation and expansion of gambling activities contrary to the initial policy intentions. This process commenced with the appointment of a five-member Gambling Review Commission appointed by the Minister. Its mandate includes the socio-economic impact of gambling on communities and the economy, and determines whether there is a need to expand or curtail gambling activities. Key to this review is the question of whether the regulatory framework is sufficient, given technological advancement, and whether government has been able to strike a fair balance between benefits of gambling and its effect on the poor. A report of this review is expected at the end of the first quarter of 2010/2011 and will be presented by Minister in Parliament upon receipt and assessment. Upon finalisation of the review, the Interactive Gambling Regulations will be considered by Parliament.

“The Companies Act intends to reduce the regulatory burden especially on small businesses and simplify the registration process.”



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Since the National Credit Act came into force in 2007, the National Credit Regulator has had challenges in the area of debt counselling, which have increased significantly in light of the economic slow down with more people being under debt stress. CCRD has developed regulations which aim to find a mechanism that would enhance the effectiveness of the debt review, debt counselling and/or restructuring process. This aims to unlock the blockage that is caused largely by resistance of stakeholders to comply with the provisions relating to debt review and counselling. CCRD will impress on the regulator to apply a more robust enforcement strategy to compel compliance by credit providers to complement these regulations. The division will further explore if there is a need to amend the National Credit Act to strengthen the powers of the regulator.

- **Research Projects**

CCRD conducts research regularly as a means to inform policy development and options. Research projects were undertaken into various fields such as Intellectual Property (IP) in relation to access to medicine; access to education; exceptions; interface between competition and IP; and consumers and IP. This research will inform the development of an Intellectual Property Policy that is aimed at bringing coordination of IP matters within government and to bring all IP laws in line with developments on the international front, where necessary. Research on liquor regulation focussed on the policy framework and identifying inadequacies and areas for reform to effectively regulate the industry, given its characteristics as a highly concentrated and untransformed industry. The pace of transformation and entry at manufacturing and related markets continues to be a concern for the division. Another research project conducted was on the effect of advertising on the gambling and liquor industries, specifically looking at whether advertising increases liquor consumption or gambling activities and establishing policy options on whether to ban or limit advertising. Research into greyhound racing was also done, which dealt with dog racing and whether this should be regulated or banned in South Africa. The division also looked at the extent of shareholder activism and provisions that support it in South African law, compared with other jurisdictions.

- **Policy Development/Review**

CCRD reviews laws to determine their relevance, need and importance in order to identify any need for removal of unnecessary regulations, or a need for introduction of regulatory solutions, particularly in the case of market failures. For the year under review, the division conducted a policy review on the Estate Agency Affairs legislation of 1976, which does not address the phenomenal growth of the industry, corrupt activities and transformation areas. The Estate Agents Policy Framework aims to improve regulation of estate agents activities to ensure fair and transparent interaction and to protect consumers. The policy framework and draft Bill for the National Lottery has been developed and it aims to address gaps in the area of lottery operation and distribution of funds to good causes. Changes will be proposed to Parliament to improve in the main the distribution of funds.

- **Establishment of two new Agencies**

The process to establish the National Consumer Commission and the Companies and IP Commission has commenced and is on track for the establishment of the entities in third quarter of 2010/2011.

Steering Committees were formed to oversee the process and facilitate discussions and recommendations in regard to the required resources and competencies to effectively carry out the mandate arising from the Companies Act and the Consumer Protection Act. The business cases were submitted to the National Treasury and Department of Public Service Administration for approval, job evaluations and listings of the new entities. The National Consumer Commission has since been listed, and the division awaits the approval and listing of the Companies and IP Commission by the National Treasury. As mentioned in the business case, the effectiveness of these institutions would rely heavily on the information technology systems that would offer improved service delivery on matters like call log enquiries and complaints, trend analysis and market intelligence, e-lodgements, incorporation of the case management system, contact centres etc. within short timeframes. The delay in the implementation of the Enterprise Content Management, procured through the Companies and Intellectual Property Office, may affect the process, but contingency plans had been made to address this. Further, awareness campaigns were conducted on the Companies and Consumer Protection Acts to educate, train and capacitate stakeholders before the legislation becomes effective. A communication strategy is being developed to manage the transition and change management interventions.

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- **Regional cooperation**

CCRD encourages information-exchange sessions with other government departments and agencies, which assists in benchmarking and cooperation with other jurisdictions. In this regard, the division hosted a Tanzanian delegation for an information-sharing session on consumer protection matters. Further, the African Dialogue Conference on consumer protection was held in South Africa. The division was also instrumental in the finalisation and adoption of the Ministerial Declaration on cooperation and competition policies in SADC in order to strengthen regional cooperation.

- **Governance Structure for Agencies**

Various strategic interventions were made to improve operations and efficiency in the disbursement of NLDTF funds for good causes, and to enhance the impact of good-cause funding. In this regard, the division facilitated working group meetings to identify impediments and obstacles to the effective distribution of funds, conducted a needs assessment study in all provinces to identify areas that should be advanced through the funding from the NLDTF, which was shared with the regulator and the Distribution Agencies. Various interventions are being implemented to improve efficiencies and the division is already seeing improvements in the area of speedy payments to organisations. New board members for the National Lotteries Board and replacement members for two Distribution Agencies were appointed to improve turnaround times on grant disbursement and adjudication, and corporate governance issues, as well as to provide stability to the organisation and its interaction with stakeholders.

The allegations regarding tender irregularities and fraud at CIPRO also continued to challenge the division as CIPRO is a critical component of economic activity. The division provided support and proposed various interventions to address management gaps that arose as a result of the absence of some of CIPRO's leadership. As CIPRO is in transition to form part of the new Companies and IP Commission, change management and communication of processes become extremely critical. The new Companies and IP Commission presents a different governance framework from the current trading entity status of CIPRO and will also allow the opportunity to improve processes and the technology required to perform efficiently. CCRD continues to provide support and guidance to CIPRO in this period. The process is being managed.

- **Enforcement of Country of Origin Labelling Regulations**

The increasing concern about the influx of low quality and sub-standard products into South Africa necessitated a much more focussed strategic intervention in this regard. One hundred and nine inspections were conducted at retail level across the country. Although there appears to be compliance at face value, the inspections indicate a concern at warehouse level where in some instances labels are affixed after products have entered South African borders without proper labelling. This gap leaves room for counterfeit goods to enter South African shores and impact hugely on sectors, especially Textiles and Clothing. The new Consumer Protection Act provides enhanced powers to deal effectively with product labelling and country of origin labelling, which will complement the efforts of **the dti** together with its partners such as SARS.

- **Liquor Regulation**

Liquor registration processes are governed by the Liquor Act of 2003, which gives the Minister power to approve distribution and macro-manufacturing applications. This industry continues to concern the division due to the slow pace of transformation and high barriers to entry, especially as the manufacturing level. In the year under review, CCRD reduced turnaround times for applications significantly and enhanced its inspection role by conducting one hundred and six inspections to ensure compliance and responsible trading. Campaigns to prevent alcohol abuse were enhanced through cooperation with provincial government at the National Liquor Policy Council and National Liquor Regulation Forum. CCRD looks forward to the finalisation of the industry-led process of developing the industry charter to address aspects such as enterprise development and ownership, which can be monitored.

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“The legislative formulation activities of CCRD require that sufficient consultation with stakeholders be factored into internal processes.”



• **FIFA**

The preparations for the 2010 FIFA World Cup impacted significantly on the resources of the division, both from regulatory and enforcement perspectives. The 2010 FIFA World Cup brought about the need to protect consumers and facilitate ease of trading for smaller enterprises. Key to this was the need to streamline processes for liquor licensing and controls. The Minister published policy guidelines on liquor which were translated into regulations that allowed for speedy processing of licenses during this period and consistent standards across the country. In order to prevent scams regarding tickets for 2010 FIFA World Cup, **the dti** published regulations to deal with the unlawful selling of tickets, in addition to having established the legal framework for protecting the event against possible ambush marketing. Enforcement of these regulations saw the scams being uncovered and dealt with effectively. Parallel to this, a campaign to warn consumers about these scams was undertaken. CCRD assigned various officials to assist in the enforcement of liquor, ticketing and other regulations during the tournament, including the training of other law enforcement officers on the provisions of these regulations. The division ensured that all measures were in place for a successful 2010 FIFA World Cup.

• **International Bodies**

The division participated in the high-level session held by the World Intellectual Property Organisation (WIPO), which resulted in an eight-year impasse within the Inter-Governmental Committee on protection of traditional knowledge, traditional cultural expressions and genetic resources being resolved. The introduction of the Intellectual Property Laws Amendment that seeks to protect indigenous knowledge in South Africa forms part of this process.

Service Delivery Challenges

The legislative formulation activities of CCRD require that sufficient consultation with stakeholders be factored into internal processes. In order to manage the timelines in these legislative processes, the division allows for stakeholder engagement even prior to the statutory consultation period and provides stakeholders with working documents for them to make input at early stages of the process. Ineffective coordination and interaction with other government departments and entities is an area that requires attention.

In an attempt to improve the period within which investigations into company affairs are finalised, the division devised a fast-tracking mechanism through an Alternative Dispute Resolution (ADR) approach on certain categories of complaints. The division has also increased oversight on case handling and management to dispose of most outstanding matters, especially with a view of minimising the number of cases that could be transferred to the new Companies and IP Commission. The Office of Companies and IP Enforcement, a unit within this division is due to be transferred to the new Companies and IP Commission in the third quarter of 2010/2011.

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With the transition to the Commissions, CCRD has an opportunity to focus on its core functions of providing credible regulatory solutions to the market. In this regard, the division is focussed on improving its internal service delivery environment by strengthening its capacity and reviewing processes and procedures.

Sub-programmes	Outputs/Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		for variance
			Target	Actual	
Policy and legislative development, enforcement and compliance and regulatory services	Effective implementation of legislation.	Completed Business case. Companies and Intellectual Property Commission agency established. Reports on operations. Reports on performance.	Establishment of institutions.	Business case completed and submitted to National Treasury and Portfolio Committee on Trade and Industry in August and October 2009. Project in progress with implementation date of 1 October 2010.	Dependent on signing of the Bill into an Act of Parliament and approval processes.
		Completed Business case. National Consumer agency established. Reports on operations. Reports on performance.	Establishment of institutions.	Business case completed and submitted to National Treasury in October 2009. Project in progress with implementation date of 24 October 2010.	Dependent on signing of the Bill into an Act of Parliament and approval processes.
	Development and review of policy framework.	Estate Agency policy framework renewed and finalised. Cabinet approval of framework. Approval of the Bill for introduction into Parliament. Regulations published by Minister.	Policy framework approved by Cabinet.	Policy framework finalised and approved by Minister.	Funding and procurement processes contributed to the delay.

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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / ser- vice delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
		Intellectual Property policy framework developed. Cabinet approval of framework. Approval of the Bill for introduction into Parliament. Regulations published by Minister.	Policy framework approved by Cabinet.	Draft IP policy developed but not yet approved.	Insufficient capacity. The project manager was responsible for other unplanned projects.
		National Lottery policy framework reviewed. Cabinet approval of framework. Approval of the Bill for introduction into Parliament. Regulations published by Minister.	Policy framework approved by Cabinet.	Draft policy framework and Amendment Bill produced, but not approved yet.	Extensive consultation process.
	Development of regulations to give effect to legislation.	Regulations for Companies Act published by Minister. Monitoring and evaluation reports.	Regulations developed and issued.	Regulations developed and published for comments. Analysis and consolidation of inputs from stakeholders completed.	Lengthy stakeholder engagements. Volume of inputs and rectification process also delayed project.
		Regulations for Consumer Protection Act published by Minister. Monitoring and evaluation reports.	Regulations developed and issued.	Draft regulations developed.	Funding and procurement processes contributed to the delay.

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Sub-programmes	Outputs/Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
		Regulations for Intellectual Property (IP) Amendment Bill published by Minister. Monitoring and evaluation reports.	Regulations developed and issued.	Regulations not developed yet as Bill was only introduced into Parliament this year. Hearings are scheduled to take place in May 2010.	Bill had to be re-introduced to Cabinet after elections.
		Regulations for Competition Amendment Bill published by Minister. Monitoring and evaluation reports.	Regulations developed and issued.	Regulations developed but not finalised.	Bill was signed into law in August 2009 - procurement process contributed to the delay.
	Regulation and monitoring of special events and related matters.	Designation granted and published. Report from FIFA on guarantees.	Monitoring of compliance.	Monitoring of FIFA spend in compliance with guarantees through meetings and reports.	
		Regulations finalised and published by Minister. Investigation and inspection reports. Impact assessment submitted.	Regulations developed and issued. Enforcement and monitoring of compliance.	Regulations on ticketing finalised and sent to Minister of Sports for issuance. Policy on liquor licensing for FIFA adopted. Enforcement and monitoring of compliance carried out through investigations and inspections.	
		Policy framework/ criteria developed and approved. Monitoring report produced. Impact assessment study.	Policy framework/ criteria developed. Awareness created on these opportunities to SMMEs and HDIs.	Criteria/guideline developed for Public Viewing Areas. 20 awareness campaigns conducted, reaching over 1000 delegates.	
		Inter-departmental partnerships created. Increased number of inspections and investigations conducted.	Enforcement and monitoring of compliance.	IP enforcement and monitoring of compliance carried out through 32 search and seizures. 82 inspections carried out in partnership with SAPS and SARS regarding IP. Fines levied amounted to R12 million.	

PROGRAMME PERFORMANCE

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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
		Compliance notices issued. Amount of fines levied or equivalent value of goods seized. Reports.		106 liquor inspections conducted. 137 compliance notices issued. Reports produced.	
		Improved turnaround time for issuing of liquor licenses. Reduction in number of illegal liquor operators. National License for FIFA 2010 activities. Complete database. Monitoring reports.	Increased number of legal license holders with license conditions monitored. National liquor register updated and maintained.	190 out of 234 applications (81%) finalised within the average turnaround time of 50 days. Licence conditions are monitored. Liquor register updated and maintained.	
	Assessment of socio-economic impact.	Selection of panel members approved. Gambling Review Commission establishment. Report with recommendations presented to Parliament.	Gambling Review Commission established. Review finalised. Report produced on recommendations and findings. Presentation to Parliament.	Gambling Review Commission established. Review in progress and provincial hearings completed. Drafting of report commenced; final report expected in June/July 2010.	The process of procuring and appointing members. Due to the late appointment of members, timelines were revised to June/July 2010 for delivery of final report.
		Research report and recommendations on the adversity in the Liquor and Gambling industries.	Report and recommendations finalised.	Report and recommendations finalised.	
	Awareness and compliance.	The number of campaigns conducted. Increased number of stakeholders reached. Reports produced.	Successfully Implemented campaigns reaching 10 000 people directly.	38 campaigns implemented reaching over 3 800 stakeholders and over 22 million reached through print, radio and television. Reports produced.	

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Sub-programmes	Outputs/Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
		Coordination with provincial offices and non-governmental organisations with regard to Consumer Intellectual Act awareness. The number of campaigns on Consumer Protection Act awareness conducted. Increased number of stakeholders reached. Reports produced.	Successfully implemented campaign, reaching 10 000 consumers directly.	5 campaigns implemented reaching over 11 000 consumers directly, and over 23 million via radio, print and television. Reports submitted.	
		Partnership with industry and National Liquor Regulators Forum. The number of campaigns conducted. Increased number of stakeholders reached. Reports produced.	Successfully implemented campaigns, reaching 10 000 stakeholders directly.	Awareness campaigns undertaken with industry & provincial liquor boards in the Free State, North West & Northern Cape, reaching 1 555 learners and stakeholders .	Mpumalanga pulled out at the last moment.
		The number of campaigns conducted. Increased number of stakeholders reached. Reports produced.	Successfully implemented campaign, reaching 5 000 stakeholders.	7 IP campaigns held reaching 1 230 delegates and an average of 585 000 people reached through a radio interview (Kaya FM).	

PROGRAMME PERFORMANCE

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Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
	Reduction of regulatory burden on business.	Intra-departmental task team. Cabinet approval for proposals. Integration of business register and continuous migration of data.	Intra-departmental task team established. Project plan developed. Proposal to Cabinet approved.	Task team established and MoU between Presidency and National Treasury concluded.	
		Assessment report. Best practice benchmark.	Project plan developed and executed.	Project plan developed and executed.	
		Legislative audit report and recommendations.	Project plan developed and executed.	Project currently underway between the DoJ the SA Law Commission and the dti .	

Programme 6: The Enterprise Organisation (TEO)

Purpose: To stimulate and facilitate the development of sustainable, competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities.

Measurable objectives:

- Provide incentives to support investment, job creation and exports.
- Make administrative requirements for incentives more user-friendly.
- Achieve a measurable improvement in identified customer focus indicators for incentive administration.
- Improve administrative efficiency by implementing a new Management Information System (MIS) by March 2010 (including the IT System by 2011) to improve turnaround times on applications and claims for incentive administration.
- Implement a monitoring and evaluation system to assess the impact of incentive programmes.
- Develop a new institutional and governance framework for the IDZ's in order to promote coordination between different spheres of government, as well as other state institutions critical for the success of the programme.
- Develop a financing model for the IDZ programme.

Divisional achievements

TEO is responsible for the development and management of incentives that support **the dti's** focal areas in industrial development, investment and export promotion, and broadening participation.

During the year under review, 463 enterprises with capital investment projects valued at R18.1 billion were approved under the three main investment support programmes, namely, the Critical Infrastructure Programme, Enterprise Investment Programme and the Business Process Outsourcing and Offshoring Programme. The 463 projects are projected to result in the creation of 33 444 jobs over the next three years as they reach full operating capacity. The two Industrial Development Zones, Coega and East London, signed a combined total of 10 investors with capital investment projects valued at R2,0 billion.

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The support for the Enterprise Development and Broadening Participation mandate of the department resulted in the approval, through the Black Business Supplier Development Programme, of 4008 enterprises, enabling them to access productivity and competitiveness-enhancing services and other interventions. A further 220 cooperatives, mostly in rural provinces, were also approved for grants to acquire machinery and equipment, as well as working capital.

Other significant achievements during the year under review included the finalisation of the Automotive Investment Programme (AIS), the redesign of the Black Business Supplier Development Programme (BBSDP), and the successful roll-out of the Enterprise Investment Programme (EIP).

A key focus of the division during the year under review involved improving of turnaround times on the evaluation of incentive applications, as well as the processing of claims. Through the increased use of information technology, as well as the restructuring of work processes, turnaround times were significantly improved for all schemes. By the end of the year, turnaround times on most schemes were within or exceeding targets.

Progress was also made in developing a monitoring and evaluation (M&E) framework for the division. A draft framework for M&E was developed and an evaluation study on the impact of the BBSDP is currently underway and due for finalisation in the first quarter of 2010/11.

In order to assist enterprises to cope with the negative effects of the recession, performance requirements with regards to turnover, financial equity and employment were relaxed for small and medium enterprises approved under the Small and Medium Enterprise Development Programme (SMEDP). Time extensions were also granted to a number of Business Outsourcing and Off-shoring (BPO&O) projects with regards to meeting investment and employment targets.

Achievements per sub-programme:

• **Incentive Development**

During the year under review development of the guidelines for Automotive Investment Scheme (AIS) were completed. The AIS replaces the Productive Asset Allowance (PAA) of the Motor Industry Development Programme (MIDP). The AIS is a component of the Automotive Production Development Programme (APDP), which is intended to replace the MIDP when its term comes to an end in 2012. In line with **the dti's** vision of increasing the production output of fully assembled vehicles by, among others, strengthening the auto supply value chain, participation in the programme has been extended to auto component manufacturers. Access to benefits by firms will be dependent, among others, on minimum output requirements, contribution to employment creation, local research and development, value-added activities and the local acquisition of tooling equipment.

New guidelines for the very popular Black Business Supplier Development Programme (BBSDP) were also finalised. The new scheme will result in an enhanced focus on the development of small and medium-sized black-owned and managed enterprises as suppliers to the corporate and public sectors. Firms qualifying for the BBSDP will be able to access a range of productivity-enhancing services, as well as technology transfers in the form of machinery and equipment.

The guidelines for the Enterprise Investment Programme have been amended and now contain simplified and realistic requirements more in line with commercial realities. The amendments took into account lessons learned in the first six months of the roll-out of the programme.

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A draft Monitoring and Evaluation framework to monitor and assess the effectiveness and impact of incentive programmes was also developed. The framework should standardise the continuous monitoring of incentive programmes so as to enable timely amendments and enhancements of programmes in order to improve on impact.

- **Enterprise Development and Investment Support**
Manufacturing Investment Programme (MIP)

The programme is aimed at stimulating investment in the manufacturing sector in order to encourage employment, broaden participation and sustain enterprise growth. Its emphasis is on the lead sectors identified in the National Industrial Policy, specifically, Industrial Policy Action Plan 1. The MIP has approved 290 projects leveraging investment of R6,1 billion, which is expected to create 11 336 jobs. R1 billion has been committed for the MIP projects with a projected incentive per job ratio of R88 478. 68% of approved projects have already started production. 28% of approved projects are in IPAP cluster 1 sectors (agro-processing), with total investments of R1,7 billion and a total grant of R248 million. IPAP cluster 2 sectors account for 57% of approvals, with total investments of R 3,9 billion and a grant commitment of R 628 million. 48% of approved projects are BEE level 4 contributors; 13% level 3; 18% level 5 to 8 and 21% non BEE compliant.

- **Tourism Support Programme (TSP)**

The programme seeks to impact government's investment in the tourism sector by focussing on sustainable job creation outside the traditional tourism clusters of Johannesburg, Durban and Cape Town, and places strong emphasis on transformation in this sector. TSP approved 164 projects with a projected investment of R2,3 billion and 4 770 projected jobs. Grant commitments for the TSP total R417 million with a projected incentive per job ratio of R87 453. The majority of the approvals (140) are newly established projects and 24 are projects that are significantly expanding their asset base. Despite the high number of new projects approved, 115 of all approved projects have already started operation, confirming that a significant amount of the projected investment under the TSP has been made. There is a high level of compliance with the B-BBEE codes in the TSP, with 93% of approved projects being BEE level 4 contributors, with the rest being expected to achieve level 3 contributor status by the end of the first year of being in operation.

- **Critical Infrastructure Programme (CIP)**

The Critical Infrastructure Programme (CIP) is one of the investment incentives that the South African government is implementing to stimulate investment growth by medium to large projects in line with the National Industrial Policy Framework (NIPF). The main aim of the CIP is to leverage investments to the South African economy.

"The objective of the incentives is to increase local content generation, support co-productions and improve location competitiveness for foreign film productions."



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During the period under review, the CIP leveraged four investments worth R8,9 billion which were also supported by CIP. It is projected that these investments will create 4 832 direct jobs. The supported investments are in the Mining, Pharmaceuticals, Manufacturing and Renewable Energy sectors.

Business Process Outsourcing and Offshoring (BPO & O):

The BPO&O incentive benefit is intended to attract local and foreign investors with projects that aim primarily to service offshore clients. Qualifying projects can receive an investment grant ranging between R37 000 and R60 000 per seat, and a training support grant towards costs of company specific training up to a maximum of R12 000 per agent. In order to qualify, a project must be a new operation or an expansion of an existing operation and have the potential to create at least a 100-seat operation, with an additional 200 jobs by the end of its second year in operation.

Eleven projects investing R796,8 million and projected to create 11 852 jobs were supported. A total of 1 534 jobs were created in 09/10. The success of the incentive can also be seen from the fact that six large global BPO Operators – Wipro, Genpact, Aegis, Stream, Teleperformance and Tele-Tech have chosen to invest in South Africa and are among the companies supported by the scheme.

In partnership with the Business Trust, a survey of assisted investors, focussing on the effectiveness of the Government Assistance Programme (GAS) for the sector, was completed. It revealed a very positive experience by investors in respect of the incentive administration and customer service.

A set of recommendations on further improvement to the GAS programmes, compiled as a result of the survey, will form part of the review of the GAS to be conducted in 2010/11.

Film & Television:

The objective of these incentives is to increase local content generation, support co-productions and improve location competitiveness for foreign film productions. The South African Film and Television Production Incentive provides a rebate of 35% of production expenditure to qualifying film productions. The rebate is capped at R10 million.

The Foreign Film and TV Production Incentive is available to foreign-owned qualifying productions and provides a rebate of 15% of Qualifying South African Production Expenditure and is capped at R10 million. The objective of the Foreign Film and Television Incentive is to encourage and attract large budget films and television productions that will contribute towards South Africa's economic development and our international profile, as well as increase foreign direct investment.

A total of 55 productions, which included 45 South African productions and co-productions and 10 foreign productions, were approved. The Qualifying South African Production Expenditure (QSAPE) was R1,3 billion. The film sector has an investment multiplier effect of 2.5.

Two films, District 9 and Invictus, which are recipients of the rebate, were nominated for Golden Globe and Oscar awards respectively. An assessment carried out by the industry revealed that tax paid by assisted producers through VAT, Paye and Company Tax is substantially more than the incentive paid.

Black Business Supplier Development Programme (BBSDP):

The BBSDP is a 90:10 cost-sharing incentive programme, where the applicant contributes 10% and the dti provides the 90% towards the acquisition of business development services by an enterprise. The maximum grant amount that a single enterprise could qualify for was limited to R125 000. One objective was to fast-track existing SMMEs that exhibited good potential for growth into the mainstream economy. A further objective was to grow black-owned enterprises by fostering linkages between black SMMEs and large enterprises, so as to enable such enterprises to take advantage of preferential procurement opportunities created by B-BBEE policy.

The BBSDP assisted 4 008 enterprises supported in the last financial year and 9 187 since inception. Women owned enterprises supported in the last financial year were 1 602 and since inception 3 858 representing 42% of the total.

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Towards the end of the financial year 2008-2009, **the dti** commissioned a survey of beneficiaries to better understand if, how and to what extent BBSDP assisted small business. Asked to indicate whether the BBSDP had enabled their business to increase annual revenue, 33% of respondent beneficiaries indicated that they strongly agreed it had; and 47% agreed; while only 9% strongly disagreed and 11% disagreed. The other interesting piece of information learned from this study was the fact that 66% of the respondents indicated that BBSDP has assisted their business to introduce new products.

Cooperative Incentive Scheme (CIS)

The CIS is a 90:10 matching grant targeting registered cooperatives. The maximum grant per cooperative entity is R300 000. The scheme supports cooperative enterprises in the emerging economy to acquire business development services, such as business profile development; feasibility studies/market research; production efficiency; technological improvement projects; plant and machinery; start-up requirements; and working capital requirements. Two hundred and sixty four cooperatives were supported and R34 million disbursed. The monitoring of approved, fully paid cooperatives indicates that most of them are struggling to survive.

Export Marketing and Investment Assistance (EMIA)

This programme partially compensates exporters for costs incurred in respect of activities aimed at developing export markets for South African products and services abroad, and to recruit new foreign direct investment and potential customers into South Africa.

The Sector Specific Assistance Scheme (SSAS) is a 80:20 reimbursable cost-sharing grant, whereby financial support is granted to Export Councils, Joint Action Groups and Industry Associations. The Sector Specific Assistance Scheme comprises of SSAS Generic Funding, SSAS Project Funding and Generic Funding for emerging exporters.

The Capital Projects Feasibility Programme (CPFP) is a cost-sharing programme and contributes up to 55% of the feasibility study cost for projects in Africa, and 50% for projects in other countries likely to lead to projects that increase local exports and stimulate markets for South African capital goods and services.

EMIA has approved 508 projects, SSAS has approved 18 projects and CPFP has approved five projects. The number of HDI EMIA beneficiaries has increased from 69 to 134. Applications approved under SSAS Projects Funding were for the exhibitions in Chicago; USA; Atlanta USA; the DRC; Egypt; Cuba; Italy; Germany; and Dubai.

Industrial Development Zones

An industrial development zone is a purpose-built industrial estate located in the vicinity of the international airport or seaport. Currently, there are three operating IDZs in South Africa, that is, Coega, East London and Richards Bay IDZs. During the 2009/10 financial year, the following achievements were realised:

Coega signed in four investors with an estimated combined investment of R1,7 billion and 192 direct jobs. Exports from enterprises operating at Coega IDZ were valued at R135,7 million for the first three quarters of the 2009/10 financial year.

East London IDZ secured six investors with an estimated investment of R309 million and an estimated 2 050 direct jobs.

Saldanha Bay was assisted in terms of preparations for IDZ designation and their feasibility study partly funded. Gauteng was assisted in its application for OR Tambo and potential IDZs in Secunda and Mafikeng.

The Richards Bay IDZ Operator Permit was approved by the Minister of Trade and Industry in November 2009.

the dti worked with SARS in completing the Customs Controlled Area (CCA) Standard Operating Procedures that will be issued by SARS during 2010/11 financial year.

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
Incentive Administration	Assist and support 17 062 companies by providing incentives through various programmes.	Number of assisted firms for export market and investment assistance programme.	1 500.	779.	The target figure included group assistance managed by TISA.
		Business Process Outsourcing and Off-shoring.	12.	11.	2 Pending applications on hand. Tax Clearance Certificates outstanding.
		Black Business Supplier Development Programme.	1 600.	4 008.	
		Enterprise Development Programme.	1 800.	1 900.	
		Enterprise Investment Programme.	300.	448.	
		Cooperatives Incentive Scheme.	220.	246.	
		Assist new film and television productions.	Number of new film television productions assisted each year.	80.	65.
	Attract new investment to the Coega Industrial Development Zone.	Number of new foreign investors each year.	10.	3 new investors located during 2009/10.	The economic recession has slowed down planned investment activities at this and other IDZs.
		Value of new investments each year.	R5billion.	Estimated R1,865 billion.	

PROGRAMME PERFORMANCE

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
		Number of new jobs created each year.	2 000.	Estimated 292 direct jobs. Actual 7 681 direct, indirect and construction jobs created in 2009/10.	
	Attract new investment to the East London Industrial Development Zone.	Number of new investors each year.	5.	None - 6 new investors secured but not physically located.	The economic recession has slowed down planned investment activities at this and other IDZs.
		Value of new investments each year.	R250 million.	Estimated R309 million	The economic recession has slowed down planned investment activities at this and other IDZs.
		Number of new jobs created each year.	360.	Estimated direct jobs 2 050. No new jobs created in 2009/10.	Secured 6 new investors but they will only locate in 2010/11.
	Attract new investment to the Richards Bay Industrial Development Zone.	Number of new foreign investors each year.	4.	No new investors located on site during 2009/10.	The economic recession has slowed down planned investment activities at this and other IDZs.
		Value of new investments each year.	R1,9 billion	No value of new investments created.	

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
		Number of new jobs created each year.	375.	No new jobs created during 2009/2010.	The economic recession has slowed down planned investment activities at this and other IDZs.
	Support investment of R35,72 billion in new and expansion projects through Enterprise Investment Programme.	Value of investment generated.	R6,8 billion.	R8,4 billion.	
	Support investment of R16 billion. in new and expansion projects through Tax Incentive.	Value of investment generated.	R3 billion.	0.	Programme not yet approved.
		Number of projects supported.	10.	0.	Programme not yet approved.
	Support investment of R12,2.in new and expansion projects through Automotive Investment Allowance.	Value of Investment generated.	R4,6 billion.	0.	The scheme was not launched pending further consultation with the industry.
	Provide critical infrastructure for new investment through the Critical Infrastructure Programme.	Number of new projects each year.	12.	4.	13 Projects were evaluated. Due to budgetary constraints, only 4 projects were approved.
		Value of new investments each year.	R6 billion	R8,9 billion	
		Number of new jobs created each year.	2 510.	4 832.	The figure is based on the 4 projects that have been approved during 2009/10.

