



Department of Trade and Industry
ANNUAL REPORT

2008/09



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

Strategic objectives of the dti

- Promoting the co-ordinated implementation of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA);
- Promoting direct investment in growth of the industrial and services economy, with particular focus on employment creation;
- Raising the level of exports and promoting equitable global trade;
- Promoting broader participation, equity and redress in the economy; and
- Contributing to Africa's development and regional integration within the New Partnership for Africa's Development (NEPAD).



the dti Organogram

Minister

Dr Rob Davies

Deputy Minister

Ms Thandi Tobias-Pokolo

Deputy Minister

Ms Maria Ntuli

Director-General

Mr Tshediso Matona

Enterprise & Industry
Development
Division (EIDD)

Acting DDG
Mr Sipho Zikode

International Trade and
Economic Development
(ITED)

DDG
Mr Xavier Carim

Consumer and
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Division (CCRD)

DDG
Ms Zodwa Ntuli

Trade and Investment
South Africa (TISA)

DDG
Mr Iqbal Sharma

The Enterprise
Organisation (TEO)

DDG
Mr Tumelo Chipfupa

Group Systems and
Support Services
Division (GSSSD)

DDG
Ms Sarah Choane

Marketing Division

Head
Ms Lillian Mofokeng

The Council of Trade and Industry Institutions (COTII)

the dti Leadership



Dr Rob Davies
(Minister)



Ms Thandi Tobias-Pokolo
(Deputy Minister)



Ms Maria Ntuli
(Deputy Minister)

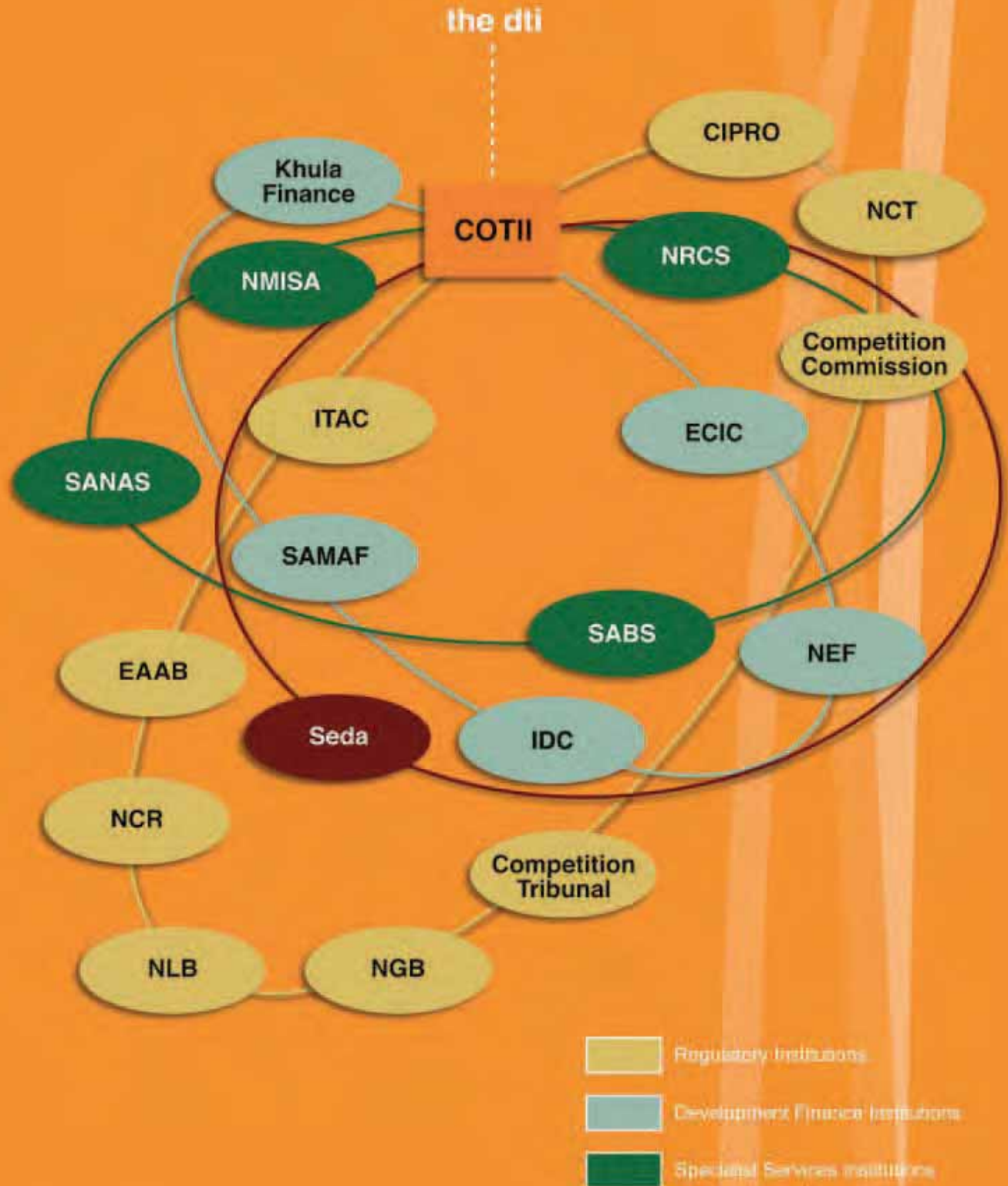


Mr Tshediso Matona
(Director-General)

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the dti Group



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Foreword by the Minister

Foreword by the Minister

The period under review for this Annual Report preceded my assumption of office as Minister. Nevertheless, being Deputy Minister at the time I welcome this opportunity to reflect on the work of **the dti**. Undoubtedly, good progress was made across the key functions and programmes of **the dti**.

Firstly, the steps to promote industrialisation, guided by the National Industrial Policy Framework (NIPF) and Industrial Policy Action Plan (IPAP), began gaining momentum with sector interviews in the chemicals, metals and engineering sectors. We launched a new programme which replaced the MIDP, which is now the Automotive Production Development Programme (APDP) to boost confidence in the auto-industry. A comprehensive review of industrial financing was completed and new support programmes were launched to increase competitiveness in various sectors, tourism, manufacturing, film and television. Along with existing incentives such as the critical infrastructure programme, the Business Process Outsourcing (BPO) support programmes, the Export and Investment Marketing scheme, among others, **the dti** has sufficient policies and tools to significantly advance industrial development and employment in the economy, provided it has the required resources and works smartly to up its game.

Similarly, efforts to expand market access for our products and encourage investment produced important results in terms of agreements with key countries in the North and South and within the SADC region and the rest of the continent, as detailed elsewhere in this report.

the dti's mandate to increase economic participation, especially by those historically marginalised, continued to enjoy systematic attention. After the publication of the Codes of Good Practice, providing for the first time a standardised framework for the implementation, evaluation and monitoring of Broad-Based Black Economic Empowerment (B-BBEE), several sector transformation charters were gazetted during the period under review, and institutional arrangements for verification of empowerment were introduced.

A great deal of policy work, the full impact of which will be felt in future years, was undertaken to ensure that the state increases procurement from small and micro business as this will be a key mechanism in creating sustainable small businesses. Implementation of this work will be a key area of focus in **the dti's** ongoing efforts at stepping up small and medium micro enterprises.

We have also made significant progress in transforming the regulatory framework in the economy. The Companies, Consumer Protection and Competition Amendment Bills were passed by Parliament and have all been signed into law, and will be implemented by the Department in the period ahead.

Responsible lending and borrowing among financial services companies and consumers continued to be strongly encouraged during the period under review. It was widely and correctly reported that implementation of the National Credit Act of 2005 has contributed to shielding the South African financial sector from being too negatively impacted by the international recession. Testimony to success in our efforts to develop a sound and reliable regulatory framework was the number of international delegations hosted throughout the year to learn from our experience.

The Competition Commission continued to promote an environment conducive to fair competition in the marketplace. Significant findings were made and severe fines imposed for anti-competitive behaviour and collusion in sectors that directly impact on the lives of South African citizens and that are important to industrial policy.

Finally, I wish to extend my gratitude to the former Minister Mandisi Mphahla and Deputy Minister Elizabeth Thabethe for their leadership and for laying a foundation for the Department to build on. It is a challenge that the new administration, including all senior management and staff in the Department, as well as the Council of Trade and Industry Institutions (COTII), must and will take seriously.



DR ROB DAVIES (MP)
MINISTER: TRADE AND INDUSTRY

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Introduction by the Director-General

Introduction by the Director-General

The past financial year saw **the dti** continue to implement key policy initiatives intended to support the economy's growth momentum of recent years, prior to the onset of the global crisis and the resultant domestic recession.

Following the launch of the National Industrial Policy Framework (NIPF) and the Industrial Policy Action Plan (IPAP), **the dti** focused on the implementation of key interventions in pursuit of the objectives set out in the NIPF, with specific reference to a set of identified priority industrial sectors. While the achievements in this regard are highlighted in this report, key amongst these was the finalisation of sectoral initiatives in sectors such as automotives, metals and clothing and textiles. In terms of the automotive sector, the Automotive Production and Development Programme (APDP) replaced the long-standing Motor Industry Development Programme. The new programme will run from 2013 to 2020, and has the ambitious target of doubling vehicle production volumes by the year 2020. In the metals sector, the National Tooling Initiative commenced with a training programme to upgrade and create new skills in the industry, to enable it to leverage the massive infrastructure Capex programme in the country. The Clothing and Textiles Competitiveness Programme (CTCP) was finalised as part of efforts to restructure the sector.

In addition to the sectoral initiatives, substantial work was done on the alignment of the industrial financing regime to industrial policy objectives. Part of this work included the development and launch of the Enterprise Investment Programme to replace the Small and Medium Enterprise Development Programme. Also, a revised Film incentive was launched with the intention of increasing support for local productions and guidelines for a new tax incentive were completed.

Notwithstanding these achievements, there have been challenges, in particular, in the implementation of the IPAP given that this requires a coordinated approach and cooperation with other departments. Addressing interdepartmental coordination weaknesses is imperative if industrial policy interventions are to have the desired impact. Furthermore, the resourcing of industrial policy and its alignment to the government's budgeting cycle needs to be addressed.

As part of its mandate, **the dti** endeavours to utilise its trade strategy to promote the growth and development of the economy, establishing trade and investment links with both existing main trade partners and fast-growing emerging markets. Efforts have continued to ensure that our industrial policy and trade policy are mutually aligned and coordinated to achieve our developmental objectives. In the context of the current Doha Round of the World Trade Organization negotiations, **the dti's** work has focused on ensuring a developmental outcome, notably in the industrial tariff negotiations. Also, a Preferential Trade Agreement was concluded with MERCOSUR (Brazil, Argentina, Paraguay and Uruguay), giving South Africa a strategic foot in the door of a key growth market.

In advancing regional trade integration, the SADC Free Trade Agreement was launched in 2008, while work in SACU entailed continuing to build key institutional arrangements and common policies.

Efforts to promote trade and investment saw exports increasing by 26% in 2008, compared to the rise in imports of 22%. A more targeted approach to investment promotion was pursued, resulting in a pipeline of R46.5 billion worth of investment projects. In addition, support of international efforts by South African firms through the Export Marketing and Investment Assistance Scheme (EMIA) grew by 5%.

In the period under review, **the dti's** work on enterprise development sought to consolidate the institutional framework for delivery of support to small, medium and micro enterprises (SMMEs). The focus was on improving the quality and services offered by **seda**, South African Microfinance Apex Fund (SAMAF) and Khula to provide appropriate support for SMMEs. In this regard, Cabinet approved the 10 products for targeted procurement from small enterprises and supported the expansion of Khula's mandate to provide direct lending to the under-served market of between R10 000 to R250 000.

As regards work to broaden economic participation, **the dti** continued the implementation of the Broad Based Black Economic Empowerment (B-BBEE) policy, legal and compliance regime, with particular focus on the institutional mechanisms for verification and measurement of B-BBEE within the economy. So far 22 Verification Agencies have been

accredited by the Department. To establish instruments to monitor and evaluate the progress of B-BBEE, **the dti** has undertaken consultations on the appointment of members of the Presidential Advisory Council. Also, sector transformation charters in Tourism, Forestry and Construction have been gazetted as Codes of Good Practice of B-BBEE.

In recognition that women entrepreneurs in South Africa face ongoing challenges in starting, growing and sustaining their enterprises, **the dti** established the Isivande Women's Fund in 2008. The Fund will provide financial and business development support services to women-owned enterprises.

On the regulatory front, **the dti** continued to address regulatory impediments to the achievements of government's objectives. During the period under review, **the dti** accomplished significant milestones with regards to the finalisation of four pieces of legislation which were passed by Parliament and have been signed into law. These are the Consumer Protection Act, Companies Act, Competition Amendment Act and Gambling Amendment Act. The Consumer Protection Act seeks to strengthen consumer awareness and enhance consumer confidence in markets through redress mechanisms. The Companies Act simplifies procedures for the incorporation of companies, and seeks to enhance transparency and standards of corporate governance. The Competition Amendment Act seeks to strengthen the powers to combat anti-competitive behaviour and provides for criminal sanctions for individuals and entities that engage in such behaviour. The Gambling Amendment Act seeks to regulate the growing online gambling sector.

the dti recognises that stakeholders within government, and in business and labour, play a vital role in the achievements of its objectives. During the past year, through the Economic Cluster and engagements within NEDLAC, and the Department's Industry Forum, **the dti** has fostered consultation, dialogue and co-ordination on key policy and implementation issues. Going forward, the Department will continue to work at fostering strong partnerships with our social partners to achieve its mandate.

The Council of Trade and Industry Institutions (COTII), which brings together public entities reporting to **the dti**, is part of the implementation and delivery mechanisms of the Department and has an increasing role to play in enabling **the dti** to achieve its objectives. The achievements of COTII agencies in the year under review serve to magnify the impact of **the dti**, and to affirm its critical role in the economy.

While acknowledging the achievements of the Department in the year under review, the scope of the work undertaken by **the dti** raises the continuing challenge of ensuring that it has the necessary capacity to achieve its broad mandate. Substantial effort was made to reduce the high levels of vacancies through the filling of key posts. However, given the priorities of the new administration to scale up industrial policy interventions, the challenge for **the dti** will be to retain, attract and develop the necessary skills and expertise to meet the expectations required of it.

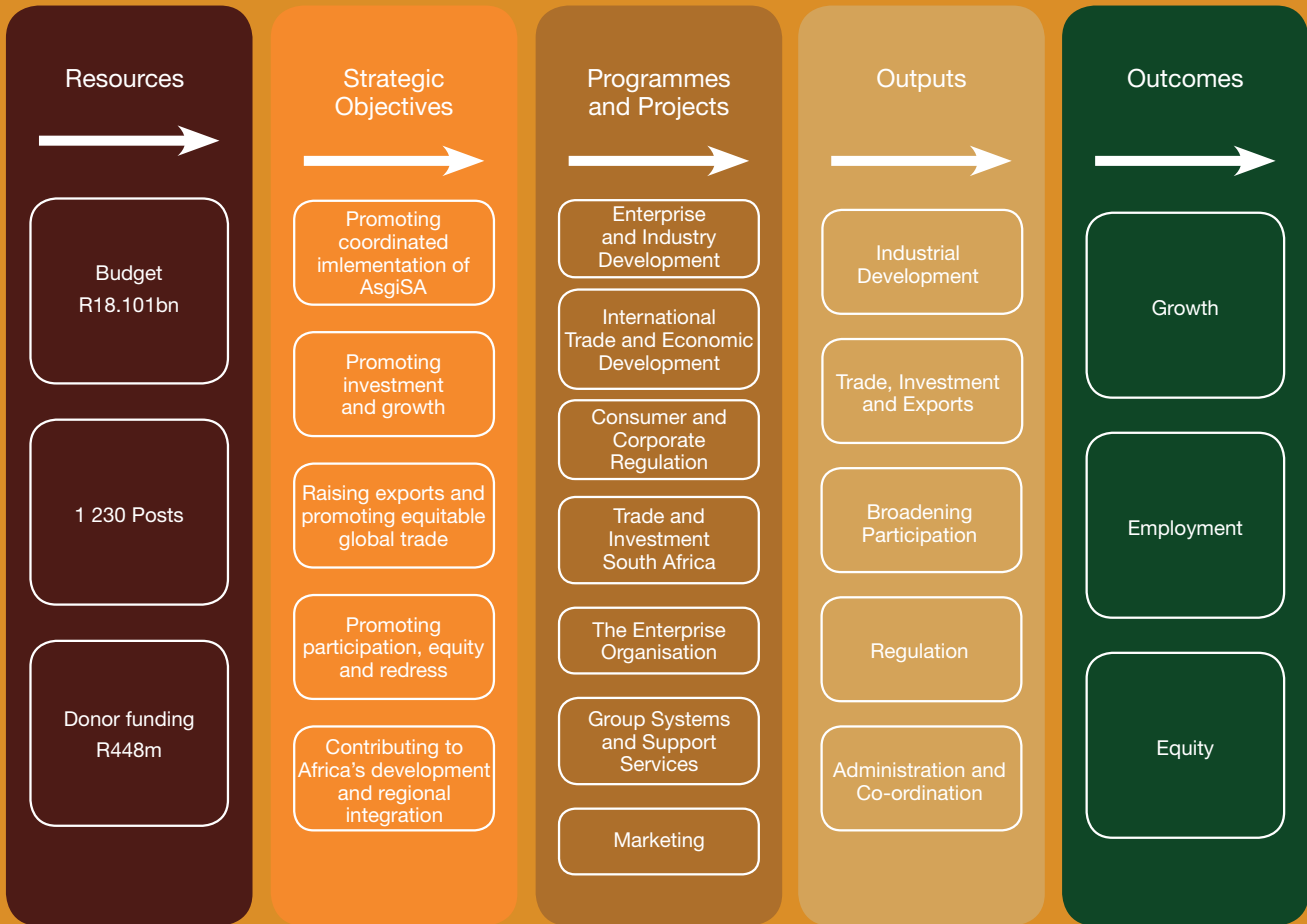
As the impact of the global financial crisis saw a sharp reversal in the economy's longest period of growth, **the dti** recognises that significant work will be required to enable the economy to maintain its growth momentum. This is reflected in the priorities of the new administration and will require **the dti** to intensify and scale up its policy interventions going forward. All interventions of the Department must have the central objective of helping to restore growth and promote decent jobs and sustainable livelihoods.

Having regard to the achievements and challenges experienced in pursuing the mandate and goals of **the dti** in the past year, I would like to sincerely thank the leadership and staff of **the dti** for their part in the progress made in 2008/09.



TSHEDISO MATONA
DIRECTOR-GENERAL
TRADE AND INDUSTRY

A Strategic Map for the dti



Council of Trade and Industry Institutions



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Overview 2008/09

Achievements, Progress and Challenges

INTRODUCTION

The 2008/09 financial year was critical in marking a shift in the work of **the dti**, from launching various major strategies, policies and initiatives in previous years, to emphasising implementation. In other words, executing strategy was the dominant theme for **the dti** in 2008/09. This focus is reflected in the 2008/09 annual report, which reviews the achievements, progress and challenges of the Department as a whole, as well as those of each of its seven programmes.

The review of the **the dti** performance covers five key themes, which run across the entire 2008/09 annual report and encapsulate the Department's mandate and programmes. These themes are as follows:

- Industrial Development;
- Trade, Investment and Exports;
- Broadening Participation;
- Regulation; and
- Administration and Co-ordination.

Industrial Development

Industrial development entails the development of policies and strategies that promote industrial competitiveness, enterprise development and the efficient administration of industrial support measures.

The overall policy vehicle for industrial development is the National Industrial Policy Framework (NIPF), which sets out the government's broad approach to industrialisation and identifies priority sectors to promote the growth of a strong local industrial and services economy.

In turn, the Industrial Policy Action Plan (IPAP) is the vehicle for implementing the NIPF. Specifically, the IPAP identifies four lead sectors to fast-track implementation, namely capital and transport equipment and metal fabrication; automotives and components; plastic fabrication and pharmaceuticals, as well as forestry, pulp and paper and furniture.

During 2008/09, **the dti** undertook several interventions to stimulate growth in these lead sectors, as well as in priority sectors such as Business Process Outsourcing (BPO) and tourism. These interventions range from launching the Tooling and Foundry initiatives to strengthen the supply capacity of the capital and transport equipment and metals sector into the infrastructure roll-out programme; support measures for the clothing and textiles sector; promotion of pharmaceutical local manufacturing through state tenders, and forestry and furniture initiatives. Also, industrial financing, incentives and tariff reviews received close attention and new initiatives were launched in this regard. In 2008/09, **the dti** continued to implement funding assistance for investors in business process outsourcing, and approved 17 BPO funding applications that are reliably expected to create 18 000 jobs and result in R1.2 billion in direct investment.

Similarly, in the case of manufacturing and tourism, the Department approved enterprise investment incentives for 21 greenfield and expansion projects that will generate R906 million in new investment and create a projected 1 070 jobs. Other industrial development successes were the launch of the Automotive Production and Development Programme (APDP), which will run from 2013 to 2020, and is aimed at increasing annual vehicle production to 1.2 million units by 2020, and to facilitate growth of the country's component and vehicle manufacturing industries; the conclusion of a new

tax incentive; the launch of a new film incentive; and the review of the Industrial Development Zones programme with a view to strengthening it.

Trade, Investment and Exports

This theme entails **the dti's** work to develop meaningful trade and investment links with the world, including helping achieve an equitable and developmental multilateral trading system.

Intra-SADC trade integration took a major step forward in August 2008 when the SADC Free Trade Agreement was successfully launched. In a significant step for South-South links, the SACU-MERCOSUR preferential trade negotiations were concluded. At the Doha Round of the World Trade Organisation (WTO) negotiations, the Department continued to work towards a developmental outcome.

In terms of trade and investment, the Department did well in promoting South African exports and encouraging inward investment despite challenging economic conditions worldwide. As at 31 March 2009, **the dti's** investment project pipeline stood at R46.5 billion which, although less than hoped for, was extremely positive considering the worldwide financial crisis that dampened investor enthusiasm in the second half of the year.

the dti stepped up its direct support to industry by providing 5% more funding for export and investment assistance than in the previous year. This translated into more national pavilions and trade missions being arranged. Based on export sales generated through these events, the return on investment was 1:22 for every Rand spent.

The Department also continued to develop export capacity by offering training to 84 first-time exporters – all of them SMMEs – and developing exporter-friendly tools such as the national exporter database and trade portal.

Another important milestone was the approval of a new foreign economic office strategy which, when fully implemented, will increase **the dti's** international footprint to 56 offices in 44 countries.

Broadening Participation

Broadening participation in the economy revolves around the development of policies and strategies that promote enterprise growth, empowerment and equity.