PROGRAMME PERFORMANCE

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PROGRAMME PERFORMANCE

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
	Provide incentives for the creation of 52 040 direct jobs.	Number of jobs created: Enterprise Investment Programme.	1 025.	16 760.	
		Business Process Outsourcing and Off-shoring.	2 340.	1 854.	Due to the economic downturn in the UK projects did not perform according to the projections.

Programme 7: Trade and Investment South Africa (TISA)

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

Measurable objectives:

- Promote awareness of investment opportunities in South Africa by conducting three international investment conferences, 95 investment presentations; three Investment Pavilions; one local investment conference; five Ministerial or Presidential missions; four technical missions; 20 inbound missions; and 12 outbound missions by March 2010.
- Improve the capacity of new exporters by training 200 new small exporters, reaching 2 000 customers and distributing 3 000 publications by March 2010.
- Promote South African products in targeted high growth markets by conducting six international trade initiatives and 18 pavilions, and funding 50 trade missions through amongst others, export council and provincial investment promotion agencies by March 2010.
- Facilitate markets for Southern African products and services by promoting and implanting 6 export projects in high yield targeted countries by March 2010.

Divisional achievements

Through TISA, during the 2009/2010 financial year **the dti** implemented measures to assist business in securing market access and investments for South African products and services. This was achieved through National Pavillions, Trade & Investment Initiatives (ITI's), as well as missions.

During the past financial year, International Trade and Investment Initiatives were facilitated to Brazil, China and the DRC. The ITI's objective is to target priority sectors in key economies for both export and investment. A total number of 23 National Pavillions and one Local Pavilion, as well as 49 Group Trade Missions, took place.

In support of State visits, the division facilitated the participation of business people in delegations to the following countries: Angola (120), Zambia (80), Brazil (60), Nigeria (50), UK (210), and Uganda (40).

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TISA has facilitated the T6 Puma expansion programme at Ford, resulting in them bringing new component suppliers such as Magnetto from Italy, Motherson and KLT from India. This represents new investments of R570 million and 350 jobs. TISA has also facilitated the roll-out of the Heineken Brewery in Sedibeng, as well Proctor and Gamble and Kimberly Clark establishing new manufacturing plants during the financial year.

Substantive progress has been made to recruit foreign direct investment in a targeted manner. Targeted countries included: China, India, Russia, Brazil, Japan, Spain, Germany, France, the UK, the USA and served countries in the Middle East. The work programme will translate over the next three years into an investment pipeline of R115 billion worth of projects.

In addition, the annual Africa Dialogue Trade and Investment conference was held in Gauteng in October 2009, which brought potential investors from around the globe (including the USA, Turkey, Iran, China, Pakistan, UAE, the UK, India, Uganda, Senegal, Mozambique, Ghana, Portugal, Zimbabwe and Namibia).

TISA also facilitated South Africa's participation at the 7th US Corporate Council on Africa. The delegates comprised 2 000 African as well as US decision makers, engaging on policy matters in Africa, as well as measures for partnerships with the US and Africa.

Under the Small Exporters Development Programme, 365 emerging exporters were trained in partnership with **seda** (the target was 200), and 183 new small exporters were assisted to promote their products in international markets through missions to the UK, Portugal, Brazil, Zambia, Chicago, China, the USA, Germany and Jamaica. Twelve high-quality trade lead bulletins were created and distributed to (potential) SMME exporters to ensure that they have access to export opportunities from abroad.

Foreign offices

the dti established new economic offices as part of the South African Missions in Harare, Zimbabwe; Kinshasa, the DRC; and Tehran, Iran. Through these new offices, the department intends to facilitate increased business opportunities for South African companies in those markets.

“the dti, through its division TISA during the 2009/ 2010 financial year implemented measures to assist business in securing markets access and investments for South African products and services...”



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PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
Investment	Promote SA as an investment destination.	Value of projects committed. R145 billion.	3 international investment conferences.	5.	Global economic crisis. Spending more time on servicing existing investments. Certain outbound missions became Ministerial.
			1 local international investment conference.	1.	
			90 investment presentations.	53.	
			3 Investment pavilions.	6.	
			5 Ministerial or Presidential missions.	12.	
			20 Inbound Missions.	30.	
			12 Outbound Missions.	5.	
			4 Technical Missions.	6.	
			R40 billion.	Project pipeline of R40 billion achieved.	
Exports	Improve the capacity of new exporters by training 670 new exporters.	Number of exporters trained.	Train 200 new exporters.	365 small exporters trained.	
	Promote South African products in targeted high-growth markets by conducting 150 trade missions and managing 54 National Pavilions.	Number of committed projects.	18 National Pavilions.	A total of 24, including 1 Local Pavilion, took place.	5 additional Pavilions were funded: <ul style="list-style-type: none"> • ZITF. • Gartner Outsourcing. • CIFIT. • Mena Ex. • AFCI Locations. • Expo USA.

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PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / ser- vice delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
			50 Trade Missions.	A total of 56 Group Trade Missions were approved for funding during this period, but only 49 Group Trade Missions took place, since 6 Missions were cancelled after approval was granted.	6 Group Missions were approved, but cancelled by the respective organisers after approval: <ul style="list-style-type: none"> • ITI Zimbabwe (4). • GEDA BPO IBM (1). • Turkey OSM (1).
	Facilitate markets for Southern African products and services by promoting and implanting 6 export projects in high-yield targeted countries by undertaking 18 International Trade Initiatives.	Number of committed projects.	6 International Trade Initiatives.	Spain, Brazil and DRC projects done.	ITI to Turkey, Russia and India postponed until the first half of the 2010/11 financial year to coincide with the Presidential State visit.

PROGRAMME PERFORMANCE

Programme 8: Communication and Marketing

Purpose: To position **the dti** as a driver of economic development and growth to all economic citizens by employing integrated marketing-communication techniques and systems aimed at intensifying awareness, uptake and access to its products and services.

Measurable objectives:

- Position **the dti** as a driver of economic development and growth.
- Intensify awareness uptake, and access to products and services.
- Build an image of trust and confidence by improving brand presence and visibility through proactive marketing and public relations activities.
- Establish and maintain effective communication and co-ordination within the department.
- Ensure that activities are impact-oriented, customer-centric in focus, nationally and internationally relevant, and that they entrench positive values of Batho Pele.

Divisional achievements

The division supported **the dti's** strategic objectives through media, advertising, publishing, and outreach in the form of events, exhibitions, and the Customer Contact Centre.

The division's active facilitation and management of media relations resulted in relatively favourable coverage of **the dti** programmes and initiatives. Issues that dominated the media amongst others, include the Consumer Protection Act, Companies Act and Industrial Policy Implementation Plan. There was a remarkable improvement in the relations with the media as a result of improved turnaround times in response to media enquiries, and the easy accessibility of the Minister, senior management and departmental experts. Furthermore, active engagement with the media resulted in six media site visits to projects funded by **the dti**. The division intends to intensify such activities to showcase success stories.

The division also produced information material that was disseminated to a wide range of stakeholders and economic citizens. There also have been improved service levels in the quality of publications, both in terms of content and design. No formal survey was done on the circulation and impact of this material, but repeated requests from programme and project managers for particular events and publications indicated that there was positive reception of this information from target audiences. As part of intergovernmental service delivery activities, through Communication and Marketing **the dti** participated in numerous initiatives, such as economic outreach and consumer education campaigns organised by provincial and municipal structures of government.

The redesign of **the dti** website is well underway and 80% of the information architecture has been set up, while the look and feel has been completed. It is envisaged that the new interactive website will be launched during the 2010-11 financial year.

*"The redesign of **the dti** website is well underway and 80% of the information architecture has been set up, while the look and feel has been completed."*



NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2010

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / service delivery indicators	Actual performance against target		Reason for variance
			Target	Actual	
Brand Management	Sustainable advertising and marketing campaigns.	1 campaign per quarter.	4 campaigns per year.	4 campaigns conducted.	None.
	Customer Surveys.	Annual customer satisfaction and perception surveys reports.	1 Customer Perception Survey.	Customer survey not conducted.	The survey was postponed to June 2010.
	Effective Customer Contact Centre management.	More than 80% service level: <ul style="list-style-type: none"> • 80% first-time resolution (industry norm). • 6% abandonment rate (industry acceptable). 	80% industry norm achieved.	55%.	The volume of calls increased drastically due to the annual returns campaign and CIPRO system downtime.
External Communication	Effective management of events and exhibitions (including izimbizo).	100 well co-ordinated and managed events and exhibitions (qualitative and quantitative variables).	100 events and exhibitions per annum.	102 events and exhibitions successfully organised and managed.	The division organised events for Economic Development as well.
	Inter-governmental relations and sustained relationships.	2 forum meetings per annum. 2 joint campaigns per annum.	2 forum meetings per annum. 2 joint campaigns per annum.	4 meetings held with the GCIS. 2 campaigns conducted.	
Media Relations and Publicity	Proactive publicity for the dti programmes and identified success stories.	3 site visits per quarter.	12 site visits.	7 site visits.	There are problems in securing relevant stakeholders to attend site visits.
	Relevance of media releases and opinion pieces.	10 releases per quarter. Average of 4 opinion pieces per quarter.	40 releases per annum. Average of 16 opinion pieces per annum.	64 releases issued. None.	Media releases exceeded. Editorial space could not be secured.

PROGRAMME PERFORMANCE

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PERFORMANCE INFORMATION for the year ended 31 March 2010

PROGRAMME PERFORMANCE

Sub-programmes	Outputs/ Measurable Objectives	Output performance measures / ser- vice delivery indicators	Actual performance against target		for variance
			Target	Actual	
	Media briefings.	2 media briefings per quarter. 1 events-linked media briefing per quarter.	8 self-initiated media briefings per annum. 4 events-linked media briefings per annum.	3 self-initiated achieved. 5 events-linked achieved.	No topical issues warranted media briefings.
Internal Communication and Publishing	Publications content development and distribution management.	Published and circulated publications.	60 published and circulated publications.	68 published and circulated. 21 edited and not published.	More requests for publications were received from divisions. Internal processes to be reviewed to facilitate service delivery both to and from divisions.
	Redesign and redevelopment of the dti website and intranet.	An interactive, informative and accurate website.	Launched and well-maintained website.	80% information architecture completed. Look and feel completed.	Sita to sort out the compatibility of servers. Launch set for the new financial year.

EAST AFRICA & SADC

Addis Ababa
Harare
Kinshasa
Luanda
Maputo
Nairobi

WEST AFRICA & MIDDLE EAST REGION

Abuja
Accra
Cairo
Dakar
Dubai
Jeddah
Tehran
Tel Aviv

ASIA EAST REGION

Beijing
Hong Kong
Seoul
Shanghai
Tokyo

ASIA WEST REGION

Bangkok
Canberra
Jakarta
Kuala Lumpur
Mumbai
New Delhi
Singapore

EUROPE 1 REGION

Brussels
Dublin
London
Milan
Moscow
Stockholm
The Hague

EUROPE 2 REGION

Berlin
Berne
Madrid
Munich
Paris
Vienna

AMERICAS REGION

Buenos Aires
Chicago
New York
Sao Paulo
Toronto
Washington

INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT DIVISION

Geneva



EAST AFRICA AND SADC

MISSION	ECONOMIC OFFICE STAFF	TELEPHONE / FACSIMILE / E-MAIL
<p style="text-align: center;">Addis Ababa</p> <p>S A Embassy, Higher 23, Kebele 10, House No 1885, Addis Ababa, ETHIOPIA</p> <p><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 Metasebiya Belyaneh Marketing Officer</p> <p>Ms Anteneh Tula</p>	<p>T 00251 11 371 3034 / 3683</p> <p>M 00251 911 25 2728 (Noncedo) 00251 911 50 4475 (Anteneh)</p> <p>F 00251 11 371 3682/1330</p> <p>E econ.saemb@ethionet.et nmviko@thedti.gov.za</p>
<p style="text-align: center;">Harare</p> <p>S A High Commission, 7 Elcombe Road, Belgravia, Harare, ZIMBABWE</p> <p><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</p> <p>M 00263 912 128 292</p> <p>F 00263 4 757 908 00263 4 749 657</p> <p>E aadams@thedti.gov.za trade@saembassy.co.zw</p>
<p style="text-align: center;">Kinshasa</p> <p>S A Embassy, 77 Avenue Ngongo Lutete, Gombe, Kinshasa, DEMOCRATIC REPUBLIC OF THE CONGO (DRC)</p> <p><u>Postal Address</u> Boite Postale 7829, Kinshasa 1, DRC</p> <p>-1 HOURS</p>	<p>Ms Zanele Sanni Counsellor (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00243</p> <p>M 00243 81 001 7980</p> <p>F 00243</p> <p>E zsanni@telecom.cd rsatradeindrc@telecom.cd</p>
<p style="text-align: center;">Luanda</p> <p>SA Embassy, Rua Manuel Fernandes Caldeira 6B, Luanda, ANGOLA</p> <p>-1 HOURS</p>	<p>Vacant Counsellor (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00244 222 33 0593</p> <p>M 00244 912 510 304</p> <p>F 00244 222 33 3830</p> <p>E satrade.ang@ebonet.net</p>
<p style="text-align: center;">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 490547 x 264</p> <p>M 00258 82 301 3781 (Meshack) 00258 84 398 7120 (Luis)</p> <p>F 00258 21 488896</p> <p>E satrade@tropical.co.mz saeconomic@tropical.co.mz</p>

EAST AFRICA AND SADC		
MISSION	ECONOMIC OFFICE STAFF	TELEPHONE / FACSIMILE / E-MAIL
<p>Nairobi</p> <p>SA High Commission, 5th Floor Roshmaer Building, Lenana Road, Kilimani, Nairobi, KENYA</p> <p><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)</p> <p>M 00254 71 460 6812 (Sisanda)</p> <p>F 00254 20 282 7219/7236</p> <p>E rsatrade@thedti.co.ke 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
<p>Abuja</p> <p>South African High Commission, 71 Usuma Street, Maitama, Abuja, Nigeria</p> <p>- 1 HOURS</p>	<p>Mr Nicholas Coleman Counsellor (Economic)</p> <p>Mr Abdul-Muizz Momodu Marketing Officer</p> <p>Ms Nse Johnson Trade Secretary</p>	<p>T 00234 9 782 2852</p> <p>M 00234 70 6410 7878 (Nick) 00234 70 3408 9962 (Abdul) 00234 80 5775 8062 (Nse)</p> <p>F 00234 9 413 3829</p> <p>E dtiabuja@gmail.com muizzmomodu@gmail.com johnsonnse@gmail.com</p>
<p>Accra</p> <p>SA High Commission, 10 Klotey Crescent, North Labone, Accra, GHANA</p> <p><u>Postal Address</u> P O Box 298, Trade Fair, Accra, GHANA</p> <p>-2 HOURS</p>	<p>Vacant First Secretary (Economic)</p> <p>Mr Francis Ntirakwa Marketing Officer</p>	<p>T 00233 21 768 477</p> <p>M 00233 544 330 168</p> <p>F 00233 21 764 484</p> <p>E sahcgh@africaonline.com.gh trade@infinet.com.gh</p>
<p>Cairo</p> <p>SA Embassy, Building 11, Intersection Road 200 & 203, Digla-Maadi, Cairo, EGYPT</p> <p>+1 HOURS <i>Working week is from Sunday - Thursday</i></p>	<p>Ms Sara Dien Counsellor (Economic)</p> <p>Ms Abeer Aboul Enein Marketing Officer</p>	<p>T 00 202 2521 3218 / 44 / 46 / 55</p> <p>M 00 201 054 51399 (Sara) 00 201 014 86148 (Abeer)</p> <p>F 00 202 2521 3261</p> <p>E essaemb@idsc.net.eg southafr@idsc.net.eg</p>

WEST AFRICA & MIDDLE EAST REGION

MISSION	ECONOMIC OFFICE STAFF	TELEPHONE / FACSIMILE / E-MAIL
<p style="text-align: center;">Dakar</p> <p>SA Embassy, Mermoz Sud, Lotissement Ecole de Police. Lot no. 5 Dakar, Senegal</p> <p><u>Postal Address</u> BP 21010, Dakar-Ponty, Dakar Senegal no. 5, Dakar, Senegal</p> <p>-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</p> <p>M 00221 77 819 6113</p> <p>F 00221 33 824 2125</p> <p>E tradeafsud@orange.sn investafsud@orange.sn www.saesenegal.info</p> <p>W</p>
<p style="text-align: center;">Dubai</p> <p>South African Consulate, Khalid Bin Waleed Street, Al Karama, Bur Dubai, UNITED ARAB EMIRATES</p> <p><u>Postal Address</u> P O Box 34800, Dubai, UNITED ARAB EMIRATES</p> <p>+ 2 HOURS <i>Working week is from Sunday - Thursday</i></p>	<p>Ms Shakira Motan Consul (Economic)</p> <p>Mr Ashok Sanjay Ghosh Marketing Officer</p>	<p>T 00971 4 397 5222 x118 (Shakira) 00971 4 397 5222 x119 (Ashok)</p> <p>M 00971 504436733 (Shakira)</p> <p>F 00971 4 397 9602</p> <p>E satrade@thedti.ae tradeassistant@thedti.ae marketingofficer@thedti.ae</p>
<p style="text-align: center;">Jeddah</p> <p>South African Consulate-General, Khalidia District, Abdallah Aba Al Khail Road, Jeddah, SAUDI ARABIA</p> <p>+1 HOURS <i>Working week is from Sat - Wednesday</i></p>	<p>Vacant Consul (Economic)</p> <p>Mr Raza Ali Humayun Marketing Officer</p> <p>Ms Randa Moh'd Dawoud Secretary</p>	<p>T 00 966 2 606 5967/606 0299 00 966 2 606 2850/606 5981</p> <p>M 00 966 5 0565 8611 (Raza)</p> <p>F 00 966 2 692 7712</p> <p>E rahumayun@thedti.gov.za</p>
<p style="text-align: center;">Tehran</p> <p>SA Embassy, No 5 Yekta Street, Vali-e-Asr Avenue, Tajrish, Tehran, ISLAMIC REPUBLIC OF IRAN</p> <p><u>Postal Address</u> P O Box 11365-7476, Tehran, Iran</p> <p>+2½ HOURS <i>Working week is from Sunday - Thursday</i></p>	<p>Mr Yusuf Timol Counsellor (Economic)</p> <p>Ms Maryam Samari, Secretary</p>	<p>T 0098 21 2270 2866 – 9 x 301</p> <p>M 0098 912 823 8405</p> <p>F 0098 21 2271 6192</p> <p>E ytimol@satrade.ir msamari@satrade.ir</p>
<p style="text-align: center;">Tel Aviv</p> <p>SA Embassy, Sason Hogi Tower, 17th Floor, 12A Abba Hillel Silver Street, 52506 Ramat Gan, Tel Aviv, ISRAEL</p> <p><u>Postal Address</u> P O Box 7138, 61071 Tel-Aviv, ISRAEL</p> <p>0 HOURS</p>	<p>Vacant Marketing Officer</p>	<p>T 00972 3 525 2566 (Switchboard) 00972 3 525 3246</p> <p>F 00972 3 525 3236</p>

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</p> <p>+6 HOURS</p>	<p>Mr Recado Andrews Counsellor (Economic)</p> <p>Mr Oliver Mei Yang 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)</p> <p>M 0086 13 60 1169744</p> <p>F 0086 10 6532 0182</p> <p>E randrews@thedti.gov.za omyang@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</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</p> <p>M 00 852 91223014</p> <p>F 00 852 2577 4532</p> <p>E satrade@dtihk.org.hk</p>
<p>Seoul</p> <p>SA Embassy, 1-37 Hannam-dong, Yongsan - ku, Seoul, SOUTH KOREA</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</p> <p>M 0082 11 9038 0948</p> <p>F 0082 2 795 0949</p> <p>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</p> <p>M 0086 136 7183 3084 (Sylvan) 0086 139 0189 2719 (Jonathan)</p> <p>F 0086 21 6335 2820</p> <p>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</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</p> <p>M 0081 90 1429 3880</p> <p>F 0081 3 3261 6445</p> <p>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 style="text-align: center;">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</p> <p>+5 HOURS</p>	<p>Ms Phaopha-nga Auyyanon Marketing Officer</p>	<p>T 0066 2 659 2900 0066 2 659 2906 (direct)</p> <p>M 0066 81 808 5400</p> <p>F 0066 2 250 1065</p> <p>E satrade@loxinfo.co.th</p>
<p style="text-align: center;">Canberra (Also: New Zealand)</p> <p>SA High Commission, Rhodes Place, State Circle, Yarralumla, Canberra, A.C.T 2600, AUSTRALIA</p> <p>+8 HOURS</p>	<p>Mr Syed M H Jaffry Marketing Officer</p>	<p>T 0061 2 6272 7300 (Switchboard) 0061 2 6272 7328 (Direct)</p> <p>M 0061 416 197 460</p> <p>F 0061 2 6273 4995</p> <p>E samarket@optusnet.com.au</p>
<p style="text-align: center;">Jakarta</p> <p>SA Embassy, 7th floor, Wisma GKBI, Site 705, JL Jend. Sudiman No 28 Jakarta 10210, INDONESIA</p> <p>+5 HOURS</p>	<p>Mr Joe Sudjana Marketing Officer</p>	<p>T 0062 21 574 0660</p> <p>M 0062 861 137 7339</p> <p>F 0062 21 572 2206 0062 21 574 0661/0655</p> <p>E satrade2@indo.net.id</p>
<p style="text-align: center;">Kuala Lumpur (Also: Philippines and Brunei)</p> <p>Suite 22-01, Level 22, Menara HLA, No 3 Jalan Kia Peng, 50450 Kuala Lumpur, MALAYSIA</p> <p>+6 HOURS</p>	<p>Ms Yip Yoke Kim Marketing Officer</p>	<p>T 0060 3 2170 2400 0060 3 2161 1563 (Direct)</p> <p>M 0060 12 238 9285</p> <p>F 0060 3 2162 7767</p> <p>E saecon3@tm.net.my</p>
<p style="text-align: center;">Mumbai</p> <p>SA Consulate General, Gandhi Mansion, 20 Altamount Road, Cumballa Hill, Mumbai 400026, INDIA</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</p> <p>M 0091 998 7346 622 (Seema) 0091 998 7345 599 (Rajan)</p> <p>F 0091 22 2352 1158</p> <p>E ssardha@dtimumbai.com rajan@dtimumbai.com nilofer@dtimumbai.com</p>

ASIA WEST REGION		
MISSION	ECONOMIC OFFICE STAFF	TELEPHONE / FACSIMILE / E-MAIL
<p>New Delhi</p> <p>South African High Commission, B-18 Vasant Marg, Vasant Vihar, New Delhi - 110045, INDIA</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</p> <p>M 0091 9818 1755 05 (Jardine) 0091 9818 1755 06 (Sarat) 0091 9818 1755 07 (Ravi)</p> <p>F 0091 11 2614 8605 0091 11 2614 3605</p> <p>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</p> <p>+6 HOURS</p>	<p>Mr Gimson Chong Marketing Officer</p>	<p>T 0065 6 339 3319</p> <p>M 0065 9 615 0433</p> <p>F 0065 6 337 0196</p> <p>E satrade2@singnet.com.sg</p>

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</p> <p>-1 HOURS</p>	<p>Mr Lionel October Minister 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 (Lionel) 0032 47 921 6681 (Norbert)</p> <p>F 0032 2 285 4430</p> <p>E nmassart@thedti.be loctober@thedti.be</p>
<p>Dublin</p> <p>SA Embassy, 2nd Floor, Alexendra House, Earlsfort Centre, Earlsfort Terrace, Dublin 2</p> <p>-1 HOURS</p>	<p>Vacant Marketing Officer</p>	<p>T 00353 1 661 5553</p> <p>M 00353 87 904 9886</p> <p>F 00353 1 661 5590</p>

EUROPE 1 REGION

MISSION	ECONOMIC OFFICE STAFF	TELEPHONE / FACSIMILE / E-MAIL
<p style="text-align: center;">London</p> <p>SA High Commission, South Africa House, Trafalgar Square, London WC2N 5DP, UNITED KINGDOM</p> <p>-2 HOURS</p>	<p>Mr Robert Cannavo Counsellor (Economic)</p> <p>Mr James Baillie Marketing Officer</p> <p>Mr Jacob Mothopeng Marketing Officer</p>	<p>T 0044 207 451 7237/36</p> <p>M 0044 792 105 5194 (Rob)</p> <p>F 0044 207 839 0634</p> <p>E rob@sadti.co.uk jacob@sadti.co.uk james@sadti.co.uk</p> <p>W www.southafricahouse.com</p>
<p style="text-align: center;">Milan</p> <p>South African Consulate General, Vicolo San Giovanni, Sul Muro 4, 20121, Milano, ITALY</p> <p><u>Postal Address</u> Casella Postale 1468, 20101 Milano, ITALY</p> <p>-1 HOURS</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 style="text-align: center;">Moscow (Also: Belarus, Ukraine, Georgia, Armenia and Kazakhstan)</p> <p>South African Embassy, Granatny Per1, Building 9, Moscow 123001, RUSSIA</p> <p>+1 HOURS</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 style="text-align: center;">Stockholm (Also: Denmark, Norway, Finland, Iceland and Baltic States)</p> <p>SA Embassy, Flemmeggatan 20, 11226 Stockholm, SWEDEN</p> <p>-1 HOURS</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 style="text-align: center;">The Hague</p> <p>SA Embassy, Wassenaarseweg 40, 2596 CJ The Hague, THE NETHERLANDS</p> <p>-1 HOURS</p>	<p>Mr Herman van der Kroef Marketing Officer</p>	<p>T 0031 70 750 7644 Herman 0031 70 750 7643</p> <p>M 0031 614600714</p> <p>F 0031 70 361 7862</p> <p>E hvdkroef@thedti.nl satrade@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</p> <p>-1 HOUR</p>	<p>Mr Hans-Friedrich Schmeding Marketing Officer</p>	<p>T 0049 30 22073152</p> <p>F 0049 30 22073207</p> <p>E hfschmeding@suedafrika.org schmedingf@dirco.gov.za</p>
<p>Berne</p> <p>South African Embassy, Alpenstrasse 29, 3006 Berne, SWITZERLAND</p> <p><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</p> <p>M 0041 79 822 8371</p> <p>F 0041 31 368 1750</p> <p>E peter.kistler@southafrica.ch</p>
<p>Madrid (Also: Portugal)</p> <p>SA Embassy, Calle Claudio Coello 91, 6th Floor, Madrid, 28006, SPAIN</p> <p>-1 HOUR</p>	<p>Mr Johan Engelbrecht Counsellor (Economic)</p> <p>Ms Alicia Segura Marketing Officer</p>	<p>T 0034 91 436 3780 / 3783</p> <p>M 0034 66 303 6969 (Johan) 0034 60 765 0952 (Alicia)</p> <p>F 0034 91 575 5389</p> <p>E econ@sudafrica.com johane@sudafrica.com alicia_segura@sudafrica.com</p>
<p>Munich</p> <p>SA Consulate-General, Sendlinger-Tor-Platz 5, 80336 Munich, GERMANY</p> <p>-1 HOUR</p>	<p>Vacant Consul (Economic)</p> <p>Mr Marc Mueller Marketing Officer</p>	<p>T 0049 89 2311 6351</p> <p>M 0049 17 1330 6130</p> <p>F 0049 89 2311 639</p> <p>E mueller@suedafrika.org mmueller@thedti.gov.za</p>
<p>Paris</p> <p>SA Embassy, 59 Quai d'Orsay, 75343 Paris, FRANCE</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</p> <p>M 0033 6 1820 0114</p> <p>F 0033 1 4555 4867</p> <p>E satrade@wanadoo.fr mustapha.adams@orange.fr</p>

EUROPE 2 REGION

MISSION	ECONOMIC OFFICE STAFF	TELEPHONE / FACSIMILE / E-MAIL	
Vienna		T	0043 1 320 649333
SA Embassy, Sandgasse 33, A 1190 Vienna, AUSTRIA	Mr Karl Neuberger Marketing Officer	M	0043 664 4204 999
		F	0043 132 0649 351
		E	vienna.trade@dirco.gov.za viennatradedti@aon.at neubergerk@dirco.gov.za ruzic-teglava@dirco.gov.za
-1 HOUR	Ms Andrijana Ruzic Marketing Officer		

AMERICAS REGION

MISSION	ECONOMIC OFFICE STAFF	TELEPHONE / FACSIMILE / E-MAIL	
Buenos Aires (Also: other Latin American Countries except Brazil)		T	0054 11 43172900 0054 11 43172923 (Direct)
SA Embassy, Marcelo T de Alvear 590, 8th Floor Capital Federal, 1058 Buenos Aires, ARGENTINA	Ms Florencia Achcar Marketing Officer	M	0054 911 4171 5685
		F	0054 114 3172 962
		E	achcarf@dirco.gov.za
-5 HOURS			
Chicago		T	001 312 939 7929 ext 228 001 312 939 7929 ext 229 (Valentina)
SA Consulate-General, 200 South Michigan Ave, Suite 600, Chicago, Illinois 60604, USA	Mr Charles Manuel Consul (Economic)	M	001 312 659 2442 (Charles)
		F	001 312 939 2588
		E	cmanuel@thedti.gov.za vtomov@thedti.gov.za
-7/8 HOURS	Ms Valentina Tomov Marketing Officer		
New York		T	001 212 692 2428/27
SA Consulate-General, 333 East 38th Street, 9th Floor, New York, NY 10016, USA	Vacant Consul (Economic)	M	001 917 496 5007 (Jeff) 001 917 496 4006 (Bing)
		F	001 212 856 1576
		E	govanj@dirco.gov.za alo-villarealb@dirco.gov.za peraltam@dirco.gov.za nwes@dirco.gov.za
-7/8 HOURS	Mr Jeffrey Govan (x2430) Marketing Officer		
	Ms Bing Alo-Villareal (x2455) Marketing Officer		
	Myrna x2427 Sandra x2494		

AMERICAS REGION		
MISSION	ECONOMIC OFFICE STAFF	TELEPHONE / FACSIMILE / E-MAIL
<p>Sao Paulo</p> <p>SA Consulate General, Avenida Paulista 1754, 17th Floor, 01310-920, São Paulo, SP, BRAZIL</p> <p>-5 HOURS</p>	<p>Mr Jacob Moatshe 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 (Jacob) 0055 11 7140 7741 (Mark)</p> <p>F 0055 11 3288 3742</p> <p>E jacobm@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>-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>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>-6/7 HOURS</p>	<p>Ms Lerato Mataboge Minister (Economic)</p> <p>Ms Jennifer Cheong Marketing Officer</p>	<p>T 001 202 232 4400 001 202 274 7973 (Mataboge) 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 ldmataboge@saembassy.org jcheong@thedti.org jcheong@saembassy.org</p>