During 2008/09, **the dti** continued to develop and implement an effective service delivery infrastructure to support SMMEs, including women-led enterprises, as well as Co-operatives. At the same time, the Department continued to establish the institutional infrastructure for implementing and measuring Broad-Based Black Economic Empowerment (B-BBEE), with a focus on the Codes of Good Practice and verification of B-BBEE. By the end of the financial year, **the dti** had completed the accreditation of 22 Verification Agencies around South Africa, and work was advanced towards the establishment of a BEE Advisory Council to help monitor and evaluate the evolution of B-BBEE.



To provide financial and business development support services to women-owned enterprises, the Department announced the Isivande Women's Fund. In addition, government support for SMMEs took a significant step forward when the Cabinet approved 10 products for government preferential procurement. The Cabinet approved the implementation of measures to ensure that SMMEs are paid within 30 days, and supported extending the mandate of Khula Enterprise Finance Ltd to include direct lending.

In preparing to harness the growth potential of Co-operatives, **the dti** approved the Co-operatives Strategy and tabled it at NEDLAC for stakeholder consultation.

Regulation

This theme entails the development and implementation of coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient markets for economic citizens.

The programme of corporate law reform that commenced in 2004 was concluded in 2008/09 when Parliament passed the Companies Act, providing for the incorporation, registration, organisation and management of companies. Parliament also passed the Competition Amendment Bill, aimed at strengthening counter-cartel enforcement and dealing with complex monopolies and collusion in highly concentrated markets.

A third landmark law passed in 2008/09 was the Consumer Protection Act. This seeks to support and strengthen a culture of consumer rights in South Africa and to promote a fair, efficient and transparent marketplace for consumers and business.

The National Gambling Amendment Act was also enacted to regulate interactive or electronic gambling. All these Acts, which involved extensive public consultation, have been signed into law and will be implemented during the 2009/10 financial year.

Administration and Co-ordination

This theme entails the efficient and effective coordination and systems within **the dti**, and with stakeholders and partners.

the dti plays a crucial role in coordinating efforts to drive economic growth and job creation, and to address socio-economic imbalances. A key element of this is to ensure strong stakeholder partnerships and engagements for improved implementation of key interventions. Also, it is imperative that the Department itself, as well as its partners in the Economic Cluster, have the capacity to fulfil their demanding mandates.

Strong emphasis was placed on strengthening **the dti's** own institutional capacity during the year under review through training and high-value skills recruitment. A striking success was the reduction in the vacancy rate from 25% in the previous financial year to just over 18% as at 31 March 2009. This was a direct result of the attention given to talent management, performance management and human resource development. The Department made a significant investment in training during the year, with more than 700 employees attending in-house training and 190 attending externally facilitated programmes. In addition, a large proportion of middle and senior managers participated in management development programmes.

the dti also focused on improving the effectiveness of the Economic Cluster into a more coherent mechanism that is better able to facilitate and co-ordinate economic growth and transformation.

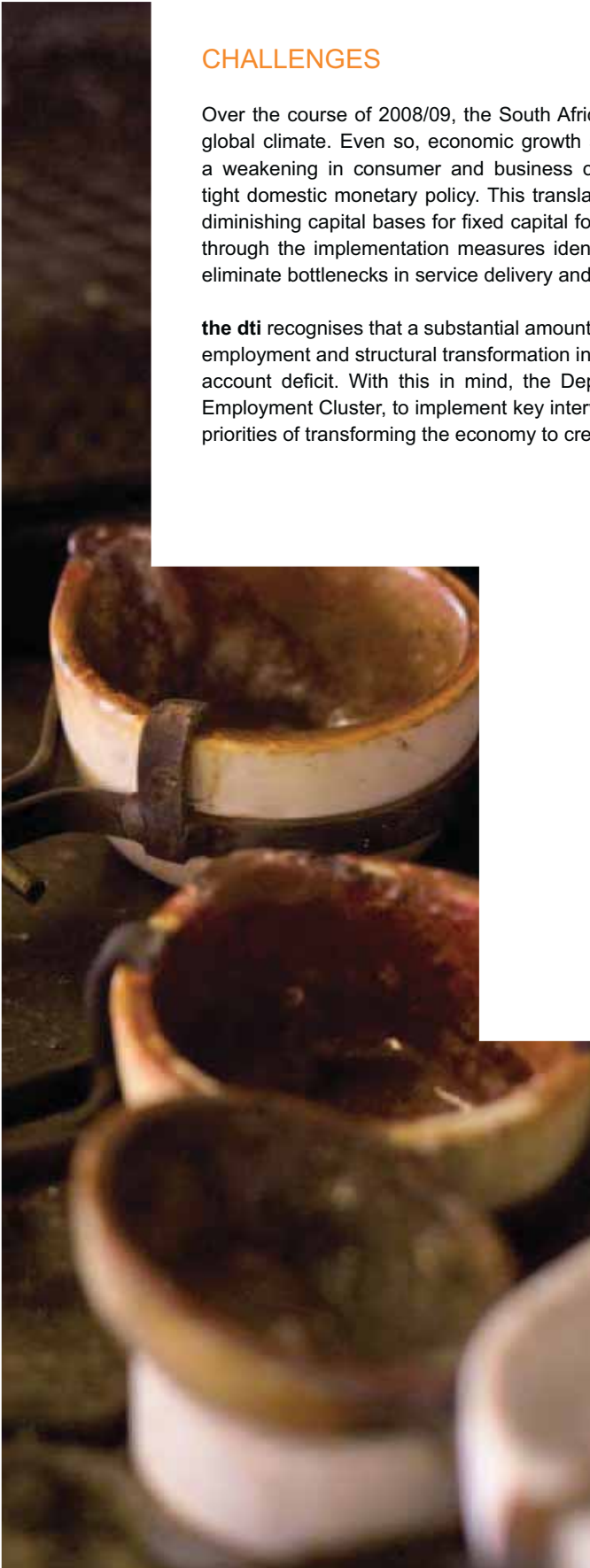
the dti engaged with its social partners through NEDLAC, which held biannual leadership-level strategic sessions. At these sessions, the parties deliberated and agreed on the implementation of the Growth and Development Summit commitments. In engaging with industry, **the dti** used the Industry Forum to build partnerships aimed at accelerating economic growth in the country.



CHALLENGES

Over the course of 2008/09, the South African economy performed relatively well in the face of a deteriorating global climate. Even so, economic growth slowed down significantly for the first time in a decade. This led to a weakening in consumer and business confidence, declining global sales and production, and a relatively tight domestic monetary policy. This translated into decreased export demand from major trading partners and diminishing capital bases for fixed capital formation. In response, **the dti** focused on preserving the gains made through the implementation measures identified in the NIPF and Action Plan. The Department also sought to eliminate bottlenecks in service delivery and bolster capacity.

the dti recognises that a substantial amount of industrial policy work is still required to achieve greater productive employment and structural transformation in key sectors of the economy to boost growth and address the current account deficit. With this in mind, the Department will continue, including as co-chair of the Economic and Employment Cluster, to implement key interventions that are aimed at achieving government's new post-election priorities of transforming the economy to create decent work and sustainable livelihoods.





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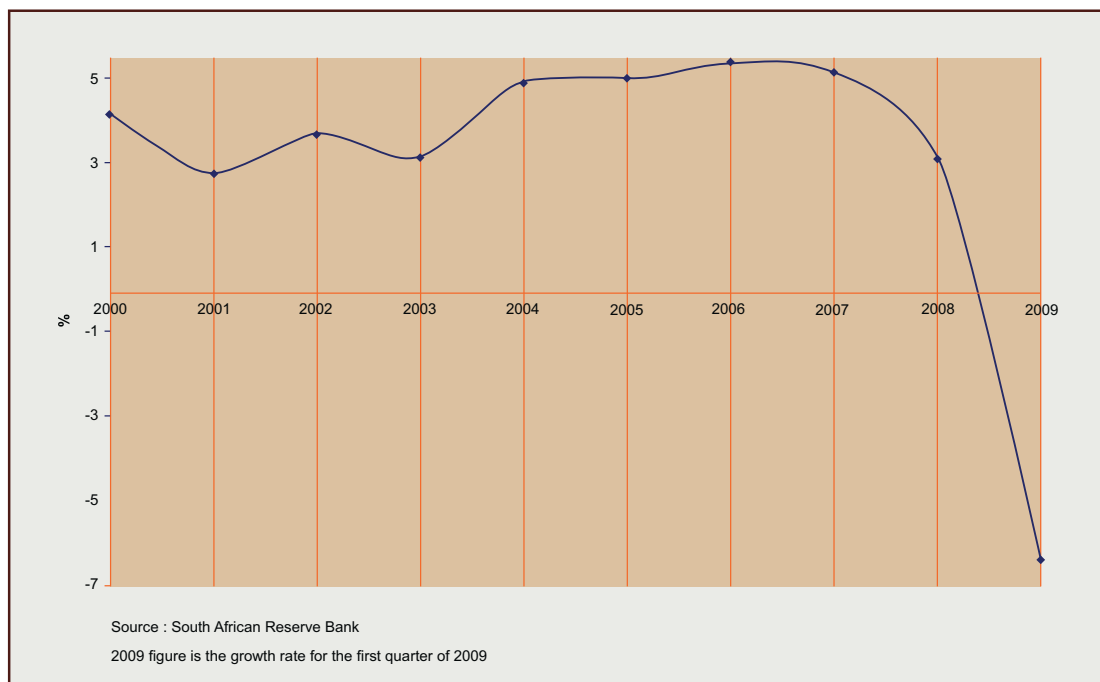
The Performance of the South African Economy

The Economy's Performance - An Overview

In the past 15 years, the South African economy experienced positive structural changes which saw an increase in annual economic growth rate of above 3 percent. This has been a direct result of the positive global economic situation, microeconomic reforms and the stable macroeconomic environment. However, the beginning of 2008 saw a decline in economic activity. The global economy experienced a downswing and the collapse of the financial markets further precipitated the contraction in real economy activities.

The global economic situation had a negative knock-on effect on the domestic economy, and the challenges in electricity supply during the first quarter of 2008 further affected the level of economic activity as companies, particularly in the manufacturing and mining sectors, were required to urgently achieve a 10 percent savings on their electricity consumption to stabilise the national grid. This meant that these sectors needed to urgently cut their production while seeking to develop viable strategies to achieve the required savings.

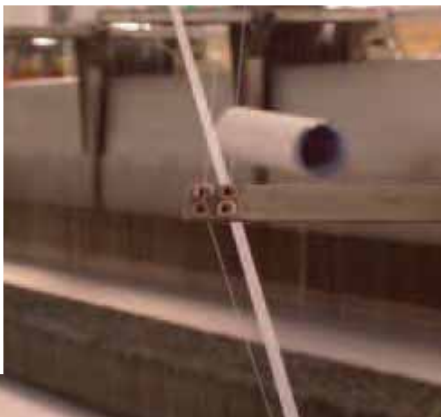
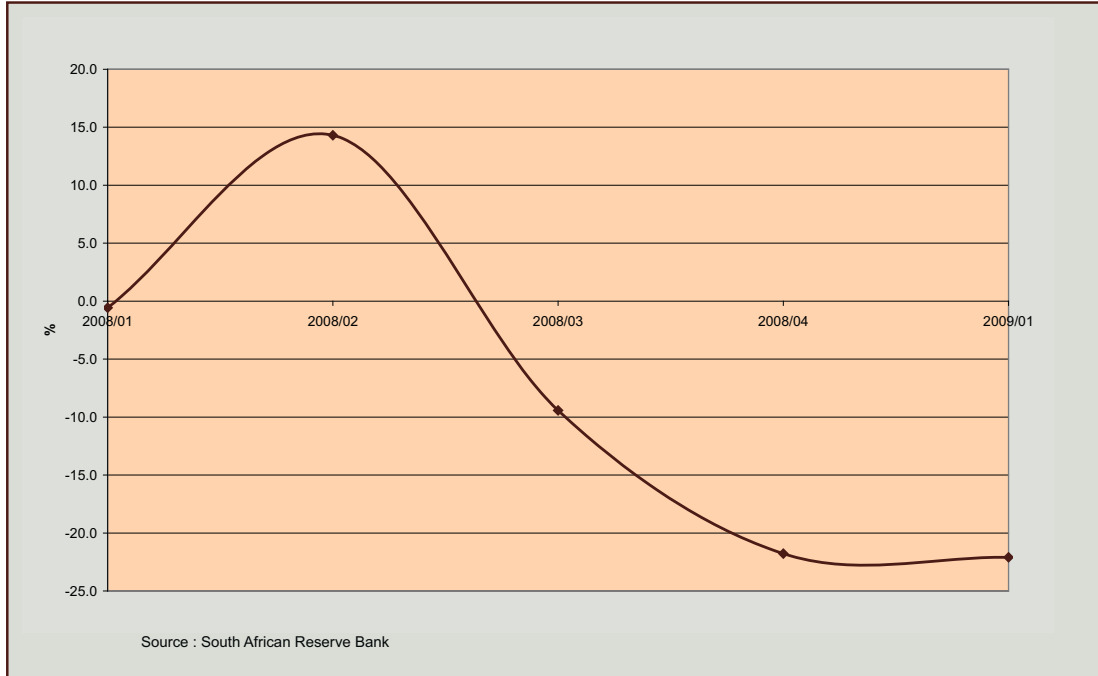
Figure 1: The South African Real Growth Domestic Product Growth Rate



The onset of the international economic crisis meant that the economy's growth rate for 2008 was going to be significantly lower as compared to the last three years when the economy grew by above 5 percent on average. The annual growth rate for 2008 fell to 3.1 percent. The last quarter of 2008 also saw a decline in economic activity, which began to show the vulnerability of the South African economy to the international economic crisis. The first quarter of 2009 clearly showed that the domestic economy was feeling the effects of the global economic crisis and economic activity declined by 6.4 percent, plunging the economy into recession for the first time in 17 years.

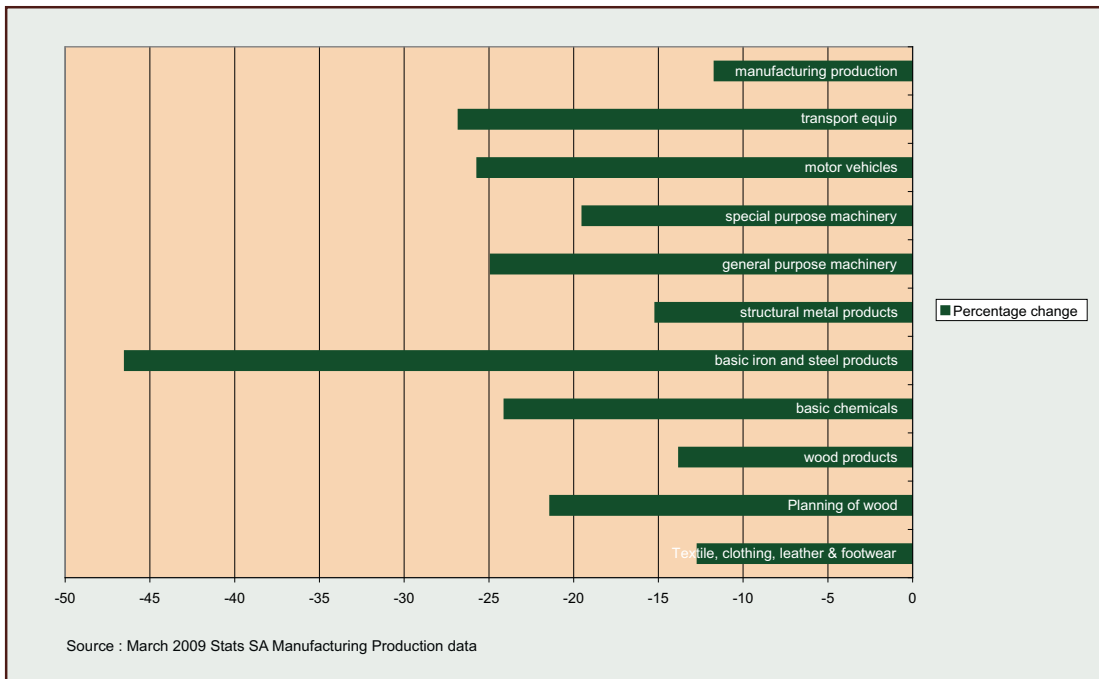
In the last three quarters of 2008, the manufacturing sector displayed significant vulnerability to the worsened global economic environment. By the last quarter of 2008, the sector was already in recession as it had experienced two consecutive quarterly contractions. The decline in the manufacturing sector signalled the effects that were to be experienced in both the primary and tertiary sectors of the economy.

Figure 2: South African Manufacturing Sector Performance



In the past eight months, both manufacturing production and capacity utilisation experienced significant contraction as a result of the decline in both domestic and export demand. Key industrial sectors such as automotives, capital equipment, clothing and textile, metals and metals products were significantly affected. Given the strong linkages that these sectors have with other sectors of the economy, their decline had an economy-wide effect. The graph on manufacturing production clearly shows the extent to which the major sectors have been affected. Manufacturing capacity utilisation has continued to be below 80 percent. The utilisation of production capacity by large manufacturers was 78.6 percent in February 2009, compared to 84.percent in February 2008, the lowest rate since February 1999.

Figure 3: Manufacturing Production of Major Groups within the Sector (% change between March 2008 and March 2009)



The contraction in global demand has had a negative impact on South African exports. Between February and January 2009, exports declined by over 6 percent. The decline in imports has been moderate as a result of the continued roll-out of the CAPEX programme. The decline in oil prices contributed to the decline in imports of 4 percent. The deficit for the first two months of the year was R18 billion, compared to R16.5 billion after the first two months of 2008. Table 3 shows actual imports and exports between February and January 2009.

Table 3: South African Trade Account

	Feb 2009	Jan 2009	Jan 2009-Feb 2009
Exports	R44 962 m	R36 252 m	-6.4%*
Imports	R44 632 m	R53 459 m	-4.0%*
Trade surplus (deficit)	(R0.57bn)	(R17.4bn)	(R18.0bn)

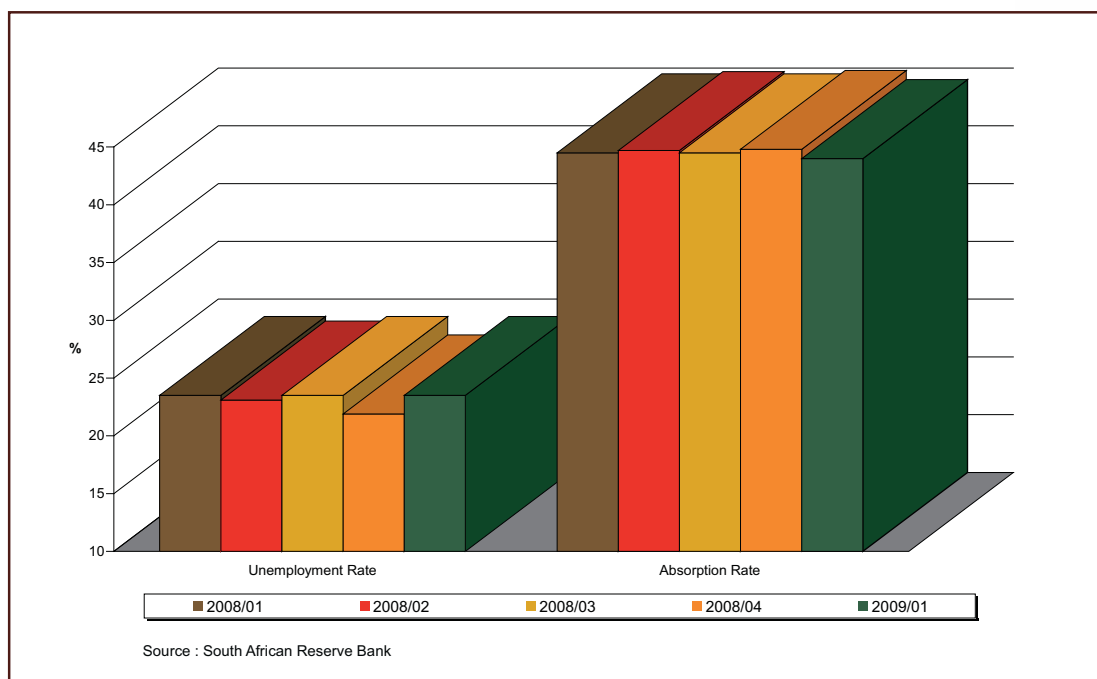
* Year-on-year % change. Figures not seasonally adjusted.

Source: South African Revenue Services

The current account deficit declined from -7.8 percent of GDP in the third quarter to -5.8 percent of GDP in the fourth quarter. This was a function of both a sizeable reduction in the trade deficit and a significant reduction in factor payments due to reduced net dividend outflows and reduced outflows on the transportation and travel account.

Employment creation is a key measure of effectiveness of government policies to change the lives of our people. While the economy created around 500 000 jobs annually between 2005 and 2007, a total of 208 000 people living in South Africa lost their jobs between the last quarter of 2008 and the first quarter of 2009. The job losses occurred in both the formal and the informal sectors.

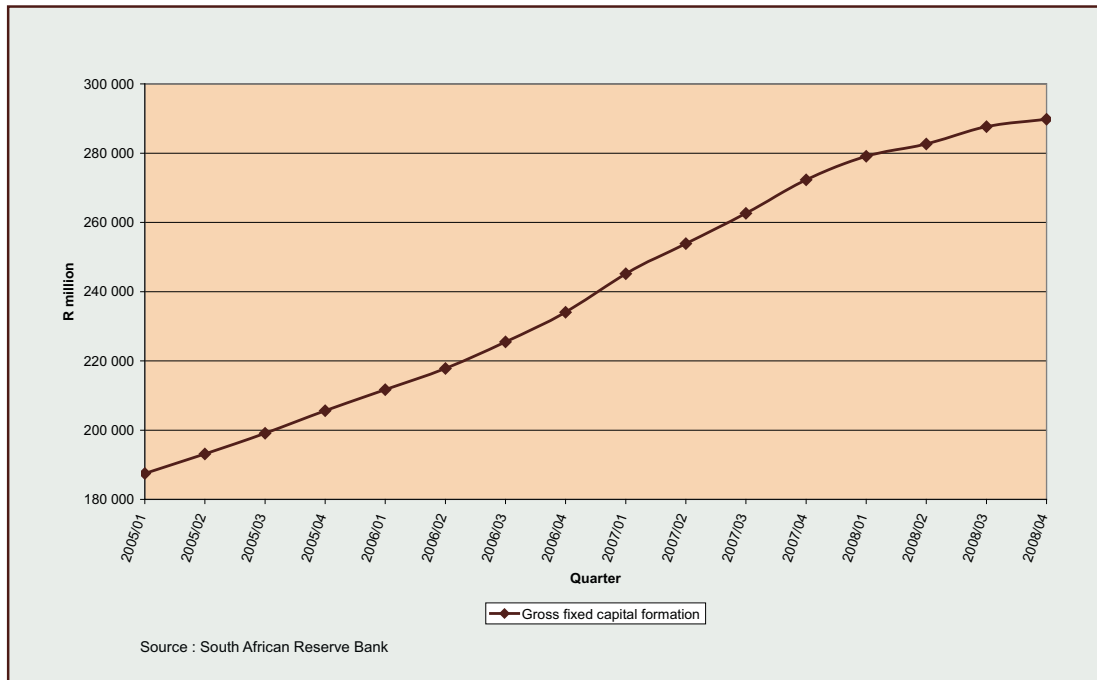
Figure 4 : Labour Absorption and Unemployment Rate in South Africa



About 4.2 million South Africans are unemployed which accounts for the South African unemployment rate of 23.5 percent. The South African unemployment rate increased from 21.9 percent in the fourth quarter of 2008 to 23.5 percent for the first quarter of 2009, which reflected the shedding of jobs in the key sectors of the economy, particularly basic metal products, automotives, clothing and textile and mining. There has been a reduction in the number of employees absorbed in the labour force from 44.8 percent in the fourth quarter of 2008 to 44.0 percent for the first quarter of 2009, although this is low compared to other developing countries.

While the real economy has been in serious distress, the counter cyclical measures that are being implemented through the CAPEX programme driven by State Owned Entities (SOEs) and the 2010 World Cup infrastructure development have provided a much-needed demand pull for sectors such as metals and capital equipment. This is one area where the government's long-term goal of increasing the ratio of investment to GDP by 2014 to 25 percent, as a means of enhancing sustainable growth, has almost been attained. The following graph clearly shows that the momentum is being maintained. While the CAPEX programme is directed towards the creation of infrastructure to improve efficiency, the industrial policy opportunities that result from these cannot be underplayed. There is a need to ensure that such opportunities are fully exploited to create industrial capabilities in sectors such as capital goods that are linked to the build programme.

Figure 5: South African Gross Capital Formation



CONCLUSION

While the commodity super-cycle and buoyant global demand had a positive impact on the growth levels of the South Africa economy over the past three years, the financial crisis and its subsequent impact on the real economy has put the economy on the back-foot. The global economic crisis threatens progress that has been made over the past 15 years as it has had a substantial impact on the manufacturing and mining sectors in both the decline in economic activity and employment losses. The threat of the erosion of manufacturing sector capacity and capabilities will pose a significant risk to government's goal of halving unemployment and poverty by 2014. This situation creates the need to further intensify and scale-up our industrial interventions.

Government's challenge will be to restore economic growth and deepen economic transformation, particularly to create a sustainable basis for labour-absorbing growth. It is in this regard that government and its social partners will have to swiftly implement agreements that have been reached to counter some of the negative impact of the global economic crisis.

The Framework for a Response to the International Economic Crisis was concluded among government and its social partners in February 2009. It identifies the interventions that will be implemented to respond to the international economic crisis. The work on distressed sectors will form a focal point for **the dti** to ensure that supportive policies and interventions are put in place to minimise the impact of the crisis and retain capacity, while creating a basis to respond to long-term structural challenges.

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Review of the dti Divisions 2008/09

Group Systems and Support Services Division (GSSSD)

PURPOSE

Provide strategic leadership to the Department and its agencies, and facilitate the successful implementation of the Department's mandate through supportive systems and services.

MEASURABLE OBJECTIVES

- To ensure value-adding business resource management solutions in the areas of Financial Services, Human Resources, Accommodation Services/Space, Corporate Governance and Risk Management, ICT Management and Legal Services.
- To develop a supportive stakeholder network.
- To ensure internal divisional business excellence.

HIGHLIGHTS

- Unqualified audit reports by the Auditor-General for five years in a row.
- Lowest under-spending in the past five years to 1% of budget.
- Reduction in the vacancy rate from 25% to 18%.
- 41% representation of women at senior management level.
- Alignment of departmental and personnel performance management systems.
- Significant participation of middle and senior managers in the action learning management programme.
- Disclosure of financial interests by all SMS members; 96% concluded 2008/09 performance agreements.
- Ethics promotion and fraud prevent measures.
- Enhanced ICT control environment.

ACHIEVEMENTS

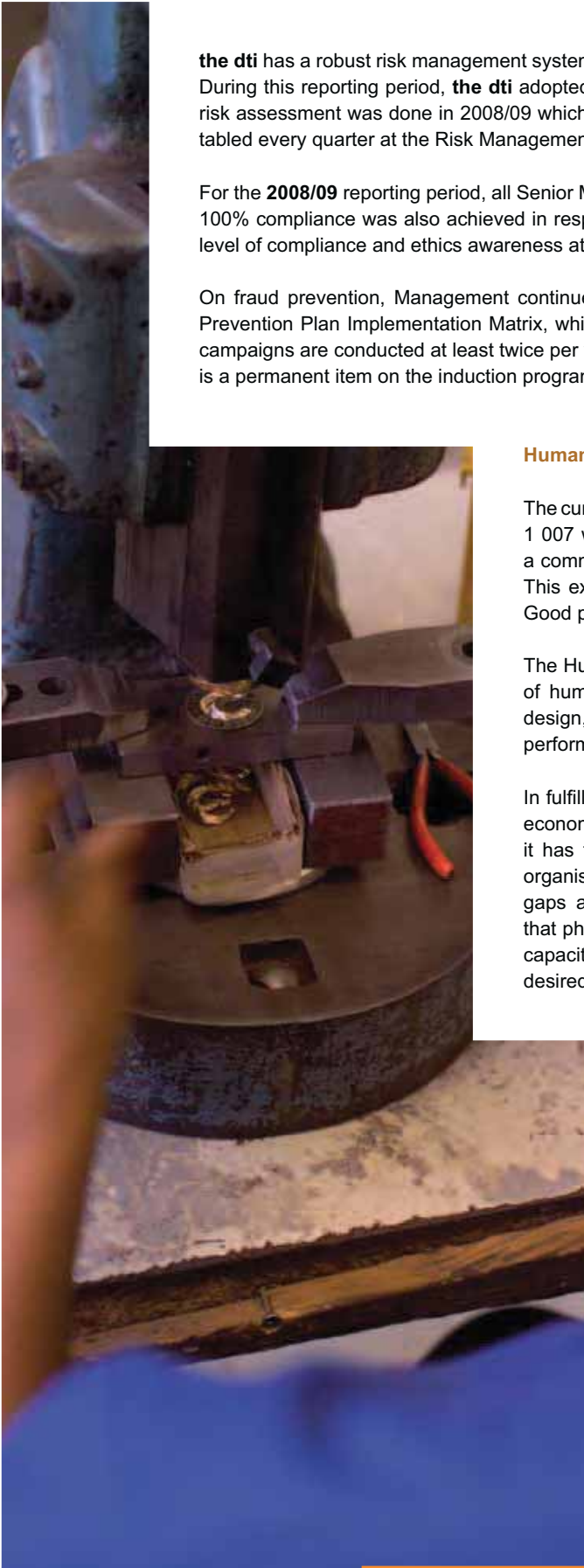
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Financial Management

the dti once again received unqualified audit reports from the external auditors. Furthermore, in promoting empowerment of HDIs through procurement spend, it exceeded its target of 60%. Of the contracts awarded, 72% were directed to HDIs, 84% to SMMEs, 41% to women-empowered suppliers and 3% to disability-owned enterprises. The net budget surplus for the financial year under review was a mere 1.36% and if roll-over requests to the amount of R37.4 million are approved, the net surplus will be .63%, the lowest under-expenditure for five years.

Corporate Governance

There was steady progress in the refinement of corporate governance in **the dti**, both on the part of the Corporate Governance unit and **the dti's** key governance structures, namely the Executive Board, Operations Committee, Risk Management Committee and Audit Committee. All these committees met regularly during the year under review and substantively addressed issues that fell within their mandate, while also providing direction and support in establishing effective controls to strengthen performance in key operational areas. Effectiveness assessments were conducted to ensure that the value-add of the committees was measurable.



the dti has a robust risk management system in place, with high levels of compliance and zero tolerance of fraud. During this reporting period, **the dti** adopted a revised Risk Management Policy for the organisation. An annual risk assessment was done in 2008/09 which included operational and strategic risks, and progress reports were tabled every quarter at the Risk Management Committee.

For the **2008/09** reporting period, all Senior Managers had disclosed their financial interests as at 31 March 2009. 100% compliance was also achieved in respect of the **2007/08** disclosure period, which is indicative of the high level of compliance and ethics awareness at senior management level.

On fraud prevention, Management continued to report to the Risk Management Committee, using the Fraud Prevention Plan Implementation Matrix, which is based on identified fraud risks. Furthermore, ethics promotion campaigns are conducted at least twice per year, and a presentation by the Corporate Governance unit on ethics is a permanent item on the induction programme for all new staff appointed.

Human Resources

The current structure of **the dti** provides for 1 230 approved positions, of which 1 007 were filled and 223 were vacant as at 31 March 2009, representing a commendable reduction of 7.1% in the vacancy rate from 25% to 18.1%. This excludes the positions in respect of the three political office-bearers. Good progress has been made in attracting new staff.

The Human Resource Plan for 2008/09 gives the Department a single view of human resource areas needing attention, ranging from organisational design, talent management, retention and human resource development to performance management.

In fulfilling its leadership role in growing and transforming the South African economy, **the dti** needed to respond to the pertinent question of whether it has the necessary capacity to deliver on its mandate. To this end, an organisational design review was undertaken to identify current capacity gaps and determine the desired capacity levels. It is pleasing to report that phase one of the project, which focused on the identification of current capacity gaps, has been concluded. The next phase of determining the desired capacity levels will be initiated in the ensuing financial year.

the dti's appreciation of the importance of training and development as a lever for enhanced productivity and employee growth is evident from the various initiatives undertaken in 2008/09. In all, 741 employees attended training and development initiatives offered internally and 190 attended external interventions.

In order to inculcate the culture of lifelong learning, 108 bursaries were awarded to employees. **the dti's** deep-rooted commitment towards empowering youth and growing 'its own timber' has resulted in 33 interns being appointed and the internship policy being reviewed to allow for the absorption of competent interns.

Management capability has also been enhanced through participation in the action learning management development programme called *Khaedu*. A total of 110 Middle and Senior Managers (MMS and SMS) participated in the programme. A

comprehensive executive development programme will be rolled out in 2009/10 to cement leadership and management excellence within **the dti**.

The review of the entire performance management system was successfully concluded to enhance alignment of departmental planning and performance management with personnel performance management. The review also streamlined the system to ensure it is an efficient management tool to enhance performance and service delivery. Some 96% of senior managers had concluded performance agreements for the 2008/09 performance cycle.

Facilities

To alleviate space constraints experienced on **the dti** campus due to staff growth at the Department and its agencies over the past four to five years, a comprehensive space needs analysis was performed. This culminated in a space strategy that will guide the future allocation of space on the campus, including re-stacking the floor plates. In the first phase, planned for 2009/10, Cipro will be relocated to newly refurbished premises nearby the campus.

Legal Services

Despite the acute capacity challenges that Legal Services was faced with in the year under review, the Unit assisted various divisions in the Department to draft and vet 216 contractual agreements. We are pleased to report that the capacity issues were successfully addressed, with the Unit having a full staff complement at the end of the 2008/09 financial year.

Except for ongoing matters, no major litigation matters arose during the year under review.

Information and Communication Technology

To mitigate the risk of data loss in case of a disaster, **the dti** fully commissioned its ICT disaster recovery system, which has been tested and approved by its Executive. The Master Systems Plan for **the dti** was revised to ensure alignment of the ICT solutions to business objectives as an enabler.

CHALLENGES:

In coming to grips with the economic recession, it is clear that budgetary constraints will pose a challenge for organisation-wide capacity building and ICT initiatives planned for implementation in the medium term. Engagements are being held with the National Treasury in this regard.

Another challenge is the general lack of depth in functional and project management skills within the division. This will receive closer attention in the medium term.

The effective building of capacity in the Department through recruitment and retention will be challenged by the insufficient availability of properly qualified and experienced recruits.

The International Trade and Economic Development Division (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; strengthening trade and investment links with key economies, and fostering African development including through regional and continental integration, and development cooperation in line with the New Partnership for Africa's Development (NEPAD).

MEASURABLE OBJECTIVES:

- Increase market access for South African exports in targeted countries.
- Improve economic integration in the region and the Continent.
- Increase the efficiency of trade administration.

HIGHLIGHTS

- SADC Free Trade Agreement launched in August 2008.
- In the Doha Round of WTO negotiations, the Division continued to work for a developmental outcome.
- The NEPAD Extended Spatial Development Initiatives were finalised.
- A review of Bilateral Investment Treaties was initiated.
- The Division participated in the G8 and G5 process (Heiligendamm Dialogue Process) and made inputs in preparation for the G20 summits.
- The SADC Economic Partnership Agreement (EPA) states agreed to accept the concerns of Angola, Namibia and South Africa as “unresolved negotiating issues” within the EPA negotiations.

ACHIEVEMENTS:

In addition to deepening cooperation with South Africa's trading partners, the International Trade and Economic Development (ITED) Division engaged in a series of trade and investment negotiations at bilateral, regional and multilateral levels.

In the Doha Round of the World Trade Organization negotiations, ITED continued to work to ensure a developmental outcome, notably in the industrial tariff negotiations. In another international milestone of 2008/09, the Division concluded a preferential trade agreement with MERCOSUR (Brazil, Argentina, Paraguay and Uruguay). As with the free trade agreement signed with the European Free Trade Association in 2007/08, and the negotiations that commenced with India in September 2007, all these negotiations have been pursued with our partners in the South African Customs Union (SACU). This follows the entry into force of the SACU Agreement of 2004, requiring the parties to negotiate trade agreements as a bloc.

In Southern Africa, infrastructure development was a priority, particularly through the spatial development initiatives (SDIs). The SDIs contribute to integrated regional and local development by upgrading transport and energy infrastructure in support of anchor economic projects. Under the auspices of NEPAD, the unit developed the NEPAD Spatial Development Programme (SDP), aimed at fast-tracking the implementation of the NEPAD infrastructure programme by packaging projects to attract private sector investment. In all, 10 corridors have been identified through the NEPAD SDP.

REGIONAL INTEGRATION

Much effort went into assisting with policy harmonisation in SACU, and linking this work to broader integration efforts in SADC. The SADC Free Trade Agreement (FTA) was launched in August 2008 and Cabinet granted approval to focus on consolidating the FTA rather than moving prematurely towards a Customs Union in SADC.

In advancing regional integration, it is evident that trade integration must be complemented with more determined efforts to build diversified production capacity in the region. The SADC EU EPA has confronted difficulties as a result of South Africa's refusal to agree to the EU's demands and unbalanced terms for the agreement. Through continuous engagement of Angola and Namibia, which share South Africa's concerns, and through continuous engagement of these three countries as ANSA, the other SADC EPA states finally agreed to accept the ANSA concerns as "unresolved negotiating issues" within the EPA negotiations.

Further work on the Tripartite (COMESA-EAC-SADC) FTA was undertaken, resulting in the development of terms of reference for the study on the COMESA-EAC-SADC Free Trade Agreement.

TRADE RELATIONS AND NEGOTIATIONS

ITED continued to contribute to strengthening South Africa's trade and investment relations with key countries in the North. The Trade Development and Cooperation Agreement (TDCA) with the EU is nine years into implementation, and has contributed positively to bilateral economic relations. Since January 2000, the value of South African exports to the EU has more than doubled, from R67 billion to R175 billion in 2008. Furthermore, the preferential market access that South Africa enjoys in the EU market has been linked with foreign investments by USA and Japanese car makers and component manufacturers seeking to take advantage of the huge EU market. As South Africa's largest trade and investment partner, relations with the EU remain important and we will devote greater attention to expanding trade and investment with recently acceded Eastern European members.

Although the Department was unable to conclude a free trade agreement with the USA, it did conclude a cooperative trade arrangement – the Trade, Investment Development and Cooperation Agreement (TIDCA) - to complement South Africa's participation in the Africa Growth and Opportunity Act (AGO) programme.

Over the last five years, the importance of building economic relations with the countries of the South – the new poles of economic growth in the world – has become more compelling. ITED, along with other divisions in **the dti** and other government departments, has made an ongoing contribution to the India-Brazil-South Africa (IBSA) initiative, particularly in negotiating preferential trade agreements with MERCOSUR and India. With China, ITED leads an engagement to implement the Partnership for Growth and Development (PGD) that aims to promote value-added South African exports to China and increase inward investment in projects for beneficiation. ITED has signed a Record of Understanding with the China-Africa Development Fund as a framework for cooperation to facilitate projects undertaken with China.

ITED is responsible for implementing government policy on non-proliferation in compliance with multilateral rules governing trade in goods and technology related to weapons of mass destruction. Under the Non-Proliferation Act, **the dti** provides resources to the South African Council for the Non-Proliferation of Weapons of Mass Destruction (WMD) to manage trade in these products, while meeting national and international obligations.

Given the impact of the global financial crisis, ITED is required to provide advice on trade and investment policy as they relate to managing the crisis through greater global collaboration. In this regard, ITED has already been involved in the G8 plus G5 process (Heiligendamm Dialogue Process - HDP) on investment policy. ITED has also made inputs into preparations for Summits of the G 20 group of countries.

STRENGTHENING TRADE POLICY AND ADMINISTRATION

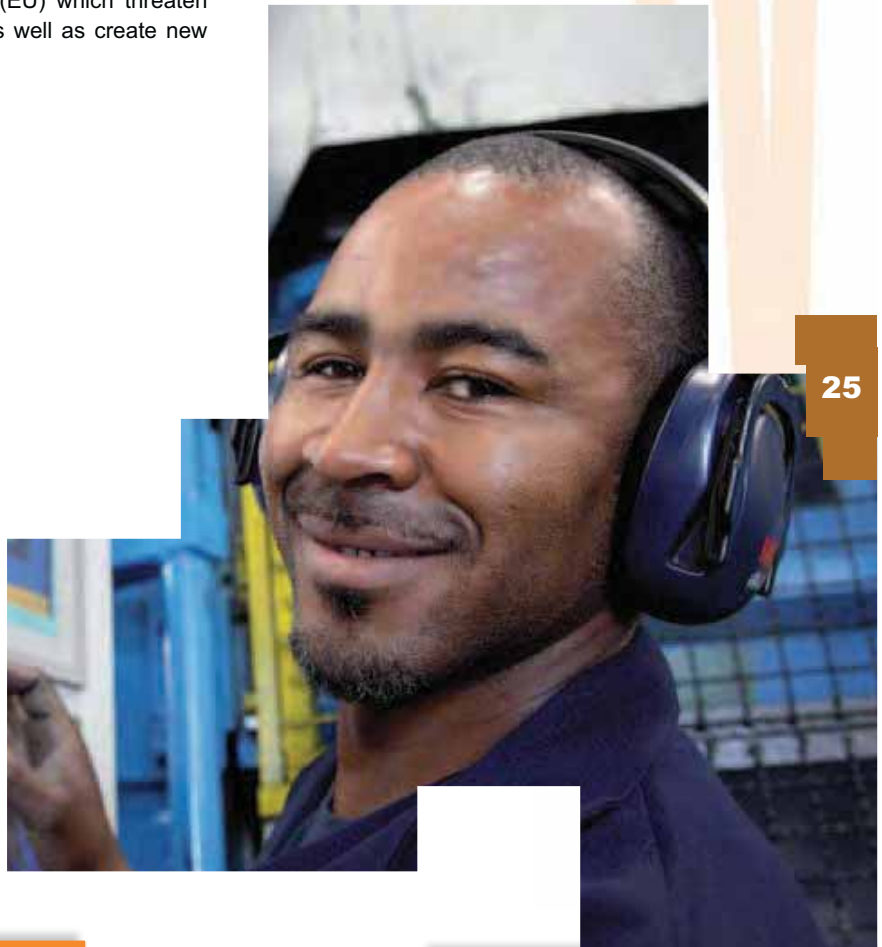
In 2008/09, ITED launched a review of previously negotiated Bilateral Investment Treaties (BITS) to address growing concerns that our earlier BITS contain legal provisions on which international investors could successfully challenge national policy objectives, particularly Black Economic Empowerment. The review aims to provide, for the first time, a policy framework for Government to guide negotiations on all international investment treaties, for which ITED is responsible, ensuring the policy space for Government to pursue national development objectives.

ITED aims to forge closer alignment between our trade policy objectives and the priorities emerging from the industrial policy objectives. This also requires strengthened collaboration on tariff administration and implementation, as related to the work of the International Trade and Administration Commission (ITAC) and the South African Revenue Services (SARS). Stronger synergies must be sought in pursuing trade and investment policy and promotion activities. All this should be reflected more precisely in the negotiating positions we take, including in terms of the new frontier for trade policy development on such issues as services, competition, and investment. While we must continue to strengthen trade and investment relations with the North, greater emphasis should be placed on building relations with countries of the South, particularly in Africa.

CHALLENGES:

In 2008/09, the primary challenges within the Division related to insufficient resources – both financial and human resources – to execute its work programme. In addition, the timelines for the negotiation processes are not determined by ITED but by the other negotiating parties, other departments and the negotiations processes.

The most immediate and serious challenge to regional integration in Southern Africa arises from the Economic Partnership Agreement (EPA) negotiations with the European Union (EU) which threaten to undermine the SADC integration agenda as well as create new divisions within SACU.



Enterprise and Industry Development (EIDD)

PURPOSE:

Provide leadership in developing industry and enterprise policies and strategies that create an enabling environment for competitiveness, equity and growth and job creation.

MEASURABLE OBJECTIVES:

- Grow and diversify manufacturing and tradable services by meeting all targets set in the Industrial Policy Action Plan (IPAP).
- Foster the growth of small micro and medium enterprises (SMMEs) and Co-operatives by creating an enabling environment and overseeing the support provided by agencies of **the dti**.
- Facilitate the increased participation of previously disadvantaged individuals through empowerment and equity policies by facilitating and gazetting BEE charters.
- Provide the legislative framework that enables industrial competitiveness through modernising South Africa's technical infrastructure and improving standards setting, accreditation and metrology mandates to meet the needs of industry.