INTERNATIONAL TRADE & 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</p> <p>-1 HOUR</p>	<p>Mr Faizel Ismail Minister (Economic)</p> <p>Mr Wamkele Mene Counsellor (Economic)</p>	<p>T 0041 22 849 5401/2 0041 22 849 5404 (Wamkele) 0041 22 849 5403 (Miguel)</p> <p>M 0041 79786 6024 (Faizel)</p> <p>F 0041 22 849 5400</p> <p>E faizel.ismail@ties.itu.int wamkele@bluewin.ch</p>





HUMAN RESOURCES OVERSIGHT REPORT 8

for the year ended 31 March 2010

SERVICE DELIVERY

TABLE 1.1 - Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
SDIP 2010/11 being defined and developed.	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx

TABLE 1.2 - Consultation Arrangements for Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
SDIP 2010/11 being defined and developed.	xxx	xxx	xxx
	xxx	xxx	xxx

TABLE 1.3 - Service Delivery Access Strategy

Access Strategy	Actual Achievements
SDIP 2010/11 being defined and developed.	xxx

TABLE 1.4 - Service Information Tool

Type of Information Tool	Actual Achievements
SDIP 2010/11 being defined and developed.	xxx

TABLE 1.5 - Complaint Mechanism

Complaint Mechanism	Actual Achievements
SDIP 2010/11 being defined and developed.	xxx

EXPENDITURE

TABLE 2.1 - 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	416,764	111,518	8,789	22,887	26.8	95	1170
International Trade & Economic Development	183,884	47,202	0	21,970	25.7	40	1170
Empowerment & Enterprise Development	1,310,998	35,709	0	14,084	2.7	31	1170
Industrial Development	413,060	45,053	0	6,639	10.9	39	1170
Consumer & Corporate Regulatory Division	227,603	36,395	0	4,604	16.0	31	1170
The Enterprise Organisation	3,343,575	67,677	0	8,081	2.0	58	1170
Trade & Investment SA	298,979	83,561	6	4,275	27.9	71	1170
Communication & Marketing	43,092	18,461	0	3,100	42.8	16	1170
Z=Total as on Financial Systems (BAS)	6,237,955	445,576	8,795	85,640	7.1	381	1170

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
HUMAN RESOURCES OVERSIGHT REPORT for the year ended 31 March 2010

TABLE 2.2 - 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)	1,288	0.3	161,000	445,576	8
Skilled (Levels 3-5)	5,932	1.3	121,061	445,576	49
Highly skilled production (Levels 6-8)	60,824	13.7	211,194	445,576	288
Highly skilled supervision (Levels 9-12)	203,395	45.6	457,067	445,576	445
Senior management (Levels 13-16)	111,143	24.9	721,708	445,576	154
Contract (Levels 1-2)	1,538	0.3	41,568	445,576	37
Contract (Levels 3-5)	3,646	0.8	227,875	445,576	16
Contract (Levels 6-8)	14,291	3.2	234,279	445,576	61
Contract (Levels 9-12)	12,289	2.8	491,560	445,576	25
Contract (Levels 13-16)	29,871	6.7	1,194,840	445,576	25
Periodical Remuneration	1,054	0.2	17,279	445,576	61
Abnormal Appointment	305	0.1	305,000	445,576	1
TOTAL	445,576	100	380,834	445,576	1,170

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
HUMAN RESOURCES OVERSIGHT REPORT for the year ended 31 March 2010

TABLE 2.3 - 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	73,134	65.6	604	0.5	788	0.7	3,262	2.9	111,518
International Trade & Economic Development	31,280	66.3	120	0.3	413	0.9	1,281	2.7	47,202
Empowerment & Enterprise Development	23,535	65.9	0	0	165	0.5	971	2.7	35,709
Industrial Development	30,001	66.6	8	0	255	0.6	1,211	2.7	45,053
Consumer & Corporate Regulatory Division	24,618	67.6	0	0	283	0.8	1,149	3.2	36,395
The Enterprise Organisation	46,752	69.1	661	1	548	0.8	1,976	2.9	67,677
Trade & Investment SA	29,865	35.7	48	0.1	124	0.1	1,379	1.7	83,561
Communications & marketing	13,117	71.1		0	80	0.4	483	2.6	18,461
		0	0	0		0		0	
TOTAL	272,302	61.1	1,441	0.3	2,656	0.6	11,712	2.6	445,576

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TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

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)
Lower skilled (Levels 1-2)	610	47.4	0	0	48	3.7	141	10.9	1,288
Skilled (Levels 3-5)	3,175	53.5	25	0.4	180	3	416	7	5,932
Highly skilled production (Levels 6-8)	33,253	54.7	865	1.4	964	1.6	3,208	5.3	60,824
Highly skilled supervision (Levels 9-12)	121,203	59.6	374	0.2	1,003	0.5	5,662	2.8	203,395
Senior management (Levels 13-16)	70,991	63.9	2	0	334	0.3	1,843	1.7	111,143
Contract (Levels 1-2)	1,154	75	0	0	0	0	0	0	1,538
Contract (Levels 3-5)	2,743	75.2	3	0.1	0	0	0	0	3,646
Contract (Levels 6-8)	10,508	73.5	164	1.1	16	0.1	36	0.3	14,291
Contract (Levels 9-12)	8,497	69.1	8	0.1	25	0.2	75	0.6	12,289
Contract (Levels 13-16)	20,168	67.5	0	0	86	0.3	331	1.1	29,871
Periodical Remuneration	0	0	0	0	0	0	0	0	1,054
Abnormal Appointment	0	0	0	0	0	0	0	0	305
TOTAL	272,302	61.1	1,441	0.3	2,656	0.6	11,712	2.6	445,576

EMPLOYMENT

TABLE 3.1 - 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	396	313	21	40
Communication and Marketing Permanent	97	78	19.6	0
Consumer and Corporate Regulation Permanent	116	92	20.7	3
Empowerment and Enterprise Development Permanent	104	84	19.2	3
Industrial Development Permanent	135	103	23.7	11
International Trade and Economic Development Permanent	137	115	16.1	2
The Enterprise Organisation Permanent	233	206	11.6	7
Trade and Investment South Africa Permanent	130	112	13.8	15
TOTAL	1348	1103	18.2	81
Of Which EDD	6	6	0	13

TABLE 3.2 - Employment and Vacancies by Salary Band 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	11	11	0	0
Skilled (Levels 3-5), Permanent	54	48	11.1	0
Highly skilled production (Levels 6-8), Permanent	369	316	14.4	0
Highly skilled supervision (Levels 9-12), Permanent	623	488	21.7	0
Senior management (Levels 13-16), Permanent	203	152	25.1	0
Contract (Levels 1-2), Permanent	0	0	0	0
Contract (Levels 3-5), Permanent	4	4	0	53
Contract (Levels 6-8), Permanent	48	48	0	13
Contract (Levels 9-12), Permanent	12	12	0	11
Contract (Levels 13-16), Permanent	24	24	0	4
TOTAL	1348	1103	18.2	81
Of Which EDD	6	6	0	13

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TABLE 3.3 - 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
Administrative related, Permanent	346	264	23.7	54
Client inform clerks (switchboard receipt inform clerks), Permanent	0	0	0	0
Economists, Permanent	9	9	0	0
Finance and Economics Related, Permanent	40	35	12.5	0
Financial and Related Professionals, Permanent	7	5	28.6	0
Financial Clerks and Credit Controllers, Permanent	1	1	0	0
Food Services Aids and Waiters, Permanent	8	7	12.5	3
General Legal Administration & Related Professionals, Permanent	7	7	0	0
Head of Department/Chief Executive Officer, Permanent	1	1	0	0
Human Resources & Organisational Development & Related Professionals, Permanent	1	1	0	0
Human Resources Clerks, Permanent	2	2	0	0
Human Resources Related, Permanent	31	26	16.1	0
Information Technology Related, Permanent	6	6	0	0
Legal Related, Permanent	1	1	0	0
Librarians and Related Professionals, Permanent	1	0	100	0
Library Mail and Related Clerks, Permanent	13	12	7.7	0
Light Vehicle Drivers, Permanent	1	1	0	1
Logistical Support Personnel, Permanent	18	16	11.1	0
Messengers, Porters and Deliverers, Permanent	15	14	6.7	0
Other Administration & Related Clerks and Organisers, Permanent	8	8	0	12
Other Information Technology Personnel, Permanent	1	1	0	0
Other Occupations, Permanent	9	9	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	47	37	21.3	4
Security Officers, Permanent	16	10	37.5	0
Senior Managers, Permanent	226	175	22.6	4
Statisticians and Related Professionals, Permanent	1	0	100	0
Trade Industry Advisers & Other Related Profession, Permanent	532	455	14.5	3
TOTAL	1348	1103	18.2	81
Of Which EDD	6	6	0	13

EVALUATION

TABLE 4.1 - 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)	11	0	0	0	0	0	0
Contract (Levels 1-2)	0	0	0	0	0	0	0
Contract (Levels 3-5)	4	0	0	0	0	0	0
Contract (Levels 6-8)	48	0	0	* 2	0	0	0
Contract (Levels 9-12)	12	0	0	* 3	0	0	0
Contract (Band A)	14	0	0	0	0	0	0
Contract (Band B)	4	0	0	0	0	0	0
Contract (Band C)	5	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	54	2	3.7	0	0	0	0
Highly skilled production (Levels 6-8)	369	16	4.3	0	0	0	0
Highly skilled supervision (Levels 9-12)	623	30	4.8	0	0	0	0
Senior Management Service Band A	152	7	4.6	0	0	0	0
Senior Management Service Band B	47	0	0	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	0	1	0	0	0	0	0
TOTAL	1348	56	4.2	5	8.9	0	0

* Evaluated during the previous financial year

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	4	0	0	0	4
TOTAL	5	0	0	0	5
Employees with a Disability	0	0	0	0	0

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TABLE 4.3 - Employees whose salary level exceed 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
Trade Industry Advisers & Other Related Profession	1	12	13	Counter Offer / Retention	1
Trade Industry Advisers & Other Related Profession	1	11	12	Counter Offer / Retention	1
Senior Managers	1	13	14	Attraction	1
Human Resources Related	1	11	12	Counter Offer / Retention	1
Senior Managers	2	13	14	Counter Offer / Retention	2
Percentage of Total Employment	0.55				6

TABLE 4.4 - 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	2	0	0	0	2
Male	2	0	0	2	4
TOTAL	4	0	0	2	6
Employees with a Disability	0	0	0	1	1

VSP

GRANTING OF EMPLOYEE INITIATED SEVERANCE PACKAGES

Beneficiaries	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)	2	2	1	1
Senior management (Levels 13-16)	0	0	0	0
TOTAL	2	2	1	1

Employment Changes

TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2009)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	13	0	0	0
Skilled (Levels 3-5), Permanent	48	5	3	6.3
Highly skilled production (Levels 6-8), Permanent	277	40	15	5.4
Highly skilled supervision (Levels 9-12), Permanent	447	47	26	5.8
Senior Management Service Band A, Permanent	103	10	5	4.9
Senior Management Service Band B, Permanent	23	4	4	17.4
Senior Management Service Band C, Permanent	2	0	0	0
Senior Management Service Band D, Permanent	0	0	0	0
Contract (Levels 1-2), Permanent	0	29	12	0
Contract (Levels 3-5), Permanent	6	19	6	100
Contract (Levels 6-8), Permanent	41	15	7	17.1
Contract (Levels 9-12), Permanent	11	19	6	54.5
Contract (Band A), Permanent	19	5	4	21.1
Contract (Band B), Permanent	12	1	4	33.3
Contract (Band C), Permanent	4	2	1	25
Contract (Band D), Permanent	1	0	0	0
TOTAL	1007	196	93	9.2
Of Which EDD	0	24	5	0

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TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Salary Band	Employment at Beginning of Period (April 2009)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	235	80	29	12.3
Advocates, Permanent	0	0	0	0
Client inform clerks (switchboard receipt inform clerks), Permanent	0	0	0	0
Communication and information related, Permanent	0	0	0	0
Custodian personnel, Permanent	0	0	0	0
Diplomats, Permanent	0	0	0	0
Economists, Permanent	0	0	0	0
Engineering sciences related, Permanent	0	0	0	0
Finance and economics related, Permanent	36	3	3	8.3
Financial and related professionals, Permanent	5	1	1	20
Financial clerks and credit controllers, Permanent	3	2	0	0
Food services aids and waiters, Permanent	1	3	0	0
General legal administration & related professionals, Permanent	0	1	1	0
Head of department/chief executive officer, Permanent	1	0	0	0
Human resources & organisational development & related professionals, Permanent	1	0	0	0
Human resources clerks, Permanent	0	0	0	0
Human resources related, Permanent	25	2	2	8
Information technology related, Permanent	2	0	0	0
Legal related, Permanent	1	0	0	0
Librarians and related professionals, Permanent	0	0	1	0
Library mail and related clerks, Permanent	4	3	4	100
Light vehicle drivers, Permanent	0	1	0	0
Logistical support personnel, Permanent	17	0	3	17.6
Material-recording and transport clerks, Permanent	0	0	0	0
Messengers, porters and deliverers, Permanent	0	0	1	0
Natural sciences related, Permanent	0	0	0	0
Other administration & related clerks and organisers, Permanent	5	8	1	20
Other information technology personnel., Permanent	0	0	0	0
Other occupations, Permanent	53	2	0	0

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TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Salary Band	Employment at Beginning of Period (April 2009)	Appointments	Terminations	Turnover Rate
Rank: Unknown, Permanent	0	0	0	0
Regulatory inspectors, Permanent	0	0	0	0
Secretaries & other keyboard operating clerks, Permanent	21	11	5	23.8
Security officers, Permanent	2	4	0	0
Senior managers, Permanent	168	23	18	10.7
Statisticians and related professionals, Permanent	1	0	0	0
Trade Industry advisers & other related profession, Permanent	426	52	24	5.6
TOTAL	1007	196	93	9.2
Of Which EDD	0	24	5	0

TABLE 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	6	6.5	0.5	93	1103
Resignation, Permanent	46	49.5	4.2	93	1103
Expiry of contract, Permanent	18	19.4	1.6	93	1103
Dismissal-misconduct, Permanent	4	4.3	0.4	93	1103
Retirement, Permanent	3	3.2	0.3	93	1103
Severance Package	1	1.1	0.1	93	1103
Transfers out of Department	15	16.1	1.4	93	1103
TOTAL	93	100	8.4	93	1103
Of Which EDD	5	0	0	5	0

Resignations as % of Employment

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TABLE 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	235	16	6.8	109	46.4
Advocates, Permanent	0	0	0	0	0
Client inform clerks (switchboard receipt inform clerks), Permanent	0	0	0	0	0
Communication and information related, Permanent	0	0	0	0	0
Custodian personnel, Permanent	0	0	0	0	0
Diplomats, Permanent	0	0	0	0	0
Economists, Permanent	0	0	0	3	0
Engineering sciences related, Permanent	0	0	0	0	0
Finance and economics related, Permanent	36	2	5.6	17	47.2
Financial and related professionals, Permanent	5	0	0	3	60
Financial clerks and credit controllers, Permanent	3	0	0	1	33.3
Food services aids and waiters, Permanent	1	0	0	5	500
General legal administration & related professionals, Permanent	0	0	0	2	0
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	0	0	0	2	0
Human resources related, Permanent	25	1	4	13	52
Information technology related, Permanent	2	1	50	5	250
Legal related, Permanent	1	0	0	1	100
Librarians and related professionals, Permanent	0	0	0	0	0
Library mail and related clerks, Permanent	4	0	0	3	75
Light vehicle drivers, Permanent	0	0	0	1	0
Logistical support personnel, Permanent	17	0	0	10	58.8
Material-recording and transport clerks, Permanent	0	0	0	0	0
Messengers, porters and deliverers, Permanent	0	0	0	9	0

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TABLE 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
Natural sciences related, Permanent	0	0	0	0	0
Other administration & related clerks and organisers, Permanent	5	1	20	4	80
Other information technology personnel, Permanent	0	0	0	0	0
Other occupations, Permanent	53	0	0	11	20.8
Rank: Unknown, Permanent	0	0	0	0	0
Regulatory inspectors, Permanent	0	0	0	1	0
Secretaries & other keyboard operating clerks, Permanent	21	5	23.8	13	61.9
Security officers, Permanent	2	0	0	3	150
Senior managers, Permanent	168	21	12.5	108	64.3
Statisticians and related professionals, Permanent	1	0	0	1	100
Trade Industry advisers & other related profession, Permanent	426	30	0	210	49.3
TOTAL	1007	77	7.6	536	53.2

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TABLE 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	13	0	0	8	61.5
Skilled (Levels 3-5), Permanent	48	3	6.3	29	60.4
Highly skilled production (Levels 6-8), Permanent	277	16	5.8	152	54.9
Highly skilled supervision (Levels 9-12), Permanent	447	37	8.3	238	53.2
Senior Management (Levels 13-16), Permanent	128	21	16.4	92	71.9
Contract (Levels 1-2), Permanent	0	0	0	0	0
Contract (Levels 3-5), Permanent	6	0	0	0	0
Contract (Levels 6-8), Permanent	41	0	0	0	0
Contract (Levels 9-12), Permanent	11	0	0	1	9.1
Contract (Levels 13-16), Permanent	36	0	0	16	44.4
TOTAL	1007	77	7.6	536	53.2



EMPLOYMENT EQUITY

TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	62	8	9	79	25	41	4	9	54	21	179
Professionals, Permanent	204	11	12	227	34	206	11	26	243	47	551
Technicians and associate professionals, Permanent	82	5	3	90	3	191	14	4	209	33	335
Clerks, Permanent	17	0	0	17	0	44	2	0	46	11	74
Service and sales workers, Permanent	3	1	2	6	2	2	0	0	2	1	11
Plant and machine operators and assemblers, Permanent	2	0	0	2	0	0	0	0	0	0	2
Labourers and Related Workers, Permanent	14	0	0	14	0	17	1	0	18	0	32
TOTAL	384	25	26	435	64	501	32	39	572	113	1184
Of Which EDD	7	0	0	7	1	6	3	0	9	2	19
Employees with disabilities	9	0	0	9	2	9	1	0	10	3	24

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TABLE 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
Top Management, Permanent	0	0	2	2	0	0	1	0	1	0	3
Senior Management, Permanent	54	8	5	67	21	37	0	8	45	18	151
Professionally qualified and experienced specialists and mid-management, Permanent	165	10	15	190	31	164	10	23	197	38	456
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	85	3	2	90	7	194	8	0	202	45	344
Semi-skilled and discretionary decision making, Permanent	18	0	0	18	0	29	2	5	36	1	55
Unskilled and defined decision making, Permanent	5	0	0	5	0	2	0	0	2	0	7
Contract (Top Management), Permanent	2	0	2	4	1	2	0	0	2	1	8
Contract (Senior Management), Permanent	6	0	0	6	3	2	3	1	6	2	17
Contract (Professionally qualified), Permanent	7	2	0	9	1	6	2	1	9	3	22
Contract (Skilled technical), Permanent	19	2	0	21	0	31	4	1	36	5	62
Contract (Semi-skilled), Permanent	6	0	0	6	0	11	1	0	12	0	18
Contract (Unskilled), Permanent	17	0	0	17	0	23	1	0	24	0	41
TOTAL	384	25	26	435	64	501	32	39	572	113	1184
Of Which EDD	7	0	0	7	1	6	3	0	9	2	19

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TABLE 6.3 - Recruitment

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	4	0	2	6	1	14
Professionally qualified and experienced specialists and mid-management, Permanent	18	1	2	21	0	21	1	2	24	2	47
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	14	0	2	16	0	22	2	0	24	0	40
Semi-skilled and discretionary decision making, Permanent	1	0	0	1	0	4	0	0	4	0	5
Contract (Top Management), Permanent	0	0	0	0	1	0	0	0	0	1	2
Contract (Senior Management), Permanent	3	0	0	3	2	0	0	0	0	1	6
Contract (Professionally qualified), Permanent	9	1	0	10	1	5	2	1	8	2	21
Contract (Skilled technical), Permanent	6	0	1	7	0	12	1	0	13	1	21
Contract (Semi-skilled), Permanent	4	0	0	4	0	7	0	0	7	0	11
Contract (Unskilled), Permanent	10	0	0	10	0	19	0	0	19	0	29
TOTAL	70	3	5	78	5	94	6	5	105	8	196
Of Which EDD	8	0	0	8	5	7	2	0	9	2	24
Employees with disabilities	6	0	0	6	0	6	0	0	6	0	12

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TABLE 6.4 - Promotions

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	1	0	1	0	1
Senior Management, Permanent	7	1	0	8	1	6	1	0	7	4	20
Professionally qualified and experienced specialists and mid-management, Permanent	14	1	1	16	2	14	1	1	16	3	37
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	0	0	4	0	10	0	0	10	2	16
Semi-skilled and discretionary decision making, Permanent	3	0	0	3	0	0	0	0	0	0	3
Unskilled and defined decision making, Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Top Management), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Senior Management), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Skilled technical), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	28	2	1	31	3	30	3	1	34	9	77
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

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TABLE 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	2	0	0	2	1	6	0	0	6	0	9
Professionally qualified and experienced specialists and mid-management, Permanent	6	0	1	7	0	12	0	1	13	1	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	5	0	0	5	0	11	0	1	12	3	20
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	2	0	0	2	1	3
Contract (Senior Management), Permanent	4	0	0	4	4	1	0	0	1	0	9
Contract (Professionally qualified), Permanent	2	0	0	2	1	0	1	0	1	0	4
Contract (Skilled technical), Permanent	4	0	0	4	1	4	0	0	4	0	9
Contract (Semi-skilled), Permanent	2	0	1	3	0	1	1	1	3	0	6
Contract (Unskilled), Permanent	2	0	0	2	0	10	0	0	10	0	12
TOTAL	27	0	2	29	7	47	2	3	52	5	93
Of Which EDD	0	0	0	0	4	1	0	0	1	0	5
Employees with disabilities	0	0	0	0	0	0	0	0	0	1	1

TABLE 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	33	5	2	40	2	26	0	0	26	5	73

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TABLE 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	48	2	5	55	16	51	2	9	62	16	149
Professionals	0	0	0	0	0	0	0	0	0	0	0
Technicians and Associate Professionals	275	7	15	297	19	324	3	17	344	41	701
Clerks	123	3	10	136	3	236	20	7	263	32	434
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	64	0	0	64	0	0	0	0	0	0	64
Elementary Occupations	0	0	0	0	0	84	0	0	84	0	84
TOTAL	510	12	30	552	38	695	25	33	753	89	1432
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

PERFORMANCE

TABLE 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	113	501	23	2,154	19
African, Male	76	384	20	1,884	25
Asian, Female	15	39	38	553	37
Asian, Male	5	26	19	278	56
Coloured, Female	9	32	28	119	13
Coloured, Male	4	25	16	112	28
Total Blacks, Female	137	572	24	2,826	21
Total Blacks, Male	85	435	20	2,274	27
White, Female	46	113	41	1,166	25
White, Male	15	64	23	615	41
Employees with a disability	3	24	13	79	26
TOTAL	286	1184	24	6,960	24

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TABLE 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)	11	11	100	63	6
Skilled (Levels 3-5)	21	48	43.8	143	7
Highly skilled production (Levels 6-8)	106	316	33.5	1,377	13
Highly skilled supervision (Levels 9-12)	125	488	25.6	3,854	31
Contract (Levels 1-2)	0	0	0	0	0
Contract (Levels 3-5)	0	57	0	0	0
Contract (Levels 6-8)	0	61	0	0	0
Contract (Levels 9-12)	0	23	0	0	0
Periodical Remuneration	0	0	0	0	0
TOTAL	263	1004	26.2	5,437	57

TABLE 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	66	318	20.8	964	15
Diplomats	1	0	0	12	12
Client inform clerks (switchboard receipt inform clerks), Permanent	1	0	0	14	14
Economists, Permanent	1	9	11.1	42	42
Finance and economics related, Permanent	22	35	62.9	695	31
Financial and related professionals, Permanent	6	5	120	98	16
Financial clerks and credit controllers, Permanent	3	1	300	30	10
Food services aids and waiters, Permanent	7	10	70	38	5
General legal administration & related professionals, Permanent	2	7	28.6	40	20
Head of department/Chief executive officer, Permanent	0	1	0	0	0
Human resources & organisat developm & relate prof, Permanent	0	1	0	0	0
Human Resources Clerks, Permanent	1	2	50	12	12
Human resources related, Permanent	7	26	26.9	218	31
Information technology related, Permanent	0	6	0	0	0
Legal related, Permanent	2	1	200	81	40
Librarians and related professionals, Permanent	1	0	0	14	15
Library mail and related clerks, Permanent	4	12	33.3	34	8

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Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
Light vehicle drivers, Permanent	1	2	50	5	5
Logistical support personnel, Permanent	7	16	43.8	111	16
Messengers porters and deliverers, Permanent	7	14	50	39	6
Other administrat & related clerks and organisers, Permanent	2	20	10	17	8
Other information technology personnel, Permanent	0	1	0	0	0
Other occupations, Permanent	12	9	133.3	151	13
Regulatory Inspectors	1	0	0	18	18
Secretaries & other keyboard operating clerks, Permanent	12	41	29.3	146	12
Security officers, Permanent	1	10	10	10	10
Senior managers, Permanent	23	179	12.8	1,523	66
Statisticians and related professionals, Permanent	0	0	0	0	0
Trade Industry advisers & other related profession, Permanent	96	458	21	2,648	28
TOTAL	286	1184	24.2	6,960	24

TABLE 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	11	129	8.5	643	5,846	7.75	83
Band B	6	41	14.6	378	6,300	12.19	31
Band C	6	9	66.7	502	8,367	55.78	9
Band D	0	1	0	0	0	0.00	10
TOTAL	23	180	12.8	1523	6621.7	11.45	133

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TABLE 7.5 - Signed PM Agreements by SMS Members as on 31 July 2009

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	
Salary Level 15	8	8	2	25%
Salary Level 14	45	37	28	76%
Salary 13	159	117	104	89%
TOTAL	213	163	134	82%

TABLE 7.6 - Reasons for not having concluded Performance Agreements for all SMS members as on 31 July 2009

DG/HOD	Complied with new submission date. Performance agreement submitted by 31 August 2009
DG/HOD	"Complied with new submission date. Performance agreement submitted by 31 August 2009."
Salary level 16 but not HOD	N/A
Salary Level 15	Strategy Unit quality assured performance agreements of DDGs to ensure alignment with business plans. All Level 15 agreements were submitted on 1 September 2009.
Salary Level 14	"1. Six CD's agreements were submitted during August due to: - Four agreements were quality assured and were reviewed. - One extension granted due to new administration (Ministry). - One Acting DDG's agreement was quality assured by the Strategy Unit to ensure alignment with business plans. 2. One agreement outstanding due to new priority projects added to current responsibilities/ agreement; 3. One employee promoted."
Salary 13	159 "1. Seven agreements submitted after 31 July 2009 due to: - One employee was transferred to a new position. - Two agreements were quality assured and were reviewed. - Two extensions were granted due to new Administration (Ministry). - Two agreements not submitted due to negligence of employee. 2. One agreement not submitted due to no role and responsibility clarification. 3. One employee seconded to NEPAD. Placement to be reviewed. 4. One employee's role and responsibilities were redesigned due to change in Administration. 5. One employee promoted. 6. One newly appointed employee. 7. One agreement was submitted on 6 August 2009."

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Table 7.7 - Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 July 2009

1. The non-compliance was investigated by Management in consultation with Human Resources.
2. The reasons were considered and the necessary steps were taken to ensure that agreements are submitted timely.
3. Two written warnings were issued.

FOREIGN WORKERS

TABLE 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	25	1	33.3	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Contract (Levels 6-8)	1	25	1	33.3	0	0
Contract (Levels 13-16)	1	25	1	33.3	0	0
Periodical Remuneration	1	25	0	0	-1	-33.3
TOTAL	4	100	3	100	-1	-33.3

TABLE 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	0	0	1	33	33	0
Other occupations	1	25	0	0	0	0
Professionals and Managers	3	75	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	0	2	67	67	0
TOTAL	4	100	3	100	100	1

LEAVE

TABLE 9.1 - Sick Leave for Jan 2009 to Dec 2009

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	110	80.9	28	3.2	4	23	880	89
Skilled (Levels 3-5)	253	79.4	37	4.2	7	69	880	201
Highly skilled production (Levels 6-8)	1793	78.5	263	29.9	7	927	880	1407
Highly skilled supervision (Levels 9-12)	2042	78.8	347	39.4	6	2105	880	1609
Senior management (Levels 13-16)	510	83.1	142	16.1	4	764	880	424
Contract (Levels 1-2)	0	0	0	0	0	0	880	0
Contract (Levels 3-5)	21	61.9	8	0.9	3	6	880	13
Contract (Levels 6-8)	247	92.7	37	4.2	7	105	880	229
Contract (Levels 9-12)	35	77.1	7	0.8	5	35	880	27
Contract (Levels 13-16)	42	69	11	1.3	4	86	880	29
TOTAL	5053	79.7	880	100	6	4120	880	4028

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2009 to Dec 2009

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)	49	100	1	3.6	49	14	49	1
Highly skilled production (Levels 6-8)	276	100	12	42.9	23	169	276	12
Highly skilled supervision (Levels 9-12)	522	100	13	46.4	40	696	522	13
Senior management (Levels 13-16)	25	100	2	7.1	13	60	25	2
TOTAL	847	100	28	100	30	879	847	28

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TABLE 9.3 - Annual Leave for Jan 2009 to Dec 2009

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	157	22	7
Skilled (Levels 3-5)	1053	19	55
Highly skilled production (Levels 6-8)	6010	20	307
Highly skilled supervision (Levels 9-12)	9349	20	461
Senior management (Levels 13-16)	3584	21	170
Contract (Levels 1-2)	390	10	40
Contract (Levels 3-5)	195	11	17
Contract (Levels 6-8)	754	14	53
Contract (Levels 9-12)	169	11	16
Contract (Levels 13-16)	402	17	23
Not Available	0	0	0
TOTAL	22063	19	1149

TABLE 9.4 - Capped Leave for Jan 2009 to Dec 2009

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2009	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2009	Number of Employees as at 31 December 2009
Skilled (Levels 3-5)	11	6	67	2	1685	25
Highly skilled production (Levels 6-8)	37	4	17	10	1049	62
Highly skilled supervision (Levels 9-12)	50	3	36	18	5118	143
Senior management (Levels 13-16)	51	5	38	10	2435	64
TOTAL	149	4	35	40	10287	294

TABLE 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2009/10 due to non-utilisation of leave for the previous cycle	1,064	73	14,575
Capped leave payouts on termination of service for 2009/10	1,581	128	12,352
Current leave payout on termination of service for 2009/10	254	55	4,618
TOTAL	2,899	256	11.324

HIV

TABLE 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
First Aiders	Providing access to Post-Exposure Prophylaxis

TABLE 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 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. A 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 L Khoza, Ms F Gallie; Ms M Sibaca; Ms M Mphahlele; Mr F Stevens; Ms R Makholane; Ms L Phahla; Ms B Ndlovu; Ms D Livhalani; Ms F Ngwendu; Sr E Sebata; Mr K Mokaba; Ms C Sithole; and Ms M Madiga. Members represent organised labour, gender, race and occupational levels, including 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 preparation for a policy brochure to be distributed amongst staff members.
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 policy, as well as the Employment Equity Plan, 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.

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Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Employees who come for Voluntary Counselling and Testing (VCT) are currently referred to the Department of Health. On average, we receive 1-2 requests per month for VCT. Approval was obtained to implement an in-house VCT programme through an independent service provider.
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.

LABOUR RELATIONS

TABLE 11.1 - Collective Agreements

Subject Matter	Date
Recognition agreement	Unsigned

TABLE 11.2 - Misconduct and Disciplinary Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total
Dismissal	5	9
Suspension	2	3
Verbal warning	12	21
Written warning	21	36
Final Written Warning	14	24
Counselling	0	0
Demotion	0	0
Withdrawn	1	2
Resigned	1	2
Not guilty	2	3
TOTAL	58	100

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TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total
Fraud & Corruption	17	23
Misrepresentation	5	7
Absenteeism/abscondment	7	10
Non-compliance	25	34
Theft	0	0
Insubordination	15	21
Abuse of state property	1	1
Negligence	3	4
TOTAL	73	100

TABLE 11.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total
Resolved	16	70
Not resolved	7	30
TOTAL	23	100

TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	2	29
Pending	5	71
Dismissed	0	0
TOTAL	7	100

TABLE 11.6 - Strike Actions

Strike Actions		
Total number of person working days lost		0
Total cost (R'000) of working days lost		0
Amount (R'000) recovered as a result of no work no pay		0

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TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	13
Number of people whose suspension exceeded 30 days	12
Average number of days suspended	182
Cost (R'000) of suspensions	1759

SKILLS DEVELOPMENT

TABLE 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	74	0	144	0	144
	Male	105	0	121	0	121
Professionals	Female	286	0	0	0	0
	Male	263	0	0	0	0
Technicians and associate professionals	Female	240	0	545	0	545
	Male	91	0	536	0	536
Clerks	Female	62	0	159	0	159
	Male	17	0	75	0	75
Service and sales workers	Female	3	0	0	0	0
	Male	8	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	2	0	0	0	0
Elementary occupations	Female	19	0	0	0	0
	Male	14	0	47	0	47
Gender sub totals	Female	684	0	0	0	0
	Male	500	0	0	0	0
TOTAL		1184	0	1627	0	1627

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TABLE 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	74	0	76	0	76
	Male	105	0	70	0	70
Professionals	Female	286	0	0	0	0
	Male	263	0	0	0	0
Technicians and associate professionals	Female	240	0	329	0	329
	Male	91	0	298	0	298
Clerks	Female	62	0	352	0	352
	Male	17	0	178	0	178
Service and sales workers	Female	3	0	0	0	0
	Male	8	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	2	0	0	0	0
Elementary occupations	Female	19	0	76	0	76
	Male	14	0	68	0	68
Gender sub totals	Female	684	0	833	0	833
	Male	500	0	614	0	614
TOTAL		1184	0	1447	0	1447

INJURIES

TABLE 13.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	9	100
Permanent Disablement	0	0
Fatal	0	0
TOTAL	9	100

CONSULTANTS

TABLE 14.1 - Report on consultant appointments using appropriated funds

Date	Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
29 April 09	ADVISORY CONSULTING SERVICES TO ASSIST WITH THE AMENDMENT OF THE CO-OPERATIVES LEGISLATION AS A LEGAL EXPERT	3	130	499,890.00
5 May 09	ADVISORY CONSULTING SERVICES FOR THE APPRAISAL OF INVESTMENT PROJECTS IN INCENTIVE ADMINISTRATION	1	8	50,000.00
29 May 09	ADVISORY CONSULTING SERVICES OF THE LEGAL OPINION FOR ERPC	3	35	490,200.00
2 June 09	APPOINT A CONSULTANT TO BUILD CAPACITY IN THE APPRAISAL OF APPLICATIONS FOR THE FILM AND TELEVISION PRODUCTION INCENTIVE	2	3	52,440.00
5 June 09	ADVISORY CONSULTING SERVICES FOR INVESTMENT CALL CENTRE (TISA)	1	360	1,350,000.00
5 June 09	ADVISORY CONSULTING SERVICES FOR INVESTMENT CALL CENTRE (TISA)	1	240	85,560.00
8 June 09	APPOINTMENT OF A SENIOR SPECIALIST FINANCIAL ANALYSIS AS A PART OF THE REVIEW OF THE DEPARTMENTAL MASTER SYSTEM PLAN	1	10	20,000.00
8 June 09	APPOINTMENT OF A SENIOR SPECIALIST FINANCIAL ANALYSIS AS THE PART OF THE REVIEW OF THE DEPARTMENTAL MASTER SYSTEM PLAN	1	240	85,560.00
12 June 09	APPOINT ATTORNEYS TO PROVIDE A LEGAL OPINION ON THE VALIDITY OF THE VERIFICATION MANUAL, THE POSSIBLE CONTRAVENTION OF PROMOTION OF ADMINISTRATIVE JUSTICE ACT (PAJA) AND WHETHER SECTION 9 OF THE B-BBEE ACT EMPOWERS THE MINISTER TO PUBLISH VERIFICATION MANUALS	1	120	120,000.00
18 June 09	ADVISORY CONSULTING SERVICES TO ASSIST WITH THE AMMENDMENT OF THE CO-OP LEGISLATION AS A LEGAL EXPERT	3	6	61,047.00
24 June 09	CONSULTING SERVICES FOR THE THREE YEAR MID-TERM EVALUATION OF THE PROGRESS MADE BY SEDA	1	80	1,600,000.00
7 July 09	ADVISORY CONSULTING SERVICES TO ASSIST THE CLOTHING AND TEXTILES SECTOR DESK WITH THE IMPLEMENTATION OF THE CUSTOMISED SECTOR PROGRAMME	4	52	499,890.00
7 July 09	ADVISORY CONSULTING SERVICES TO APPOINT A CONSULTANT TO ASSIST THE CLOTHING AND TEXTILES SECTOR DESK WITH THE IMPLEMENTATION OF THE CUSTOMISED SECTOR PROGRAMME	3	120	490,837.98
10 July 09	ADVISORY CONSULTING SERVICES FOR THE SEDA IMPACT EVALUATION STUDY IN THE WESTERN CAPE	2	200	1,350,000.00
21 July 09	ADVISORY RESEARCH SERVICES ON COAL-TO-LIQUIDS PLANT AND CRUDE OIL REFINERY	2	120	440,040.00

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Date	Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
23 July 09	ADVISORY CONSULTING SERVICES ENCOURAGEMENT DESIGN AND IMPLEMENTATION FOR THE SEDA IMPACT EVALUATION STUDY IN THE WESTERN CAPE	2	60	246,183.00
27 July 09	ADVISORY CONSULTING SERVICES TO APPOINT A PRINCIPAL SYSTEMS ANALYST IN TEO	1	200	5,000,000.00
28 July 09	ADVISORY CONSULTING SERVICES TO CONDUCT A STUDY TO DEVELOP AN INDUSTRIAL STRATEGY FOR THE ADVANCED MANUFACTURING SECTORAL GROUPINGS IN SOUTH AFRICA	1	240	1,297,890.00
5 Aug 09	ADVISORY CONSULTING SERVICE TO APPOINT SITA TO REDESIGN AND ENHANCE THE FUNCTIONALITY OF THE DTI WEBSITE	10	60	807,061.72
13 Aug 09	ADVISORY CONSULTING SERVICES TO APPOINT A SERVICE PROVIDER TO STUDY "INCREASING TRADE WITH LATIN AMERICA: PREFERENCES, CHALLENGES AND REMEDIES"	1	140	828,010.00
20 Aug 09	ADVISORY CONSULTING SERVICES FOR COMPETENCY ASSESSMENTS	1	2	4,464.24
16 Sept 09	ADVISORY CONSULTING SERVICES TO FACILITATE 5 SESSIONS RELATED TO THE AMENDMENT OF THE CO-OPRATIVES ACT NO. 14 OF 2005	3	120	490,838.00
17 Sept 09	RESEARCH AND PUBLICATION OF THE "SOUTH AFRICA IN TRADE, INVESTMENT AND INFRASTRUCTURE HANDBOOK"	1	80	490,200.00
29 Sept 09	ADVISORY CONSULTING SERVICES TO CONDUCT THE PILOT STUDY AND DEVELOP A BUSINESS CASE AND IMPLEMENTATION PLANS FOR SOUTH AFRICA AMOP PROGRAMME	2	240	26,781.00
7 Oct 09	ADVISORY CONSULTING SERVICES TO APPOINT A CONSULTANT TO CONDUCT SPECIALISED SERVICES WITHIN THE STATISTICAL ANALYSIS AND MODELING (SAM) UNIT IN ERPC	1	120	277,000.00
7 Oct 09	ADVISORY CONSULTING SERVICES TO ASSESS, INTEGRATE AND PUBLISH SMALL BUSINESS SUPPORT SERVICES AS OFFERED BY GOVERNMENT, PRIVATE SECTOR, DONOR AND ACADEMIC INSTITUTIONS	1	100	500,000.00
23 Oct 09	ADVISORY CONSULTING SERVICES TO CONDUCT A STUDY ON SKILLS NEEDED WITHING THE METALS, AUTOMATIVES AND COMPONENTS	3	80	336,030.00
30 Oct 09	ADVISORY CONSULTING SERVICES TO CONDUCT A RESEARCH PROCESS "SCENARIOS AND STRATEGIES" FOR ACHIEVING SOUTH AFRICA'S ECONOMIC OBJECTIVES	7	120	2,000,000.00
30 Oct 09	ADVISORY CONSULTING SERVICES TO ASSIST WITH ANALIZING VACANCY DATA FOR THE CHEMICALS SECTOR	2	80	128,000.00
4 Nov 09	CONSULTING SERVICES TO RESEARCH RIA/CBA: INTELLECTUAL PROPERTY LAWS AMENDMENT BILL 2009	3	40	300,000.00
5 Nov 09	ADVISORY CONSULTING SERVICES FOR THE LEGAL REPRESETATIVE FOR NATIONAL GAMBLING POLICY COUNCIL	1	2	18,696.00

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Date	Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
11 Nov 09	ADVISORY CONSULTING SERVICES TO CONDUCT RESEARCH ON THE STATE OF PUBLIC SECTOR PROCUREMENT TO SMMES	2	60	991,162.00
12 Nov 09	ADVISORY CONSULTING SERVICES TO APPOINT A CONSULTANT TO CONDUCT A STUDY ON BEHALF OF the dti ON THE STATE OF THE BLACK ECONOMIC EMPOWERMENT IN THE LIQUOR SECTOR	2	15	273,874.00
17 Nov 09	ADVISORY CONSULTING SERVICES RESEARCH DEVELOPMENT OF THE AGRICULTURAL DEVELOPMENT STRATEGY FOR UMNGENI LOCAL MUNICIPALITY	3	40	198,930.00
17 Nov 09	ADVISORY RESEARCH SERVICES TO CONDUCT A STUDY ON SPATIAL ECONOMIC DEVELOPMENT PLAN	4	118	924,234.00
23 Nov 09	ADVISORY RESEARCH SERVICES TO CONDUCT A STUDY ON THE FEASIBILITY OF A FREE TRADE AGREEMENT BETWEEN SACU & TURKEY	3	81	497,039.99
23 Nov 09	ADVISORY CONSULTING SERVICES TO CONDUCT AN IMPACT EVALUATION STUDY FOR THE NIPP	4	20	189,500.00
25 Nov 09	ADVISORY CONSULTING SERVICES AS THE LEGAL REPRESENTATIVE FOR NATIONAL GAMBLING POLICY COUNCIL	1	1	18,696.00
10 Dec 09	ADVISORY CONSULTING SERVICES TO IMPLEMENT A PSYCHO-SOCIAL COUNSELLING AND E-CARE SERVICE	2	24	299,232.00
	Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
	39	90	3 767	23,339,286.93

TABLE 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
ADVISORY CONSULTING SERVICES FOR THE APPRAISAL OF INVESTMENT PROJECTS IN INCENTIVE ADMINISTRATION	100	100	1
ADVISORY CONSULTANTING SERVICES OF THE LEGAL OPINION FOR ERPC	20	20	3
ADVISORY CONSULTING SERVICES FOR INVESTMENT CALL CENTRE (TISA)	25	25	1
ADVISORY CONSULTING SERVICES FOR INVESTMENT CALL CENTRE (TISA)	100	100	1
APPOINTMENT OF A SENIOR SPECIALIST FINANCIAL ANALYSIS AS THE PART OF THE REVIEW OF THE DEPARTMENTAL MASTER SYSTEM PLAN	100	100	1

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Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
ADVISORY CONSULTING SERVICES TO ASSIST WITH THE AMMENDMENT OF THE CO-OP LEGISLATION AS A LEGAL EXPERT	60	60	3
CONSULTING SERVICES FOR THE THREE YEAR MID-TERM EVALUATION OF THE PROGRESS MADE BY SEDA	26	26	1
ADVISORY CONSULTING SERVICES FOR THE SEDA IMPACT EVALUATION STUDY IN THE WESTERN CAPE	24	24	2
ADVISORY RESEARCH SERVICES ON COAL-TO-LIQUIDS PLANT AND CRUDE OIL REFINERY	15	15	2
ADVISORY CONSULTING SERVICES ENCOURAGEMENT DESIGN AND IMPLEMENTATION FOR THE SEDA IMPACT EVALUATION STUDY IN THE WESTERN CAPE	24	24	2
ADVISORY CONSULTING SERVICES TO APPOINT A SERVICE PROVIDER TO STUDY "INCREASING TRADE WITH LATIN AMERICA: PREFERENCES, CHALLENGES AND REMEDIES"	26	26	1
ADVISORY CONSULTING SERVICES FOR COMPETENCY ASSESSMENTS	29	29	1
RESEARCH AND PUBLICATION OF THE "SOUTH AFRICA IN TRADE, INVESTMENT AND INFRASTRUCTURE HANDBOOK"	55	55	1
ADVISORY CONSULTING SERVICES TO CONDUCT THE PILOT STUDY AND DEVELOP A BUSINESS CASE AND IMPLEMENTATION PLANS FOR SOUTH AFRICA AMOP PROGRAMME	29	29	2
ADVISORY CONSULTING SERVICES TO ASSESS, INTEGRATE AND PUBLISH SMALL BUSINESS SUPPORT SERVICES AS OFFERED BY GOVERNMENT, PRIVATE SECTOR, DONOR AND ACADEMIC INSTITUTIONS	51	51	1
ADVISORY CONSULTING SERVICES TO CONDUCT A STUDY ON SKILLS NEEDED WITHING THE METALS, AUTOMATIVES AND COMPONENTS	64	64	3
CONSULTING SERVICES TO RESEARCH RIA/CBA: INTELLECTUAL PROPERTY LAWS AMENDMENT BILL 2009	82	82	3
ADVISORY CONSULTING SERVICES TO APPOINT A CONSULTANT TO CONDUCT A STUDY ON BEHALF OF the dti ON THE STATE OF BLACK ECONOMIC EMPOWERMENT IN THE LIQUOR SECTOR	100	100	2
ADVISORY CONSULTING SERVICES RESEARCH DEVELOPMENT OF THE AGRICULTURAL DEVELOPMENT STRATEGY FOR UMNGENI LOCAL MUNICIPALITY	38	38	3
ADVISORY RESEARCH SERVICES TO CONDUCT A STUDY ON THE FEASABILITY OF A FREE TRADE AGREEMENT BETWEEN SACU & TURKEY	26	26	3
ADVISORY CONSULTING SERVICES TO CONDUCT AN IMPACT EVALUATION STUDY FOR THE NIPP	51	51	4
ADVISORY CONSULTING SERVICES TO IMPLEMENT A PSYCHO-SOCIAL COUNSELLING AND E-CARE SERVICE	28	28	2

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TABLE 14.3 - Report on consultant appointments using Donor funds

Project Title	Total number of consultants who worked on the project	Duration: Work days	Donor and Contract value in Rand
ADVISORY CONSULTING SERVICES FOR INDUSTRIAL POLICY RESEARCH (IPAP)	4	120	R 6,000,000.00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
1	4	120	R 6,000,000.00

TABLE 14.4 - Report on 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
ADVISORY CONSULTING SERVICES FOR INDUSTRIAL POLICY RESEARCH (IPAP)	60	60	1



RECRUITMENT

Table 15.1 SMS Post Information as on 31 March 2009

SMS Levels	Total Number of Funded SMS Post per Level	Total Number of SMS Post per Level	% of SMS Post Filled per Level	Total Number of SMS Post Vacant per Level	% of SMS Post Vacant per Level
DG/HOD	1	1	100	0	0
Salary level 16 but not HOD	0	0	0	0	0
Salary Level 15	10	9	90	1	10
Salary Level 14	52	41	79	11	21
Salary 13	168	129	77	39	23
TOTAL	231	180	78	51	22

Table 15.2 SMS Post Information as on 30 September 2009

SMS Levels	Total Number of Funded SMS Post per Level	Total Number of SMS Post per Level	% of SMS Post Filled per Level	Total Number of SMS Post Vacant per Level	% of SMS Post Vacant per Level
DG/HOD	1	1	100	0	0
Salary level 16 but not HOD	0	0	0	0	0
Salary Level 15	8	7	88	1	13
Salary Level 14	45	36	80	9	20
Salary 13	159	122	77	37	23
TOTAL	213	166	78	47	22

Table 15.3 Advertising and Filling of SMS posts as on 31 March 2010

SMS Levels	Advertising	Filling of Posts	
	Total Number of Funded SMS Post per Level	Total Number of SMS Post per Level	% of SMS Post Filled per Level
DG/HOD	0	0	0
Salary level 16 but not HOD	0	2	0
Salary Level 15	0	0	0
Salary Level 14	0	8	3
Salary 13	0	7	9
TOTAL	0	17	12

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Table 15.4 Reasons for not having complied with the filling of funded vacant SMS-advertised within six months and filled within 12 months after becoming vacant

Reasons for vacancies not advertised within six months
Some positions could not be filled in six months due to scarcity of skills attached to the positions which resulted in the department embarking on a headhunting process.
Reorganisation process delayed the filling of some positions.
Due to the nature and work environments (extensive international traveling) of some Senior Managers, the process of finalising the recruitment process took longer.

Reasons for vacancies not advertised within 12 months
Some positions could not be advertised due to reorganisation within the Divisions.
In some divisions, the advertising of SMS positions had to await the appointment of the relevant DDGs and COOs.
Some positions were left vacant in order to accommodate returning of Foreign Economic Representatives.
Unavailability to funds also contributed to the non-filling and non-advertising of positions.

Table 15.5 Disciplinary steps taken for not complying with the prescribed timeframes from filling of SMS posts within twelve months

No disciplinary steps were taken.
As a remedial measure, managers were requested to develop a priority post list of their vacant positions in an effort to prioritise critical positions and align such positions to the budget.





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“...the department also focused on work that related to the support of small enterprises and the need to recapitalise institutions that support these enterprises.”



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 financial year under review, the Department of Trade and Industry's (**the dti's**) operating environment was influenced by the global economic crisis. Its impact on developmental objectives continued to shape the policy landscape, both domestically and globally. The negative impact on the global economy required extraordinary state intervention to halt the downturn trend and facilitate economic recovery. In the South African context, the accelerated implementation of the Response to the International Crisis formed the basis of the government's response to minimise the impact of the crisis.

In addition, the new administration adopted the Medium Term Strategic Framework (MTSF) 2009-2014, which sets out the objectives and outcomes that government will pursue in the next five years. The MTSF identified minimising the impact of the economic downturn on the country's productive capacity as well as the creation of jobs and reduction of poverty as the key priorities.

Towards the end of 2009, the economy began to show some signs of recovery, but the impact of the crisis was clearly evident on real economy indicators. Manufacturing production decreased by 12,5% which was largely due to lower production in the basic Iron and Steel, Automotive, Metals and Transport Equipment sectors. The sharp economic contraction resulted in negative growth. Despite positive growth during the third quarter and last quarter of 2009, GDP declined by 1,8%. Further, the economy shed over 800 000 jobs, reflecting a 6,3% decrease in employment.

In the context of an unfavourable global economic environment and the need to meet the developmental objectives of accelerating employment creation and promoting inclusive growth, there was a need to assess the strategic focus and impact of the department's key policy initiatives. This included the review of the Industrial Policy Action Plan (IPAP), development of the new trade policy, strengthening of on-budget incentives to enhance positive employment outcomes, and implementation of the Competition Amendment Bill to promote fair practices.

In the 2009/2010 financial year, the department started the process of developing the new IPAP. This was based on the premise of upscaling government's industrial interventions and addressing challenges that were experienced during the implementation of the initial IPAP. These challenges included:

- Insufficient financing of the industrial policy initiatives through the fiscus.
- Capacitating of the department to be able to implement complex industrial policy interventions.
- Coordination across government departments and spheres to facilitate implementation.
- Alignment with other critical policies.

Beyond the challenges presented by the crisis, the department also focused on work that related to the support of small enterprises and the need to recapitalise institutions that support these enterprises. This also included strengthening the regulatory environment to support fair business practices. Going forward, the department's interventions will centre on continuing to address the challenge of accelerating employment creation and promoting inclusive growth.

1.2 Overview of key policy developments

Industrial Development

The new IPAP was approved by Cabinet and introduced to Parliament in February 2010. As one of government's priority programmes, the successful implementation of the new IPAP will depend on the successful coordination with other national departments and spheres of government.

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Other key sectoral achievements included the finalisation of the motivation of an export duty on scrap metal. A cost benefit analysis was completed in September 2009 and a submission was made to the National Treasury in November 2009 for the consideration of an export tax on scrap metal. Under the National Tooling Initiative, a training curriculum for pre-apprenticeship training was developed and agreed with industry. Seven training centres were identified in six provinces namely, Gauteng, Eastern Cape, KwaZulu-Natal, Limpopo, Mpumalanga and the Western Cape.

A multi-year Supplier Development Programme has been finalised for the Automotive sector. The aim of this programme is to assist automotive component suppliers to better compete with their global competitors in a manner that increases local economic activity. The first 16 firms are currently being assisted through this programme, which should result in a total of 75 companies being assisted by 2012.

Within the creative industry sector, the business and implementation plan for the high-end retail concept, the Mzansi Collection brand, was completed. The initial store has been launched in Sandton. The SA Handmade Collection Brand is being successfully established nationally and internationally through participation in trade shows and partnerships with key local retailers.

In terms of industrial finance, **the dti** completed the development of the guidelines for the Enterprise Investment Programme, the Automotive Investment Scheme (AIS) as well as the development of Section 12i Tax Allowance Regulations that still awaits approval by the Minister of Finance.

In regard to the Business Process Outsourcing and Offshoring (BPO & O) sector, 11 enterprises were supported with R796,8 million in investment that is projected to create 11 852 jobs of which 1 534 jobs were created in the financial year under review. Under the Film and Television incentive programme, 55 productions were approved, which include 45 South African productions and co-productions and 10 foreign productions with Qualifying South African Production Expenditure (QSAPE) of R1,3 billion. Two films supported by the incentive, namely, District 9 and Invictus, were nominated for Golden Globe and Oscar awards.

The Tourism Support Programme (TSP) approved 164 projects with projected investment of R2,3 billion and 4 770 projected jobs. The Manufacturing Investment Programme (MIP) has approved 290 projects leveraging investment of R6,1 billion which is expected to create 11 336 jobs.

Impact assessments of the Critical Infrastructure Programme (CIP) and Industrial Development Zones (IDZ) programmes were completed. Four CIP investments worth R8,9 billion with 4 832 projected direct jobs have been approved. The Coega IDZ secured four investors with an estimated combined investment of R1,7 billion and 192 direct jobs. In addition, the development of a new financing model for the Coega IDZ has been completed. The East London IDZ secured six investors with estimated investment of R309 million and estimated 2 050 direct jobs.

Trade, Investments and Exports

Progress has been made to align industrial policy and trade policy. In 2009, Cabinet approved the Trade Policy and Strategy Framework which outlined the strategic approach in deploying trade policy measures for positive developmental outcomes.

the dti led preparations and supported political principals in a series of State and Ministerial engagements within Africa. Economic cooperation agreements were signed with Angola, Nigeria, Zambia, Egypt and Senegal, and a bilateral investment treaty with Zimbabwe. Agreements with Ethiopia, Uganda and Burundi were concluded and await signature. In SADC, **the dti** focused on consolidating the SADC FTA, whilst developing an approach to advance the SADC-EAC-COMESA Tripartite FTA.

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the dti continued engagement on the Partnership for Growth and Development (PGD) with China. A new approach was taken to fold the PGD into a proposed Comprehensive Strategic Partnership Agreement. It is expected that this Agreement will be signed during the State visit to China this financial year. The SACU-Mercosur PTA was submitted for ratification by Parliament and agreement was reached to explore modalities for a trilateral trade arrangement between SACU, Mercosur and India.

In terms of engagements with the USA, under the Africa Growth and Opportunity Act (AGOA), **the dti** developed positions for extension of third country fabric to South Africa and a common application of AGOA benefits to the region. The SA-EU Enlargement Protocol was also signed, extending Trade Development and Cooperation Agreement (TDCA) preferences to Bulgaria and Romania.

On the multilateral front, **the dti** continued to engage in the WTO Doha Round to secure a developmental outcome and led the preparations for the 7th WTO Ministerial Conference.

As part of expanding market access for South African exports and strengthening trade and investment links, during the past financial year International Trade and Investment Initiatives (ITIs) were facilitated to Brazil, China and the Democratic Republic of Congo.

Substantive progress has been made to recruit foreign direct investment in a targeted manner. Targeted countries included China, India, Russia, Brazil, Japan, Spain, Germany, France, the UK, the USA and countries in the Middle East. The work programme will translate over the next three years into an investment pipeline of R115 billion of projects.

The department also continued to develop export capacity under the Small Exporters Development Programme by offering training in partnership with **seda** to 365 emerging exporters.

Broadening Participation

In the year under review, **the dti** made important strides in terms of support to SMMEs, BBBEE and Co-operatives. In September 2009, **the dti** launched the SMME payment hotline that will ensure that SMME service providers are paid by government within 30 days. To enhance support for SMMEs, the one-stop-shop framework to provide for co-location of SMMEs support service through relevant agencies has also been completed. The development of a business plan for Khula to provide direct lending to SMMEs has been finalised, with the National Treasury having been consulted on the funding model.

An important achievement for the department was the publication of the draft Preferential Procurement Regulation in partnership with the National Treasury. The new regulations seek to align the Preferential Procurement Policy Framework Act (PPPFA) and the Broad-Based Black Economic Empowerment (B-BBEE) Act. This will change the rules governing procurement to bring about credible empowerment.

Another key milestone with regards to ensuring a meaningful contribution of B-BBEE in the transformation of the economy was the launch of the B-BBEE Advisory Council in December 2009. The Council will monitor and evaluate the implementation of B-BBEE and recommend appropriate and effective implementation interventions.

In the area of cooperatives development, **the dti** has finalised both the cooperatives development strategy and the cooperatives Bill for submission to Cabinet for approval.

Regulation

During the 2009/10 financial year, three bills were signed into law by the President, namely the Consumer Protection Act, the Companies Act and the Competition Amendment Act. The Consumer Protection Act aims to prevent harm to consumers and to enhance the economic welfare of consumers. The Companies Act intends to reduce the regulatory burden, especially on small businesses, and provide simplicity in the registration process. The Competition Amendment Act strengthens the provisions of the Competition Act in order to deal effectively with cartels.

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for the year ended 31 March 2010

The Intellectual Property Amendment Bill was also introduced to Parliament and public hearings will commence in May 2010. This Bill aims to extend intellectual property laws to protect indigenous or traditional knowledge which has remained unprotected to the detriment of traditional and indigenous communities.

Research projects were undertaken in the area of Liquor Regulation, looking at the policy framework and identifying inadequacies and areas for reform to effectively regulate the industry. The research looked at the effect of advertising in the gambling and liquor industries to assess whether advertising increases liquor consumption or gambling activities and examined establishing policy options on whether to ban or limit advertising.

The process to establish the National Consumer Commission and the Companies and IP Commission was commenced and is on track for the establishment of the entities in October 2010. In addition, awareness campaigns were conducted on the Companies and Consumer Protection Acts to educate, train and capacitate stakeholders before the legislation becomes effective.

The increasing concern about the influx of low quality and sub-standard products into South Africa necessitated a much more focused strategic intervention in regards to Country of Origin labelling. One hundred and nine pre-inspections were conducted at retail level across the country. In terms of the 2010 FIFA World Cup, in order to prevent scams regarding tickets for the World Cup, **the dti** published regulations to deal with unlawful selling of tickets. Enforcement of these regulations will see the scams being uncovered and dealt with effectively. Parallel to this, a campaign to warn consumers about these scams was undertaken.

Administration and Coordination

Through its engagements in the Economic and Employment Cluster and NEDLAC, **the dti** participated in the development of policy interventions aimed at mitigating the impact of the global economic crisis on the economy. These engagements resulted in the finalisation of the R2,4 billion "worker layoff training scheme" as an alternative to retrenchment, and the IDC fund of R6,2 billion to assist firms distressed as a consequence of the crisis.

Notable progress has been made in the provision of critical leadership positions by filling key vacancies such as the posts of Group Chief Operating Officer and Deputy Director General: Industrial Development Division. The recruitment and selection processes have been sharpened through competency assessment measures to enable the department to appoint highly competent candidates who will improve the implementation of the department's policy interventions.

"...International Trade and Investment Initiatives (ITIs) were facilitated to Brazil, China and the Democratic Republic of Congo."



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1.3 Envisaged Outcomes

The outcomes that the department seeks to realise are consistent with those of the new Medium Term Strategic Framework. In particular **the dti** will be working towards the outcomes of:

- Formal and permanent employment through inclusive growth.
- Creating a better South Africa, a better Africa and a better world.

1.4 Overview of Expenditure trends

The budget allocation for the 2009/10 financial year was R6,402,076 million as compared to R5,126,893 million in 2008/09. The expenditure for 2009/10 was R6,237,955 million, i.e. 97,4% of the budget, and in 2008/09, it stood at 98,6%, i.e. R5,057,064 million. This spending pattern should be considered in the context of the departmental cost drivers, mainly comprising 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 EIDD and TEO divisions.