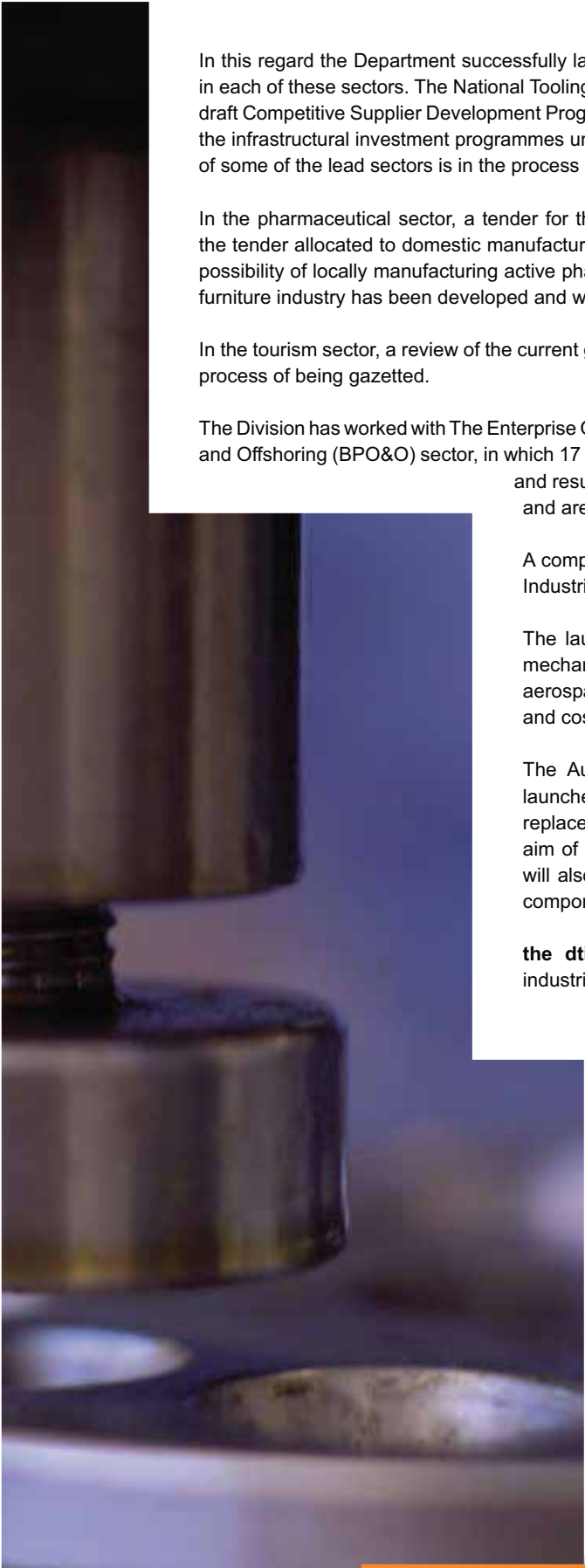
HIGHLIGHTS

- Successful implementation of industrial policy interventions in key sectors such as automotives, clothing and textiles, and capital equipment and metals.
- The launch of the Centurion Aerospace Village (CAV) as an aero-mechanical cluster.
- The creation or retention of more than 16 500 jobs since the inception of the National Industrial Participation Programme (NIPP).
- The Automotive Production and Development Programme (APDP) was launched in September 2008 to replace the current Motor Industry Development Programme (MIDP).
- Instruments for measuring progress of Broad-Based BEE were finalised.
- As per the latest reported figures, the support programme for industrial innovation recorded total sales of R309 million, of which R150 million were export sales of new products.
- The technology and human resources for industry programme leveraged R163 million from the private sector for new technology development, and supported 264 SMMEs.

ACHIEVEMENTS:

Industrial Competitiveness and Sector Programmes

The Industrial Policy Action Plan identified interventions in four lead sectors for fast-tracked implementation as part of the National Industrial Policy Framework (NIPF) launched in 2007/08. These were capital and transport equipment and metal fabrication, automotives and components, plastic fabrication and pharmaceuticals, as well as forestry, pulp and paper and furniture.



In this regard the Department successfully launched various initiatives to address key constraints and challenges in each of these sectors. The National Tooling Initiative has been launched in support of the capital goods sector. A draft Competitive Supplier Development Programme has been developed with the aim of increasing local content of the infrastructural investment programmes undertaken by State Owned Enterprises. A comprehensive tariff review of some of the lead sectors is in the process of being finalised with a view to making input costs more competitive.

In the pharmaceutical sector, a tender for the supply of anti-retrovirals was awarded, with 84% of the value of the tender allocated to domestic manufacturers. Feasibility studies have also been commissioned to explore the possibility of locally manufacturing active pharmaceutical ingredients and anti-TB medicine. An incubator for the furniture industry has been developed and will be launched at the start of the new financial year.

In the tourism sector, a review of the current grading system has been completed and the Tourism charter is in the process of being gazetted.

The Division has worked with The Enterprise Organisation (TEO) to promote the Bbusiness Processing Outsourcing and Offshoring (BPO&O) sector, in which 17 applications for funding were approved which will create 18 000 jobs and result in R1.2 billion investment. Four call centres have been established and are operational in the Northern Cape, Eastern Cape and Gauteng.

A comprehensive trade policy review is underway to ensure alignment with Industrial Policy.

The launch of the Centurion Aerospace Village (CAV), which is an aero-mechanical cluster, was the first of its kind in Africa. It brings together most aerospace industries, both big and small, to manufacture, share resources and costs, benefit from economies of scale and become more competitive.

The Automotive Production and Development Programme (APDP) was launched in September 2008 and will run from 2013 until 2020. The APDP replaces the long-standing Motor Industry Development Programme with the aim of increasing annual vehicle production to 1.2 million units by 2020. It will also facilitate significant growth and development of the South African component and vehicle manufacturing industries.

the dti started an upgrading programme for the foundry and tooling industries. Benchmarking has been undertaken within these industries, and development programmes covering skills development, process and technology upgrading were initiated. These will continue for the next three to five years.

South Africa's National Space Policy was approved by Cabinet in December 2008. The policy provides guidelines for all stakeholders within the space arena, and presents enormous opportunities for South African companies in this sector.

The National Industrial Participation Programme (NIPP) is a programme that seeks to support the development of South African industry through effective government procurement. To date, more than 16 500 direct jobs have been created or retained, in line with the original target.

The division made progress in creating an enabling environment for industrial upgrading. This includes assisting firms to adopt and meet the quality standards necessary for accessing

increasingly demanding foreign markets and ensuring that low-quality imports do not undercut the productive base of the manufacturing sector. In this regard, the President assented to two new Acts, namely the Standards Act, No 8 of 2008, and the National Regulator for Compulsory Specifications Act, No 5 of 2008.

The National Cleaner Production Centre continued to promote water and energy efficiency in business and industry. Since 2005, the Centre has audited 102 firms and about 25 percent have implemented its recommendations.

The Department provided technical and financial support for the development of an action plan for the accelerated industrial development of Africa, which was approved by the African Union heads of states and governments at the 2008 summit. **the dti** also supported an implementation strategy for the action plan, which was approved by the 18th conference of African ministers of industry in October 2008.

According to the latest reported figures, the support programme for industrial innovation recorded total sales of R309 million, of which R150 million represented export sales of new products. In all, 1 220 shop floor jobs were created. The technology and human resources for industry programme leveraged R163 million from the private sector for new technology development, and supported 264 SMMEs. The Small Enterprise Development Agency technology programme created 126 new SMMEs and supported 34 technology transfers to SMMEs to the value of R12 million.

The Department established craft hubs with rural satellites in Western Cape, Eastern Cape, KwaZulu-Natal and Gauteng. It is expected that some 20 000 new jobs will be created, contributing to South Africa's exports. The Deputy President launched the pilot Mzansi collection store, an extension of the Gauteng hub, in Sandton Square in November 2008.

Measures such as the Clothing and Textiles Competitiveness Programme are being finalised to restructure the clothing and textiles sector. The Department has provided support to accelerate afforestation in the Eastern Cape and KwaZulu-Natal. A draft memorandum of understanding has been compiled to facilitate the import of timber from Mozambique by South African small businesses, and promote investment in forestry projects in Mozambique.

Broad-Based Black Economic Empowerment


During the reporting period, the Department continued to build on the policy, legislative and regulatory framework for B-BBEE and enterprise development, including Co-operatives, with greater emphasis on implementation. Some of the highlights of this work follow:

- Progress has been made with respect to accreditation of BEE Verification Agencies, with a total of 22 already accredited at the time of writing this report,
- Sector transformation charters have been gazetted in forestry, tourism, construction and transport,
- Progress has been made in institutionalising the Isivande Women's Fund to provide financial and business development support services to women-owned enterprises. A joint contribution of R100m from private and public sectors has been made.

Enterprise Development

Work in this area has focused on strengthening and consolidating the delivery of support to SMMEs and improving co-ordination with the provinces and **the dti** agencies. Extensive work has been done with the provinces to enhance integration and co-ordination of various SMME support programmes. This focuses on SMME support infrastructure and on seeking joint reporting by all spheres of government on SMME support.

Seda has been stabilised and re-focused on its core work. Its infrastructure has grown and now consists of eight provincial offices, 42 district branches, four mobile units and 58 Enterprise Information Centres, with a staff complement of 534. As a result, **Seda** has seen a 7.3% growth in the number of enterprises it has served (186 195 to 199 830). Also



in the 2008/09 financial year, **Seda's** technology programme supported 835 clients creating a total of 1 318 direct jobs and 5 461 indirect jobs, as well as establishing 224 new SMMEs.

Furthermore, work is underway to refine policy for the development of co-operatives, including the provision of financial and non-financial support to co-operative enterprises. **Seda**, Khula, and SAMAF have continued to support Co-operatives. In addition, **the dti** has committed an amount of R14.9m for co-operatives sectoral support as follows: manufacturing (54%), agriculture (25%), services (18%), arts and crafts (2%) and retail (1%).

Regional and Local Economic Development (LED)

the dti's work in spatial and LED during 2008/09 focused on a project to assist with capacity building for the development and implementation of local economic development strategies, with 17 district municipalities receiving technical assistance. Also, through IDC, support has been made available for the development of catalytic LED projects in a number of municipalities and districts.

CHALLENGES:

In the process of implementing the IPAP, several challenges were encountered, including as regards intergovernmental co-ordination, as well as mainstreaming of industrial policy considerations in large state procurement projects and infrastructure roll-out. Unfavourable shifts in some macro-economic variables and the start of the current global economic downturn started to have a negative impact on the performance of some of the industrial sectors. An ongoing challenge is high input prices that limit competitiveness of down-stream industries.

As regards empowerment, enterprise development and regional development, an over-arching challenge is achieving effective co-ordination and co-operation with other departments and tiers of government. Regional economic development still does not have dedicated policy instruments and incentives.

Continuing to tackle these challenges, including the challenge of effective reach of SMME support products and services, and effective co-ordination of **the dti** agencies working in this area, will remain a key focus of the Department's work going forward.

Consumer and Corporate Regulation (CCRD)

PURPOSE:

Develop and implement coherent, predictable and transparent regulation that facilitates easy access to redress and efficient markets for economic citizens.

MEASURABLE OBJECTIVES

- Increase access to economic opportunities for historically disadvantaged citizens.
- Enhance confidence and certainty in South African business regulation.
- Promote competitive and socially responsible business through the monitoring of the nine regulating entities.
- Legislative development.

HIGHLIGHTS

Law reform

- Four bills were passed by Parliament and signed into law, namely the Companies Act, the Consumer Protection Act, Competition Amendment Act, and Interactive Gambling Amendment Act.
- The Intellectual Property Amendment Bill was finalised and will be introduced into Parliament.
- Regulatory reviews were initiated as regards the estate agents industry and thresholds for merger notifications.

ACHIEVEMENTS:

CCRD's work during 2008/09 focused on drafting and finalising pieces of legislation aimed at easing the regulatory burden, enforcing consumer protection and curtailing anti-competitive conduct in the market.

The Division drafted the Companies Bill, which introduces a corporate governance culture, simplifies company registration processes, introduces a business rescue mechanism, reduces the cost of maintaining companies for SMMEs and enhances confidence in the market and shareholder activism.

It also drafted the Consumer Protection Bill, aimed at protecting consumers from exploitation and harm by unscrupulous businesses, promoting consumer activism and holding business strictly liable for defective products. Further, the introduction of the Competition Amendment Bill aims to strengthen mechanisms for cartel enforcement and introduces mechanisms to intervene in highly concentrated markets. All these bills were passed by Parliament after extensive public consultations in each case.

Liquor Regulation

The Division conducted an assessment of the process of issuing liquor licenses for distributors and manufacturers, and identified areas that impede efficiencies and responsiveness. This assisted in clearing all outstanding applications and significantly improving turnaround times.

Consumer Redress

Enforcement of consumer protection laws provided speedy redress to consumers affected by unfair business practices. During 2008/09, the Division received and attended to 670 active complaints. Of these, 650 were resolved within 15 days of receipt, which improved from 20 days in the previous year. A total of R901 437 was recovered on behalf of consumers in consumer refunds, and this excludes other forms of redress such as replacements and repairs.

Awareness and Educational Campaigns

Targeted campaigns were conducted to make business and consumers, especially in rural communities, aware of the regulations for compliance.

Performance of Agencies

The regulatory agencies under **the dti** continued to perform satisfactorily and to increase their effectiveness in ensuring compliance with regulations. In this period of economic slowdown, the National Credit Regulator made significant strides in the area of debt counselling and restructuring. Similarly, the Competition Commission made good progress in acting against companies involved in cartel conduct or collusion.

Interventions

During the year, the Division assisted in preparing amendments to the Intellectual Property laws to protect indigenous knowledge. The Intellectual Property Amendment Bill was finalised and introduced to Parliament. Other important interventions were the enactment of the Interactive Gambling Act and the licensing processes undertaken in the liquor industry

CHALLENGES:

Co-ordination of all government role players involved in economic regulation, including public entities, is a key challenge. Others are legal challenges in enforcement matters and insufficient of understanding in the economy of the role of regulation.

The Enterprise Organisation (TEO)

PURPOSE:

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 turnaround times on applications and claims for incentive administration by implementing a new Management Information System.
- Implement a monitoring and evaluation system to assess the impact of incentive programmes.
- Develop a new institutional and governance framework for the Industrial Development Zones (IDZs) to promote co-ordination between different spheres of government.
- Develop a financing model for the IDZ programme.

HIGHLIGHTS

- The Enterprise Investment Programme approved 21 greenfield and expansion projects in the manufacturing and tourism sectors with a total projected investment of R906 million and 1 070 projected jobs.
- The Co-operative Incentive Scheme (CIS) disbursed R9 million, mostly in rural provinces.
- The Black Business Supplier Development Programme has grown by approximately 800% since inception in 2002; 1 625 companies received the incentives in 2008/09.
- Under the Sector Specific Assistance Scheme's (SSAS) Project funding for Emerging Exporters, R13. 7 million was committed to assist 132 first-time exporters.

ACHIEVEMENTS

During 2008/09, significant progress was made in further implementing the recommendations of the departmental review of incentives that was concluded in 2006. Among others, the Enterprise Investment Programme and the Co-operative Incentive Scheme were launched and the revised Film Incentive Scheme was implemented. The Division also improved its own operational efficiencies by launching an IT system that allows companies to submit applications and receive feedback over the internet. Over the medium term, the intention is to extend such operational innovations to all the division's incentive schemes, thereby progressively improving turnaround times and the quality of service delivery.

Enterprise Investment Programme (EIP)

In July 2008, **the dti** launched its first online incentive programme, the Enterprise Investment Programme (EIP). The EIP has two customised sub-programmes, the Manufacturing Investment Programme and the Tourism Support Programme, and offers a platform for industrial financing to meet sector-specific priorities in line with the National Industrial Policy Framework.

The Manufacturing Investment Programme has the sole focus of stimulating investment in the manufacturing sector in a way that will encourage employment, broader participation and sustained enterprise growth. Its emphasis is on the lead sectors identified in the National Industrial Policy Framework. The Tourism Support Programme seeks to increase the impact of government's investment in the tourism sector by focusing on sustainable job creation outside the traditional tourism clusters of Johannesburg, Durban and Cape Town, and places strong emphasis on transformation in this sector.

By the end of the financial year, the programme had approved 21 greenfield and expansion projects in the manufacturing and tourism sectors with a total projected investment of R906 million and 1 070 projected jobs.

The Division aims to improve the efficiency and effectiveness of the programme by taking into account the changing economic environment and placing a stronger emphasis on job creation. Modifications are also being effected to the online IT system to improve user-friendliness and service delivery.

Critical Infrastructure Programme

The Critical Infrastructure Programme (CIP) is a non-refundable, cash grant that is intended to enable the establishment or expansion of private sector investment projects by providing a cost-sharing grant aimed at the construction of infrastructure which is necessary to enable the project to go ahead. The programme covers between 10% and 30% of the total development costs of the qualifying infrastructure whilst beneficiaries provide the remaining 70% to 90%.

In 2008, five private sector projects with a projected investment value of R12 billion were approved. Three projects with a projected investment value of R15.8 billion were evaluated and are awaiting confirmation of the budget.

All in all, the eight projects considered in 2008 are projected to contribute to the creation of 14 000 jobs.

Co-operative Incentive Scheme (CIS)

The Co-operative Incentive Scheme is a 90:10 matching cash grant for registered Co-operatives, to a maximum of R300 000 per entity. To date, 93 Co-operatives have been approved and R9 million has been disbursed through the scheme. Most of the Co-operatives concerned were in the rural provinces, in line with the focus of targeting applicants in areas outside the traditional manufacturing strongholds.



Black Business Supplier Development Programme (BBSDP)

The BBSDP is a 90:10 cost-sharing grant that offers support to black-owned enterprises in South Africa. **the dti** contributes 90% of the cost of a project and the approved applicant 10%.

The programme, which assists companies to access business development services, has shown growth of approximately 800% since its inception. In 2008/09, the incentives were awarded to 1 625 companies.

Work began on revising the programme to include a once-off facility that will enable black SMMEs to access up to 40% of the costs required to raise a loan to buy tools, equipment and machinery, or to enter into a hire purchase agreement. This and other improvements will be implemented in the 2010/11 financial year.

Export Marketing and Investment Assistance (EMIA)

The purpose of assistance under the EMIA programme is to partially compensate exporters for costs incurred in developing export markets for South African products and services and recruiting new foreign direct investment into South Africa. In 2008/09, funding to the value of R20.9m was committed to assist 490 entities in finding markets and showcasing South African products overseas. Under SSAS Project funding for Emerging Exporters, R13.7 million was committed to assisting 132 new entities that had not exported before.

Capital Projects Feasibility Programme (CPFP)

This cost-sharing incentive programme is aimed at contributing to the cost of feasibility studies for projects undertaken outside South Africa that will increase South African exports of capital goods and services. An advance of up to 50% of study costs applies to projects outside Africa and 55% to projects in Africa. During 2008/09, 100% of the budget allocated for the programme was disbursed. Workshops were conducted in Gauteng and the Western Cape, resulting in two new applications. Two previously approved applications produced bankable feasibility reports.

Business Process Outsourcing and Offshoring (BPO&O)

This comprises an investment incentive of between R37 000 and R60 000 per seat and a training support grant towards costs of company-specific training to a maximum of R12 000 per agent. The incentive is offered to local and foreign investors establishing projects that aim primarily to serve offshore clients. The programme is on course to reach the target of creating 25 000 jobs within five years, with 11 approved projects projected to create a total of 21 059 jobs during the next three years.

Film incentives

The new film and television production incentive comprises the Foreign Film and Television Production Incentive, and the South African Film and Television Production and Co-Production Incentive. It is intended to increase local content generation and improve location competitiveness for filming in South Africa. The decision to introduce a film incentive specifically for South African producers has been well received in the industry. Since the incentive was introduced in February 2008, 50 South African productions and co-productions have been approved, along with 22 foreign productions. The expected South African expenditure for local productions and co-productions is R931 million, while foreign productions will spend R1.1 billion in South Africa.

Industrial Development Zone (IDZ) Investments

Coega Industrial Development Zone

Four new investors with a combined estimated investment value of R108 million were acquired and located in the Coega Industrial Development Zone during the 2008/09 financial year. A total of 7 223 jobs have been created, mostly in construction. Some of these jobs were created through the provincial infrastructure projects facilitated by the CDC Consulting Services.

The Coega IDZ met its revenue target by generating revenue of R76 million for the year. The Nelson Mandela Logistics Park which is managed by the Coega Development Corporation (CDC), continues to attract investors who wish to supply components to Volkswagen, and to date, four additional investors have signed letters of intent to locate in the park. A considerable amount of effort has also been employed in negotiating location deals with major strategic investors such as PetroSA (estimated at R60 billion), Sea Ark (estimated at R3 billion) and General Motors SA (estimated at R250 million). CDC Consulting Services has signed Heads of Agreements with these potential investors, most of whom will be locating between the period of 2009 and 2011.

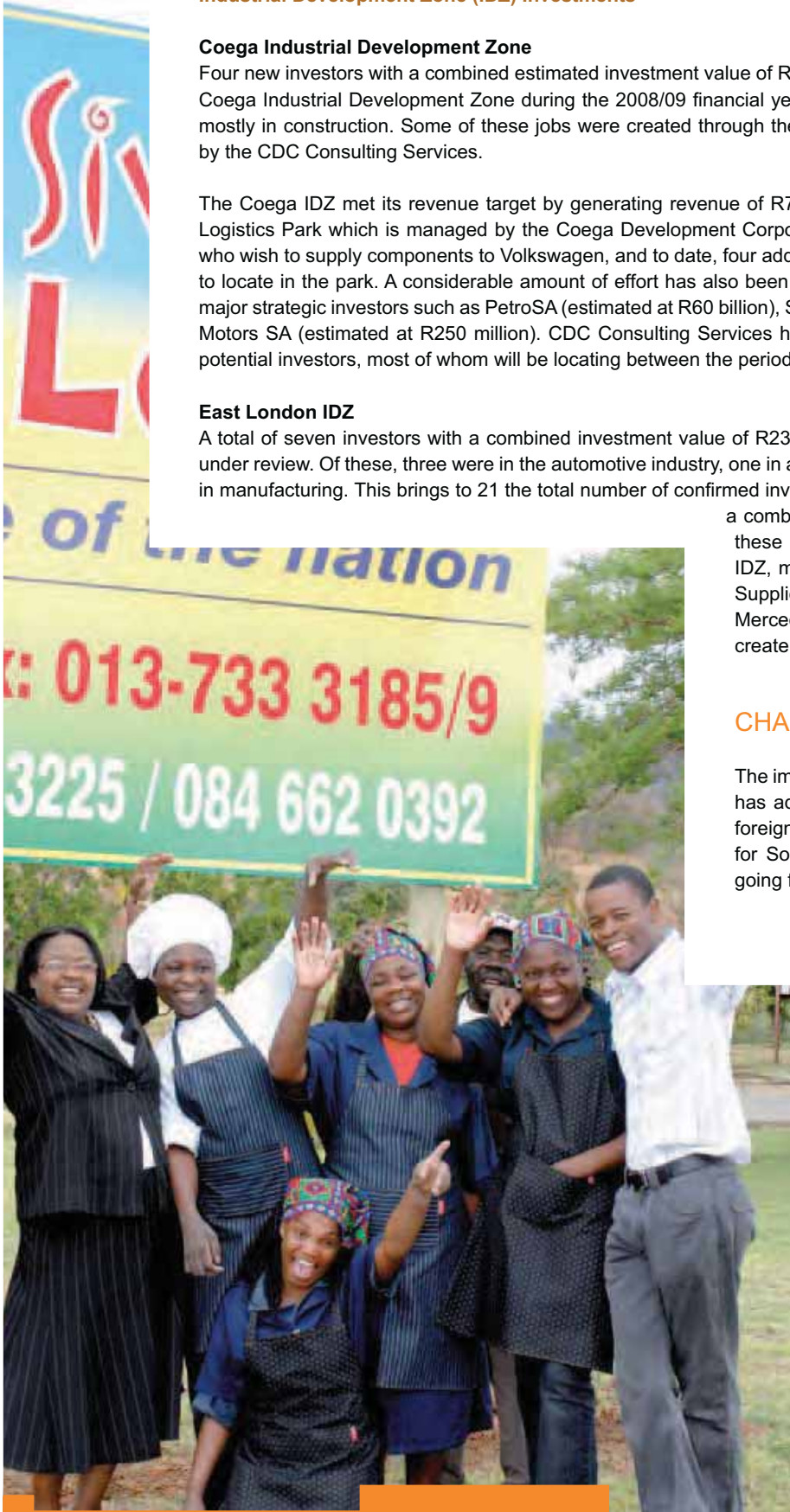
East London IDZ

A total of seven investors with a combined investment value of R239 million were announced during the period under review. Of these, three were in the automotive industry, one in agro-processing, one in mariculture and one in manufacturing. This brings to 21 the total number of confirmed investors for the East London IDZ (ELIDZ) with

a combined investment value of over R1 billion. Of these investors, 14 are already operational in the IDZ, most of which are situated in the Automotive Supplier Park (ASP) that mainly supplies to Mercedes Benz. These seven new investments will create 544 new job opportunities within the ELIDZ.

CHALLENGES

The impact of the global economic downturn, which has adversely affected the investment appetite of foreign investors and resulted in reduced demand for South African exports, is the major challenge going forward.



Trade and Investment South Africa (TISA)

PURPOSE

Increase South Africa's capacity to export by developing and implementing strategies for targeted markets, increase the level of direct investment flow and effectively manage the Department's network of foreign offices.

MEASURABLE OBJECTIVES

- Promote investment in South Africa by conducting three international investment conferences, 95 investment presentations, six South African exhibitions (pavilions) and five ministerial or presidential missions by 31 March 2009.
- Improve the capacity of new exporters by training 200 new small exporters, reaching 2 000 customers and distributing 3 000 publications by 31 March 2009.
- Promote South African products in targeted high-growth markets by conducting six international trade initiatives and 25 pavilions, and funding 50 trade missions through export council and Provincial Investment Promotion Agencies, by 31 March 2009.
- Promote and implement eight export projects in high-yield targeted countries to facilitate markets for Southern African products and services by 31 March 2009.

HIGHLIGHTS

- The Export Strategy was approved by **the dti's** Executive Board and is now entering the implementation phase.
- Investment attraction activities moved from a generic to a more targeted approach, resulting in a pipeline of R46.5 billion worth of investment projects.
- **the dti** Executive Board approved a new Foreign Economic Office Strategy, which will result in the Department having a total of 56 offices in 44 countries.
- TISA collaborated with the Canadian Trade Facilitation Office (CTFO) and the Indian Foreign Training Institute to train prospective Foreign Economic Representatives. 20 graduates have already been deployed to foreign countries

ACHIEVEMENTS

Exports

the dti Export Strategy was approved by **the dti** Executive Board during 2008/09 and is now entering the implementation phase. The strategy consists of seven strategic themes: Global Competitiveness, Market Access, Prioritisation of Markets, National Trade Information System, Exporter Development, Export Mechanisms and Export Incentives and Financing.

Good progress was made in defining high-growth new markets that showed resilience amidst the global economic crisis. Major events were successfully implemented in China, India, Russia and the Democratic Republic of the Congo. The ground work was also laid for engaging with the Brazilian market in the next financial year.

The direct support provided to industry through the Export Marketing and Investment Assistance Scheme (EMIA) grew by 5% in 2008/09. The reasons were that the fund supported more national pavilions and trade missions than in previous years, and the overall budget allocated to these events was higher than in 2007/08. The return on **the dti's** investment, based on export sales six months after the event, was 1:22, meaning that the return was R22 for every Rand spent.

In 2008, South African exports increased by 26 percent to R637 billion driven by growth in minerals, motor vehicles and components and machinery and equipment. At the same time, imports increased by 22% to R721 billion as a result of growth in imports of machinery and equipment, basic chemicals, transport equipment.

Investment

The Investment Promotion and Facilitation Strategy (IPFS) was further implemented and six themes were pursued: Sectoral Analysis and Project Packaging, Investment Climate and Policy, Investment Marketing, Investor Servicing, Effective Investment Incentives and Effective Institutional Arrangements. Investors are now being handled in a single integrated project team approach. Investment attraction activities moved from a generic to a more targeted approach resulting in a pipeline of R46.5 billion worth of investment projects. Investors and exporters will in future be serviced through a one-stop facilitation centre, including a support centre staffed by people with disabilities.

Foreign Economic Offices

Currently **the dti** has a network of 45 foreign economic offices abroad to facilitate business on behalf of South African companies. This network of foreign offices is spread over 38 countries and provides a substantial footprint for South African business to access markets globally. During 2008/09, the Executive Board of **the dti** approved a new Foreign Economic Office Strategy which, when fully implemented, will result in **the dti** having a total of 56 offices in 44 countries. This includes the opening of new offices in Tehran, Iran; Kinshasa, DRC and Harare, Zimbabwe.

The Canadian Trade Facilitation Office and the Indian Foreign Training Institute collaborated with TISA to provide its training expertise to design a world class training programme for prospective Foreign Economic Representatives. The first programme is in place and the first graduates graduated in October 2008. All graduates of this initiative have now been posted abroad.

CHALLENGES

The profound impact of the global economic crisis that started mid-year in the year under review led the International Monetary Fund to predict a decline in world trade volumes of up to 2.1% in 2009. Advanced economies experienced an unprecedented 7.5% decline in real GDP during the fourth quarter of 2008, and output is estimated to have continued to fall almost as fast during the first quarter of 2009. These events necessitate a fundamental and pragmatic change in how export and investment promotion should be managed in future.

Marketing

PURPOSE:

Promote greater awareness of **the dti**'s products and services via seamless, integrated and centralised marketing-communication solutions to all stakeholders, to encourage the economic growth, equity, and employment creation objectives of the country.

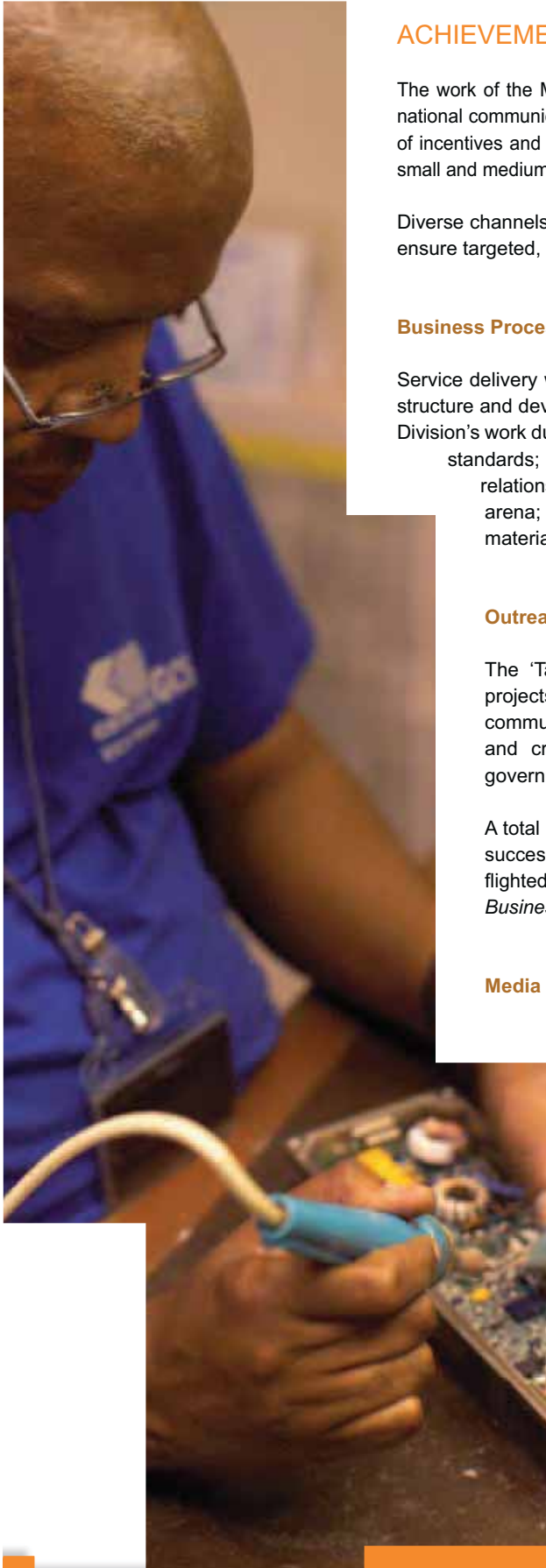
MEASURABLE OBJECTIVES:

Increase awareness of, facilitate access to, and promote **the dti**'s offerings for economic growth, equity and employment creation, through world-class processes, systems and other resources.

- The delivery of competitive quality products and services – on time, within budget; and employing innovative, professional and synergistic communication methods.
- Reposition and manage **the dti** brand, from the perspective of South Africa's economic citizens and its other key stakeholders.
- Position **the dti** as a driver of economic development and growth.
- Intensify awareness uptake, and access to products and service.
- 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 the positive values of *Batho Pele*.

HIGHLIGHTS

- **the dti** participated in 109 events, exhibitions and *izimbizo* to promote **the dti** brand and improve the uptake of products and services.
- The Division flighted 13 radio show episodes on 12 SABC service stations, while **the dti Business Talk** television show aired 26 episodes on SABC 3, reaching 3.4 million viewers.
- **the dti** Customer Contact Centre handled 650 572. enquiries due to an improved first time resolutions, which resulted in a big drop in repetitive calls.
- A total of 21 media briefings were conducted during 2008/09, which resulted in improved coverage of **the dti** in the media.



ACHIEVEMENTS:

The work of the Marketing Division in 2008/09 was geared towards supporting government's national communication imperatives, and ensuring that potential beneficiaries are made aware of incentives and other offerings of **the dti**. These include rural and semi-urban communities, small and medium enterprises and co-operatives, amongst others.

Diverse channels or platforms, including radio, television and national media were used to ensure targeted, impact-oriented and customised interaction with stakeholders.

Business Processes and Structure

Service delivery was fast-tracked through the streamlining of the Division's organisational structure and development of business processes. Four key areas formed the focus of the Division's work during 2008/09, namely management of **the dti** brand and customer service standards; targeted outreach and educational campaigns; the fostering of solid relationships with the media and positive publicity of the Department in the public arena; and delivery of high-quality, well-packaged information and marketing materials, in print, electronic and multimedia formats.

Outreach and Events Management

The 'Taking **the dti** to the People' campaign, one of the flagship outreach projects of the division, delivered sustained awareness and education activities communicating **the dti**'s key strategic messages on small business development and creating a platform for interaction with SMMEs, local and provincial government, and the private sector.

A total of 109 conferences, seminars, exhibitions and programme launches were successfully organised and concluded during 2008/09. The **dti** radio show campaign flighted 13 episodes on 12 SABC service stations, while **the dti** television show, *Business Talk*, aired 26 episodes on SABC3 and reached 3.4 million viewers.

Media Coverage and Analysis

The Division focused on managing the Department's core asset – **the dti** brand – to external stakeholders, particularly the media. Among others, the Division monitored daily coverage of **the dti**, feeding 232 media monitoring reports to the internal divisions and foreign offices of the Department. A total of 21 media briefings were conducted during 2008/09, while 46 weekly reports and 12 executive media reports were issued.

Content Development, Management and Distribution

Key to the Division's deliverables is the collation, packaging and dissemination of information to the South African and international economic citizens. This was done via the development of targeted information and marketing materials, which were made accessible

via **the dti** website, printed for distribution at events, and issued in various electronic formats for conferencing purposes. The Division produced 48 published materials including policy documents, incentive guidelines, product information brochures, annual reports and other divisional reports.

the dti Customer Contact Centre

the dti Customer Contact Centre assisted 650 672 clients, with most queries relating to the registration of Close Corporations, financial services and incentives, consumer-related services, import and export control, and Black Economic Empowerment (BEE) issues. A 65% average service level was recorded for calls answered within 60 seconds, while 90% of call enquiries were attended to within 60 seconds, and 100% of enquiries were attended to by the Customer Contact Centre.

Internal Communication

The Division intensified its internal communication efforts through maximum use of existing channels such as newsflashes, internal screens and the re-launched internal newsletter.

External Stakeholder Management and Collaborative Partnerships

In collaboration with **the dti** Divisions, **the dti** agencies, as well as other stakeholders, the Marketing division planned, organised and managed outreach events in all provinces, targeted at potential and existing small and micro enterprises. Partnerships between **the dti** and its external stakeholder groups were significantly improved during the 2008/09 period, with targeted and customer-centric campaigns relating to the products and services of **the dti**.

To enhance and sustain South Africa and the region's positioning as a key role-player in the international economic arena, **the dti** collaborated with the International Marketing Council (IMC) and other role players, such as export councils and industry associations. In addition, the Department discussed government's employment and empowerment agenda across the local, regional and international economic landscape, at strategic multilateral fora, such as the African Union (AU), World Trade Organization (WTO) and World Economic Forum (WEF).

Brand Management

As custodian of **the dti** brand, Marketing is responsible for the image projected to the South African public. To ensure a continuous presence of **the dti** brand, the Division produced 100 retail-type advertisements, including campaign-driven, agency-related and generic themes.

CHALLENGES

Despite significant achievements, the Division also faced a number of challenges during the period under review. These included the following:

- Building and maintaining sound relations with the media
- Enhanced visibility of multiple sub-brands, which obscured '**the dti**' mother brand;
- Limited budget, and rising communication and advertising costs;
- Ageing and inefficient IT infrastructure for the division; and
- Reliability of Customer Contact Centre systems.

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Programme Performance
for the year ended 31 March 2009

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Programme Performance for the year ended 31 March 2009

KEY MEASURABLE OBJECTIVES AND PROGRAMMES

Key measurable objectives/ strategic objectives

- Promoting the co-ordinated implementation of the accelerated and shared growth initiative;
- 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 NEPAD framework

PROGRAMMES

Programme 1: Administration (GSSSD)

Purpose: 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 for this Programme over the medium term are to:

- Provide credible and customer centric services that enhances 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.
- Strengthening the dti's corporate governance.
- Ensure intra divisional excellence.

Programme 2: International Trade and Economic Development (ITED)

Purpose: Provide leadership in trade policy formulation in South Africa to promote economic development by working to build an equitable multilateral trading system, by strengthening trade and investment links with key economies, and by fostering African development through regional and continental integration and development co-operation in line with the New Partnership for Africa's Development (NEPAD).

Measurable objectives for this Programme over the medium term are:

- Expand market access for South Africa's exports and strengthen trade and investment links through aiming to conclude 6 bilateral trade and investment agreements and or memorandums of understanding per year over the MTEF period.
- Foster regional integration and economic development on the continent through the facilitation of investments increased Intra-Africa trade, consolidation of SACU, SADC and the African Union, and institutional capacity building within the NEPAD framework.

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- Promote South Africa's interests in the multilateral trade system through ongoing engagement in the negotiating process and work programmes based on ongoing national consultations with relevant government departments and stakeholders.
- Encourage economic growth and development through the management of South Africa's tariff regime in collaboration with the International Trade Administration Commission (ITAC) by managing customs tariffs, import and export control permits, and duty credit certificates.
- Ensure compliance with international non-proliferation treaties through ongoing monitoring of relevant industries, their production and trade.
- Execute a trade policy that enhances South Africa's economic development through building a competent and effective institution that facilitates development, by strengthening trade and investment links with key economies, and by fostering African development through regional and continental integration, and development cooperation in line with NEPAD objectives in cooperation with government, private sector, and civil society stakeholders

Programme 3: Enterprise and Industry Development (EIDD)

Purpose: Provide leadership in developing industry and enterprise policies and strategies that create an enabling environment for competitiveness, equity and growth and job creation.

Measurable objectives for this Programme over the medium term are:

- Grow and diversify manufacturing and tradable services by meeting all targets as set out in the Industrial Policy Action Plan, for example revising the MIDP by the end of 2008.
- Oversight of the performance of **the dti** agencies against specified targets in terms of financial approvals, employment creation and the value of loans granted to BEE enterprises, for example the IDC's performance against its 2008/09 target for creating jobs.
- Foster the growth of the small, micro, medium-sized and co-operative enterprises and increase their contribution to the economy, by creating an enabling environment and through various support packages and programmes of agencies in Khula, **Seda**, SAMAF, and monitored by the Department through measuring the growth in the number of SMME enterprises created and sustained on an annual basis via an "Annual Review of Small Business in South Africa".
- Facilitate greater participation of previously disadvantaged individuals through empowerment and equity policies and strategic interventions. This includes facilitating a six-fold increase in the promulgation of BEE key sector charters from 3 in the current financial year to a total of 9 in 2010/11 and thereafter.
- Provide the enabling framework that supports industrial competitiveness through modernising the SA technical infrastructure, which will improve and upgrade the systems that set standards, accreditation and metrology to meet the needs of industry by promulgating the Standards Act and the National Regulator for Compulsory Specifications Act by 2008/09.

Programme 4: Consumer and Corporate Regulation (CCRD)

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

Measurable objectives for this Programme over the medium term are:

- Increase access to economic opportunities for historically disadvantaged citizens, enhance investor confidence and certainty in SA business regulation, and promote competitive and socially responsible business through the monitoring of the nine regulating entities and legislative developments such as:
 - the enactment and implementation of the Companies Bill and the Consumer Protection Bill from 2008/09.
 - the enactment and implementation of amendments to the Competition Act from 2008/09.
 - the passage of the Intellectual Property Laws Amendment Act in 2008/09.
 - the development and publication of policy on intellectual property law reform for public comment in 2009/10 and the completion of a draft bill by 2010/11.
 - the establishment of the Consumer Commission and Companies Commission in 2009/10.

Programme 5: The Enterprise Organisation (TEO)

Purpose: Stimulate and facilitate the development of enterprises through the provision of incentive measures that support investment, job creation and regional economic development, such as through Industrial Development Zones.

Measurable objectives for this Programme over the medium term are:

- Support for the National Industrial Policy Framework by developing and implementing 4 packages of incentives, being Manufacturing, Tourism, Skills support and Competitiveness by February 2009.
- Monitor effectiveness of incentive schemes by developing 4 incentive scheme indicators and targets and monitoring their performance by February 2009.
- Improve the efficiency and effectiveness of incentive administration by the introduction of a functioning IT system by March 2009.
- Strengthen the impact of **the dti** through enhancing the distribution of TEO offerings to targeted enterprises by increasing its number of networks from 190 in the current financial year to 248 networks by March 2009.
- Assess the effectiveness of incentive schemes by conducting evaluations of the impact of 3 incentive schemes by March 2009.

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Programme 6: Trade and Investment South Africa (TISA)

Purpose: Increase South Africa's capacity to export by developing and implementing strategies for targeted markets. Increase the level of direct investment flow. Effectively manage the Department's network of foreign offices.

Measurable objectives for this Programme over the medium term are:

- Improve the investment environment in South Africa by conducting 3 international investment conferences by 31 March 2009, and also conducting 95 investment presentations, 6 South African exhibitions (pavilions) and 5 ministerial or presidential missions by 31 March 2009.
- Improve the capacity of new exporters by training 200 new small exporters, reaching 2000 customers and distributing 3000 publications by 31 March 2009.
- Promote South African products in targeted high growth markets by conducting 6 international trade initiatives, 25 pavilions and the funding of 50 trade missions through export council and Provincial Investment Promotion Agencies by 31 March 2009.
- Promote and implement 8 export projects in high yield targeted countries to facilitate markets for Southern African products and services by 31 March 2009.

Programme 7: Marketing

Purpose: Promote greater awareness of the Department's role and its products and services, and facilitate access to and uptake of these products and services.

Measurable objectives for this Programme over the medium term are:

- Improve communication of the Department's role, products and service through increasing the frequency of media update to the dti staff from bi-weekly in 2008 to daily reports.
- Promote awareness of **the dti's** impact on growth and development through increasing the number of campaigns that highlight the programmes that department is implementing to develop and grow the economy from 1 per quarter in 2008 to 2 per quarter in 2010.
- Reach at least 90% of economic citizens through external events by 2010.
- Increase number of media briefings from 2 per quarter to 4 per quarter by 2010.

The above 7 programmes are sub-divided into 26 business units or core work areas. Each unit is responsible for delivering a core set of outputs, or products and services. It is the delivery of a combined set of outputs that will result in the realization of the Department's objectives. The challenge is to ensure the co-ordination of the linkages and interdependencies between the different parts of the Department and to overcome the silo mentality common in large multi-functional organizations.

The implementation of **the dti's** policies and strategies is also supported by several agencies whose work is coordinated through the framework of Council of Trade and Industry Institutions (COTII). The agencies fall into three broad categories, being Development finance, Regulatory, and Specialised services institutions.

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PROGRAMME 2: INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT (ITED)

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
ITED					
Africa Economic Relations	Development of a National NEPAD Strategy through workshops and consultations on the strategy	National Strategy DTI draft Strategy List of projects	Sectoral workshops to be held with DTI, DFA, NBF and NEPAD Secretariat Aid for trade paper Consultations with all stakeholders, external and internal Continental trade strategy Finalisation of National NEPAD Strategy	Conference successfully held. Steering committee tentatively put forward ideas for next year's conference on Energy or Science and Technology Preparations have not commenced. Tentative agreements with DST	There is a rough draft which was awaiting approval of the NEPAD Implementation Strategy for South Africa (NISSA) which is a joint project between the dti, DFA and NT3. NISSA not approved by Cabinet
	Develop continental business law framework with Consumer and Corporate Regulatory Division Investment Climate facility project on standards with Sasol with aim of harmonising existing standards with SABS	MoU Standards harmonised as a result of the project	Engage SABS on the Sasol standards project and meetings with the stakeholders Engage Consumer and Corporate Regulation Directorate (CCRD) on Business Law Project Establishment of Forum Agreement and participation by each stakeholder	Corporate Governance proposal drafted and in the process of engaging CCRD to get comments	Capacity constraints

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Promote intra-Africa trade through showcasing continental infrastructure projects and inviting potential investors	Impact of the Forum on investment in projects	Hold preparatory meetings Develop the dti position and joint strategies with Asia desk Engage Provincial investment agencies and the Spatial Development Initiatives (SDI) Unit	Discussions about Best of Africa exhibition for 2010 aimed at showcasing Africa as a business destination and promoting intra-Africa trade. The 2010 FIFA Soccer World Cup will launch the project. Facilitated meeting with Regional Spatial Development Initiative Programme (RSDIP) unit and resulted in the Tanzanian National Development Corporation presenting a case for more funding on the Mtwara Development Corridor. Capital Feasibility Programme Steering Committee evaluated projects funded under the programme. Followed-up with Tanzania about the Central Development Corridor (CDC) and the Mtwara Development Corridor (MtwDC). the dti appraised the progress made in the two corridors and how the funding the dti provides is actually spent	
	Prepare and provide inputs towards the development of an Africa-India Strategy in preparation for the Summit in April 2008	the dti inputs into the national process which will make recommendations to the AU in the formulation of an engagement strategy with India	Develop the dti position and joint strategies with Asia desk in preparation for showcasing the FIFA 2010 World Cup at the 2009 Annual General Meeting and profiling of South Africa at the World Economic Forum.	Inputs prepared and positions presented at senior officials level	
	Strategy for developing SACU	Establish a common vision and strategy for SACU	Strategy for developing SACU	Not achieved due to SACU processes	Secretariat to commission a study on aid for trade
	Establishment of SACU institutions Develop Annexes to the agreement Policy harmonisation Trade policy coordination	Agree on work programme Adopt annexes Adopt common approach to policy harmonisation	Report on progress made	Participated in SACU meetings to review the roadmap for the establishment of the tariff board for national bodies.	Botswana, Lesotho, Namibia and Swaziland legislation on national bodies not yet promulgated.