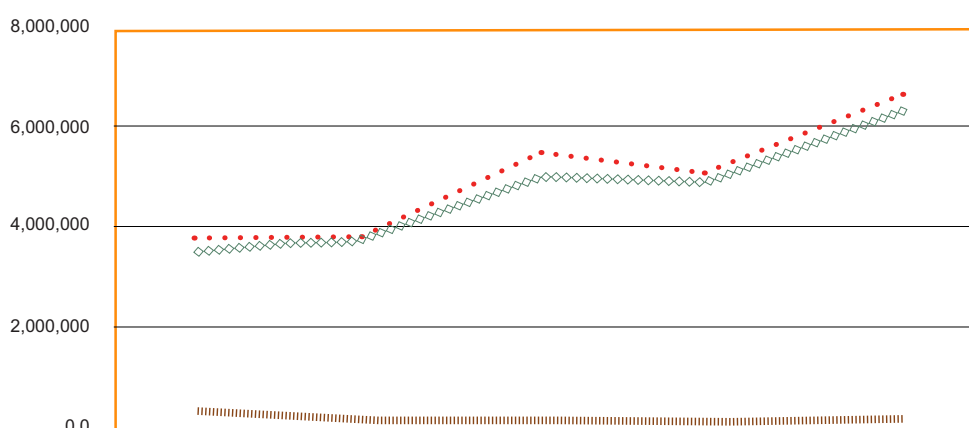
Under-spending occurred primarily in the *Administration* and *Communication and Marketing* Divisions. Under-spending of R164,121 million must be read in the context of two requests for roll-overs, amounting to R42,2 million, which are pending approval by the National Treasury. Roll-overs were requested for the following:

Programme	Item/Project	Amount R'000
Industrial Development	INTSIMBI: National Tooling Initiative	32,400
Consumer and Corporate Regulations Division	National Consumer Commission	9,800
TOTAL		42,200

Subject to the approval of these requests, under-spending will decrease to R121,921 million, or 1.9%, which under-spending relates to staff vacancies and related under-spending on goods and services.

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

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



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	2005/06	2006/07	2007/08	2008/09	2009/10
Budget	3,907,420	3,942,028	5,479,433	5,126,893	6,402,076
Expenditure ◇◇◇◇◇◇◇◇	3,631,304	3,804,720	5,295,250	5,057,064	6,237,955
Unspent	276,116	137,308	184,183	69,829	164,121
% Unspent	7.07%	3.48%	3.36%	1.36%	2.56%

As reflected in the above graph, there has been consistency in the spending pattern of the department against its budgetary allocation over the past five years, with the last two years reflecting the lowest under-expenditure as a percentage of the total allocated budget.

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

	2009/10		2008/09	
	R'000	%	R'000	%
Total Allocated Budget	6,402,076		5,126,893	
Less: Payments to agencies	1,440,308	22.5%	1,269,549	24.76%
Less: Compensation	445,577	7.0%	383,077	7.47%
Less: Incentives	3,762,528	58.8%	2,802,962	54.67%
<i>Incentives capital</i>	1,407,324	22.0%	983,507	19.18%
<i>Other incentives</i>	2,355,204	36.8%	1,819,455	35.49%
Less: Goods & Services	503,661	7.9%	524,101	10.22%
Less: Other Payments	60,230	0.9%	55,298	1.08%
Less: Capital	25,599	0.4%	22,077	0.43%
Total Unspent	164,121	2.56%	69,829	1.36%

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1.5 Virements

A total amount of R26,528 million was re-directed between main divisions of the vote by means of virement transactions approved by the 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
	ITED	4,300	Funds moved to Protechnik Laboratories Capital for the purchase of military testing equipment.
	EED	10,000	Funds moved to the SEDA technology programme for the incubator project which was insufficiently budgeted for.
	ID	170	Funds moved for research projects.
	TISA	12,058	Funds moved for Global Forum payment.
CCRD		(9,624)	Savings on Goods and Services and on the Compensation of Employees.
ADMIN		(16,904)	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 agencies. It comprises support for the offices of the Minister, Deputy Ministers and Director-General. The Director-General's office consists of the Agency Management Unit, Strategy 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 houses human resource management and the learning centre, financial management, corporate governance, accommodation management, and information systems.

Expenditure increased from R345,6 million in 2008/09 to R416,8 million in 2009/10, amounting to an increase of 20.6%. This increase is largely the result of payments to the concessionaire for the provision of fully-serviced office accommodation for the department.

Included under Programme 1 is the budget of R29 million for the Economic Development Department (EDD), of which R16,653 million was spent up to 31 March 2010, which represent 57% spending. From 2010/11 onwards, the budget for EDD is reflected under a separate budget vote.

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

This programme is responsible for the development of policies and 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 NEPAD framework.

The division experienced an increase in expenditure from R167 million in 2008/09 to R183,9 million in 2009/10, amounting to an increase of 10.1%. The increase in expenditure is as a result of exchange rate fluctuations, including the implications for foreign travel and an increase in transfers to the World Trade Organization (WTO) and Protechnik Laboratories Capital.

Programme 3: Empowerment and Enterprise Development Division (EEDD)

Enterprise Development is responsible for creating an enabling environment conducive for the development and growth of SMMEs and cooperatives enterprises, and to increase their contribution to the country's Gross Domestic Product (GDP), as well as to improve the lives of all South Africans. Equity and Empowerment seeks to implement BEE and gender policies. Regional Economic Development aims to enhance the competitiveness of local and provincial economies for sustained economic growth, as well as to provide innovation and technology support.

A large number of **the dti** group of institutions reports to this division. Its expenditure increased from R916,8 million in 2008/09 to R1,311 million in 2009/10, resulting in an expenditure increase of 43%.

Programme 4: Industry 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. 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 decreased from R664 million in 2008/09 to R413,1 million in 2009/10, resulting in an expenditure decrease of 37,7%.

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\$10 million.

The table below sets out the updated progress, as will be presented to the Portfolio Committee on Trade and Industry later this year, on the achievement of the obligations due by the obligors, including those under the Strategic Defence Package (SDP). The SDP still accounts for approximately 85% of the total programme in value terms. Three of the six obligors under the SDP completed their NIPP obligations to date, namely Obligor 4, Obligor 5 and Obligor 2. Obligor 3 is very close to completion, with only administrative matters left to complete.

On obligations unrelated to the defence procurements, significant progress has been made in getting the Automotive sector to participate in the programme, with most Original Engine Manufacturers (OEMs) having signed agreements with **the dti**. This has led to a number of localisation programmes in the cases of Volkswagen and Toyota.

All obligations, both those originating from defence procurement and non-defence procurement, are monitored and managed. Each obligor has set penalty milestones to reach within their fulfilment period. Should they not meet these

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targets, a contractually prescribed breach procedure is followed, allowing the obligor time to correct the situation. At the end of this process, the milestone will be reassessed. Should it still be lagging behind, a recommendation on how to proceed will be made to the Minister of Trade and Industry.

To date and in totality, the NIPP has seen the implementation of over 230 projects and credits in excess of US\$19 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 is currently in the process of being customised, tested and implemented.

	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 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	Under achieved	Achieved in full	Achieved in full	Under-achieved	Under-achieved
Date milestone actually achieved	April 2009	February 2010	Still in progress	August 2008	March 2009	Still In progress	Still in progress

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: Final milestone under-achieved by \$205,413,468. Performance = \$1,842,186,532.

The last claims are in process of being processed which should then satisfy this obligation in full. These claims have taken longer than anticipated to finalise due to the lack of administrative capacity within the obligor's organisation.

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 obligation value has increased from \$17,500,000 to \$17,749,959.44. The contract has been amended to accommodate this increase. The total performance amounts to \$22,490,885, which equates to an aggregate over-achievement of \$4,740,926. However, there is still an under-achievement of \$372,830 under investments. Measures are in place to meet this shortfall. This is the final milestone to be achieved under this obligation.

Obligor 7: In aggregate, the final milestone has been met, with an excess of £8,987,188 NIPP credits. However, there is a shortfall of £29,171,342 under exports.

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Programme 5: Consumer and Corporate Regulation Division (CCRD)

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

The division experienced an increase in expenditure from R176,6 million in 2008/09 to R227,6 million in 2009/10, amounting to an increase of 28,9%, which can be attributed to increased transfer payments to entities.

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 increased from R2,401 billion in 2008/09 to R3,344 billion in 2009/10, resulting in a increase of 39,3%. The increase was mainly attributed to an increase in the allocation to the East London IDZ and the introduction of a new investment scheme.

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 a decline in expenditure from R310,2 million in 2008/09 to R299 million in 2009/10, amounting to a decline of 3,6%. The decline in expenditure was due to a reduction in claims by the Department of International Trade and Cooperation (DIRCO) against the dti for payments made internationally.

Programme 8: Communication and Marketing Division

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 division also seeks to position the dti as a driver of economic development and growth; to build an image of trust and confidence, by improving brand presence and visibility through proactive marketing and public relations activities; establish and maintain effective communication and coordination within the department; and ensure that activities are impact-oriented, customer-centric in focus, nationally and internationally relevant, and that they entrench the positive values of *Batho Pele*.

This programme experienced a decline in expenditure from R76,1 million in 2008/09 to R43 million in 2009/10, amounting to a decline of 43,5%. The decline is attributed to fewer marketing events and vacancies not filled.

"The agreement with USAID supports economic growth in the financial sector, private sector competitiveness..."



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1.8 Other material matters

No unauthorised expenditure took place in the 2009/2010 financial year.

Fruitless and wasteful expenditure of R113 000, as per Disclosure note 29 of the Annual financial statements, relates to penalty fees, “no-show” charges and interest charged on arrear payments. These cases are being investigated and will be recovered from officials or condoned.

Irregular expenditure for an amount of R260 000, as per Disclosure note 28 to the Annual Financial Statements, was condoned by the Accounting Officer.

1.9 Soccer World Cup clothing and tickets

the dti expended an amount of R4,726,152 in the 2010/11 financial year in respect of the FIFA 2010 Soccer World Cup tournament, which expenses related to the purchasing of 200 hospitality package tickets for five matches.

The tickets were purchased as an investment promotion activity in line with the mandate and responsibility of **the dti** of promoting economic growth and job creation. The tickets provided the department with an opportunity to engage with key business investors and business leaders on various investment attractions and possible business expansions.

With the exception of 16 tickets issued to senior departmental officials who acted as hosts, all tickets were allocated to potential investors and stakeholders.

2 Services rendered by the department

2.1 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 R2,5 million at financial year end.

3 Capacity constraints

Between 2008/09 and 2009/10, the approved establishment of **the dti** increased by 118 positions to 1 348 positions, whilst the staff complement increased from 1 007 on 1 April 2009, to 1 103 on 31 March 2010, excluding the positions of the five political office bearers, as well as positions created additional to the establishment for the Department of Economic Development. With respect to the approved establishment of 1 348 positions, 245 positions (18,2%) stood vacant at 31 March 2010.

It is acknowledged that vacancies impact negatively on service delivery. Although the department was able to deliver substantially on its planned targets, there were a few that could not be completed by financial year-end. Performing with less than full capacity and delivering on targets are not sustainable, and hence additional emphasis will be paced on filling vacant positions.

An e-recruitment service was rolled out and contributed significantly with the broadening of the pool of candidates. It also supported improving the turnaround time with the processing of applications. The previously appointed service providers assisted with the targeted recruitment of candidates where difficulty was experienced in recruiting suitable applicants for positions. The department continued to trigger vacancies in a dedicated manner with a focus on Senior Management positions and the results of these efforts became evident during the reporting period. Regular reporting and monitoring takes place at the Departmental Operations Committee (OPSCOM), the Executive Board (EXBO), as well as the Audit Committee.

4 Utilisation of donor funds

There are three main agreements that support **the dti** 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 agreed 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.

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.

The agreement with USAID supports 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 this 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, primarily targeting small and medium-sized companies in both countries.






5 Trading entities and public entities

The trading and public entities listed below were funded from the department's vote during the 2009/10 financial year:







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Name of Entity	Purpose of Entity	Type of Institution	Transfers 09/10 (08/09) R'000	Enabling Legislation/ Type of Listing
Development Finance Institutions				
Industrial Development Corporation (IDC) 	Contribute to economic growth by promoting entrepreneurship through building competitive industries and enterprises. The IDC is a self-financing national development finance institution.	Development Finance.	106,844 (523)	Industrial Development Act, 1940 (Act No. 22 of 1940). Schedule 2.
Khula Enterprise Finance Ltd (Khula) 	Provide wholesale financial support services to retail financial intermediaries.	Development Finance.	65,981 (69,932)	National Small Business Act, 1996 (Act No. 102 of 1996). Schedule 3B.
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.	Development Finance.	331,177 (413,631)	National Small Business Act, 2003 (Act No. 26 of 2003). 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.	427,642 (312,932)	National Empowerment Fund, 1998 (Act No. 105 of 1998). Schedule 3A.
South African Micro-Finance Apex Fund (SAMAF) 	Lend money to micro-businesses through partner organisations.	Development Finance.	77,347 (88,093)	Established as a trading entity of the dti.




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Name of Entity	Purpose of Entity	Type of Institution	Transfers 09/10 (08/09) R'000	Enabling Legislation/ Type of Listing
Regulatory Agencies				
Competition Commission 	Promote an environment in which competition is allowed to flourish, investigate and address anti-competitive activities, and increase economic concentration in related markets.	Regulatory.	80,739 (44,000)	Competition Act, 1998 (Act No. 89 of 1998). Schedule 3A.
Competition Tribunal 	Adjudicate competition matters.	Regulatory.	13,040 (9,909)	Competition Act, 1998 (Act No. 89 of 1998). Schedule 3A.
National Gambling Board (NGB) 	Provide advice on the national gambling industry, and promote uniform norms and standards across provinces.	Regulatory.	21,570 (17,274)	Gambling Act, 1996 (Act No. 33 of 1996). Schedule 3A.
National Lotteries Board (NLB) 	Exercise national control over lottery activities.	Regulatory.	Nil	Lottery Act, 1997 (Act No. 57 of 1997). Schedule 3A.
South African National Accreditation System (SANAS) 	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.	Regulatory.	14,707 (13,750)	No enabling Act (Section 21 Co.). Schedule 3A.

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Name of Entity	Purpose of Entity	Type of Institution	Transfers 09/10 (08/09) R'000	Enabling Legislation/ Type of Listing
Regulatory Agencies				
International Trade Administration Commission (ITAC)  <small>International Trade Administration Commission of South Africa</small>	Improve administration and decision-making processes, to maintain South Africa's policy and legislative framework for tariff and trade remedy investigations.	Regulatory.	60,885 (58,427)	International Trade Administration Act, 2002 (Act No. 71 of 2002). Schedule 3A.
National Credit Regulator  <small>National Credit Regulator</small>	Regulate the South African credit industry.	Regulatory.	43,859 (34,082)	National Credit Act, 2005 (Act No. 34 of 2005).
Companies and Intellectual Property Registration Office (CIPRO)  <small>COMPANIES AND INTELLECTUAL PROPERTY REGISTRATION OFFICE</small>	Register companies, close corporations, and intellectual property, such as patents, copyright and trade marks.	Regulatory.	Nil	Established as a trading entity of the dti.
National Consumer Tribunal  <small>NATIONAL CONSUMER TRIBUNAL</small>	Adjudicate a wide variety of applications, and hear cases against credit providers that contravene the Act.	Regulatory.	17,519 (11,392)	National Credit Act, 2005 (Act No. 34 of 2005).
National Regulator for Compulsory Specifications (NRCS)  <small>NATIONAL REGULATOR FOR COMPULSORY SPECIFICATIONS</small>	Administer compulsory specifications, otherwise known as technical regulations.	Regulatory.	35,933 (11,797)	Compulsory Specifications Act, 2008 (Act No. 5 of 2008).
Estate Agency Affairs Board (EAAB)  <small>ESTATE AGENCY AFFAIRS BOARD</small>	Regulate and control activities of estate agents.	Regulatory.	Nil	Estate Agency Affairs Act, 1976 (Act no. 112 of 1976).

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Name of Entity	Purpose of Entity	Type of Institution	Transfers 09/10 (08/09) R'000	Enabling Legislation/ Type of Listing
Specialist Services				
<p>Export Credit Insurance Corporation of South Africa (ECIC)</p> 	<p>Facilitate and encourage South African export trade, by underwriting bank loans and investment outside the country, in order to enable foreign buyers to purchase capital goods and services from the Republic.</p>	<p>Specialist Services.</p>	<p>122,400 (123,648)</p>	<p>Export Credit and Foreign Investment Reinsurance Amendment Act, 2001 (Act No. 9 of 2001).</p> <p>Schedule 3B.</p>
<p>South African Bureau of Standards (SABS)</p> 	<p>Promote the standardisation and quality management in industry and commerce, and supervise trade metrology and units of measure.</p>	<p>Specialist Services.</p>	<p>154,932 (142,144)</p>	<p>Standards Act, 1993 (Act No. 29 of 1993).</p> <p>Schedule 3B.</p>
<p>National Metrology Institute of South Africa (NMISA)</p> 	<p>Support global competitiveness through the provision of fit-for purpose international acceptable measurement standards and measurements.</p>	<p>Specialist Services.</p>	<p>54,806 (54,999)</p>	<p>Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006).</p> <p>Schedule 3A.</p>

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 1B, D, 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 were created and advertised, and are in the process of being filled.

Variation orders proceeded this financial year without recurrence of similar problems in respect of unusual mark-ups as reported in the previous financial year. The department acquired its own quantity surveyor, that is as an establishment appointment. This will limit augmenting capacity from consultants only to risky projects of high value. The department did not utilise a quantity surveyor consultant in the past financial year.

Unitary payments are based on a baseline amount of R108,6 million per annum, which will appreciate at CPIX 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 R159,960 million for the 2009/10 reporting period, as compared to the R145,001 million for the 2008/09 financial year. Payments of R6,371 million were made during the reporting period in respect of variation orders, as compared to the R343,722 that was paid during the 2008/09 financial year. (Variation orders related to changes and additions to the design of the building, and changes to accommodate increased numbers of staff). Payments of R2,326 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.

Cash flows in the form of pass-through cost to *Rainprop (Pty) Ltd* for services such as rates, electricity, water and consumables amounted to R10,387 million. Performance deductions of R83,156 were charged and recovered from *Rainprop (Pty) Ltd*, whilst performance bonuses of R468,01 were paid to *Rainprop*.

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 is awaiting arbitration. Details of the agreement and associated costs are reflected in Note 32 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 continued to refine its corporate governance structure, thus establishing effective controls to strengthen its performance in key operational areas. All of the committees met regularly during the year under review and substantively addressed issues that fell within their respective mandates. It can thus be concluded that all relevant committees operated effectively during the period under review.

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8.1 Executive Board (EXBO)

Strategic planning at **the dti** is directed from EXBO, which process enables a simplified and standard procedure for planning across the department. Strategic planning is performed on a three-year rolling basis and is aligned to the Medium-Term Expenditure Framework (MTEF) process. EXBO is integrally involved in the determination of the strategic risks for the department and also provides oversight over the actions necessary to minimise these risks.

On an operational level, business plans covering the financial year are compiled at business unit level within each programme, to give effect to the strategic plan.

the dti's strategic planning process provides for quarterly reviews of the implementation of business plans by EXBO. The purpose of such reviews is to evaluate progress reports against set targets and to take corrective action where necessary.

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 risks. 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 2010.

Two Promotion of Ethical Conduct and Fraud Prevention Workshops were held during the 2009/10 financial year, on 4 September 2009 and 30 March 2010 respectively, which were well-attended. **the dti** continues to investigate all cases of reported and suspected fraud and corruption through the Internal Audit Unit's forensic component and its outsourced forensic service providers. Appropriate action is taken in this regard and there is also extensive reporting done on this at pre-risk meetings.

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. The committee is also chaired by an *ex-officio* member. 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 over ethics. **the dti** also adopted a Risk Management Strategy for the organisation at its Operations Committee (OPSCOM).

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.

An annual risk assessment was done in 2008/09, which included operational and strategic risks. An annual risk review commenced in quarter four of 2009/10 to assess the risk management progress, and to ensure alignment with the business planning cycle.

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 at each RMC meeting. The Calendar was maintained for the year under review to mitigate legislative compliance risks facing **the dti**.

Pre-Risk Management Committee

The Pre-Risk Management Committee consists of the Chairperson of the Risk Management Committee; an 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 is tracked and feedback is provided on the status of the implementation of recommendations made in forensic investigation reports.

8.4 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.

8.5 Health and Safety

All identified Occupational Health and Safety (OH&S) representatives within internal divisions of **the dti** were trained and appointed. There has been generally poor 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. Training of staff on the familiarisation of evacuation drills also commenced. The training of one division was completed and a second commenced with evacuation training.

The concessionaire assisted in identifying OH&S risks, which resulted in a formal report tabled at an OH&S meeting for action planning, over and above reports that had, albeit inconsistently, been submitted by some of the OH&S representatives.

To strengthen its own capacity, a dedicated manager for OH&S commenced duty in **the dti** during the 2009/10 period. 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 parts of the 2009/10 period. Findings were that those OH&S issues, as well as building and infrastructure non-compliances, were addressed by the landlords.

In terms of the Emergency Reaction Plan, an evacuation was executed in Building B. Additional evacuations will be scheduled on a monthly basis during the 2010/11 period.

8.6 Operations Committee (OPSCOM)

the dti continued using the departmental Operations Committee (OPSCOM) to advise on and adopt operational policies and procedures related to finance, procurement, human resources and information technology. The DDG: GSSSD serves as Chairperson of the OPSCOM, whilst Chief Directors and Chief Operating Officers represent all **the dti** divisions at the OPSCOM.

8.7 Operational policies

the dti continued to review, develop and implement operational policies during the reporting period. It reviewed existing policies and approved four new policies, and also approved eight operational strategies and plans. Discussions on how to resolve the vacancy situation, HR planning and development, retention, finances and spending, ICT, occupational health and safety issues, and particular initiatives taken in these areas, were some of the items that were high on the agenda during the 2009/10 financial year. These policies are placed on the departmental intranet, where they can be accessed by all employees.

8.8 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, information technology, 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**.

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The internal capacity of **the dti** in-house function was strengthened during the reporting period with the appointment of two more deputy directors (DDs) in the Specialist fields of Forensic and IT auditing, as well as the Director: Performance and IT Audit. The Internal Audit Unit's capacity increased from 17 to 21 persons during the period of review. **the dti** Internal Audit function also underwent during the period under review an external validation of its services in line with the Institute of Internal Audit (IIA) Quality Assurance Review. This assessment was carried out by Deloitte and Touche. **the dti** Internal Audit received an excellent report, with only value-added findings for them to consider.

Forensic audit services continued to be outsourced 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 R2,086,198.91 was paid to KPMG for outsourced and co-sourced Audit Services, whilst an amount of R 1,097,687 was paid to *Gobodo Forensic & Investigative Accounting (Pty) Ltd* for conducting Co-Sourced Forensic Investigations.

For the reporting period, internal staff of the Internal Audit Unit spent an estimated 16 000 direct hours on audit work at **the dti**.

A total of 32 Internal Audit reports were issued to management and presented to the Audit Committee. These included 16 compliance audits, five performance audits, four IT audits, four ad-hoc assignments and three consulting engagements.

8.9 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 2009/10 year to include the role it has to play in relation to Section 21 Companies (entities of **the dti**), and the effect of the new Companies Act on this oversight role. Four scheduled Audit Committee meetings took place for the period under review.

During the reporting period, the Internal Audit Unit commenced with the process of recruiting a further two Audit Committee members, in view of the fact that two of the existing members' terms of appointment would come to an end during the 2010/11 financial year.

8.10 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:

"Departmental assets are managed in accordance with the policies issued by the National Treasury..."



NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2010

- **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 embarked on an energy-saving programme to alleviate electricity consumption, and a plan was developed by the concessionaire, which was partially implemented in 2009/10. The remainder of the plan will be dealt with in forthcoming years, depending on cost-effectiveness. Consumption was monitored for deviation on a monthly basis.
- **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.

8.11 Departmental Tender Committee (DTC)

The Departmental Tender Committee continues to manage the awarding and adjudication of tenders, with a value ranging between R500,000 and R4 million, and to advise the Accounting Officer on values higher than R4 million. **the dti** regards this as important to ensure improved efficiency and decision-making. The DDG: GSSSD serves as Chairperson of the Tender Committee. The Chief Operating Officer: GSSSD, the Chief Financial Officer, the Director: Supply Chain Management, and representatives from the Legal Unit and Economic Research and Policy Co-ordination Unit, are members of the Tender Committee.

9 Discontinued activities/activities to be discontinued

With the establishment of the Economic Development Department (EDD), the following public entities will be transferred with effect from 1 April 2010 from **the dti** to EDD:

Public Entity	Budget 2009/10 R'000
South African Micro-Finance Apex Fund (SAMAF)	77,347
Industrial Development Corporation (IDC)	-
Competition Commission	80,739
Competition Tribunal	13,040
Khula Enterprise Finance	65,981
International Trade Administration Commission (ITAC)	60,885
TOTAL	297,992

10 New and proposed activities

No new activities were introduced during the 2009/10 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, 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 the 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 the National Treasury.

12 Events after the reporting date

No events took place after the reporting date of 31 March 2010, which would impact on the financial position of the **the dti** at that date.

13 Performance information

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 EXBO. Monthly and 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 National Treasury Regulations, and subsequently submitted to the Auditor-General.

14 SCOPA resolutions

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

15 Prior modifications to audit reports

Actions were taken to resolve all substantial matters reported by the Auditor-General during the audit of the 2008/09 financial year:

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2010

Nature of disclaimer, adverse opinion and matters of non-compliance	Financial year	Progress made in resolving matter
Non-compliance with the Public Service Act and Regulations in terms of:	2008/09	
1.) The accuracy and completeness of the recording of leave taken by employees.		Finalised. The risk followed as a result of multiple systems being used to record leave, being the PERSAL, Streamline and Documentum systems. The use of the Documentum system was suspended in November 2009. The above process was replaced with a manual process, consisting of pre-numbered leave forms. This process is supported by leave administrators, monthly reports and quality assurance.
2.) Leave taken not captured on a daily basis and related backlogs.		Finalised. The problems around the turnaround time and completeness of leave forms have been resolved since the formal adoption of the manual system in November 2009. Regular reconciliations of leave taken are taking place whilst the Leave policy has been amended accordingly.
3.) The availability of a human resources plan.		Finalised. The 2009-12 HR Plan of the dti , which is a medium-term plan, was approved by the Minister in November 2009.

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.

16 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.

17 Approval

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



T MATONA
DIRECTOR-GENERAL

Date: 28/07/2010



"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."



REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE NO. 32: DEPARTMENT OF TRADE AND INDUSTRY FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

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 2010, 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 192 to 246.

Accounting officer's responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting determined by the National Treasury as set out in accounting policy note 1.1 to the financial statements and in the manner required by the Public Finance Management Act of South Africa (PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, my responsibility is to express an opinion on the financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. 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.

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 and fair presentation 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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 2010, and its financial performance and its cash flows for the year ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA.

Emphasis of matter

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

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
REPORT OF THE AUDITOR GENERAL for the year ended 31 March 2010

Basis of accounting

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, described in accounting policy note 1.1 to the financial statements.

Significant uncertainties

With reference to note 23 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

As disclosed in note 27.1 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of an error discovered during 2010 in the financial statements of **the dti** at, and for the year ended, 31 March 2009.

Irregular expenditure

As disclosed in note 28 to the financial statements, irregular expenditure to the amount of R1 889 000 was incurred, as the correct procurement process had not been followed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and *General notice 1570 of 2009*, issued in *Government Gazette No. 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the PFMA, and financial management (internal control).

Findings

Predetermined objectives

Usefulness of reported performance information

The following criteria were used to assess the usefulness of the planned and reported performance:

- Consistency: Has the entity reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

Planned and reported performance targets are not specific, measurable and time bound

For the selected programmes (International Trade and Economic Development, Empowerment and Development and Industrial Development):

- 24% of the planned and reported targets were not specific in clearly identifying the nature and the required level of performance.
- 38% of the planned and reported targets were not measurable in identifying the required performance.
- 89% of the planned and reported targets were not time bound in specifying the time period or deadline for delivery.

Planned and reported measures not well defined

For the selected programmes (International Trade and Economic Development, Empowerment and Development and Industrial Development), 40% of the planned and reported measures were not clear, with an unambiguous definition to allow for data to be collected consistently.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
REPORT OF THE AUDITOR GENERAL for the year ended 31 March 2010

Compliance with laws and regulations

• **Public Service Act, 1994 as amended by Act 30 of 2007**

Non-adherence

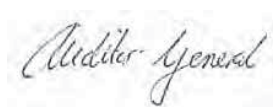
Contrary to the requirement of the Public Service Regulation chapter 1, part III, B2 (a), the organisational structure of the department was not approved.

Internal control

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and PSA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

Leadership

The internal policies and procedures of **the dti** pertaining to the planning and monitoring of performance information at the overall performance management level was not complied with in all instances. Furthermore, **the dti** did not have sufficient monitoring controls to ensure compliance with all applicable laws and regulations.



Pretoria
31 July 2010



*"...no significant or material non-compliance
with prescribed policies and procedures
have been reported."*



REPORT OF THE AUDIT COMMITTEE

**REPORT OF THE AUDIT COMMITTEE 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 2010.

1 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)	4
Mr A C Coombe	4
Mr DA Braithwaite	3
Ms P Ndumo-Vilakazi	4
Executive Member	
Mr T Matona (Director-General)	3

The Director-General ensured adequate representation on his behalf for the meeting that he could not attend, due to an urgent request from the Minister.

2 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 formal 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.

3 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.

From the various reports of the internal auditors, the Audit Committee noted that no significant or material non-compliance with prescribed policies and procedures have been reported. In line with the PFMA and the King II Report requirements, an 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.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
REPORT OF THE AUDIT COMMITTEE for the year ended 31 March 2010

Based on the audits conducted and presented to the Audit Committee meetings for the 2009/2010 year, the Committee concludes overall that the controls evaluated during those audits were adequate, yet only partially effective in certain instances.

4 QUALITY OF MANAGEMENT REPORTS

The Committee is satisfied with the content and quality of the monthly and quarterly reports prepared and issued by the Accounting Officer and the department during the year under review. The Committee continues to discuss with management improvements to the quality of these reports.

5 EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed the Auditor-General's interim and final management letters and management's response thereto.
- Reviewed the appropriateness of accounting policies and practices.
- Reviewed significant adjustments resulting from the annual audit.
- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report.

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

Conclusion:

The Audit Committee wishes to congratulate the Accounting Officer and his staff for their commitment in obtaining an unqualified audit report for the 2009 / 2010 financial year.



Chairperson of the Audit Committee
29 July 2010



APPROPRIATION STATEMENT

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2010

APPROPRIATION PER PROGRAMME									
2009/10								2008/09	
APPROPRIATION STATEMENT	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	462,769	(1,204)	(16,904)	444,661	394,446	50,215	88.7%	351,046	332,799
Transfers and subsidies	3,144	111	-	3,255	2,463	792	75.7%	2,287	1,833
Payment for capital assets	31,223	1,093	-	32,316	19,855	12,461	61.4%	28,597	10,965
2. International Trade and Economic Development									
Current payment	100,449	(1,550)	-	98,899	88,831	10,068	89.8%	81,330	80,215
Transfers and subsidies	90,386	1,000	4,300	95,686	94,479	1,207	98.7%	86,858	86,421
Payment for capital assets	456	550	-	1,006	574	432	57.1%	655	364
3. Empowerment & Enterprise Development									
Current payment	94,896	(17,200)	-	77,696	63,423	14,273	81.6%	34,596	33,450
Transfers and subsidies	1,221,527	17,000	10,000	1,248,527	1,247,163	1,364	99.9%	898,933	883,155
Payment for capital assets	761	200	-	961	412	549	42.9%	203	201
4. Industrial Development									
Current payment	83,041	(7,450)	170	75,761	62,385	13,376	82.3%	100,605	99,471
Transfers and subsidies	343,266	7,450	-	350,716	350,382	334	99.9%	551,878	561,052
Payment for capital assets	610	-	-	610	293	317	48.0%	3,715	3,427
5. Consumer and Corporate Regulation									
Current payment	69,088	(871)	(9,624)	58,593	48,050	10,543	82.0%	47,310	44,884
Transfers and subsidies	178,623	871	-	179,494	179,292	202	99.9%	131,177	131,177
Payment for capital assets	778	-	-	778	261	517	33.5%	735	594
6. The Enterprise Organisation									
Current payment	121,700	(27,211)	-	94,489	88,885	5,604	94.1%	72,414	72,237
Transfers and subsidies	3,234,142	26,207	-	3,260,349	3,252,890	7,459	99.8%	2,343,831	2,326,705
Payment for capital assets	1,042	1,004	-	2,046	1,800	246	76.4%	1,822	1,757
7. Trade and Investment South Africa									
Current payment	159,767	(174)	12,058	171,651	164,521	7,130	95.8%	176,358	175,555
Transfers and subsidies	132,856	100	-	132,956	132,956	-	100%	133,559	133,559
Payment for capital assets	1,428	74	-	1,502	1,502	-	100%	1,266	1,119
8. Communication & Marketing									
Current payment	63,434	(289)	-	63,145	41,902	21,243	66.4%	73,856	72,473
Transfers and subsidies	-	289	-	289	288	1	99.7%	2	2
Payment for capital assets	6,690	-	-	6,690	902	5,788	13.5%	3,860	3,649
Sub Total	6,402,076	-	-	6,402,076	6,237,955	164,121	97.4%	5,126,893	5,057,064

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2010

	2009/10		2008/09	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	6,402,076	6,237,955	5,126,893	5,057,064
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	510,034		309,326	
Aid assistance	18,598		387,386	
Actual amounts per statement of financial performance (total revenue)	6,930,708		5,823,605	
ADD				
Aid assistance		127,792		291,556
Prior year unauthorised expenditure approved without funding				-
Actual amounts per statement of financial performance (total expenditure)		6,365,747		5,348,620

APPROPRIATION PER ECONOMIC CLASSIFICATION									
ECONOMIC CLASSIFICATION	2009/10							2008/09	
	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	525,662	(25,621)	(2,693)	497,348	445,576	51,772	89.6%	399,440	383,077
Goods and services	629,482	(32,613)	(12,478)	584,391	503,714	80,677	86.2%	539,082	524,101
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	3,156	-	3,156	3,153	3	99.9%	-	3,906
Transfers and subsidies									
Departmental agencies and accounts	1,420,657	4,500	15,171	1,440,328	1,440,308	20	100%	1,269,710	1,269,549
Universities & technikons	3,000	12,500	-	15,500	15,500	-	100%	10,500	10,500
Foreign governments and international organisations	34,022	-	-	34,022	31,402	2,620	92.3%	35,539	29,616
Public corporations and private enterprises	3,735,770	34,450	-	3,770,220	3,762,528	7,692	99.8%	2,820,616	2,802,963
Non-profit institutions	7,597	-	-	7,597	7,597	-	100%	6,075	6,075
Households	2,898	707	-	3,605	2,578	1,027	71.5%	6,085	5,200
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	38,468	1,632	-	40,100	22,879	17,221	57.1%	30,602	14,847
Biological assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	4,520	1,289	-	5,809	2,720	3,089	46.8%	10,251	7,230
TOTAL	6,402,076	-	-	6,402,076	6,237,955	164,121	97.4%	5,126,893	5,057,064

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2010

N.B. The prior year expenditure has been restated as follows:

[1] The accounting treatment for Fruitless & Wasteful expenditure amounting to R75 000 has changed. This has resulted in the restatement of the total expenditure and Goods and Services under Programme 1.

[2] Development costs for software of R1, 007 million has been reallocated from goods and services to Software and Other Intangible Assets under Programme 6.

PROGRAMME 1 – ADMINISTRATION	2009/10							2008/09	
	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									
1.1 Minister									
Current Payment	1,709	80	-	1,789	1,789	-	100%	1,709	1,585
1.2 Economic Development									
Current Payment	22,999	-	-	22,999	14,214	8,785	61.8%	-	-
Payment for capital assets	6,001	-	-	6,001	2,439	3,562	40.6%	-	-
1.3 Deputy Minister									
Current Payment	1,407	38	-	1,445	1,434	11	99.2%	1,407	1,306
1.4 Deputy Minister									
Current Payment	1,407	10	-	1,417	1,398	19	98.7%	1,407	1,307
1.5 Ministry									
Current Payment	23,629	100	-	23,729	22,302	1,427	94.0%	26,290	25,697
Transfers and subsidies	900	-	-	900	777	123	86.3%	-	-
Payment for capital assets	3,311	51	-	3,362	3,038	324	90.4%	1,047	15
1.6 Office of the Director General									
Current Payment	44,545	(311)	(170)	44,064	37,890	6,174	86.0%	33,920	31,726
Transfers and subsidies	2,021	27	-	2,048	1,409	639	68.8%	1,950	1,542
Payment for capital assets	638	5	-	643	566	77	88.0%	1,387	595
1.7 Corporate Services									
Current Payment	359,963	(1,121)	(16,734)	342,108	308,309	33,799	90.1%	279,851	264,716
Transfers and subsidies	223	84	-	307	277	30	90.2%	337	291
Payment for capital assets	21,273	1,037	-	22,310	13,812	8,498	61.9%	26,163	10,355
1.8 Government Motor Transport									
Payment for capital assets	-	-	-	-	-	-	-	-	-
1.9 Property Management									
Current Payment	7,110	-	-	7,110	7,110	-	100%	6,462	6,462
Transfers and subsidies	-	-	-	-	-	-	-	-	-
TOTAL	497,136	-	(16,904)	480,232	416,764	63,468	86,8%	381,930	345,597

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2010

ECONOMIC CLASSIFICATION	2009/10							2008/09	
	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	136,822	(829)	-	135,993	111,518	24,475	82.0%	99,572	87,282
Goods and services	325,947	(2,978)	(16,904)	306,065	280,325	25,740	91.6%	251,474	243,537
Financial transactions in assets and liabilities	-	2,603	-	2,603	2,602	1	100%	-	1,980
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	596	-	-	596	596	-	100%	600	523
Households	2,548	111	-	2,659	1,867	792	70.2%	1,687	1,309
Payments for Capital Assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	26,734	962	-	27,696	18,314	9,382	66.1%	22,393	7,561
Software and other intangible assets	4,489	131	-	4,620	1,542	3,078	33.4%	6,204	3,405
TOTAL	497,136	-	(16,904)	480,232	416,764	63,468	86.8%	381,930	345,597

PROGRAMME 2 – INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT	2009/10							2008/09	
	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									
2.1 International Trade Development									
Current Payment	71,879	(2,098)	-	69,781	61,863	7,918	88.7%	56,853	56,085
Transfers and subsidies	74,515	1,000	4,300	79,815	78,608	1,207	98.5%	71,330	70,948
Payment for capital assets	456	550	-	1,006	574	432	57.1%	514	226
2.2 African Economic Development									
Current Payment	28,570	548	-	29,118	26,968	2,150	92.6%	24,477	24,130
Transfers and subsidies	15,871	-	-	15,871	15,871	-	100%	15,528	15,473
Payment for capital assets	-	-	-	-	-	-	-	141	138
TOTAL	191,291	-	4,300	195,591	183,884	11,707	94.0%	168,843	167,000

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2010

ECONOMIC CLASSIFICATION	2009/10							2008/09	
	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	55,374	(2,394)	-	52,980	47,202	5,778	89.1%	40,975	40,306
Goods and services	45,075	844	-	45,919	41,629	4,290	90.7%	40,355	39,881
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	28
Transfers and subsidies									
Departmental agencies and accounts	63,015	1,000	4,300	68,315	68,296	19	100%	60,470	60,309
Foreign governments & international organisations	11,500	-	-	11,500	10,312	1,188	89.7%	10,850	10,639
Public corporations and private enterprises	15,871	-	-	15,871	15,871	-	100%	15,228	15,228
Households	-	-	-	-	-	-	-	310	245
Payments for Capital Assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	425	570	-	995	574	421	57.7%	635	364
Software and other intangible assets	31	(20)	-	11	-	11	-	20	-
TOTAL	191,291	-	4,300	195,591	183,884	11,707	94.0%	168,843	167,000

PROGRAMME 3 – EMPOWERMENT AND ENTERPRISE DEVELOPMENT	2009/10							2008/09	
	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	29,540	(9,146)	-	20,394	17,567	2,827	86.1%	18,296	17,714
Transfers and subsidies	478,805	-	-	478,805	477,574	1,231	99.7%	560,861	545,148
Payment for capital assets	297	-	-	297	96	201	32.3%	87	86
3.2 Equity and Empowerment									
Current Payment	26,753	(5,626)	-	21,127	16,211	4,916	76.7%	16,300	15,736
Transfers and subsidies	445,269	-	-	445,269	445,178	91	100%	338,072	338,007
Payment for capital assets	324	90	-	414	212	202	51.2%	116	115
3.3 Regional Economic Development									
Current payment	38,603	(2,428)	-	36,175	29,645	6,530	81.9%	-	-
Transfers and subsidies	297,453	17,000	10,000	324,453	324,411	42	100%	-	-
Payment for capital assets	140	110	-	250	104	146	41.6%	-	-
TOTAL	1,317,184	-	10,000	1,327,184	1,310,998	16,186	98.8%	933,732	916,806

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2010

ECONOMIC CLASSIFICATION	2009/10							2008/09	
	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	45,316	(5,000)	-	40,316	35,709	4,607	88.6%	29,429	29,199
Goods and services	49,580	(12,200)	-	37,380	27,714	9,666	74.1%	14,692	14,692
Transfers and subsidies									
Departmental agencies and accounts	1,076,339	3,500	10,000	1,089,839	1,089,839	-	100%	804,429	799,632
Universities and technikons	3,000	12,500	-	15,500	15,500	-	100%	-	10,500
Foreign governments and international organisations	4,300	-	-	4,300	3,069	1,231	71.4%	9,204	3,492
Public corporations and private enterprises	130,041	1,000	-	131,041	131,041	-	100%	69,823	53,136
Non-profit institutions	7,597	-	-	7,597	7,597	-	100%	6,075	6,075
Households	250	-	-	250	117	133	46.8%	-	-
Payments for Capital Assets									
Machinery and equipment	761	200	-	961	412	549	42.9%	80	80
Software and other intangible assets	-	-	-	-	-	-	-	-	-
TOTAL	1,317,184	-	10,000	1,327,184	1,310,998	16,186	98.8%	933,732	916,806

PROGRAMME 4 – INDUSTRIAL DEVELOPMENT	2009/10							2008/09	
	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 Payment	49,054	(7,450)	-	41,604	35,716	5,888	85.8%	70,036	69,501
Transfers and subsidies	289,508	-	-	289,508	289,275	233	99.9%	506,752	516,374
Payment for capital assets	255	-	-	255	159	96	62.4%	3,546	3,262
4.2 Customised Sector Programmes									
Current Payment	33,987	-	170	34,157	26,669	7,488	78.1%	30,569	29,970
Transfers and subsidies	53,758	7,450	-	61,208	61,107	101	99.8%	45,126	44,678
Payment for capital assets	355	-	-	355	134	221	37.7%	169	165
TOTAL	426,917	-	170	427,087	413,060	14,027	96.7%	656,198	663,950

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2010

ECONOMIC CLASSIFICATION	2009/10							2008/09	
	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	48,491	-	-	48,491	45,053	3,438	92.9%	42,958	42,958
Goods and services	34,550	(7,450)	170	27,270	17,332	9,938	63.6%	48,122	46,072
Transfers and subsidies									
Departmental agencies and accounts	105,446	-	-	105,446	105,446	-	100%	288,154	292,951
Universities and technikons	-	-	-	-	-	-	-	10,500	-
Foreign governments and international organisations	5,000	-	-	5,000	5,000	-	100%	2,500	2,500
Public corporations and private enterprises	232,720	7,450	-	240,170	239,936	234	99.9%	256,360	272,597
Households	100	-	-	100	-	100	-	3,766	3,324
Payments for Capital Assets									
Machinery and equipment	610	-	-	610	293	317	48.0%	818	730
Software and other intangible assets	-	-	-	-	-	-	-	3,020	2,818
TOTAL	426,917	-	170	427,087	413,060	14,027	96.7%	656,198	663,950

PROGRAMME 5 – CONSUMER AND CORPORATE REGULATION	2009/10							2008/09	
	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	15,813	(868)	(3,097)	11,848	10,579	1,269	89.3%	12,989	12,022
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	80	-	-	80	-	80	-	171	132
5.2 Enforcement and Compliance									
Current Payment	46,905	(311)	(5,691)	40,903	32,733	8,170	80.0%	29,718	29,132
Transfers and subsidies	-	-	-	-	-	-	-	310	310
Payment for capital assets	500	-	-	500	215	285	43.0%	460	403
5.3 Regulatory Services									
Current Payment	6,370	308	(836)	5,842	4,738	1,104	81.1%	4,603	3,730
Transfers and subsidies	178,623	871	-	179,494	179,292	202	99.9%	130,867	130,867
Payment for capital assets	198	-	-	198	46	152	23.2%	104	59
TOTAL	248,489	-	(9,624)	238,865	227,603	11,262	95.3%	179,222	176,655

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2010

ECONOMIC CLASSIFICATION	2009/10							2008/09	
	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	44,295	-	(2,693)	41,602	36,395	5,207	87.5%	32,948	31,736
Goods and services	24,793	-	(7,802)	16,991	11,656	5,335	68.6%	14,362	13,144
Financial transaction in assets and liabilities	-	-	-	-	-	-	-	-	4
Transfers and subsidies									
Departmental agencies and accounts	175,857	-	871	176,728	176,727	1	100%	116,657	116,657
Foreign governments and international organisations	2,766	-	-	2,766	2,565	201	92.7%	3,074	3,074
Public corporations and private enterprises	-	-	-	-	-	-	-	11,136	11,136
Households	-	-	-	-	-	-	-	310	310
Payments for Capital Assets									
Machinery and equipment	778	-	-	778	260	518	33.4%	735	594
TOTAL	248,489	-	(9,624)	238,865	227,603	11,262	95.3%	179,222	176,655

PROGRAMME 6 – THE ENTERPRISE ORGANISATION	2009/10							2008/09	
	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	107,453	(27,804)	-	79,649	74,050	5,599	93.0%	59,947	59,946
Transfers and subsidies	3,234,142	26,207	-	3,260,349	3,252,890	7,459	99.8%	2,343,831	2,326,705
Payment for capital assets	1,042	1,004	-	2,046	1,800	246	88.0%	1,822	1,757
6.2 New Incentive Development									
Current Payment	5,343	163	-	5,506	5,504	2	100%	3,376	3,211
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
6.3 Business Dev and After- Care									
Current Payment	8,904	430	-	9,334	9,331	3	100%	9,091	9,080
Payment for capital assets	-	-	-	-	-	-	-	-	-
TOTAL	3,356,884	-	-	3,356,884	3,343,575	13,309	99.6%	2,418,067	2,400,699

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2010

ECONOMIC CLASSIFICATION	2009/10							2008/09	
	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	90,391	(17,398)	-	72,993	67,677	5,316	92.7%	50,269	49,092
Goods and services	31,309	(10,049)	-	21,260	20,973	287	98.7%	22,145	21,299
Financial transactions in assets and liabilities	-	236	-	236	235	1	99.6%	-	1,846
Financial transaction in assets and liabilities									
Transfers and subsidies									
Public corporations and private enterprises	3,234,142	26,000	-	3,260,142	3,252,684	7,458	99.8%	2,343,821	2,326,695
Households	-	207	-	207	206	1	99.5%	10	10
Payments for Capital Assets									
Machinery and equipment	1,042	-	-	1,042	796	246	76.4%	815	750
Software and other intangibles	-	1,004	-	1,004	1,004	-	100%	1,007	1,007
TOTAL	3,356,884	-	-	3,356,884	3,343,575	13,309	99.6%	2,418,067	2,400,699

PROGRAMME 7 – TRADE AND INVESTMENT SOUTH AFRICA	2009/10							2008/09	
	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 Payment	44,593	(12,581)	12,058	44,070	41,861	2,209	95.0%	33,861	33,592
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	298	(118)	-	180	180	-	100%	225	89
7.2 Export Development & Promotion									
Current Payment	25,671	(157)	-	25,514	24,694	820	96.8%	39,097	38,937
Transfers and subsidies	132,856	100	-	132,956	132,956	-	100%	133,559	133,559
Payment for capital assets	180	(50)	-	130	130	-	100%	213	206
7.3 International Operations									
Current Payment	89,503	12,564	-	102,076	97,966	4,101	96.0%	103,400	103,026
Payment for capital assets	950	242	-	1,192	1,192	-	100%	828	824
TOTAL	294,051	-	12,058	306,109	298,979	7,130	97.7%	311,183	310,233

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2010

ECONOMIC CLASSIFICATION	2009/10							2008/09	
	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	85,978	-	-	85,978	83,561	2,417	97.2%	86,254	85,898
Goods and services	73,789	(491)	12,058	85,356	80,644	4,712	94.5%	90,104	89,609
Financial transactions in assets and liabilities	-	317	-	317	316	1	99.7%	-	48
Transfers and subsidies									
Foreign governments & international organisations	10,456	-	-	10,456	10,456	-	100.0%	9,911	9,911
Public corporations and private enterprises	122,400	-	-	122,400	122,400	-	100.0%	123,648	123,648
Households	-	100	-	100	100	-	100.0%	-	-
Payments for Capital Assets									
Machinery and equipment	1,428	74	-	1,502	1,502	-	100.0%	1,266	1,119
Software and other intangibles	-	-	-	-	-	-	-	-	-
TOTAL	294,051	-	12,058	306,109	298,979	7,130	97.7%	311,183	310,233

PROGRAMME 8 – COMMUNICATIONS & MARKETING	2009/10							2008/09	
	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	25,666	2,210	-	27,876	20,586	7,290	73.8%	31,468	30,646
Payment for capital assets	490	-	-	490	383	107	78.2%	-	-
8.2 External Communications									
Current Payment	23,850	(289)	-	23,561	17,824	5,737	75.7%	23,260	22,762
Transfers and subsidies	-	289	-	289	288	1	99.7%	2	2
Payment for capital assets	6,200	-	-	6,200	519	5,681	8.4%	102	101
8.3 Media Rel & Public Relations									
Current Payment	13,918	(2,210)	-	11,708	3,492	8,216	29.8%	19,128	19,065
Payment for capital assets	-	-	-	-	-	-	-	3,758	3,548
TOTAL	70,124	-	-	70,124	43,092	27,032	61.5%	77,718	76,124

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2010

ECONOMIC CLASSIFICATION	2009/10							2008/09	
	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	18,995	-	-	18,995	18,461	534	97.2%	17,035	16,606
Goods and services	44,439	(289)	-	44,150	23,441	20,709	53.1%	56,821	55,867
Transfers and subsidies									
Households	-	289	-	289	288	1	99.7%	2	2
Payments for Capital Assets									
Machinery and equipment	6,690	(174)	-	6,516	728	5,788	11.2%	3,860	3,649
Software and other intangibles	-	174	-	174	174	-	100%	-	-
TOTAL	70,124	-	-	70,124	43,092	27,032	61.5%	77,718	76,124





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 8 (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 financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 7 (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	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	480,232	416,764	63,468	13.2%
Explanation of variance: Under-spending at the new Economic Development Department, which only came into existence in May 2009. the dti administration division also experienced an under-spending due to vacancies and outstanding variation orders under the PPP.				
International Trade and Economic Development	195,591	183,884	11,707	6%
Explanation of variance: Saving at compensation due to vacancies that influenced operational costs. Saving at payment to WTO due to exchange rate fluctuation.				
Empowerment and Enterprise Development	1,327,184	1,310,998	16,186	1.2%
Explanation of variance: The division had eighteen vacancies that resulted in the saving at compensation and operational expenditure.				
Industrial Development	427,087	413,060	14,027	3.3%
Explanation of variance: Eleven vacancies and fewer payments for consultant services resulted in a saving.				

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2010

4.1 PER PROGRAMME	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Consumer and Corporate Regulations	238,865	227,603	11,262	4.7%
Explanation of variance: The division had twenty four vacancies which resulted in a saving at compensation and operational expenditure.				
The Enterprise Organisation	3,356,884	3,343,575	13,309	0.4%
Explanation of variance: Due to the time lag in the payment of claims in respect of SMEDP, BPO & O and Film and Television Production incentives. The expansion of the division's establishment did not realise, and influenced compensation and goods and services.				
Trade and Investment South Africa	306,109	298,979	7,130	2.3%
Explanation of variance: A number of vacancies at mission offices were in the process of being filled.				
Marketing	70,124	43,092	27,032	38.5%
Explanation of variance: Fewer requests received from divisions on events and a delay in the purchase of electronic screens resulted in the saving. Lesser work outsourced to contractors.				
TOTAL	6,402,076	6,237,955	164,121	2.6%

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2010

4.2 PER ECONOMIC CLASSIFICATION	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments:				
Compensation of employees	497,348	445,576	51,772	10.4%
Goods and services	584,391	503,714	80,677	13.8%
Financial transactions in assets and liabilities	3,156	3,153	3	0.10%
Transfers and subsidies:				
Departmental agencies and accounts	1,440,328	1,440,308	20	0.0%
Universities and Technikons	15,500	15,500	-	0.0%
Foreign governments and international organisations	34,022	31,402	2,620	7.7%
Public corporations and private enterprises	3,770,220	3,762,528	7,692	0.2%
Non-profit institutions	7,597	7,597	-	0.0%
Households	3,605	2,578	1,027	28.5%
Payments for capital assets:				
Machinery and equipment	40,100	22,879	17,221	42.9%
Software and other intangible assets	5,809	2,720	3,089	53.2%
TOTAL	6,402,076	6,237,955	164,121	2.6%

Explanation of variances:

Compensation of employees – due to vacancies

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 SMEDP, BPO & O and Film and Television Production incentives

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



STATEMENT OF FINANCIAL PERFORMANCE

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
STATEMENT OF FINANCIAL PERFORMANCE as at 31 March 2010

	Note	2009/10	2008/09
REVENUE			
Annual appropriation	1	6,402,076	5,126,893
Departmental revenue	2	510,034	309,326
Aid assistance	3	18,598	387,386
TOTAL REVENUE		6,930,708	5,823,605
EXPENDITURE			
Current expenditure			
Compensation of employees	4	445,576	383,077
Goods and services	5	503,661	524,101
Interest and rent on land	6	53	
Financial transactions in assets and liabilities	7	3,154	3,906
Aid assistance	3	14,035	7,430
Total current expenditure		966,479	918,514
Transfers and subsidies			
Transfers and subsidies	8	5,259,912	4,123,903
Aid assistance	3	113,757	284,126
Total transfers and subsidies		5,373,669	4,408,029
Expenditure for capital assets			
Tangible capital assets	9	22,879	14,847
Software and other intangible assets	9	2,720	7,230
Total expenditure for capital assets		25,599	22,077
TOTAL EXPENDITURE		6,365,747	5,348,620
SURPLUS FOR THE YEAR		564,961	474,985
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds	18	164,121	69,829
Departmental revenue	19	510,034	309,326
Aid assistance	3	(109,194)	95,830
SURPLUS FOR THE YEAR		564,961	474,985



STATEMENT OF FINANCIAL POSITION

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
STATEMENT OF FINANCIAL POSITION as at 31 March 2010

STATEMENT OF FINANCIAL POSITION

	Note	2009/10	2008/09
ASSETS			
Current assets		530,339	510,260
Unauthorised expenditure	10	37,380	37,380
Fruitless and wasteful expenditure	11	11	11
Cash and cash equivalents	12	255,492	225,998
Prepayments and advances	14	15,306	21,878
Receivables	15	222,150	224,993
Non-current assets		1,707,139	1,677,370
Other financial assets	13	2,889	3,121
Investments	16	1,392,969	1,392,969
Loans	17	311,281	281,280
TOTAL ASSETS		2,237,478	2,187,630
LIABILITIES			
Current liabilities		320,963	296,520
Voted funds to be surrendered to the Revenue Fund	18	39,864	29,393
Departmental revenue to be surrendered to the Revenue Fund	19	129,472	10,206
Payables	20	13,200	9,300
Aid assistance repayable	3	138,427	247,621
TOTAL LIABILITIES		320,963	296,520
NET ASSETS		1,916,515	1,891,110
Represented by:			
Capitalisation reserve		1,704,250	1,674,250
Recoverable revenue		212,265	216,860
TOTAL		1,916,515	1,891,110



STATEMENT OF CHANGES IN NET ASSETS

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2010

STATEMENT OF CHANGES IN NET ASSETS

	Note	2009/10	2008/09
NET ASSETS			
Capitalisation Reserves			
Opening balance		1,674,250	1,639,219
Transfers:		-	-
Movement in Equity	17	30,000	35,031
Closing balance		1,704,250	1,674,250
Recoverable revenue			
Opening balance		216,860	213,366
Transfers:		(4,595)	3,494
Irrecoverable amounts written off		(2,601)	(1,874)
Debts revised		(7,781)	(4,236)
Debts recovered (included in departmental receipts)		(28,219)	(17,432)
Debts raised		34,006	27,036
Closing balance		212,265	216,860
TOTAL		1,916,515	1,891,110



CASH FLOW STATEMENT

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
CASH FLOW STATEMENT for the year ended 31 March 2010

CASH FLOW STATEMENT

	Note	2009/10	2008/09
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		6,686,451	5,683,385
Annual appropriated funds received	1.1	6,277,819	5,086,783
Departmental revenue received	2	390,034	209,216
Aid assistance received	3	18,598	387,386
Net decrease in working capital		13,315	534
Surrendered to Revenue Fund		(420,161)	(394,720)
Current payments		(966,479)	(918,514)
Transfers and subsidies paid		(5,373,669)	(4,408,029)
Net cash flow available from/(utilised in) operating activities	21	(60,543)	(37,344)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(25,599)	(22,077)
Proceeds from sale of capital assets	2.4	-	110
Increase in loans		(30,001)	(35,030)
Decrease in other financial assets		232	581
Net cash flows from/(utilised in) investing activities		(55,368)	(56,416)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		120,000	100,000
Increase in net assets		25,405	38,525
Net cash flows from financing activities		145,405	138,525
Net increase in cash and cash equivalents		29,494	44,765
Cash and cash equivalents at the beginning of the period		225,998	181,233
Cash and cash equivalents at end of period	22	255,492	225,998



ACCOUNTING POLICIES

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ACCOUNTING POLICIES for the year ended 31 March 2010

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 and the Division of Revenue Act, Act 2 of 2006.

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. Under the accrual basis of accounting, transactions and other events are recognised when incurred and not when cash is received or paid.

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.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ACCOUNTING POLICIES for the year ended 31 March 2010

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 is 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 Financial transactions in assets and liabilities (Receipts)

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 of the foreign currency to SA Rand.

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 the 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.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ACCOUNTING POLICIES for the year ended 31 March 2010

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

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 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.

Post retirement benefits

The department contributes towards the 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.

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.

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 an asset of R5,000 or more is purchased. All assets costing less than R5,000 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 Financial transactions in assets and liabilities (Payments)

Debts are written off when identified as irrecoverable. Debts 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.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ACCOUNTING POLICIES for the year ended 31 March 2010

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 statements of financial position at cost. The bank overdraft is carried in 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 Inventory

Inventories that qualify for recognition are initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

Inventories purchased during the financial year are disclosed at cost in the notes to the financial statements.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ACCOUNTING POLICIES for the year ended 31 March 2010

4.8 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 of 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.

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ACCOUNTING POLICIES for the year ended 31 March 2010

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 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 regards to related party transactions is indicated in the disclosure notes to the financial statements.

9 Key management personnel

Key management personnel are those persons having 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:
 - o Consideration to be paid by the department which derives from a Revenue Fund;
 - o Charges fees to be collected by the private party from users or customers of a service provided to them; or
 - o 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 disclosures notes to the financial statements.

“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.”





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 2009/10	Actual Funds Received 2009/10	Funds not requested/ not received 2009/10	Actual Funds received 2008/09
		R'000	R'000	R'000	R'000
1	Administration	480,232	429,424	50,808	345,715
2	International Trade and Economic Development	195,591	186,391	9,200	168,603
3	Empowerment and Enterprise Development	1,327,184	1,313,984	13,200	921,101
4	Industrial Development	427,087	415,417	11,670	667,004
5	Consumer and Corporate Regulatory Division	238,865	230,558	8,307	179,122
6	The Enterprise Organisation	3,356,884	3,351,884	5,000	2,416,657
7	Trade and Investment South Africa	306,109	303,087	3,022	310,863
8	Communications and Marketing	70,124	47,074	23,050	77,718
	Total	6,402,076	6,277,819	124,257	5,086,783

The Final Appropriation for 2008/09 amounted to R5,126,893 million which is reflected in the Statement of Financial Performance, whilst the amount of R5,086,783 million reflected in the above table are the actual funds requested for the 2008/09 financial year.

Explanation of funds not requested/not received:

Refer to the Notes to the Appropriation Statement on page 192 and 194 for the reasons why funds were not requested/ not received.

2 Departmental revenue

	Note	2009/10	2008/09
		R'000	R'000
Tax revenue		2,942	2,854
Sales of goods and services other than capital assets	2.1	221	210
Fines, penalties and forfeits	2.2	336,296	144,395
Interest, dividends and rent on land	2.3	122,965	101,912
Sales of capital assets	2.4	-	110
Financial transactions in assets and liabilities	2.5	47,610	59,845
Departmental revenue collected		510,034	309,326

Tax revenue relates to liquor licence fees received.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

2.1 Sales of goods and services other than capital assets

	2009/10	2008/09
	R'000	R'000
Sales of goods and services produced by the department	221	209
Sales by market establishment	80	33
Other sales	141	176
Sales of scrap, waste and other used current goods	-	1
Total	221	210

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

Other sales comprise commission on insurance deductions and fees received by staff for directorships at other institutions.

2.2 Fines, penalties and forfeits

	2009/10	2008/09
	R'000	R'000
Penalties	336,286	144,395
Forfeits	10	-
Total	336,296	144,395

Penalties are fines imposed by the Competition Commission, which are deposited via **the dti** into the National Revenue Fund.

2.3 Interest, dividends and rent on land

	2009/10	2008/09
	R'000	R'000
Interest	2,965	1,912
Dividends (IDC)	120,000	100,000
Total	122,965	101,912

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

2.4 Sale of capital assets

	2009/10	2008/09
	R'000	R'000
Tangible capital assets	-	110
Machinery and equipment	-	110
Total	-	110

2.5 Financial transactions in assets and liabilities

	2009/10	2008/09
	R'000	R'000
Receivables	22,587	24,481
Forex gain	124	3,322
Other Receipts including Recoverable Revenue	24,899	32,042
Total	47,610	59,845

Receivables consist of debts written-off and amounts paid over to the National Revenue Fund in respect of debts recovered. Other receipts comprise refunds from entities of unused funds and interest earned.