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Identified priority areas on trade, investment and technical co-operation	Identified projects for implementation covered under the MoU	Identified priority areas on trade, investment and technical co-operation	<p>Negotiated Investment Agreement with Zimbabwe; both parties agreed on text for Investment Agreement</p> <p>South Africa and Zimbabwe agreed on the text for the MoU</p> <p>MoU with Mauritius signed in February 2009</p> <p>Botswana by Q4 (Negotiations have not started yet)</p> <p>Fact-Finding Mission to Mauritius conducted during Q3</p> <p>Visited DRC to discuss the appointment of the Project Manager of the Bas Congo Development Corridor</p> <p>Attended the Maputo Development Corridor Task Team Meeting to discuss working arrangements between the dti and the province, including facilitating bilateral projects with Mozambique</p>	Agreement with Zimbabwe to be signed in April 2009

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
International Trade Development	Developed Non-agricultural Market Access (NAMA) Negotiating positions to ensure development objectives	<p>Participate in the WTO process</p> <p>Continue with multilateral negotiations until agreement is reached</p> <p>Consult with stakeholders and relevant government departments to formulate and refine positions reflecting national priorities</p>	<p>Revised NAMA modalities text</p> <p>Draft NAMA offer</p>	<p>Revised draft NAMA modalities (4th version) released. However, due to WTO Ministerial not taking place, negotiations on key issues were put on ice. However, clarification on Non Tariff Barriers (NTB) proposals and further technical work on NAMA modalities and sectorals continued. Continued to participate in the WTO process to promote a development agenda and developmental outcome. Contributed to a NEDLAC Fridge study terms of reference that will look at impact of WTO NAMA negotiations on domestic industry</p> <p>Consulted with like-minded groupings (NAMA 11) to facilitate negotiating leverage and prepared draft paper on NTBs that will be submitted during the negotiation process when the time is right</p> <p>Continued with discussions on different proposals by WTO members on NAMA</p> <p>Continued with discussions amongst stakeholders to get a reduced list of South Africa's NAMA sensitivities based on the revised numbers in the coefficient for tariff reductions</p> <p>NEDLAC NAMA and NTB discussions continued</p> <p>Three Teselico meetings were held where Trade Negotiations agenda were discussed. Also convened NAMA Task team</p>	<p>The additional flexibility for SACU required additional technical work, with developing countries understanding our situation, but developed countries, mainly the USA and European Commission still demanding additional access. The NAMA chair concluded "that the discussions on South Africa are rather advanced" and "we are now well into the phase of trying to find a solution"</p> <p>Developments in the world economy since January made it more difficult to reach agreement on modalities. The USA as a leading participant is not ready to restart negotiations until later in the year. The new US Administration is following a more protectionist strategy to ensure job creation and as a result seeking additional market access for US goods to overcome the financial crisis</p> <p>The drawback of export subsidy and other commitments made in Agriculture by developed countries are further putting a damper on NAMA negotiations</p>

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
International Trade Development	Final services position for conclusion of Doha Round	<p>Continue with bilateral, plurilateral and multilateral negotiations until agreement is reached</p> <p>Sign-off from the various departments which have to approve the making of a services offer</p> <p>Approval of the final offer by Cabinet should it differ from the already approved revised offer</p>	<p>Continue negotiations as needed. Obtain sign-off from all departments involved in the offers.</p> <p>Obtain Cabinet approval for final services position</p>	Services negotiating positions has been finalised in the various subsidiary bodies	The Doha Round has been in a state of suspension since the failure of the Ministerial meeting to reach agreement and services offers are on hold until agreement is reached on Agriculture and NAMA modalities

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Final South African position with regard to Rules Negotiations for conclusion of Doha Round	<p>Participate in the WTO process</p> <p>Engage in multilateral textual negotiations until agreement is reached</p> <p>Consult with relevant government departments to formulate and refine positions reflecting national priorities</p>	<p>Continue discussions/textual negotiations as needed</p> <p>Endorsement from all departments involved in preparing positions</p>	<p>Final Briefing Document prepared for Minister for July 2008 WTO Ministerial, updates as at July 2008</p> <p>Participation in plurilateral, bilateral and plenary meetings of the Rules Negotiation Group to engage in technical discussions and articulate SA position in respect of fisheries subsidies, anti-dumping text and horizontal subsidies text released by Chair in November 2007 and December 2008</p> <p>Substantive engagement in Geneva with like-minded countries to establish strategy in rules discussions and specific country interests</p> <p>Continued stakeholders' consultations and feedback with government and industry</p> <p>NEDLAC sign off obtained on positions on all rules issues in preparation for July 2008 Ministerial meeting</p> <p>Draft anti-dumping text on various issues sent to ITAC for comment 15 January 2009</p> <p>Endorsement obtained from the dti for broad position on horizontal subsidies in alignment with national industrial policy</p> <p>Obtained endorsement from ITAC for broad position on pertinent anti-dumping issues in alignment with national industrial policy</p> <p>Established core reference group on fish subsidies and other environmental issues within the dti</p> <p>Provided Briefing Report on Chair's Latest Rules text released in December 2008</p> <p>Regular report backs to senior officials on progress vis-à-vis compilation of response</p>	<p>Negotiations on rules have not commenced due to stand off persisting on Agriculture and NAMA issues since July 2008</p>

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 PERFORMANCE INFORMATION for the year ended 31 March 2009

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Final South African position with regard to trade and environment negotiations for conclusion of Doha Round	Participate in the WTO process Continue with multilateral negotiations until agreement is reached	Continue discussions/textual negotiations as needed. Endorsement from all departments involved in preparing positions	<p>Ongoing engagement with NEDLAC through environment task team</p> <p>Discussions on way forward on trade and environment negotiating issues with key government departments</p> <p>Domestic: Build awareness within the dti by scoping environment issues and discussing the way forward for future consolidation of work in this area, including institutionalizing engagements. This is important in light of trend towards new "green" frontiers of protectionism</p> <p>Draft Terms of Reference for Environmental Reference Group</p> <p>Feedback provided to EIDD on Biosafety Developments under certain Provisions of Cartagena Protocol</p> <p>Discussion with senior officials desirability of initiating work programme on trade implications with respect to the climate change negotiations</p>	<p>Negotiations on trade and environment have not commenced and no formal meeting has been scheduled due to stand-off persisting on Agriculture and NAMA issues since July 2008 hence suspension of talks</p> <p>This has delayed drafting of final SA position</p> <p>the dti position not always incorporated by Department of Environmental Affairs and Tourism (DEAT) in overall environment agenda, concerted engagement within the dti required to harmonise and consolidate SA position on environmental issues across various negotiating fora.</p>
	Final South African position with regard to TRIPS negotiations for conclusion of Doha Round	Participate in the WTO process Continue with multilateral negotiations until agreement is reached Consult with stakeholders and relevant government departments to formulate and refine positions reflecting national priorities	Continue discussions/textual negotiations as needed. Endorsement from all departments involved in preparing positions	Participated in the TRIPS Council meetings where positions were discussed. Countries at an impasse regarding how the ministerial mandate is to be executed. The lack of progress has resulted in the Director-General of the WTO taking control of at least two areas of the TRIPS standing issues to create some "movement"	Doha Round suspended currently

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Conclusion of SADC – EC EPA's negotiations	Continue with intra-SADC negotiations and negotiations with the EC until agreement is reached	<p>Continue negotiations as needed</p> <p>Submit Protocol to SADC Ministers for adoption</p>	<p>Prepared for and participated in the SADC EPA Trade Ministers meeting where an understanding on how to address outstanding issues on the Interim Agreement was reached. Ministers agreed that to address these concerns, existing preferences enjoyed by other SADC EPA States who initialled the Interim EPA should not be prejudiced nor in any way undermine the market access/preference benefits extended to the SADC EPA countries. Coordinated the involvement of SA in raising concerns with the IEPA together with Namibia and Angola. Submitted concerns to the EC and the region. The EC responded to the concerns by asking for textual proposals. The textual proposal were prepared and submitted to the EC and the Region. SA still continuing to observe the process – strong alliances formed with Angola and Namibia</p>	<p>No progress due to lack of movement in the negotiations, the parties missed the deadlines</p>

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	<p>Assess outcomes of IEPA and implications on regional economic integration</p> <p>Safeguard SA interests during the negotiations</p> <p>Prepare for engagement on new trade generation issues</p> <p>Coordination and participation in negotiations with the EU</p> <p>SA position papers and research</p> <p>SA inputs into final text of MoU on modalities</p> <p>SA participation in four negotiation sessions</p> <p>Participate in four NEDLAC Consultations</p>	<p>Participate in SADC EU EPA negotiations. TDCA review aligned</p> <p>Legal Texts on market access, SPS + TBT Annexes, rules of origin and convergence on structure of the EPA</p> <p>Number of preparatory meetings and negotiations sessions attended</p> <p>Coordinate participation by SA in the negotiations</p> <p>Participate in technical trade working groups</p> <p>Participate in negotiations</p>	<p>SACU strategy on EPA and TDCA review negotiations; progress of SADC-EU EPA negotiations</p> <p>SADC preparatory sessions; progress of SADC-EU EPA negotiations</p> <p>SADC preparatory sessions; review of negotiations</p> <p>Participation in trade working groups and negotiations</p> <p>Prepare agreement for ratification</p>	<p>Ongoing progress in Services and Investment. Current challenges that are being experienced: the difference in interpretation of Article 67 of the IEPA between the EC and the SADC EPA Member states. During the Senior Officials Meeting, Swaziland indicated that it was going to make a submission on the Article 67 to Member States. The Article will be made in the form of a concern on Article 67, to be taken up with the EC</p> <p>Several EC-SADC EPA States meetings between Q1-Q4 have thus far failed to resolve the impasse on the concerns that Angola, Namibia, and South Africa (ANSA Group) have raised over the outcomes of the Interim EPA Agreement negotiations</p> <p>On institutional arrangements, the Minister recommended that EPA related work should be integrated into the structure of the SADC Secretariat within the Trade Industry, Finance & Investment Directorate. On content, the Ministers approved the convening of a technical and senior officials meetings in Namibia to further deliberate on the concerns of South Africa, Angola and Namibia Amended version of the TDCA Rules of Origin appended to the IEPA. Sanitary and Phytosanitary Measures and Technical Barriers to Trade provisions appended in the IEPA</p>	<p>TDCA review done within the context of the IEPA</p> <p>Although some of the concerns were addressed during a meeting held in Namibia in March 2009, some of the more contentious issues remain unresolved. As a result, a deal remains elusive</p>
	SADC Services Protocol	The submission of a draft SADC Services Protocol text ready for legal scrutiny Adoption of the Protocol by Ministers	Submit draft Protocol to SADC senior official	No agreement reached, but a revised draft for consideration in capitals has been drafted	The major stumbling block remains the "mfn" (Most Favoured Nation) clause. Also the relationship between the Protocol and the EPAs needs to be clarified. SA has submitted comments on these issues

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	<p>SADC FTA by January 2008</p> <p>Liaise with all stakeholders regarding the development of the programme of the event of launching the FTA</p>	<p>Progress reports on status of implementation and meeting targets</p> <p>Successful launch of the FTA</p>	<p>Updates on progress made</p>	<p>SADC FTA launched in August 2008</p> <p>South Africa met Secretariat (TIFI) to develop a strategy on how to bring on board all Member States to be part of the SADC FTA and consolidate the FTA</p> <p>Elimination of Non Tariff Barriers (NTBs): SADC NTBs monitoring and notifying mechanism was developed and approved by Ministers of Trade. A joint COMESA-EAC-SADC mechanism was developed for business to report NTBs electronically</p> <p>Review SADC Rules of Origin: All SADC rules of origin were reviewed and simplified except for the chapter on textile and clothing and tariff line of HS8544 (semi-conductors)</p>	
	<p>Coordinate the last Round of SACU-MERCOSUR as well as the signing of the agreement</p>	<p>Last Round of negotiations takes place</p> <p>Preferential Trade Agreement signed</p>	<p>One negotiation session</p> <p>Agreement signed</p>	<p>President's minute on the agreement obtained and the agreement has been signed by the MERCOSUR Trade Ministers. SACU Trade Ministers are yet to sign the agreement – date set for signing: 17 April 2009</p>	<p>Brazil withdrew its invitation to the SACU Trade Ministers to sign the agreement during MERCOSUR Summit. A date for the SACU Ministers to sign has not been agreed upon yet.</p>
	<p>Partnership for Growth and Development (PGD) Agreement</p>	<p>Finalised Agreement ready for signature</p>	<p>Lead PGD Team Meetings</p> <p>Submit draft agreement to Chinese</p>	<p>Participated and prepared for Chinese inward delegation to SA to discuss PGD. Discussions were held between the IRPS team (led by the dti) with the Chinese on key elements of the MoU. The IRPS team to reconsider new approach to the PGD process</p>	<p>PGD process stalled due to different interpretation of WTO rules on market access issue. The matter will be referred to the President where it originated</p>

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	<p>SACU India Preferential Trade Agreement (PTA) negotiations</p> <p>Coordinate the following (Negotiations led by Namibia)</p> <p>SA position papers and research</p> <p>SA inputs into final text of MoU on modalities</p> <p>SA participation in four negotiation sessions</p> <p>Participate in four NEDLAC Consultations</p>	<p>Coordinate SA role and inputs into negotiations</p>	<p>Each quarter</p> <p>One position paper</p> <p>One NEDLAC consultation</p> <p>One negotiation session</p>	<p>Research into the Indian trade regime continues. Progress has been made on developing and administering a questionnaire, developing a full draft, and an analysis of SA's offensive list and WTO compliance of Indian applied tariffs</p> <p>Prepared final text of the MOU on modalities to negotiate a PTA by incorporating changes made and took it through the internal legal process in preparation for signing. The MoU was signed during the 3rd Round of negotiations</p> <p>Followed up on the outstanding information by SACU to Indian preparation to the next round</p>	
	<p>SACU-EFTA Agreement publicized and in force</p>	<p>Amendment of the Customs and Excise Act to provide for the implementation of the EFTA Agreement</p> <p>Publication to the public of the coming into force of the EFTA Agreement.</p> <p>Establishment of the Joint Committee for implementing the agreement</p>	<p>EFTA Agreement in force retrospectively to 1 January 2007</p> <p>Publicity and marketing around the EFTA Agreement</p> <p>Inaugural meeting of the Joint Committee</p>	<p>Agreement was implemented and became effective from 1 May 2008</p> <p>The SACU-EFTA Agreement was published in the Government Gazette upon coming into force in May 2008</p>	<p>EFTA argued it could not implement the agreement retrospectively as it had no legal basis to do so</p> <p>No deviation, except the effective date of the agreement</p>
	<p>Wines and Spirits Agreements ratified</p>	<p>Agreement on scope, parameters and time schedules of the negotiations</p> <p>Negotiations commenced</p> <p>Negotiations concluded</p> <p>Agreement submitted for ratification</p>	<p>Negotiating team and work programme established</p> <p>Negotiations on the trademarks aspects of the Wines and Spirits Agreement</p> <p>Negotiations concluded</p> <p>Amended agreement signed</p> <p>Agreement ratified</p>	<p>SA proposed a schedule of meetings with the EC to negotiate the resolution of the outstanding issues. However, the EC was only willing to commit to one meeting in May and argued that it had no mandate to enter into discussions to amend the trademarks. The EC was only willing to engage in technical exchanges</p> <p>Technical exchanges on the trademarks aspect of the Wines and Spirits Agreement took place</p>	<p>Negotiations could not continue as the two sides could not agree on the basis for starting the trademarks negotiations. The SA side had made it clear to the EC on several occasions that we would only be interested in re-negotiating the Agreement rather than implementing it in its current form</p>

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	EU Enlargement Protocol (that takes into account the accession of Bulgaria and Romania to the EU) in force	Cabinet memorandum for ratification submitted Approval received for submitting Protocol for ratification by Parliament Protocol ratified and implemented	Cabinet memorandum submitted Approval for ratification received Protocol ratified Protocol implemented and publicised	Cabinet Memo was submitted. Protocol was ratified in July 2008 Agreement was implemented in February 2009, with retrospective effect from 1 January 2007	
	Promulgate a revised Act and Regulations	Amend South Africa's non-proliferation policy, Act and Regulations to position South Africa to deal with a changing international environment	Amendment December 2008	A list of issues to be addressed in the amendment of the Act has been compiled. The Non-Proliferation Council decided that the amendment of the Act can proceed after approval is obtained from Cabinet through the Cabinet Memo prepared by DFA (Non-Proliferation and Arms Control Steering Committee). A decision has not been received from Cabinet as yet. A revised set of Regulations has been compiled and is currently being considered by the State Law Advisors	Decision from Cabinet awaited via Steering Committee in Non-Proliferation and Arms control chaired by DFA The revisions to the Regulations can only be finally recommended to the Minister once the Non-Proliferation Council has been appointed. The Council's term of office expired on 31 December 2008
	Effective and efficient import/export control system	Compliance with the Act and regulations Regular provisions of authorisations with respect to transfers of controlled items	New electronic control system being tested. System pilot implementation by January 2008	Permits issued and records updated. Comsec (Electronic Communications Security – Pty) has corresponded with the Council regarding the delay in the process. Comsec has undertaken to liaise with the dti IT to finalise all outstanding issues. No further correspondence has been received from Comsec	Implementation was delayed due to NIA / Comsec approval process
	Adhere to the legal requirements of Conventions and regimes	Compliance with international requirements	Proceed as per requirements stipulated in terms of international obligations	Full adherence. Annual Declaration of Past Activities submitted to the Organisation for the Prohibition of Chemical Weapons in March 2009	
ENE	Number of bilateral and regional trade and investment agreements signed		12	Bilateral agreements signed with Mercusor and EFTA Eight Legal frameworks (includes Investment, trade agreements cooperation Agreement)	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Number of regional intra-Africa trade agreements and successful technical and business missions undertaken		15	<p>One MoU on Economic Cooperation with Mauritius</p> <p>Two Bilateral Trade Agreements - Ethiopia and Kenya</p> <p>Two Fact-Finding Missions to Angola and Mauritius</p> <p>One Business Mission to the DRC</p> <p>Missions (Includes tech missions, inter governmental platforms whether or not they occurred abroad or in RSA: 36 missions (including technical missions and inter-governmental platforms, whether abroad or in South Africa)</p> <p>One Ministerial and Business Mission - Kenya</p>	

PROGRAMME 3: ENTERPRISE AND INDUSTRY DEVELOPMENT (EIDD)

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
EIDD					
Industrial Competitiveness	Align National Industrial Participation Programme (NIPP) to Industrial Policy	Revised NIPP guidelines, including Direct NIPP	Presentation on Direct NIPP to Economic Cluster and the Minister and DG Version 2 of the Guidelines for endorsement by the Industrial Participation Control Committee (IPCC)	Presentation to the Minister and DG not finalized Direct NIPP guidelines completed and ready for presentation to the Industrial Participation Control Committee	Presentation to the Economic cluster and the Minister and DG could not be finalised due to time constraints
	Number of projects implemented under the NIPP	225 projects from inception (see vote 32)	Eight projects per quarter to be approved with the knowledge that implementation will follow shortly thereafter	To date it is estimated that 216 projects have been implemented. It is an estimate as the figures are only verified in October/ November each year	It is dependent on applications
	Value of investment and export credits	US\$10bn from inception (see vote 32)	US\$10bn from inception (see vote 32)	From inception approximately 11 billion credits awarded	
	Number of direct jobs created or retained	18 500 from inception (see vote 32 v, page 6)	18 500 from inception	16 500 direct jobs were created since inception	Jobs only verified every two years
	Industrial Policy Action Plan (IPAP) 2009/10 – 2011/12	Approved IPAP by Top 4 (ie. the Minister, two Deputy Ministers and the DG)	Process and criteria for IPAP developed and presented to Economic Cluster	The Process and Criteria for IPAP have been finalised and endorsed by both the EIDD EXCO and the Industrial Strategy Focus Group (IFSG) of the Economic Cluster The final draft of IPAP 2009/10 - 2011/12 has been drafted and is awaiting endorsement by the Top Four	The final draft of IPAP 2009/10 - 2011/12 has been drafted and is awaiting endorsement by the Top Four

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Sector Coordination	<p>IPAP annual implementation report</p> <p>The launch of National Foundry Technology Network</p> <p>Review of Duty Credit Certification Scheme and finalisation of SA replacement scheme</p>	<p>Annual IPAP implementation report tabled at the July Cabinet Lekgotla</p> <p>The launch of National Foundry Technology Network</p> <p>Review of Duty Credit Certification Scheme and finalisation of SA replacement scheme</p>	<p>IPAP 2007/08 implementation report tabled at the July Cabinet Lekgotla</p> <p>The National Foundry Technology Network was launched</p> <p>The Clothing and Textiles Competitiveness Programme being finalised</p> <p>The MoA has been developed and signed with IDC to facilitate the implementation of Industrial Policy in collaboration with IDC</p>	
	APORDE 2008 (African Programme on Rethinking Development Economics)	Successful APORDE 2008 training	A successful APORDE 2008 training session organised	Done	
	Report on solar water heating and other energy efficiency devices	Completed report with recommendations	Final report	Report completed	
	Programme for skills development and technology upgrading of small-scale saw milling industry	Programme finalised	Approved programme by April 2009	The study to assess the small-scale saw milling industry in South Africa is completed and finalised. The report will advise the Department when developing programmes for skills development and technology upgrading in the industry	
	Furniture Technology Incubator	Increase in number of small-scale furniture manufacturers	Fully functional by end November 2008	The furniture incubation centre is completed and the recruitment of incubatees is also done. The incubator will be launched by the Minister on the 18 April 2009 in Mthatha.	
	Development of the Furniture Strategy	Approved strategy document	Approved strategy	The draft strategy document finalised and issued for public comments. Workshop will also be conducted with relevant stakeholders to obtain buy-in before the final strategy document is compiled.	Compilation of strategy took longer than anticipated

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Programme to accelerate new afforestation in EC and KZN	An equivalent of 3 000 hectares of new plantations planted in Eastern Cape by March 2009. Programme finalised for KwaZulu-Natal	Finalise KwaZulu-Natal programme by December 2008	Draft KZN strategic framework and implementation plan completed and circulated for inputs. The documents should be finalised by April 2009	Consultation process took longer than expected
	Timber - Ease supply constraints to processing industries	Sign MOA with neighbouring and other countries for export of timber to SA	Finalise discussions with Mozambique	Draft MoU finalised	Consultation process took longer than expected
	Promote exports of beneficiated Rooibos and Honeybush products	Rooibos and Honey bush products strategy developed	Strategy approved by the dti	Study reports finalised and shared with industry players for comments	Awaiting industry players comments
	Development of Aquaculture industry	National strategy and implementation plan developed, approved by Cabinet	Strategy approved by the dti	Terms of reference for strategy development finalised	Consultation with stakeholders took longer than planned
	Development of the Organic Produce Strategy	Number of projects implemented	Strategy approved	The study was completed in consultation with all stakeholders	Delay in obtaining feedback from international stakeholders on the verification of the contents of the report
	Support Skills Development Initiatives in the oil and gas industry	Training of 136 artisans per year in the oil and gas industry	Start implementation	Delayed	Procurement process that was used by SAOGA (South African Oil and Gas Alliance) did not conform to PFMA. SAOGA has appointed a new officer to resuscitate skills' project
	Support Programme for Industrial Innovation (SPII): Support 85 projects to the total project value of R120m	Number and value of projects supported	Support Programme for Industrial Innovation (SPII): Support 85 projects to the total project value of R120m	Supported 70 projects to the total project value of R116m	Fewer submissions received
	Technology and Humman resources for Industry Programme (Thrip): Support 318 projects, 680 researchers, 2100 students, 400 enterprises	Number of projects, students, researchers and enterprises supported	Technology and Humman resources for Industry Programme (Thrip): Support 318 projects, 680 researchers, 2100 students, 400 enterprises	Supported: 259 projects 743 researchers 1 948 students 349 enterprises	Fewer applications received, but more researchers involved.