3 Aid assistance

3.1 Aid assistance received in cash from Reconstruction and Development Programme (RDP)

	Note	2009/10	2008/09
		R'000	R'000
Foreign			
Opening Balance		247,621	151,791
Revenue		18,598	387,386
Expenditure		(127,792)	(291,556)
Current		(14,035)	(7,430)
Transfers		(113,757)	(284,126)
Current year (deficit)/surplus		(109,194)	95,830
Closing Balance	Ann1H	138,427	247,621
Analysis of balance			
Aid assistance repayable			
RDP		138,427	247,621
Closing balance		138,427	247,621

4 Compensation of employees

4.1 Salaries and Wages

	2009/10	2008/09
	R'000	R'000
Basic salary	297,167	247,872
Performance award	6,964	7,835
Service Based	1,890	1,748
Compensative/circumstantial	5,390	5,077
Periodic payments	296	3,921
Service Bonus	16,351	13,546
Home Owners allowance	2,656	2,121
Other non-pensionable allowances	54,723	43,598
Foreign allowance	15,875	20,277
Total	401,312	345,995

Other non-pensionable allowances comprise car allowances, housing allowances, 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.

4.2 Social contributions

	2009/10	2008/09
	R'000	R'000
Employer contributions		
Pension	32,518	27,216
Medical	11,712	9,836
Bargaining council	34	30
Total	44,264	37,082
Total compensation of employees	445,576	383,077
Average number of employees	1108	953

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

5 Goods and services

	Note	2009/10	2008/09
		R'000	R'000
Administration fees		5,060	3,550
Advertising		15,630	22,372
Assets less than R5,000	5.1	762	2,031
Bursaries (employees)		1,079	587
Catering		2,924	3,685
Communication		18,929	15,733
Computer services	5.2	14,438	10,950
Consultants, contractors and special services	5.3	82,449	101,251
Entertainment		1,005	1,093
Audit cost-External	5.4	9,829	4,750
Inventory	5.5	11,454	9,620
Operating leases		178,521	157,695
Owned and leasehold property expenditure	5.6	14,076	8,825
Travel and subsistence	5.7	81,085	101,501
Venues and facilities		40,365	54,785
Training and staff development		8,835	3,551
Other operating expenditure	5.8	17,220	22,122
Total		503,661	524,101

5.1 Assets less than R5,000

	2009/10	2008/09
	R'000	R'000
Tangible assets	369	1,938
Machinery and equipment	369	1,938
Intangible assets	393	93
Total	762	2,031

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5.2 Computer services

	2009/10	2008/09
	R'000	R'000
SITA computer services	6,406	5,450
External computer service providers	8,032	5,500
Total	14,438	10,950

5.3 Consultants, contractors and agency/outsourced services

	2009/10	2008/09
	R'000	R'000
Business and advisory services	39,865	56,393
Infrastructure and planning	43	114
Legal costs	26,768	24,319
Contractors	8,310	19,040
Agency and support/outsourced services	7,463	1,385
Total	82,449	101,251

5.4 Audit cost – External

	2009/10	2008/09
	R'000	R'000
Regularity audits	6,108	4,474
Forensic investigations	1,530	276
Other audits	2,191	-
Total	9,829	4,750

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5.5 Inventory

	Note	2009/10	2008/09
		R'000	R'000
Learning and teaching support material		1	63
Other consumable materials		437	28
Maintenance material		116	23
Stationery and printing		10,900	9,506
Medical supplies		-	-
Total		11,454	9,620

5.6 Owned and leasehold property expenditure

	2009/10	2008/09
	R'000	R'000
Municipal services	697	1,247
Property management fees	7,110	6,462
Property maintenance and repairs	6,023	484
Other	246	632
Total	14,076	8,825

5.7 Travel and subsistence

	2009/10	2008/09
	R'000	R'000
Local	37,480	41,064
Foreign	43,605	60,437
Total	81,085	101,501

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

5.8 Other operating expenditure

	2009/10	2008/09
	R'000	R'000
Professional bodies, membership and subscription fees	4,896	5,147
Resettlement costs	4,315	6,392
Other	8,009	10,583
Total	17,220	22,122

Other includes courier and delivery services, printing and publications, drivers licences and permits as well as storage of files. Of the total amount of R8,009 million, R5,6 million relates to printing and publications.

6 Interest and Rent on Land

	2009/10	2008/09
	R'000	R'000
Interest paid	53	-
Total	53	-

Interest paid is in respect of leasehold vehicles.

7 Financial transactions in assets and liabilities

	Note	2009/10	2008/09
		R'000	R'000
Other material losses written-off	7.1	541	1,671
Debts written-off	7.2	2,602	1,904
Forex losses	7.3	11	331
Total		3,154	3,906

7.1 Other material losses written-off

	2009/10	2008/09
	R'000	R'000
Nature of losses		
Fruitless and wasteful expenditure	-	20
Court settlement	539	1,630
Claims for losses by staff	2	21
Total	541	1,671

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7.2 Debts written-off

	2009/10	2008/09
	R'000	R'000
Nature of debts written off		
Staff debts	-	31
General Export Incentive Scheme	2,536	1,797
Regional Industrial Development Programme	-	24
Suppliers	-	51
Export Marketing and Investment Assistance	66	-
Other	-	1
Total	2,602	1,904

7.3 Forex losses

	2009/10	2008/09
	R'000	R'000
Nature of losses		
Mission Accounts (i.e. Expenditure at foreign offices)	11	331
Total	11	331

8 Transfers and subsidies

	Note	2009/10	2008/09
		R'000	R'000
Departmental agencies and accounts	<i>Annexure 1A</i>	1,440,308	1,269,549
Universities and technikons	<i>Annexure 1B</i>	15,500	10,500
Public corporations and private enterprises	<i>Annexure 1C</i>	3,762,528	2,802,963
Foreign governments and international organisations	<i>Annexure 1D</i>	31,402	29,616
Non-profit institutions	<i>Annexure 1E</i>	7,597	6,075
Households	<i>Annexure 1F</i>	2,577	5,200
Total		5,259,912	4,123,903

9 Expenditure for capital assets

	Note	2009/10	2008/09
		R'000	R'000
Tangible assets		22,879	14,847
Machinery and equipment	34.2	22,879	14,847
Software and other intangible assets		2,720	7,230
Capitalised development costs		1,004	1,007
Other intangibles	35.2	1,716	6,223
Total		25,599	22,077

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

	Voted funds	Aid assistance	Total
	R'000	R'000	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
Other intangibles	1,716	-	1,716
Total	25,599	-	25,599

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9.2 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	14,847	-	14,847
Machinery and equipment	14,847	-	14,847
Software and other intangible assets	7,230	-	7,230
Capitalised development costs	1,007	-	1,007
Other intangibles	6,223	-	6,223
Total	22,077	-	22,077

10 Unauthorised expenditure

10.1 Reconciliation of unauthorised expenditure

	2009/10	2008/09
	R'000	R'000
Opening balance	37,380	69,626
Less: Amounts approved by Parliament/Legislature (with funding)	-	(32,246)
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

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10.2 Details of unauthorised expenditure which was incurred in the 2003/04 financial year:

Incident	Disciplinary steps taken/ criminal proceedings	2009/10 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 debts written-off [Overspending of the vote]	Referred to SCOPA	98
Other [Overspending of the vote]	Referred to SCOPA	53
Total		37,380

11 Fruitless and wasteful expenditure

11.1 Reconciliation of fruitless and wasteful expenditure

	2009/10	2008/09
	R'000	R'000
Opening balance	11	11
Add: Fruitless and wasteful expenditure- current year	-	-
Current expenditure	-	-
Less: Amounts condoned		
Current	-	-
Less: Amounts transferred to receivable for recovery		
Fruitless and wasteful expenditure awaiting condonement	11	11
Analysis of awaiting condonement per economic classification		
Current	11	11
Total	11	11

12 Cash and cash equivalents

	2009/10	2008/09
	R'000	R'000
Consolidated Paymaster General Account	255,088	225,930
Cash receipts	55	-
Disbursements	66	-
Cash on hand	-	68
Cash with commercial banks (local)	283	-
Total	255,492	225,998

13 Other financial assets

	2009/10	2008/09
	R'000	R'000
Non-current		
Local		
Staff Debts (fraud/ court order)	53	104
Other (bursary/ fraud)	41	38
Sub-total	94	142
Foreign		
Other (rental deposits for employees based abroad)	2,795	2,979
Sub-total	2,795	2,979
Total Non-current other financial assets	2,889	3,121

14 Prepayments and advances

	2009/10	2008/09
	R'000	R'000
Staff advances	7	9
Travel and subsistence	438	1,523
Prepayments	-	-
Advances paid to other entities	14,861	20,346
Total	15,306	21,878

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

15 Receivables

	Note	2009/10				2008/09
		R'000	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	15.1 Annex 4	4,852	2,030	205,774	212,656	216,767
Staff debt	15.2	412	70	41	523	198
Other debtors	15.3	548	4,471	3,952	8,971	8,028
Total		5,812	6,571	209,767	222,150	224,993

15.1 Claims recoverable

	2009/10	2008/09
	R'000	R'000
National departments	3,061	72
Provincial departments	27	-
Public entities	3,544	7,725
Private enterprises	206,024	208,970
Total	212,656	216,767

15.2 Staff debt

	2009/10	2008/09
	R'000	R'000
Bursaries	229	62
LWP (Leave without pay)	64	35
SOVRIS (Salary overpayment in service)	113	74
Telephone	24	9
Travel and subsistence	6	2
Cellular phone	9	-
Petty cash debts	45	-
Other	33	16
Total	523	198

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

15.3 Other debtors

	2009/10	2008/09
	R'000	R'000
Bursaries	154	186
Salary overpayment out of service	2,041	1,619
Medical	538	499
Tax	38	33
Fraud	5,520	5,067
Theft	166	250
Clearing accounts	-	228
Travel and subsistence	1	10
Damages to property	128	115
Cell phone	56	-
State Guarantee	194	-
Other	135	21
Total	8,971	8,028

N.B. The amount for fraud largely comprises R1,5 million for stolen cheques (old cases) and R3,5 million for the alleged fraud by ACHIB, which recovery is being processed through the courts.

16 Investments

	2009/10	2008/09
	R'000	R'000
Non-Current		
Shares and other equity		
IDC A Shares – 1,000,000 at cost (100% shareholding)	1,000	1,000
IDC B Shares – 1,391,969,357 at cost (100% shareholding)	1,391,969	1,391,969
Total	1,392,969	1,392,969
Total non-current	1,392,969	1,392,969
Analysis of non current investments		
Opening balance	1,392,969	1,392,969
Closing balance	1,392,969	1,392,969

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Although the above note reflects that the IDC is a wholly owned subsidiary of **the dti**, it is still considered a public entity similar to the other institutions which are wholly managed by **the dti**. As with the other institutions, the IDC's financial statements are not consolidated with those of **the dti**.

17 Loans

	2009/10	2008/09
	R'000	R'000
Public corporations	311,281	281,280
Total	311,281	281,280
Analysis of Balance		
Opening balance	281,280	246,250
New Issues	30,001	35,030
Closing balance	311,281	281,280

The above loan was made to Ernani Investments (Pty) Ltd, a wholly owned subsidiary of the Industrial Development Corporation, an agency of **the dti**. This is an unsecured, interest free loan without a repayment period. Ernani Investments (Pty) Ltd is a special purpose vehicle via which these loans are utilised to provide capital funding to Khula Enterprise Limited, also an agency of **the dti**, for further on lending to private enterprises. Khula Enterprise Limited is a wholly owned subsidiary of Ernani Investments (Pty) Ltd.

18 Voted funds to be surrendered to the Revenue Fund

	Note	2009/10	2008/09
		R'000	R'000
Opening balance		29,393	3,241
Transfer from statement of financial performance		164,121	69,829
Voted funds not requested/not received	1.1	(124,257)	(40,110)
Paid during the year		(29,393)	(3,567)
Closing balance		39,864	29,393

The 2008/09 amount of transfer from the statement of financial performance was restated with R75,000 due to the change in the accounting treatment for the initial recognition of fruitless and wasteful expenditure.

19 Departmental revenue to be surrendered to the Revenue Fund

	2009/10	2008/09
	R'000	R'000
Opening balance	10,206	92,033
Transfer from Statement of Financial Performance	510,034	309,326
Paid during the year	(390,768)	(391,153)
Closing balance	129,472	10,206

20 Payables – current

	Note	2009/10	2008/09
		R'000	R'000
Amounts owing to other entities	<i>Annex 5</i>	48	268
Clearing accounts	20.1	113	168
Other payables	20.2	13,039	8,864
Total		13,200	9,300

20.1 Clearing accounts

	2009/10	2008/09
	R'000	R'000
PAYE	112	119
Pension fund	1	3
Medical Aid	-	20
Bargaining Council	-	1
Travel and subsistence advance	-	25
Total	113	168

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

20.2 Other payables

	2009/10	2008/09
	R'000	R'000
CSIR	1,000	-
SMEDP	3,637	-
WESGRO	4,475	-
National Pavilions (EMIA)	2,711	-
PPP	965	965
BPO	-	3,840
WIPO	-	600
Business Trust	-	3,450
Other	251	9
Total	13,039	8,864

21 Net cash flow available from operating activities

	2009/10	2008/09
	R'000	R'000
Net surplus as per Statement of Financial Performance	564,961	474,985
Add back non cash/cash movements not deemed operating activities	(625,504)	(512,329)
(Increase)/decrease in receivables – current	2,843	(4,164)
(Increase)/decrease in prepayments and advances	6,572	(20,047)
Decrease in other current assets	-	32,246
Increase/(decrease) in payables – current	3,900	(7,501)
Proceeds from sale of capital assets	-	(110)
Expenditure on capital assets	25,599	22,077
Surrenders to Revenue Fund	(420,161)	(394,720)
Voted funds not requested/not received	(124,257)	(40,110)
Dividends received (IDC)	(120,000)	(100,000)
Net cash flow generated by operating activities	(60,543)	(37,344)

22 Reconciliation of cash and cash equivalents for cash flow purposes

	2009/10	2008/09
	R'000	R'000
Consolidated Paymaster General account	255,088	225,930
Cash receipts	55	-
Disbursements	66	-
Cash on hand	-	68
Cash with commercial banks (local)	283	-
Total	255,492	225,998





DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

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

23 Contingent liabilities

		Note	2009/10	2008/09
			R'000	R'000
Nature of liability				
Motor vehicle guarantees	Employees	Annex 3A	556	1,308
Housing loan guarantees	Employees	Annex 3A	-	589
Other guarantees	IDC	Annex 3A	951,666	1,445,958
Claims against the department		Annex 3B	3,442,440	2,947,407
Other departments (interdepartmental unconfirmed balances)		Annex 5	48	268
Total			4,394,710	4,395,530

24 Commitments

		2009/10	2008/09
		R'000	R'000
Current expenditure		47,189	44,300
Approved and contracted		47,189	44,300
Capital expenditure		2,751	297
Approved and contracted		2,751	297
Total Commitments		49,940	44,590

25 Accruals

			2009/10	2008/09
			R'000	R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	6,003	-	6,003	1,944
Machinery and equipment	280	-	280	-
Total	6,283	-	6,283	1,944
Listed by programme level				
Programme 1: Administration			804	453
Programme 2: International Trade and Economic Development			80	217
Programme 3: Economic and Enterprise Development			72	595
Programme 4: Industrial Development			104	-
Programme 5: Consumer and Corporate Regulation			33	310
Programme 6: The Enterprise Organisation			272	181
Programme 7: Trade and Investment South Africa			141	146
Programme 8: Communication and Marketing			4,777	42
Total			6,283	1,944

Changes to the programme structure during the 2009/10 financial year resulted in the split of Programme 3, previously known as EIDD into Programme 3 (EED) and Programme 4 (ID). Hence no historical figures are reflected under Programme 4.

26 Employee benefits

	2009/10	2008/09
	R'000	R'000
Leave entitlement	13,952	12,047
Thirteenth cheque	9,376	7,869
Performance awards	-	61
Capped leave commitments	11,448	10,064
Total	34,776	30,041

Out of the amount of R13,952 million, R510,000 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 although information in the financial statement are based on the leave accruals as at 31 March 2010.

27 Lease commitments

27.1 Operating leases expenditure

2009/10	Land	Buildings and other fixed structures	Machinery and equipment	Total
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

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year		147,294	2,778	150,072
Later than 1 year and not later than 5 years		683,018	3,169	686,187
Later than five years		4,588,000	-	4,588,000
Total lease commitments		5,418,312	5,947	5,424,259

The 2008/09 amounts for buildings and other fixed structures were restated.

An amount of R2,428 million that is associated with the fleet management is included in the lease commitments for 2008/09.

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 32.1. These amounts are based on the assumption that the final unitary payment will be made in April 2029 and are calculated utilizing a 6% increment annually, and are exclusive of pass-through costs (i.e. electricity, water, beverages) which are variable and paid monthly.

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

27.2 Finance leases expenditure**

2009/10	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year			448	448
Later than 1 year and not later than 5 years			142	142
Total lease commitments			590	590
LESS: finance costs				
Total present value of lease liabilities			590	590

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year			517	517
Later than 1 year and not later than 5 years			266	266
Later than five years			-	-
Total lease commitments			783	783
LESS: finance costs				
Total present value of lease liabilities			783	783

**This note excludes leases relating to Public-Private Partnership (PPP) as they are separately disclosed to notes no. 27.1 and 32.

28 Irregular expenditure

28.1 Reconciliation of irregular expenditure

	2009/10	2008/09
	R'000	R'000
Opening balance	251	-
Add: Irregular expenditure – relating to current year	1,889	251
Less: Amounts condoned	(260)	-
Irregular expenditure awaiting condonation	1,880	251

28.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2009/10 R'000
Services rendered without approval	Accounting Officer recommended disciplinary action	2
Departmental policy	Accounting Officer recommended disciplinary action	7
Delegations	Accounting Officer recommended disciplinary action	182
Services procured – SITA contract 398	Under investigation	1,698
Total		1,889

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

An amount of R1,698 million relates to contracts concluded with suppliers registered on SITA contract 398, which by law the department is compelled to utilize. In this instance the business case for this SITA contract was not approved by DPSA as required by SITA Regulations, paragraph 10.3 (a) and (b) which resulted in irregular expenditure.

28.3 Details of irregular expenditure condoned – current year

Incident	Condoned by (condoning authority)	2009/10 R'000
Services rendered without approval	Accounting Officer	2
Departmental Policy	Accounting Officer	7
Delegation of Authority	Accounting Officer	251
Total		260

29 Fruitless and wasteful expenditure

29.1 Reconciliation of fruitless and wasteful expenditure

	2009/10 R'000	2008/09 R'000
Opening balance	75	-
Add: fruitless and wasteful expenditure – current year	113	95
Less: amounts condoned	-	(20)
Fruitless and wasteful expenditure awaiting condonement	188	75
Analysis of awaiting condonement per economic classification		
Current	188	75
Total	188	75

29.2 Analysis of current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2009/10 R'000
No show at hotels	Under investigation	68
Penalty fee for cancellation	Under investigation	34
Penalty fee for late payments	Under investigation	11
Total		113

30 Related party transactions

Revenue received	Note	2009/10	2008/09
		R'000	R'000
Fines, penalties and forfeits	2.2	336,296	144,395
Rent on land	30.1	23,551	15,957
Dividends (IDC)	2.3	120,000	100,000
Total		479,847	260,352

Payments made	Note	2009/10	2008/09
		R'000	R'000
Goods and services		53,267	55,487
Purchases of capital assets		597	511
Total		53,864	55,998

The above payments have been made to the Department of International Relations and Cooperation for costs incurred by the dti foreign mission offices.

Year end balances arising from revenue/ payments	Note	2009/10	2008/09
		R'000	R'000
Receivables from related parties	Ann 4	3,544	7,725
Payables to related parties	Ann 5	(48)	(31)
Total		3,496	7,694

Loans to related parties	Note	2009/10	2008/09
		R'000	R'000
Non-interest bearing loans to/(from)		311,281	281,280
Total		311,281	281,280

Refer to note 17.

Other	Note	2009/10	2008/09
		R'000	R'000
Guarantees issued		951,666	1,445,958
Total		951,666	1,445,958

Refer to note 23 and Annexure 3A.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

30.1 Rent on land

Name of Agency	Note	2009/10	2008/09
		R'000	R'000
Competition Commission & Competition Tribunal		7,459	5,479
Companies & Intellectual Property Registration Office		8,142	7,645
South African Quality Institute		-	222
International Trade Administration Commission		2,532	2,021
South African Micro- Finance Apex Fund		569	590
Export Credit Insurance Corporation		4,063	-
Economic Development Department		786	-
Total		23,551	15,957

Other entities listed in the table on pages 20 to 24 are also related parties.

31 Key management personnel

	No. of Individuals	2009/10	2008/09
		R'000	R'000
Political office bearers (provide detail below)	7	8,095	4,267
Officials:			
Level 15 to 16	12	10,377	7,194
Level 14 (incl. CFO if at a lower level)	10	6,060	5,030
Total		24,532	16,491

Political office bearers consists of:

- Minister RH Davies [Minister from 11.05.2009; Deputy Minister from 01.04.2009 to 10.05.2009 - Trade and Industry]
- Minister E Patel [from 11.05.2009 - Economic Development Department]
- Minister M Mpahlwa [from 01.04.2009 to 10.05.2009 - Trade and Industry]
- Deputy Minister E Thabethe [from 01.04.2009 to 10.05.2009- Trade and Industry]
- Deputy Minister BM Ntuli [from 11.05.2009 - Trade and Industry]
- Deputy Minister TV Tobias-Pokolo [from 11.05.2009 - Trade and Industry]
- Deputy Minister GL Mahlangu-Nkabinde [from 11.05.2009 - Economic Development Department]

32. Public-Private Partnership

32.1 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 the peaceful and undisturbed benefits of a sustained collaborative working and unified service delivery environment, to be provided by Rainprop (Pty) Ltd as the private sector partner and Concessionaire, 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 finalized during the first half of 2004, where-after 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 will appreciate at CPIX 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 **R159,960 million** for the 2009/10 reporting period, compared to the **R145,001 million** for the 2008/09 financial year. **R6,371 million** was paid during the reporting period in respect of variation orders, compared to **R343,722.02** paid during the 2008/09 financial year. (Variation orders related to changes and additions to the design of the building, and changes to accommodate increased numbers of staff). Payments of **R2,326 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.

Cash flows in the form of pass-through costs to Rainprop (Pty) Ltd for services such as rates, electricity, water and consumables amounted to **R10,387 million**. Performance deductions of **R83,156** were charged and recovered from Rainprop (Pty) Ltd, whilst performance bonuses totalling **R468** were paid.

Transactions that may affect future cash flows include **R964,7760** that was deducted for an under-supply of, and the incorrect grading of, security guards in terms of the facilities management provision of the PPP agreement during 2007/08. The matter is pending arbitration.

The amount paid for variation orders includes **R2,482 million** in respect of accommodation for the Economic Development Department.

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 mobilized the capital assets, will provide experience 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.

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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 by the Concessionaire as part of its asset mobilization 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 the National Treasury.

Other rights and obligations

A broad range of rights reflective of PPP practice, as regulated by the 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 integrated part of the concession agreement.

Changes in the arrangement

No changes in the arrangement occurred during the reporting period.

Contract fee paid	2009/10	2008/09
	R'000	R'000
Fixed component	149,656	137,298
Indexed component	10,304	7,714
Total	159,960	145,012

32.2 Motor vehicles

Contract fee paid	2009/10	2008/09
	R'000	R'000
Fixed component	2,424	2,125
Indexed component	674	1,694
Total	3,098	3,819

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.

33 Provisions

	2009/10	2008/09
	R'000	R'000
Potential irrecoverable debts		
Private enterprises (Related to GEIS incentive schemes)	205,287	208,517
Staff debtors	111	118
Other debtors	8,423	7,441
Total	213,821	216,076

34 Movable Tangible Capital Assets

34.1 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010					
	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	73,331	(1,324)	32,223	(7,890)	96,340
Transport assets	4,257	-	4,268	-	8,525
Computer equipment	47,555	(2,573)	16,761	(7,123)	54,620
Furniture and office equipment	18,018	568	10,864	(745)	28,705
Other machinery and equipment	3,501	681	330	(22)	4,490
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	73,331	(1,324)	32,223	(7,890)	96,340

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34.2 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010					
	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Closing Balance
		Total	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	22,879	9,344	-	-	32,223
Transport assets	4,140	128	-	-	4,268
Computer equipment	16,732	29	-	-	16,761
Furniture and office equipment	1,677	9,187	-	-	10,864
Other machinery and equipment	330	-	-	-	330
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	22,879	9,344	-	-	32,223

34.3 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010				
	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT		7,890	7,890	
Computer equipment		7,123	7,123	
Furniture and office equipment		745	745	
Other machinery and equipment		22	22	
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS		7,890	7,890	

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34.4 Movement for 2008/9

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	56,069	20,216	2,954	73,331
Transport assets	1,898	2,656	297	4,257
Computer equipment	36,720	11,993	1,158	47,555
Furniture and office equipment	15,180	3,990	1,152	18,018
Other machinery and equipment	2,271	1,577	347	3,501
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	56,069	20,216	2,954	73,331

34.5 Minor Assets

Minor Assets of the department for the year ended 31 March 2010

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Minor assets	640	10,011	10,651
TOTAL	640	10,011	10,651

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
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

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Minor Assets of the department for the year ended 31 March 2009

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Value of Minor assets	245	11,623	11,868
TOTAL	245	11,623	11,868

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of minor assets at cost	158	13,476	13,634
TOTAL	158	13,476	13,634

35 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010					
	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Capitalised development costs	1,007	-	1,004	-	2,011
Computer software	16,540	(3,066)	2,515	-	15,989
TOTAL INTANGIBLE CAPITAL ASSETS	17,547	(3,066)	3,519	-	18,000

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

35.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010					
	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	-	-	1,004	-	1,004
Computer software	1,716	799	-	-	2,515
Total Additions to Intangible Capital Assets	1,716	799	1,004	-	3,519

35.2 Movement for 2008/09

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Capitalised development costs	-	1,007	-	1,007
Computer software	10,317	6,223	-	16,540
TOTAL	10,317	7,230	-	17,547



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2008/09
	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
International Trade Administration Commission	60,885	-	-	60,885	60,885	100%	58,427
National Productivity Institute: Workplace Challenge	8,030	-	3,500	11,530	11,530	100%	8,660
National Empowerment Fund – Current	116,000	-	-	116,000	116,000	100%	-
National Empowerment Fund – Capital	311,642	-	-	311,642	311,642	100%	312,932
South African Micro-finance Apex Fund: Current	58,047	-	-	58,047	58,047	100%	38,093
South African Micro-finance Apex Fund: Capital	19,300	-	-	19,300	19,300	100%	-
Small Enterprise Development Agency	331,177	-	-	331,177	331,177	100%	413,631
National Research Foundation: Technology and Human Resources for Industry Programme	163,823	-	-	163,823	163,823	100%	161,982
National Gambling Board	21,570	-	-	21,570	21,570	100%	17,274
Competition Commission	69,939	-	10,800	80,739	80,739	100%	44,000
ProTechnik Laboratories (Current)	2,130	-	-	2,130	2,130	100%	1,621
ProTechnik Laboratories (Capital)	-	-	5,300	5,300	5,281	100%	261
South African National Accreditation System	14,707	-	-	14,707	14,707	100%	13,750
Small Enterprise Development Agency: Technology Programme	68,320	-	10,000	78,320	78,320	100%	76,739
Competition Tribunal	13,040	-	-	13,040	13,040	100%	9,909
National Credit Regulator	43,859	-	-	43,859	43,859	100%	34,082
National Metrology Institute of South Africa	54,806	-	-	54,806	54,806	100%	54,999
National Consumer Tribunal	17,519	-	-	17,519	17,519	100%	11,392
National Consumer Commission	9,930	-	(9,929)	1	-	-	-
National Regulator for Compulsory Specifications	35,933	-	-	35,933	35,933	100%	11,797
TOTAL	1,420,657		19,671	1,440,328	1,440,308		1,269,549

ANNEXURE 1B

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER		2008/09
	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
University of Pretoria: Advanced Engineering Centre of Excellence	-	-	-	-	-	-	2,500
Witwatersrand Business School: Centre for Entrepreneurship	1,500	-	5,000	6,500	6,500	-	2,000
North-West University: Advanced Manufacturing Skills Sector Support Centre	-	-	-	-	-	-	3,000
University of Witwatersrand: National Aerospace Skills Sector Support Centre	1,500	-	2,500	4,000	4,000	-	3,000
University of Johannesburg: CAPA	-	-	5,000	5,000	5,000	-	-
TOTAL	3,000	-	12,500	15,500	15,500	-	10,500

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ANNEXURE 1C

STATEMENT OF TRANSFERS / SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2008/09
	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									
Industrial Development Corporation: Funds for Research into Industrial Development Growth & Equity	596	-	-	596	596	100%	-	596	523
Development Bank of Southern Africa : Regional Spatial Development Initiatives	15,871	-	-	15,871	15,871	100%	-	15,871	15,228
Industrial Development Corporation : Support Programme for Industrial Development	47,661	-	-	47,661	47,661	100%	47,661	-	-
Council for Scientific and Industrial Research : Aerospace Industry	9,931	-	-	9,931	9,931	100%	9,931	-	10,000
Coega Development Corporation	859,889	-	-	859,889	859,889	100%	859,889	-	718,425
East London Industrial Development Zone Company	249,373	-	124,000	373,373	373,373	100%	373,373	-	154,030
Richards Bay Industrial Development Zone (Pty) Ltd	68,423	-	-	68,423	68,423	100%	68,423	-	-
Council for Scientific and Industrial Research: National Cleaner Production Centre	18,966	-	-	18,966	18,966	100%	100%	18,966	9,800
South African Bureau of Standards: Research Contribution	153,731	-	-	153,731	153,731	100%	-	153,731	142,144
Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence	1,000	-	1,000	2,000	2,000	100%	-	2,000	3,000
MINTEK: CSP	-	-	-	-	-	-	-	-	1,000
Industrial Development Corporation: Isivande Women's Fund	9,930	-	-	9,930	9,930	100%	-	9,930	19,000

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

ANNEXURE 1C

STATEMENT OF TRANSFERS / SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2008/09
	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									
Nuclear Energy of SA	-		5,341	5,341	5,341	100%		5,341	-
KHULA Enterprise Finance	65,981	-	-	65,981	65,981	100%	30,000	35,981	69,932
South African Bureau of Standards: Small Business Technical Consulting	1,434	-	-	1,434	1,201	84%	-	1,201	1,303
Centurion Aerospace Village	-	-	-	-	-	-	-	-	20,000
Automotive Production and Development	15,000	-	(15,000)	-	-	-	-	-	-
Council for Scientific and Industrial Research: Technology Venture Capital	5,469	-	-	5,469	5,469	100%	5,469	-	6,001
South African Bureau of Standards: Trade Metrology	-	-	-	-	-	-	-	-	11,136
Export Credit Insurance Corporation	122,400	-	-	122,400	122,400	100%	-	122,400	123,648
INTSIMBI: National Tooling Initiative	-	-	7,450	7,450	7,450	100%	-	7,450	-
Industrial Development Corporation: Customised Sector Programmes	48,657	-	-	48,657	48,657	100%	-	48,657	39,000
Council for Scientific and Industrial Research: Maritime Industry Project	1	-	-	1	-	-	-	-	-
Manufacturing Development Programme	1	-	-	1	-	-	-	-	-