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Seda Technology Programme (STP): Support 29 existing incubators Support 30 technology transfer (TT) activities Conformity assessment support to 150 SMMEs Capacity development of 500 SMMEs skills on the national and international standard	Number of incubators supported, Number of technology transfer/TWIB/quality interventions	Seda Technology Programme (STP): Support 29 existing incubators Support 30 technology transfer (TT) activities Conformity assessment support to 150 SMMEs Capacity development of 500 SMMEs skills on the national and international standard	Supported 28 incubators 46 technology transfers approved. 139 conformity assessments done 386 capacity support provided	Limited funding
	Venture capital - Support five new early/seed technology-based SMMEs, Support four new technology venture capital manager interns	Number of SMMEs supported, Number of interns trained	Venture capital - Support five new early/seed technology-based SMME's, Support four new technology venture capital manager interns	Three SMMEs supported under new early seed programme four interns recruited and two withdrew from the programme	Limited suitable applications
	Technology Policy Approved Technology Policy Framework	Obtain EXBO approval	Approved Technology Policy Framework	Draft Technology policy framework approved and being consulted with external stakeholders	Awaiting stakeholder inputs
	Sectoral technology strategies: Automotive, Paper and Pulp, Timber and Forestry', Capital equipments, Creative industries (Cultural, Crafts, Filming & Animation)	Number of strategies completed, Obtain Executive Committee approval	Sectoral technology strategies: Automotive, Paper and Pulp, Timber and Forestry', Capital equipments, Creative industries (Cultural, Crafts, Filming & Animation)	Completed four draft strategies: Automotive, Capital Equipment, Craft and Film technology strategies	Compilation of strategies took longer than planned
	Intergovernmental Integrated Infrastructure Plan	Conceptual document	Intergovernmental Integrated Infrastructure Plan	Finalised the conceptual document to improve infrastructure planning and alignment	
	Infrastructure Planning to support industrialization, trade and investment	Models on Infrastructure planning Development of economic infrastructure Indicators and data base	Infrastructure Planning to support industrialization, trade and investment	Draft concept document completed. Interactions with infrastructure departments The key focus is on an economic model that will assist resource allocation to support growth in industrialisation and trade	Consultations with other stakeholders

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Economic analysis of logistics	Macro-logistics analysis report Sectoral state of logistics analysis reports for Chemicals, Automotives, Timber and Forestry and Paper and Pulp, and Clothing & Textile	Economic analysis of logistics	First draft document completed	Resource and capacity constraints, difficulty in co-ordinating diverse stakeholders
	Advanced Manufacturing Centre	Competitive small enterprises established and supported Localization and reverse engineering of products Develop skills and human resources (number of graduates, enterprises established and products developed)	To evaluate the manufacturing capabilities of South Africa into a sustainable and global competitive industry	Signed MoA and funds successfully transferred to North-West University for the continuation of the programme which has long-term goals	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Advanced Engineering Centre (develop capability required to promote sector competitiveness)	Bursaries allocated at undergraduate level Build capabilities in robotics, advanced materials, automotive sectors	Bursaries allocated at undergraduate level Build capabilities in robotics, advanced materials, automotive sectors	<p>Bursaries were successfully allocated to 32 students (29 for Master's degree and 3 PhDs) for the academic year of 2009. Total Rand value of R2 009 661</p> <p>An expert was recruited from Malaysia in 2008 to enhance the capability in robotics, advanced materials and automotive engineering</p> <p>Capacities in robotics, advance materials and automotives engineering were enhanced in 2008 by the appointment at the University of Pretoria of a lecturer who is a specialist in manufacturing from Malaysia</p> <p>Also, 10 projects were initiated at the beginning of 2009 in the area of advanced manufacturing by this university</p> <p>In the automotive sector the university initiated 20 projects for the period of 2008 to 2009</p> <p>The Business Plan for 2009/10 is still in the process of being approved</p>	<p>Business Plan did not meet eligibility criteria. The University of Pretoria is in the process of reviewing their proposal</p> <p>The revised Business Plan is expected to be presented in the financial year of 2009/10</p>

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Centre for Entrepreneurship (develop new knowledge, skilled human resources and foster entrepreneurial and business development skills)	Number of students and unemployed persons trained Number of businesses and jobs created	Number of students and unemployed persons trained Number of businesses and jobs created	The target of training 50 Black unemployed graduates was successfully achieved and they received an NQF level six recognition Also, five of 50 Black unemployed graduates have started their own businesses New in-take of graduates for the year 2009 was successfully accomplished with the objective of training 100 unemployed graduates, 60 women, 100 students, 170 entrepreneurs and 20 advisors	The launch of the centre did not take place due to unforeseen circumstances
	Textiles and Clothing Centre (improve capabilities and provide expertise to facilitate commercialisation of niche market products)	Improve quality in the production process	Approval of the Business Plan and transfer of funding	Business Plan approved and the centre hosted three seminars in Port Elizabeth, Cape Town and Gauteng with Professor Winnies Yu from Hong Kong Politech University. Industry and Academia were major participants with the view to develop capacity and understanding within relevant institutions Allocation of 10 Bursaries to Textile Polymers Students at Stellenbosch University in efforts to increase the capability of the sector Compiled a report on Value Addition to Clothing Research which will increase the industrial competence of the clothing and textile sector Involved in the Skills Development initiative which forms part of the dti's Clothing and Textiles Competitiveness Programme (CSP Desk)	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Technical Infrastructure (SQAM) support for manufacturing and export of products and services	<p>Technical Infrastructure Industrial Response Strategy and Action plan re Support for Sectors, Trade Policy and SQAM HR</p> <p>Sector support: chemicals, energy efficiency</p> <p>BPO, clothing and textiles, inorganic and organics, aerospace industry, agro processing, Finalisation of SADC TBT Annex and participate in SADC Quality Awards</p> <p>India, Brazil and South Africa sector strategy for Technical Barriers to Trade (TBT)</p>	<p>Technical Infrastructure Industrial Response Strategy and Action plan re Support for Sectors, Trade Policy and SQAM HR</p> <p>Sector support: chemicals, energy efficiency</p> <p>BPO, clothing and textiles, inorganic and organics, aerospace industry, agro processing</p> <p>Finalisation of SADC TBT Annex and participate in SADC Quality Awards</p> <p>BSA sector strategy for TBT's</p>	<p>Draft strategy developed for consultation in 2009/10</p> <p>South African Bureau of Standards (SABS), South African National Accreditation System (SANAS) and the National Metrology Institute of South Africa (NMISA) included specific sector support in their Business Plans</p> <p>SADC TBT Annex finalised. Two new SADC Technical Barriers to Trade committees inaugurated in March 2009</p> <p>Meeting with SABS, SANAS and NMISA to discuss SA Award and drafting of a SA approach started</p> <p>Signed at IBSA meeting in October 2008 in New Delhi, India</p>	
	Industrial Climate Change Response Plan	Develop sector specific strategies	Industrial Climate Change Response Plan	Three phases of study completed. Framework for Industrial Climate Change Response developed	Study to be completed in July 2009
	Recycling strategy for South Africa	Recycling study completed	Recycling study completed	Completed	
	National Cleaner Production	<p>Sector specific support: chemicals, textiles and clothing and agro processing</p> <p>Cover additional sectors: metals, mining</p>	<p>Sector specific support: chemicals, textiles and clothing and agro processing</p> <p>Cover additional sectors: metals, mining</p>	Five-year strategy draft completed	Funding constraints but now resolved
	Business Process Outsourcing (BPO) Sector Talent Development	Training of 6 000 learners for the BPO sector	Co-ordinating and implementing a Talent development programme that will train 6 000 learners for BPO	The Monyetla Programme implemented with support from the Department of Labour and the Business Trust. During the pilot, a total of 1 300 learners participated and 1 016 were employed after training	The Programme was changed into a pilot programme with the goal of training 1 000 learners. The second phase of the programme will cater for 5 500 learners in 2009/10 and thereafter

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Developmental Telecommunications Pricing (DTP) for the BPO industry	<p>Reduced telecommunications pricing for the BPO sector</p> <p>Seamless integration of the telecommunications DTP into the dti incentives</p>	<p>DTP submission approved by Cabinet</p> <p>Protection of Telkom by the Competition Commission</p> <p>Implementation of the DTP by the dti, the Department of Communication and Telkom</p>	Pricing agreed with Telkom but due to complexity with competition laws implementation has been delayed	<p>Complexity around competition laws still needs to be addressed</p> <p>The market is starting to correct itself</p> <p>1. In January 2009 VANS (Value Added Network Service Providers) were given licences to self provide</p> <p>2. The introduction of undersea cables by 2010 will lower broadband prices</p>
	BPO Marketing	Fast track the implementation of targeted Marketing / Sales approach to the promotion of the South African BPO sector as per 2008 strategy. Finalise strategy for co-operative marketing.	<p>BPO Market Segmentation study</p> <p>Work with TISA to ensure that Mission plans adhere to the BPO Strategy</p> <p>Target market engagement</p> <p>BPO Conference</p>	<p>The Everest Study has been completed and launched by Minister Mpahlwa in London during the Africa Outsourcing in March 2009. Marketing missions were undertaken in Asia, North America, Africa and Europe</p> <p>BPO Policy Conference was held successfully with critical input received from stakeholders on both policy and strategy considerations</p>	
	Industry Mobilisation	<p>Restructuring of Industry body (BPeSA)</p> <p>Establishment of BPO special purpose vehicle BPO2SA</p> <p>Renaming and branding of BPO2SA</p>	<p>Nine BPeSA Regional Bodies</p> <p>New name for BPO2SA</p> <p>BPO2SA Business Plan</p> <p>BPO2SA Board of Directors</p> <p>New BPO2SA</p>	<p>BPO2SA not established</p> <p>Business Plan is in place</p> <p>Restructuring of BPeSA on track as provinces are aligning to the National brand (BPeSA).</p>	Funding constraints for establishment of BPO2SA

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Second Economy initiatives	Call Centres in identified designated areas SMME operators in the identified areas/sites Support Service Providers to the call centre industry Establishment of BPO Parks Establishment of Skills Hubs/CCC	Approved strategy Business Plans 22 sites profiled 33 small enterprises Six BPO parks Lower tariffs for designated areas Agreements Three Skills Hub/CCC (Training Centres)	15 of the 22 sites were profiled Seven outstanding 33 Small enterprises not created yet 6 BPO Parks not created yet Lower tariffs for designated areas not yet implemented 3 Skills Hub not yet created	Capacity constraints Investors want to locate in areas which do not fall within the designated areas
	Enhanced Support for BPO and Second Economy/ Incentives	New support package Investment Incentives Development telecommunications pricing Enhanced training grant Local government support measures	Business Case Approved Cabinet Memo for enhanced support Consultation Lower tariffs for designated areas Launch of new incentives	Government Assistance Programme approved and operationalised. The programme comprises an investment incentive which covers the Second Economy and a skills support grant. This programme has led to investments of R1,2 billion to date	
	Project "Khulis'umnotho" (To grow the economy)	<ul style="list-style-type: none"> • Create 17 Local Economic Development Capacity Building Plans - Namakwa, Nkangala, Sisonke, Umzinyathi, Pixley Ka Seme, Amatole, Southern, Thabo Mofutsanyana, Kgalagadi, OR Tambo, Bojanala, Lejweleputswa, Frances- Baard, Overberg, Ehlanzeni, Xhariep, Central Karoo • Create 14 LED Capacity Building Plans - Chris Hani, Alfred Nzo, Ukhahlamba, Motheo, West Rand, Umkhanyakude, Ugu, Umgungundlovu, Uthukela, Waterberg, Sekhekune, Vhembe, West Coast, Bophirima 	<p>Phases completed to the satisfaction of the Deputy Minister and National Steering Committee</p> <p>Agreed terms of reference Appointed Service Provider</p> <p>Phase 1 completed to the Satisfaction of the DMs and National Steering Committee</p>	<p>The service provider was appointed and followed the agreed terms of reference (TORs)</p> <p>17 LED capacity building plans were not achieved. They are still in process and to be completed</p> <p>Phase 1 to 3 of the project has been completed to the satisfaction of the DMs and the National Steering Committee</p>	There were capacity constraints in some DMs that caused delays in achieving the finalisation of the 17 LED capacity building plans

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Rural Economic Strategy	Rural Economic Review	OECD Rural Economic Review	No progress	Capacity constraints
	Special Economic Zones (SEZs)	Finalisation of (Minister and Member of Executive Committee Special Projects/ Provincial SEZs Business Cases for key prioritised SEZs Draft SEZ incentives and Bill	Agreement on revised Special Projects at MINMEC Three Business Cases with a cost benefit analysis Agreed incentive typologies Agreed process plan presentation to Executive Board	No progress	Capacity constraints
	Special Economic Clusters	Assist municipalities in developing clusters of industries such as: Clothing and Textile, Furniture, Diamond, Wood/ Forestry, Creative Industries, BPO North West KZN Wood Cluster	Developed terms of reference, Defined Clusters typologies, identified Municipalities and Service Provider/s Business Plan Monitoring and Evaluation Framework Minutes Recommendations	No progress	Capacity constraints
Enterprise Development	Procurement of products and services from Co-operatives	Raise awareness on procurement for co-operatives in all tiers of government and SOEs Ensure that substantial percentage of state expenditure on procurement is provided for co-operatives	March 2009	The departments of Economic Development in five provinces have participated in workshops on the targeted products and services for Co-operatives Few municipalities and provinces have started providing procurement opportunities to co-operatives	Challenges to consult and workshop all the municipalities and provinces

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	National Co-operative Academy/Centre of Excellence	To consult with all relevant stakeholders Formulate concept document To facilitate the establishment of the National Co-operative Academy	To consult with all relevant stakeholders Formulate concept document To facilitate the establishment of the National Co-operative Academy	Department of Labour has been consulted on the establishment of National Co-operative Academy Concept document for the establishment of the Academy done National Co-operative Academy/centre of Excellence has not yet been established	Departments of higher and basic education still to be consulted
	Amended Co-operatives Act	Stakeholder consultations Ministerial approval Parliamentary approval	Stakeholder consultations Ministerial approval Parliamentary approval	Stakeholder consultation completed Ministerial approval obtained Parliamentary approval not yet accomplished	Stakeholder consultations took longer than expected
	Amended Co-operatives Policy	Report on identified areas on the Policy that need change Ministerial approval Amended Policy	June 2008 August 2008 March 2009	Report on identified areas on the Policy that require change has been accomplished Amendment of the Policy not yet achieved	Amendment of the Policy is closely linked to the finalisation of the amendment of the Co-operatives Act
	National Co-operatives Strategy	Executive Board presentation NEDLAC presentation Parliamentary approval Publication of the strategy after adoption	April 2008 June 2008 March 2009	Executive Board approval achieved NEDLAC presentation completed Parliamentary approval not yet achieved Publication of the strategy after adoption, not yet approved	Challenges confronted with respect to consultation with key stakeholders
	e-co-operatives facilitated	Facilitating the registration of 12 e-co-operatives	Facilitating the registration of 12 e-co-operatives	50 co-operatives registered and target exceeded	
	Nine Co-operatives Owned by Women facilitated	Number of co-operatives facilitated for women	Nine Co-operatives Owned by Women facilitated	Consultation with women organisations undertaken All nine women owned co-operatives still to be facilitated	Challenges in accomplishing wide consultation with women organisations

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Co-operatives Communication and awareness programme	Co-operatives communication tool (produce DVD, booklets, pamphlets on cooperatives) South Africa's International Co-operatives Day	Co-operatives communication tool (produce DVD, booklets, pamphlets on cooperatives) South Africa's International Co-operatives Day	South Africa's International Co-operatives Day and Conference done DVD and simplified booklets and pamphlets on co-operatives done	
	National Youth Service Programme	Consultation with the dti divisions, business units and agencies Community Enterprise Development Officer (CEDO) project implemented the dti National Youth Policy programme implemented by the dti and its agencies	Consultation with the dti divisions, business units and agencies CEDO project implemented the dti National Youth Policy programme implemented by the dti and its agencies	CEDO project approved and currently being implemented with National Youth Development Agency The the dti National Youth Services Programme in progress Consultations with the dti divisions, business units and agencies ongoing	Consultations taking longer than expected
	National Youth Policy Framework for the dti	Formulated and implementation of the National Youth Policy Framework for the dti	Formulated and implementation of the National Youth Policy Framework for the dti	Draft National Youth Policy Framework for the dti completed	Consultation with various stakeholders proved to be a big challenge and caused delays
	Reformed auditing standards for Co-operatives	Engage various stakeholder on reforming auditing standards for co-operatives Ensure compliance with auditing for co-operatives –guidelines	Engage various stakeholder on reforming auditing standards for cooperatives Ensure compliance with auditing for cooperatives –guidelines	Stakeholder consultation and engagement on developing regulation for reformed auditing for co-operatives done Reformed Auditing Standards for Co-operatives still pending	Drafting the regulation for the reformed auditing standards is through a multi-stakeholder forum which is progressing at a slower pace than anticipated Difficult to secure agreements among various stakeholders.
	Franchise Industry development support strategy review	Revised Franchise Industry development support Strategy	Revised Franchise Industry development support Strategy	A review report has been finalized	
	Step up 30-day payment cycle compliance by government and invoice clearing assistance for SMMEs	Fully functional and operational procurement assistance call centre and call centre support desks	Step up 30-day payment cycle compliance by government and invoice clearing assistance for SMMEs	The process of setting up the call centre has been concluded, all systems are in place and the call centre test phase is operational. The full scale operations of the Call Centre will be activated in August 2009	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Expanded Public Works Programme (EPWP) Linkage strengthened	Business toolkit for EPWP graduates venturing in own business initiatives	EPWP linkage strengthened	The process of funding the Department of Public Works enterprise development component concluded with the MOU finalised and signed. The R10 million is being transferred in tranches to Department of Public Works. The first report has been submitted based on the above funding for the programme	
	Local Business Environment Regulatory Improvement and Assessment Project	Local Business Environment Regulatory Improvement and Assessment Model approved and funded	LBE RIA Model approved and funded	Initial consultations with municipalities commenced	Budget constraints
Equity and Empowerment	BEE IT portal	Fully functional BEE IT portal	Fully functional BEE IT portal	BEE IT Portal is fully operational	
	B-BBEE Strategy aligned to B-BBEE Codes	Refined and updated strategy document	Refined and updated strategy document	Phase one completed, which included collation of information, review and interviews with stakeholders	No deviation, Phase 2 will be undertaken in the new year, namely refining and drafting of the final strategy
	Amended Preferential Procurement Policy Framework Act / Public Private Partnership	Aligned Preferential Procurement System	Aligned Preferential Procurement System	Inputs submitted to National Treasury for inclusion in the Regulations	Awaiting National Treasury to amend
	Establishment of a Verification System	Accredited Verification Agencies Verification Methodology	Accredited Verification Agencies Verification Methodology	Accreditation of Verification Agencies started and its ongoing 11 Verification Agencies accredited as at 31 March 2009 Verification Manual/ Methodology gazetted	
	Develop and Gazette Sector Charters	Gazetted Sector Charters under sections nine and 12	Gazetted Sector Charters under sections nine and 12	Section nine approval by Minister for Construction, Forestry, and Tourism Section 12: approvals by Minister include Marketing, Advertising and Communication; Property; and Financial Services Charter	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Strategic Framework on Gender and Women's Economic Empowerment	Cabinet approval	Cabinet approval	Cabinet Memo finalized and awaiting approval	
	Isivande Women's Fund	Completion of provincial awareness/ educational campaigns. Commencement of Transactions	Completion of provincial awareness/ educational campaigns Commencement of Transactions	20 Provincial seminars conducted MOA signed between the dti and IDC. Transactions not commenced	Challenge in appointing fund managers
	Women Empowerment Programme (Bavumile)	National rollout	National rollout	Rollout to four provinces to date. 73 women trained in Gauteng, Western Cape, KZN and Mpumalanga	Resource and capacity constraints, as the national roll-out is a longer term project
	Entrepreneurial and business-to-business linkages activities	Meropa Fashion Show Global Women's Summit Youth Month Celebration Mother's Day Celebration	Meropa Fashion Show Global Women's Summit Youth Month Celebration Mother's Day Celebration	Facilitated Meropa Fashion Show Phelophepa Exhibition Seven businesswomen participated in the Global Summit in Vietnam Youth entrepreneurial information dissemination seminar conducted in Bloemfontein with 200 young women participants Mother's Day women's economic empowerment seminar conducted with 150 women participating	
	Chlor-Alkali: Suitable land; Environmental Impact Assessment record of decision	Chlor-Alkali capacity ramped up to around 40 000 tons per year in support of the H2I	Chlor-Alkali capacity ramped up to around 40 000 tons per year in support of the Halogen Hub Initiative (H2I)	Engaging different stakeholders on alternative land	Availability of suitable land
	Titanium Beneficiation: Suitable land; Environmental Impact Assessment record of decision for Titanium Dioxide Pigment; Business cases: Titanium Metal and Zirconium	Beneficiation of titania slag increased from 5% to over 20% per annum	Beneficiation of titania slag increased from 5% to over 20% per annum	Engaging different stakeholders on alternative land	Availability of suitable land