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ANNEXURE 1C

STATEMENT OF TRANSFERS / SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2008/09
	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
Subsidies									
Small and Medium Manufacturing Development Programme	3,357	-	-	3,357	3,333	99%	-	3,333	4,652
Enterprise Development Incentives	1,348,520	-	-	1,348,520	1,346,435	100%	-	1,346,435	1,014,790
Business Process Outsourcing	130,000	-	(48,431)	81,659	78,438	96%	-	78,438	104,994
Film and Television Production Incentives	196,899	-	(20,000)	176,899	175,555	99%	-	175,555	105,500
Staple Food Fortification Programme	751	-	-	751	282	38%	-	282	476
Enterprise Investment Programme	28,950	-	(28,000)	950	863	91%	-	863	-
Industrial Development: Other	4,475	-	-	4,475	4,475	100%	-	4,475	-
Subtotal	3,407,266	-	26,450	3,433,716	3,426,251		1,394,746	2,031,504	2,574,582
Private Enterprises									
Transfers									
Export Market and Investment Assistance	114,433	-	8,000	122,433	122,303	100%	-	122,303	112,124
Black Business Supplier Development Programme	73,888	-	-	73,888	73,850	100%	-	73,850	27,323
Other Critical Infrastructure Programme Project	105,639	-	-	105,639	105,601	100%	105,601	-	75,051
Co-Operatives Incentive Scheme	34,544	-	-	34,544	34,523	100%	-	34,523	9,330
Subtotal	328,504	-	8,000	336,504	336,277		105,601	230,676	223,828
TOTAL	3,735,770	-	34,450	3,770,220	3,762,528		1,500,347	2,262,181	2,798,410

ANNEXURE 1D

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2008/09
	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							
World Trade Organisation	8,500	-	-	8,500	7,716	91%	8,339
Organisation for the Prohibition of Chemical Weapons	3,000	-	-	3,000	2,596	87%	2,300
United Nations Industrial Development Organisation	4,300	-	-	4,300	3,069	71%	3,492
International Bank for Reconstruction and Development	5,228	-	-	5,228	5,228	100%	4,956
International Finance Corporation	5,228	-	-	5,228	5,228	100%	4,955
World Intellectual Property Organisation	2,766	-	-	2,766	2,565	93%	3,074
African Programme of Rethink Development Economics	-	-	-	-	-	-	2,500
UNIDO: Automotive Component Supplier Development	5,000	-	-	5,000	5,000	100%	4,553
Total	34,022	-	-	34,022	31,402		34,169

ANNEXURE 1E

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2008/09
	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	7,597	-	-	7,597	7,597	100%	6,075
TOTAL	7,597	-	-	7,597	7,597	-	6,075

ANNEXURE 1F

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2008/09
	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							
Employee social benefits	1,223	-	551	1,774	1,500	85%	983
Donations and gifts	100	-	417	517	335	65%	3,240
Bursaries	1,575	-	(261)	1,314	742	56%	977
TOTAL	2,898	-	707	3,605	2,577		5,200

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ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NON-PROFIT INSTITUTIONS	NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
		R'000	R'000
Received in kind			
Ausaid Scholarship	Study scholarship in Australia	-	485
Commonwealth Secretariat, Economic Affairs Division	High-Level technical meeting - accommodation	-	10
World Trade Organisation (WTO)	Attend the Regional Intensive Course on Trade Negotiations - travel costs	-	50
Southern Africa Trade Hub	Presentation on South Africa's Trade in Services Liberalization Strategy in Namibia - accommodation and travel cost	-	7
French Institute of SA (IFAS)	Attending the African Programme on Rethinking Development Economics - travel costs and Accommodation	-	27
World Trade Organisation (WTO)	WTO Regional Seminar on Trade and Development for English-speaking African countries - travel costs and accommodation	-	30
OECD Forum	Attend the OECD Forum and Ministerial Council meeting - registration fees	-	12
Diplomatic Academy [Dept of Foreign Affairs]	Attending the Capacity Building Programme - travel costs and accommodation	-	30
Regional Trade Facilitation Project	Attending a Preparatory meeting for the COMESA-EAC-SADC Tripartite Summit - travel costs and accommodation	-	10
Swedish International Development Cooperation Agency (SIDA)	Attending the International Training Programme on Trade Facilitation - travel costs and accommodation	-	168
OPCW	Third Regional Assistance and Protection course for African CWC states - travel costs and accommodation	-	31
The French Institute of South Africa	Attending the African Programme on Rethinking Development Economics - travel costs and accommodation	-	36
United States Telecommunication Training Institute	Attend a telecommunication regulatory and innovation-related training programme - course, travel cost and per diem expenses	-	50
Gremple Graduate School of Business	Attend a two-year full-time Master in International Business - portion of the cost associated with the masters programme	-	18
AUSAID	Scholarship in Public Sector Management in Australia - travel costs and tuition for the programme	-	274
US Patent and Trade Office	Attend the US Patent and Trade Office IP Programme - accommodation and travel costs	-	7
International Association of Legal expenses Insurance	Attend the 20th Congress of the International Association of Legal Expenses Insurance - congress fee, travel costs and accommodation	-	49

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ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NON-PROFIT INSTITUTIONS	NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
		R'000	R'000
Received in kind			
CBI	Attend the CBI Fame XIX Export Marketing and Promotion Training for Business Support Organisations	-	22
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	-
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 and 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 and registration fees	70	-

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NON-PROFIT INSTITUTIONS	NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
		R'000	R'000
Received in kind			
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	-
Tshumisano Trust	2009 TWIB Annual Conference and Awards ceremony - technology-based services for project funding amongst winners	60	-
Miscellaneous		13	-
Total		3,771	1,316

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 provide sector support to SMMEs	241,201	-	107,525	133,676
RDP Finland	To support enterprise, employment and equity for SMME development	-	18,598	18,598	-
RDP Sweden	Promote business to business support	6,420	-	1,669	4,751
TOTAL		247,621	18,598	127,792	138,427



NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

ANNEXURE 11

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)	2009/10	2008/09
	R'000	R'000
Paid in cash		
National Cleaner Production Centre: Fifth African Roundtable on Sustainable Consumption and Production (transport of delegates and promotional items)	-	100
NEDLAC: funding of bi-annual high-level 20-a -side strategy workshops (logistical cost of two workshops)	-	140
Umsobomvu Youth Fund: Community Enterprise Development Officers project (training 150 learners on entrepreneurship development skills)	-	3,000
Bereavement benefits: several officials (funeral costs)	18	-
Agrifica: 3rd Agribusiness Africa conference 2009 (contribution)	30	-
CEO Communication (Pty) Ltd: sponsor two tables at 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	-
Subtotal	336	3,240

Made in kind		
Pictorial Press: Third Regional Assistance & Protection course for CWC state parties (gifts to presenters)	-	6
Elle Promotions CC: Capital and Feasibility launch (gifts)		13
Connoisseur Handcrafter wines: International Investment Council meeting (gifts to members)	-	73
Inina Craft Agency: International Investment Conference (gifts)	-	5
H Moja: International Trade Initiative (gifts to speakers)	-	5
Roses Handmade Confectionery CC: Women Economic Empowerment Mother's day seminar (gifts)	-	11
Khalima Consultants events & marketing: Annual Small Business Summit (gifts for gala dinner)	-	182
Roses Handmade Confectionery CC: Take a Girl Child to Work campaign - empowering South African girls (gifts as token for participation)	-	18
Sizanolwazi CC: Women's month commemoration at the dti (gifts)	-	15
Creations Inspired: China mission and 10th year Diplomatic Relations (Corporate gifts for the official visit)	-	70
Taurus Promotions CC: Technology for Women in Business Gala dinner and Awards ceremony (gifts as token of appreciation)	-	21
Tulani Craft: International Investment Conference (gifts)	-	16

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

ANNEXURE 11

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)	2009/10	2008/09
	R'000	R'000
Makelo Investments: Technology for Women in Business Conference and Awards ceremony (gifts)	-	68
Hatima Event Management and Promotions: Iraqi delegates training award ceremony (gifts)	-	8
Firefly Investments: procurement of gifts for staff (gifts as token of appreciation for achieving set targets)	-	32
North West Enterprises: exchange of gifts with foreign dignitaries (gifts)	-	29
Moks Creations Media: long-service recognition in public service (gifts)	-	9
Shades of Ngwenya CC: JCCI Exporter of the Year Awards (gifts as token of acknowledgement of deserving efforts to contribute to the economy of SA)	-	18
Natives Act Design & Advertising: Technology for Women in Business gala dinner and award ceremony (trophies for the winners)	-	25
Chat Connection Enterprises: Table gifts for delegates for the Buying from Africa for Africa and the Services Export Network conference (gifts)	-	18
Hatima Event Management and Promotions: Intellectual Property Conference (gifts for delegates and speakers)	-	42
Costs borne by the dti for the OPCW-Third Regional Assistance and Protection Course for African CWC States (transport cost and presentation function)	-	44
Costs borne by the dti for the Representatives of National Authorities of States Parties in Africa - OPCW regional training course (transport cost)	-	16
Costs borne by the dti for International inspections in SA - OPCW inspection team (transport costs)	-	10
Costs borne by the dti for one researcher from the University of the North West - attend workshop on the dti Decision Support Model (travel and accommodation costs)	-	44
LA Promotions: 2008 TWIB awards (gifts for adjudication panel members)	19	-
Hatima Events Management: National Liquor Authority conference (gifts to speakers and 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 and 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	-

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2009/10	2008/09
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	-
the dti: National Liquor Regulators Forum launch (travel costs for speaker)	6	-
the dti: Consumer Protection Conference (pre-conference dinner)	22	-
Miscellaneous (exchange gifts with counterparts and business executives etc.)	45	63
Subtotal	597	861
TOTAL	933	4,101

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 09/10	% Held 08/09	Number of shares held		Cost of investment R'000		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed
				R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
				2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	
Industrial Development Corporation of SA Ltd	Schedule 2	100%	100%	1,392,969,357	1,392,969,357	1,392,969	1,392,969	1,392,969	1,392,969	2,229	5,621	NO
Total		100%	100%	1,392,969,357	1,392,969,357	1,392,969	1,392,969	1,392,969	1,392,969	2,229	5,621	

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

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	R'000	R'000	R'000	R'000
		2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Industrial Development Corporation of SA Ltd	Contribution to growth, Industrial Development and Economic Empowerment through its financial activities	1,392,969	1,392,969	1,392,969	1,392,969	-	-	-	-
Total		1,392,969	1,392,969	1,392,969	1,392,969	-	-	-	-

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2009	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2010	Guaranteed interest for year ended 31 March 2010	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	837	-	(281)	-	556	-	-
Daimler Chrysler		-	471	-	(471)	-	-	-	-
		372	1,308	-	(752)	-	556	-	-
	Housing								
ABSA			144	-	(144)	-	-	-	-
African Bank			-	-	-	-	-	-	-
FNB			54	-	(54)	-	-	-	-
Fidelity Bank			-	-	-	-	-	-	-
Nedbank Ltd (NBS)			23	-	(23)	-	-	-	-
Nedbank			31	-	(31)	-	-	-	-
Saambou			123	-	(123)	-	-	-	-
Standard Bank			193	-	(193)	-	-	-	-
BoE Bank Ltd			21	-	(21)	-	-	-	-
Subtotal			589	-	(589)	-	-	-	-
Total		372	1,897	-	(1,341)	-	556	-	-

ANNEXURE 3A (continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 – FOREIGN

<i>Guarantor institution</i>	<i>Guarantee in respect of</i>	Original guaranteed capital amount	Opening balance 1 April 2009	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2010	Guaranteed interest for year ended 31 March 2010	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
European Investment Bank	IDC	990,042	236,294	-	(59,329)	(53,124)	123,841	199	-
African Investment Bank	IDC	733,500	712,125	-	(73,350)	(162,000)	476,775	1,149	-
Nordic Investment Bank	IDC	220,050	78,334	-	(14,670)	(17,820)	45,844	69	-
KFW	IDC	303,621	387,712	-	-	(83,992)	303,720	69	-
Total		2,247,213	1,414,465	-	147,349	(316,936)	950,180	1,486	-

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010

Nature of Liability	Opening Balance 01/04/2009	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31/03/2010
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Witwatersrand Investment CC t/a Olympic Plastics	3,080	-	-	-	3,080
Davston International Trading	360	-	(360)	-	-
E V Zyl	125	-	(125)	-	-
JHC Engelbrecht	36	-	-	-	36
Sam Sekgato	-	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
Moody Blue/ Swiss Port Gargo	942	-	(942)	-	-
Marina Lodge (Pty) & Others	5,000	-	-	-	5,000
Slip Knot Investments	-	100	(100)	-	-
Aroma Management	-	100	(100)	-	-
Sarah Hobbs	-	100	-	-	100
SA Metal and Machinery	-	200	-	-	200
7i Management Consultants	-	1,997	-	-	1,997
Associated Press	-	2	(2)	-	-
ICSID	2,829,221	-	-	-	2,829,221
ISS International	313	-	(313)	-	-
SA Tyre Manufactures Association	-	488,789	-	-	488,789
TOTAL	2,948,372	496,010	(1,942)	-	3,442,440

The claim in respect of Top Conference and Events Co. relates to a counter claim 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.

The claim in respect of Marina Lodge(Pty) Ltd & Others/Tshediso Matona & Others relates to a claim for damages brought against the Director-General of **the dti**.

The claim in respect of ICSID also relates to an international arbitration case brought against **the dti** and the Department of Minerals and Energy.

The claim in respect of SA Tyre Manufacturers Association relates to a claim for damages for anti-dumping duties not imposed by the Minister for tyre manufacturers in China.

Other new claims incurred during the year relates to incentive scheme claims, non-payment of services rendered and access to information.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

ANNEXURE 4

CLAIMS RECOVERABLE

Nature of Liability	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
DIRCO	-	-	288	4	288	4
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	-	49	-	-	-	49
Department of Labour	-	-	2,658	-	2,658	-
Subtotal	-	49	3,088	23	3,088	72
Other Government Entities						
International Trade Administration Commission	-	-	-	218	-	218
Companies and Intellectual Property Registration Office	-	-	346	412	346	412
Competition Commission	-	-	92	94	92	94
Competition Tribunal	-	-	40	28	40	28
Export Credit Insurance Corporation	-	-	1,938	5,695	1,938	5,695
Khula	-	-	276	302	276	302
National Gambling Board	-	-	3	1	3	1
National Lotteries Board	-	-	198	138	198	138
Trade and Investment South Africa	-	-	1	1	1	1
South African National Accreditation System	-	-	52	50	52	50
South African Quality Institution	-	-	582	580	582	580
Small Enterprise Development Agency	-	-	-	191	-	191
National Credit Tribunal	-	-	-	1	-	1
National Consumer Tribunal	-	-	1	-	1	-
South African Micro-finance Apex Fund	-	-	15	14	15	14
Subtotal	-	-	3,544	7,725	3,544	7,725
TOTAL	-	49	6,632	7,748	6,632	7,797

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 32
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
DIRCO	-	-	-	237	-	237
Total	-	-	-	237	-	237
OTHER GOVERNMENT ENTITY						
Current						
International Trade Administration	-	-	37	20	37	20
South African National Accreditation Centre	-	-	-	11	-	11
SEDA	-	-	11	-	11	-
TOTAL	-	-	48	31	48	31

ANNEXURE 6

INVENTORY

	Quantity	2009/10
		R'000
Inventory		
Opening balance	56,609	4,160
Add/(Less): adjustments to prior year balance	(1498)	(68)
Add: additions/purchases – cash	212,092	11,680
Add: additions - non-cash	-	-
(Less): disposals	(298)	(174)
(Less): issues	(219,653)	(11,775)
Add/(Less): adjustments	(936)	(1,278)
Closing balance	46,316	2,545



**REPORT OF THE AUDITOR-GENERAL ON THE
FINANCIAL STATEMENTS OF THE
NATIONAL SUPPLIES PROCUREMENT FUND**

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF NATIONAL SUPPLIES PROCUREMENT FUND FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the National Supplies Procurement Fund (NSPF), which comprise the statement of financial position as at 31 March 2010, and the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on page 271 to 273

Accounting Officer's responsibility for the financial statements

The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with South Africa Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa and section 12(5) of the National Supplies Procurement Act, 1970 (Act No. 89 of 1970), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. 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.

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 and fair presentation 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the financial statements present fairly, in all material respects, the financial position of the NSPF as at 31 March 2010 and its financial performance and its cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act of South Africa.

NATIONAL SUPPLIES PROCUREMENT FUND
REPORT OF THE AUDITOR-GENERAL

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009, I include below my findings on the report on predetermined objectives, compliance with the PFMA, National Supplies Procurement Act and financial management (internal control).

Findings

Predetermined objectives

No matters to report.

Compliance with laws and regulations

No matters to report.

Internal control

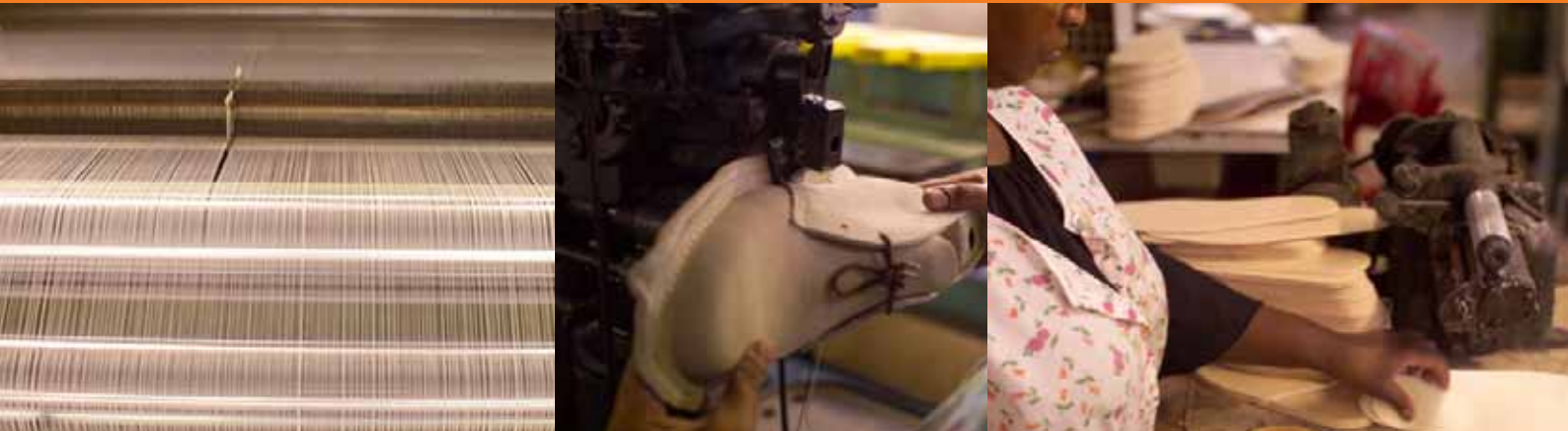
I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

No matters to report.

Auditor-General

Pretoria
30 July 2010





**ANNUAL FINANCIAL STATEMENTS OF THE
NATIONAL SUPPLIES PROCUREMENT FUND**

NATIONAL SUPPLIES PROCUREMENT FUND
STATEMENT OF FINANCIAL POSITION & COMPREHENSIVE INCOME as at 31 March 2010

NATIONAL SUPPLIES PROCUREMENT FUND

Statement of financial position

	Note	2009/10	2008/09
		R	R
ASSETS			
Current Assets		0.00	4,842.82
Cash and cash equivalents	2	0.00	4,842.82
TOTAL ASSETS		0.00	4,842.82

NET ASSETS			
Capital and reserves		0.00	4,842.82
Accumulated surplus		0.00	4,842.82
TOTAL ASSETS		0.00	4,842.82

Statement of comprehensive income

	Note	2009/10	2008/09
		R	R
EXPENDITURE			
Administrative expenses	3	(178.79)	(244.71)
TOTAL EXPENDITURE		(178.79)	(244.71)
DEFICIT FOR THE YEAR		0.00	(244.71)

NATIONAL SUPPLIES PROCUREMENT FUND
STATEMENT OF CHANGES IN EQUITY & CASH FLOW STATEMENT as at 31 March 2010

Statement of Changes in Equity

	Accumulated Funds
	R
Balance as at 1 April 2008	5,087.53
Deficit for the year	(244.71)
Balance as at 31 March 2009	4,842.82
Surplus/ (deficit) for the year	(178.79)
Transfer to the National Revenue fund	(4,664.03)
Balance as at 31 March 2010	0.00

Cash Flow Statement

	Note	2009/10	2008/09
		R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(utilised in) operations	4	(178.79)	(244.71)
Net cash flows from operating activities		(178.79)	(244.71)
CASH FLOW FROM FINANCING ACTIVITIES			
Decrease in current financial instrument		(4,664.03)	0.00
Net cash flows from financing activities		(4,664.03)	0.00
Net (decrease)/increase in cash and cash equivalents		(4,842.82)	(244.71)
Cash and cash equivalents at beginning of the year		4,842.82	5,087.53
Cash and cash equivalents at end of the year		0.00	4,842.82

NATIONAL SUPPLIES PROCUREMENT FUND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS as at 31 March 2010

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Accounting policy

Unless otherwise shown, the annual financial statements have been drawn up on the historical cost basis in accordance with South African Statements of Generally Accepted Accounting Practice (GAAP), which has been consistently applied in all material respects.

Income recognition

Income is recognised on the accrual basis when it becomes due to the fund. The fund has remained dormant during the period under review.

Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances. This financial instrument is carried at estimated fair value, which is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

The fund is exposed to credit and interest rate risk. These risks are managed by the fund by holding a bank account in high-quality financial institutions, with interest accruing at prevailing market rates.

2. Cash and cash equivalents

	2009/10	2008/09
	R	R
Cash held in a bank account	4,664.03	4,842.82
Transfer to the National Revenue Fund	(4,664.03)	-
TOTAL	0.00	4,842.82

3. Administrative expenses

	2009/10	2008/09
	R	R
Bank Charges	(178.79)	(244.71)

4. Cash generated from/(utilised in) operations

	2009/10	2008/09
	R	R
Deficit before tax	(178.79)	(244.71)
Net cash flow from operating activities	(178.79)	(244.71)

5. Going concern

The amendment of the National Supplies Procurement Act (Act 89 of 1970) provided for the closing of the bank account of the NSPF. The NSPF has no assets and liabilities as at the reporting date.



GLOSSARY

AER	African Economic Development
AG	Auditor-General
AGOA	Africa Growth and Opportunity Act
AIS	Automotive Investment Scheme
APDP	Automotive Production and Development Programme
APORDE	African Programme on Rethinking Development Economics
APRM	African Peer Review Mechanism
AsgiSA	Accelerated Shared Growth Initiative for South Africa
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
BBSDP	Black Business Suppliers Development Programme
BEC	Bilateral Economic Forum
BEE	Black Economic Empowerment
BF	Business Forum
BIT	Bilateral Investment Treaty
BLNS	Botswana, Lesotho, Namibia and Swaziland
BNC	Bi-National Commission
BOSMEs	Black-Owned Small and Medium Enterprises
BPO	Business Process Outsourcing
BPO & O	Business Process Outsourcing and Offshoring
BRIC	Brazil, Russia, India & China
BTA	Bilateral Trade Agreement
BUSA	Business Union South Africa
CafCom	Consumer Affairs Committee
CAV	Centurion Aerospace Village
CCRD	Consumer & Corporate Regulatory Division
CDC	Coega Development Corporation
CDC	Central Development Corridor
CFO	Chief Financial Officer (of the dti)
CHL	Consumer Hot Line
CIF	Critical Infrastructure Fund
CIO	Chief Information Officer (of the dti)
CIP	Critical Infrastructure Projects
CIPRO	Cooperatives Incentive Scheme
COMESA	Common Market for Eastern and Southern Africa
COTII	Council of Trade & Industry Institutions
CPB	Consumer Protection Bill
CPPP	Community Public-Private Partnerships
CSI	Corporate Social Investments
CSIR	Council for Scientific and Industrial Research
CSP	Customised Sector Programme
CTCP	Clothing and Textile Competitiveness Programme
DDG	Deputy Director-General
DEAT	Department of Environmental Affairs & Tourism
DEPP	Developmental Electricity Pricing Programme
DFA	Department of Foreign Affairs
DFI	Development Finance Institutions
DG	Director-General
DME	Department of Minerals & Energy
DoC	Department of Communication
DoT	Department of Transport

DSM	Dispute Settlement Mechanism
DTI	Department of Trade & Industry
EAAB	Estate Agency Affairs Board
EAC	East African Community
EAP	Economically Active Population
EC	European Commission
ECIC	Export Credit Insurance Corporation
EDA	Economic Development Agency
EDB	Enterprise Development board
EDSA	Entrepreneurial Development Southern Africa
EE	Employment Equity
EEDD	Empowerment and Enterprise Development Division of the dti
EFTA	European Free Trade Association
EIDD	Enterprise & Industry Development Division
EIP	Enterprise Investment Programme
ELIDZ	East London Industrial Development Zone
EMIA	Export Marketing & Investment Assistance Scheme
ENE	Estimates of the National Expenditure
EPA	Economic Partnership Agreement
EPWP	Expanded Public Works Programme
ERPC	Economic Research and Policy Co-ordination
EU	European Union
EXBO	Executive Board of the dti
FA	Financial Agreement
FDI	Foreign Direct Investment
FERs	Foreign Economic Representatives
FIG	Foreign Investment Grant
Film	Film & Television Production Incentive
FOCAC	Forum for China-Africa Cooperation
FSB	Financial Services Board
FSM	Foreign Service Management
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GG	Government Gazette
GSSSD	Group Support Systems & Services Division
HDI	Historically Disadvantaged Individuals
HDP	Heillingendamm Dialogue Process
HOM	Heads of Missions
HQ	Headquarters
IBSA	India-Brazil-South Africa Initiative
ICBE	Information Centre for Business Excellence
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IDT	Independent Development Trust
IDZ	Industrial Development Zone
IMC	International Marketing Council
IMS	Integrated Manufacturing Strategy
IOU	International Operations Unit
IPAP	Industrial Policy Action Plan
IPRS	Intellectual Property Rights
IP	Intellectual Property
IPCC	Industrial Participation Control Committee

IPP	Industrial Participation Programme
IRPS	International Relations, Peace and Security Cluster
ISFG	Industrial Strategy Focus Group
ITAC	International Trade and Administration Commission
ITED	International Trade & Economic Development
JCC	Joint Cooperation Council
JIA-IDZ	Johannesburg International Airport Industrial Development Zone
JMC	Joint Ministerial Commission
JPCC	Joint Permanent Cooperation Council
JTC	Joint Trade Committees
KAP	Key Action Plan
LBSC	Local Business Service Centre
LED	Local Economic Development
MERCOSUR	Mercado Común del Sur
MFI	Micro-Finance Industry
MIDP	Motor Industry Development Programme
MIDZ	Mafikeng Industrial Development Zone
MIO	Music Industry Online
MMTZ	Malawi, Mozambique, Mauritius and Zambia
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NAFCOC	National African Federated Chambers of Commerce
NAMA	Non-Agricultural Market Access
NCPC	National Center for Cleaner Production
NCR	National Credit Regulator
NCT	National Consumer Tribunal
NDA	National Department of Agriculture
NEAB	National Export Advisory Board
NEDLAC	National Economic Development and Labour Council
NEF	National Empowerment Fund
NEPAD	New Partnership for Africa's Development
NEPAD SDPs	Spatial Development Programme
NGOs	Non-Governmental Organisations
NIPF	National Industrial Policy Framework
NIPP	National Industry Participation Programme
NLA	National Liquor Authority
NLB	National Lotteries Board
NLPC	National Liquor Policy Council
NLRF	National Liquor Regulators Forum
NMISA	National Metrology Institute of South Africa
NPWMD	Non-Proliferation of Weapons of Mass Destruction
NSBAC	National Small Business Advisory Council
NSDF	National Spatial Development Framework
NSDS	National Skills Development Strategy
NTI	National Tooling Initiative
OCIPE	Office of Companies and Intellectual Property Enforcement
OCP	Office of Consumer Protection
ODA	Overseas Development Assistance
OECD	Organisation for Economic Cooperation and Development
OME's	Original Equipment Manufacturers
OMOP	One Municipality One Product

OPSCOM	Operations Committee
ORTIA	OR Tambo International Airport Industrial Development Zone
OSTI	Ombudsman for Short Term Insurance
PGD	Partnership in Industrial Innovation
P&L	Policy and Legislation
PoA	Programme of Action
PPPFA	Preferential Procurement Policy Framework Act
PTA	Preferential Trade Agreement
RBIDZ	Richards Bay Industrial Development Zone
RCF	Risk Capital Facility
R&D	Research and Development
RDP	Reconstruction and Development Programme
REC	Regional Economic Community
REITT	Regional Economic Integration Task Team
RESDICC	Regional Spatial Development Initiatives Coordinating Committee
RFI	Retail Finance Institutions
RIA	Risk Impact Assessment
RISDP	Regional Indicative Strategic Development Programme
RMC	Risk Management Committee
RMI	Retail Motor Industry
ROO	Rules of Origin
RTA	Regional Trade Agreement
SABS	South African Bureau of Standards
SACGFSF	South African Capital Goods Feasibility Study Fund
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAMAF	South African Micro-Finance Apex Fund
SANAS	South African National Accreditation System
SAQI	South African Quality Institute
SARS	South African Revenue Services
SAWEN	South African Women Entrepreneurs' Network
SDI	Spatial Development Initiatives
SDIP	Service Delivery Improvement Plan
SDP	Spatial Development Programmes
seda	Small Enterprise Development Agency
SEZ	Special Economic Zones
SFFP	Staple Food Fortification Programme
SIP	Strategic Industrial Projects
SLA	Service Level Agreement
SME	Small and Medium Enterprises
SMEDP	Small Medium Enterprise Development Programme
SMMEs	Small, Medium and Micro Enterprises
SOEs	State Owned Enterprises
SPI	Spatial Development Initiative
SPII	Support Programme for Industrial Innovation
SPT	SADC Trade Protocol
SSAS	Sector Specific Assistance Scheme
SSP	Skills Support Programme
SWEEP	Sector-Wide Employment and Equity Programme
SWOT	Strengths, Weaknesses, Opportunities & Threats
TBT	Technical Barriers to Trade

TCL	Technical Liaison Committees
TDCA	Trade, Development and Cooperation Agreement
TEO	The Enterprise Organisation
the dti	Department of Trade and Industry
THRIP	Technology and Human Resources for Industry Programme
TICAD	Tokyo International Conference on African Development
TISA	Trade & Investment South Africa
TM	Technical Mission
TOC	Trade Opportunity Centre
TTC	Technology Transfer Centre
TWGS	Technical Working Groups
TWIB	Technology for Women in Business
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
URP	Urban Renewal Programme
VOASA	Vacational Ownership Association of SA
WEE	Women's Economic Empowerment
WTO	World Trade Organisation
WWW	World Wide Web
YED	Youth Entrepreneurship Development
YIP	Youth Internship Programmes



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