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Fluorochemical Expansion: EIA record of decision: Hydrogen Fluoride (HF) / Aluminium Tri-Fluoride (ATF) plant; Construction: HF / ATF plant; Further downstream opportunities	Turnover of fluorochemicals increased to over R1 billion over the next seven years	Turnover of fluorochemicals increased to over R1 billion over the next seven years	Site selection study and Environmental Impact Assessment (EIA) scoping report have been approved by the Richards Bay local authority and full EIA is in progress	Additional studies required on: health and risk assessment, hazardous installation and social impact
	Polypropylene Beneficiation: Downstream investment campaigns in targeted international markets - South Korea, Japan, Singapore, Germany, China, India, US, Canada	Primary polymer consumption increased at 6% to 12% per year from a base of 250 000 tons in 2007	Primary polymer consumption increased at 6% to 12% per year from a base of 250 000 tons in 2007	Business case developed, road show in China took place, and 3 Key Action Programmes were identified Successful handover to TISA of investment campaigns in targeted international markets Against these three KAPs, two KAPs are being implemented	
	Cosmetics SMME Development Programme: Business Plan; Functioning Cosmetics Platform located within IDC (Based on the Biela concept)	Around 60 000 black cosmetics SMMEs operating from backyards and other remote areas made 'bigger and better'	Around 60 000 black cosmetics SMMEs operating from backyards and other remote areas made 'bigger and better'	Milestone not achieved (Target is over a 5 year period)	Cosmetics Action Plan developed, stakeholders in the cosmetics value chain are busy to identify SMMEs operating from backyards
	Automotives: Finalise the MIDP review and re-Launch Supplier Development Programme	Announcement of new MIDP Launch of Supplier Development Programme	Announcement of new MIDP Launch of Supplier Development Programme	Review completed; New replacement programme announced Approval for Supplier Development Programme obtained	
	Craft Hubs	KPA's as per IPAP Establishment of Craft Hubs in the Western Cape, Eastern Cape (2008 – 2009) KwaZulu-Natal and Gauteng Business plan developed	Establishment of Craft Hubs in the WC, EC (2008 – 2009) KZN and Gauteng Business plan developed	Milestone achieved. The Gauteng Hub was successfully launched The Western Cape and Gauteng Craft Hubs were established	Business plans developed for Eastern Cape and KwaZulu-Natal

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Film and TV	Draft Enterprise Development Programme for Film and TV	Draft Enterprise Development Programme for Film and TV	Consultation with key Film Industry stakeholders concluded	Consultation took longer than expected
	Music Strategy	Draft development of Music Strategy	Draft development of Music Strategy	This programme has been replaced with the Mzansi Collection Store Project	Capacity limitations
	Textile, Clothing, Leather and Footwear	KPAs as per IPAP Development of productivity scheme Establishment of illegal imports and under invoicing task team	Development of productivity scheme Establishment of illegal imports and under invoicing task team	Clothing Textiles Competitiveness Programme (CTCP) 90% complete. Fourth component of productivity incentive added only in October 2008. Study to be completed in June 2009. Illegal Imports Task Team established in December 2008.	Capacity constraints
	Establishment of the National Food Control Agency	First phase of development of a legislative framework for the establishment of the Agency	First phase of development of a legislative framework for the establishment of the Agency	Draft concept document completed and shared with Departments of Agriculture and Health	Delay due to extensive consultation process
	The strategy framework for agro processing	Draft available for discussion	Draft available for discussion	Draft strategy completed and further reviews required	Further reviews required
	National strategy for the development of the aquaculture sector	Draft available for discussion	Draft available for discussion	Terms of reference for strategy development finalised	Challenge with wide stakeholder consultation
	Customised Tourism Incentive: Finalise Programme development, marketing and implementation	Programme open and receiving applications	Programme open and receiving applications	Completed	
	Tourism Technology strategy: Position paper on technology in tourism Tourism technology strategy	Strategy document	Tourism Technology strategy: Position paper on technology in tourism Tourism technology strategy	Position paper completed	Position paper finalized Discussion whether to formalize it into strategy is under review

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Tourism Niche market support: Birding tourism research Birding tourism booklet EMIA support for Meetings Africa	Research document 5 000 Booklets Buyers Mission	Research document 5000 Booklets Buyers Mission	Research delayed	Resource constraints and research to commence in May 2009
	National Tooling Industry upgrade	Improve tooling supply	Improve tooling supply	Project management in place Outreach programme ongoing as planned	Funding became available in 2009
	National Foundry Technology Network	Improved foundry capabilities	Improved foundry capabilities	Co-ordinator is appointed Pilot projects in benchmarking, technology audit, skills development started Outreach programme ongoing	
	Measures to stimulate more competitive input pricing	Measures related to the exportation of scrap	Depending on ITED policy	Consultation with stakeholders has taken place Cost benefit analysis to be ready Q1 2009/10	Delayed due to wide consultation
	Measures to stimulate more competitive input pricing	Finalise the feasibility study into the viability of establishing a new carbon steel plant in SA	Feasibility study	Two options of steel plants being considered by the IDC Pre-feasibility studies planned for end 2009/10	Project on track , as IDC is busy with pre-feasibility studies
	Review of import duties of key industrial inputs into manufacturing	Import duties on upstream aluminium products reviewed	Import duties on upstream aluminium products reviewed	ITAC report 270 has been submitted to Minister	
	Review of import duties on machinery and equipment not produced and not likely to be produced in SA	Import duties on machinery and equipment tariff headings reviewed	Import duties on machinery and equipment tariff headings reviewed	ITAC report 283 has been submitted to Minister	
	Number of companies implementing cleaner production activities	Number of companies implementing cleaner production	19	23	

PROGRAMME 4: CONSUMER AND CORPORATE REGULATION (CCRD)

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

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
CCRD					
	Draft Estate Agency Affairs Bill approved by Cabinet	Submission of Bill to Cabinet	Scoping Regulatory Impact Assessment Present regularly draft policy document to Exco	The policy framework with specific interventions on the estate agent industry has been finalized	The projects regarding Bills became more complicated. Capacity and time also became a challenge. The policy is awaiting approval for consultations
	Revised Corporate Law Regime (Companies Bill)	Submission of Companies Bill to Parliament	Public consultation and updating of Bill in line with comments	Bill passed by Parliament in November 2008, signed by President and published in the gazette	
	Consumer Protection Act	Submission of Consumer Protection Bill to Parliament	Bill certified by State Law Advisors	Bill passed by Parliament. Signed by President and published in the gazette	
	Regulations in respect of interactive gambling	Final regulations published in the gazette	Approval of draft regulations Publish approved regulations in government gazette	Regulations approved by the Minister. Consultations held with stakeholders, and regulations published for comment until 7 May 2009 Final regulations will be issued in 2009/10 after approval by Parliament	The process of finalizing the Act took longer than anticipated
	Combating of fronting activities by means of educational campaigns.	Educational campaigns, training, presentations & advocacy	Engage different role players to obtain buy-in	More than 60 campaigns held with SMMEs and consumers and 10 radio slots utilized and altogether about 21 million listeners reached. 3 000 SMMEs workshopped	
	50 targeted inspections (includes monitoring compliance with registration conditions) conducted and finalized	Number of compliance notices and certificates issued 50 Inspection reports Compliance report	50 routine inspections conducted 12,5 targeted inspections per quarter	All 50 inspections were completed Issued 12 compliances notices to premises inspected for non-compliance	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	<p>Four National Liquor Regulators Forum meetings held and recorded</p> <p>Execution of the National Liquor Awareness Campaign</p>	<p>Minutes of the meetings compiled, distributed within two weeks of the date of the meeting</p> <p>Implementation of 90% of all sub-committee projects by March 2009</p> <p>National launch of liquor awareness campaign executed in Second quarter</p> <p>Monthly and quarterly campaign reports submitted within two weeks</p> <p>Final harmonisation of legislation proposal presented to the National Liquor Policy Council by March 2009</p> <p>Norms and standards proposal developed and presented to the NLPC by March 2009</p>	<p>Campaign launched</p> <p>National launch of the liquor awareness campaign executed in Second quarter</p>	<p>All 4 NLRF meetings were held and minutes compiled and distributed on time</p> <p>National Liquor awareness campaigns executed in different provinces</p>	
	Competition Amendment Bill	<p>Draft Comp Amendment Bill</p> <p>Cabinet approval of the Bill</p> <p>Introducing Bill to Parliament</p>	<p>Tabling Bill to Parliament for adoption</p>	<p>Bill approved by Cabinet and Parliament and submitted to President for assent</p>	
	Regulations in respect of merger thresholds to the Competition Act	Regulations approved by Minister	Final regulations approved by Minister and published		
	Consumer Protection Act Promulgated	<p>Draft Bill assented into Act</p> <p>Initial draft Regulations by March 2009</p>	Commencement of drafting of regulations	<p>Bill promulgated and gazetted in April 2009. Process of drafting regulations has commenced</p>	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Harmonisation of competition and consumer policies at SADC and SACU Establishment of SADC Competition Network Committee Co-operation arrangements	Attend and participate at SADC and SACU seminars Present papers on SA policy position on consumer and competition policy Participate and present reports and update at TNF and SADC secretariat Establishment of SADC Competition Network Committee Report for adoption by Ministers of Trade and Industry	Facilitation of capacity building seminars for Competition Network Committee; Intergovernmental workshop / meeting by SADC member states in Geneva (i.e. presentation of policy papers on Competition Policy and Law in SA) SACU Present report at SACU to update on SA policy position	Ministerial Declaration and report on harmonisation endorsed by SADC Ministers of Trade Competition Network Committee established and seminar held Competition model implemented and intergovernmental workshop took place in Geneva Written input on SACU competition model provided. SA participated in the SACU workshop for adoption of report. SA provides leadership in these areas	
	Amendments to Part III of regulations to Legal Metrology	Draft amendments to regulations on: Part III petrol pumps Part III scales and water meters	Publish final amendments to regulations	Final amendments to the regulations were published	
	Intellectual Property Laws Amendment Bill 2008 Policy on the Protection of Traditional Knowledge Using the IP System	Amendments introduced into Parliament subject to parliamentary timetable	Bill introduced in Parliament Bill debated before Portfolio Committee Public hearings by portfolio committee Second reading in the National Assembly Bill debated in the Select Committee on Foreign and Economic Affairs	The Bill and the policy approved by Cabinet Bill certified and introduced into Parliament Bill not debated by Portfolio Committee due to change in Parliamentary term	The deviation was due to the Parliamentary Directive on Legislation to be prioritized before the elections
	Policy on animal racing	Research report on animal racing	Research project continued	Draft research report was finalised	Due to public demand, scope of public hearings on research was extended to other provinces and that impacted slightly on the finalisation of the report

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
		Commission of Inquiry report on the Proliferation of gambling	Commencement of the inquiry into proliferation of gambling	Proposal (including terms of reference) for establishment of the Commission approved by the Minister Commission of Inquiry has not commenced.	Discussions and approval process took longer than anticipated.
	Policy on liquor	Refined liquor policy document finalised and approved Draft amendments to Liquor Act.	Draft policy approved by Chief Director, Executive Committee, Deputy Director-General and Executive Board Obtain Ministerial and Cabinet approval on the policy Obtain Cabinet approval for broader consultations Consultation	This project has not been finalised.	The initial research report by the external service provider was not accepted by the dti delayed policy development as research findings and recommendations ought to have informed policy development.
	Review of advertising in the Gambling and Liquor industry in South Africa	Research report on advertising in the gambling and liquor industry in South Africa completed.	Commencement of research	Research commenced, but not completed.	Delay in appointment of services providers impacted on commencement of research
	Lotteries Amendment Bill	Amendments drafted and approved by Parliament	Submit draft Bill to State Law Advisors Introduce Bill to Parliament Presentations to Parliamentary Committees	Draft policy was developed. Inputs from National Lotteries Board received and to be incorporated into the draft policy.	Policy had to be finalized first before drafting of the Bill
	Regulations in respect of interactive gambling	Final regulations published in the gazette	Approval of draft regulations Publish approved regulations in Government Gazette	Draft regulations finalized and published in the Government Gazette	The Act was finalized later than anticipated, thus delaying the finalization of the regulations.

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Approved Final RIA report on the revised Estate Agents Affairs Act	Final RIA report approved by EXBO by 31 March 2009	Prepare and finalise RIA report based on broader stakeholder inputs Refine the Final RIA report as the Bill goes through the respective Parliamentary processes until it is assented to by the President	Mid-level RIA report finalised	Unavailability of data has delayed the completion of the project as we resorted to stakeholder consultation to obtain data
	Information sharing to consumers through nine presentations with provincial departments of economic affairs Presentations on: role and functions of Office Of Company & Intellectual Property Enforcement and shareholders rights and responsibilities	Nine sessions held 1200 consumers reached Agenda, invitation and content of presentation to be approved by Chief Director prior to events Reports drafted and submitted to Chief Director after events	Three presentations	33 presentations made to SMMEs and consumers and 5 033 SMMEs and consumers reached in Western Cape Paarl and George, Mpumalanga (Secunda, Limpopo, (Polokwane and St Lucia. Kwa-Zulu-Natal (Durban, East Coast and St Peters, Northern Cape, Free State and Eastern Cape	
	Cabinet Directive: Awareness on the Consumer Protection Bill	10 000 consumers reached directly through industrial theatre two million reached via print, radio PR campaign four presentations to government departments/ big businesses	Tender evaluation	28 Industrial theatre shows reaching close to 7 000 consumers over two million reached via community radio and two tv interviews Seven provincial consumer affairs office presentations made on CPB and unfair business practices.	budgetary constraints and two shows cancelled due to logistics by Service Provider
	Consumer outreach activities coordinated and attended	16 workshops/ outreaches to consumers conducted reaching 30-50 consumers per outreach	Q1-Q4: Participate in the dti programmes, i.e. taking dti to people, exhibitions, etc Roll out outreaches as per other departments and municipality requests	28 outreaches in total reaching over 21 000 consumers. Three exhibitions Five presentations/ workshops	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	<p>Average of 60% of investigations in terms whereof Minister has appointed inspectors finalized</p> <p>Average of 40% work done on investigations where inspectors appointed between January 2008 to March 2009</p>	<p>Average turnaround time 18 months</p> <p>Monthly status reports</p>	<p>Quarterly progress reports in respect of each investigation</p> <p>Final reports on completion</p>	<p>Three investigations finalized and another three will finalize by first quarter of new FY. On average more than 60% of work done on investigations has been achieved</p>	<p>Capacity challenges due to resignation of inspectors on some of the matters under investigation</p>
	<p>90% Intellectual Property complaints resolved</p>	<p>Average turnaround time 90 days:</p> <p>Affidavits for warrants prepared within two weeks from receipt of complaint containing the required information</p> <p>Undertake inspection within two weeks from obtaining warrant</p> <p>Report on each complaint to be prepared</p> <p>One status report on all inspections undertaken & submitted to the Enforcement Committee</p>	<p>90% of received cases resolved per quarter</p> <p>Status report submitted on a quarterly basis</p>	<p>A total of 103 complaints for the year were received</p> <p>79 of these were finalized in respect of 51 search and seizure actions</p> <p>Goods totalling R2.8 million in value were seized. About 77% of all received complaints on IP were finalized</p>	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	<p>Amicable resolution of complaints regarding unfair business practices:</p> <p>Resolve 95% of consumer complaints received within 15 days of receipt</p> <p>Conclude six Section 9 undertakings in terms of Consumer Affairs Act within four months of Consumer Affairs Committee approval to investigate</p>	<p>Produce bi-monthly, monthly, quarterly and annual statistical and complaints trends analysis report on the following categories: Nature of complaint, Industry involved, Geographic spread, Gender, Age</p> <p>Demonstrate consumer redress in monetary value</p>	<p>Two Section nine undertakings per quarter</p>	<p>Complaints Resolution: 21 brought over from the previous year, 649 new complaints received, and 650 complaints resolved</p> <p>20 complaints still pending. The complaints were, on average, finalised within the stipulated turnaround times</p> <p>97% of all active complaints during the 2008/09 financial year. Recovered R901 437 23 for consumers, and secured an undeterminable amounts in repairs, replacements, and restored relationships</p> <p>Six Section nine arrangements concluded and published, in the year under review</p> <p>Three 4(1)Cs granted in the last quarter of the financial year</p>	
	<p>75% of all new applications finalized by March 2009</p> <p>90% of new transfers and relocations finalised by March 2009</p>	<p>The number of finalised applications</p> <p>Average turnaround time of 30 days from date of receipt for relocations and alterations</p> <p>Average turnaround time of 90 days from date of receipt for all other applications</p> <p>Monthly and quarterly statistical and status reports</p>	<p>Quarterly</p> <p>75% of new applications finalized</p>	<p>311 out of 311 applications have been finalized including the backlog from March 2008 including the backlog of 77 from March 2008</p> <p>292 applications received during the reporting period</p> <p>270 other applications were finalized</p> <p>22 relocations were finalized</p> <p>Annual statistical and status reports have been compiled and submitted</p>	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Research document on Legal Metrology	Final research document with policy recommendations approved by DDG Submit report to EXBO	Final research report Presentation of Research Report to EXCO and EXBO	Research report finalised	Reports will be presented in Q1 of 2009/2010
	State of shareholder activism	Terms of reference (TOR) Research conducted Consultations with stakeholders Research report	Consultation with stakeholders on the draft paper	Research conducted and finalised.	
	The four following Investigations will be finalized: SITA, Garek Lott Chaka, Khwezi An average of 60% of the work to be completed on the other investigations	Average turnaround time 18 months Monthly status reports Finalized reports on investigations Submitted to the Minister	Quarterly progress reports in respect of each investigation Final reports on completion	The following three investigations have been finalized Garek, SITA and Alstom The following three will be finalised in the first quarter of the new financial year: Lot Chackas, Khwezi and INDI Draft final reports have been prepared The following preliminary investigations closed as settled between the parties and there being no further role for the dti : 1. Richards Bay Industrial Development Zone (RBIDZ) 2. Sew Eurodrive and Sew Empowered	Capacity constraints due to resignation of inspectors and need to improve management of cases

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	<p>10% of company complaints received escalated and 90% resolved and/or closed:</p> <p>- Complex/ Escalations: 10% resolved</p> <p>- Non Complex: 90% resolved</p> <p>- Referrals/ Enquiries: 100% resolved</p>	<p>Average turnaround time 60 days:</p> <p>- 90 days to complete</p> <p>- 1-60 days to complete</p> <p>- 1-5 days to complete</p> <p>- Reports to Enforcement committee on escalated matters</p>	<p>Per quarter:</p> <p>- 90% of complex / escalations completed</p> <p>- 90% of non complex matters completed</p> <p>- 100% of referrals / enquiries resolved</p> <p>- Status report</p>	<p>A total of 315 new company complaints received over the year with 123 brought forward from the previous year</p> <p>Gross total is 438</p> <p>300 matters were closed over the year</p> <p>21 were complex matters</p> <p>92% escalated to investigations</p> <p>48 were non-complex, all resolved 100%</p> <p>231 referrals</p> <p>100% resolved</p> <p>Turnaround times</p> <p>Complex matters: 90 days to escalate</p> <p>Non-complex matters: 60 days to resolve</p> <p>Referrals have been 30 days on average so far</p>	
	<p>Finalise 90% Re-active Investigations received within 6 months</p>	<p>Present matters at Consumer Affairs Committee (CAFCOM) meetings. Where necessary, draft and enter into arrangements in terms of Sec 9 of the Act, draft submissions to the Minister, publish all Sec 9 arrangements in the Government Gazette</p> <p>Produce Weekly, Monthly, Quarterly & Annual reports on status of investigations</p> <p>Average turnaround time – 6 months</p>	<p>All matters finalised by Second quarter</p> <p>First quarter - six initiated.</p> <p>Second to fourth quarter eight initiated per quarter</p>	<p>43 matters finalised during the year constituting more than 90% of investigations escalated from Complaints Resolution/ CHL within six months of receipt</p>	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Promotion of voluntary compliance and the enhancement of consumer protection measures within key industries	Two presentations made and two campaigns conducted, i.e. two workshops/ presentations reaching 20 people each. Information published in media (Advert & media release)	Third and fourth quarter: compliance action plans and delivery including presentations, campaigns and workshops	Four campaigns (Grey goods, fitness centres, property syndication and Country of origin) and four presentations reaching 69 industry players directly and 170 via compliance letters issued Three media releases drafted Four articles on fitness centres in media and five radio interviews	
	MINMEC awareness of Provincial Consumer Protection obligations enhanced and an increase of profile of consumer protection Capacitating Consumer Protection Provincial offices	Document produced Placement of consumer protection on MINMEC agenda Provinces engaged and two workshops conducted reaching 10-20 officials per province Resource manual produced	Third and fourth quarter: follow-up meetings in Provinces	Provinces consulted and final document submitted Eight workshops reaching 157 officials Manual produced	
	To establish and maintain referral partnerships: New partnerships established: Dealer principal association, manufacturers associations, Credit Ombudsman, Long Term Insurance Ombudsman Existing partnerships maintained: Retail Motor Industry, Motor Industry Ombud, Financial Services Board, Ombudsman Of Short-Term Insurance All complaints referred within three days of receipt	New partnership Referral Report submitted to CD: OCP Existing partners Referral Report submitted to CD: OCP Complaints accurately referred Produce bi-monthly, monthly, quarterly and annual statistical and complaints trends analysis report on the following categories: Nature of complaint, Industry involved, Geographic spread, Gender, Age	One New partnership established and maintained per quarter First quarter to fourth quarter: Maintain existing partnerships through regular meeting and visits 2 contacts per quarter First quarter to fourth quarter: All complaints accurately referred within 3 days of receipt	Established referral protocols with Franchise Association of SA (FASA), Discussed and referred Franchise complaints to them Met with the National Credit Regulator, the Banking Ombud, Voasa (time share industry body), Financial Services Board, MIO and RMI Met the Department of Education (DoE) regarding collaboration on complaints against Private Further Education and Training Institutions	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Facilitate harmonisation of cross border redress mechanism for consumers	Desktop research and reports on enforcement, institutional framework, compliance, capacity building and other redress mechanisms in SADC/Liaise with NEPAD office Sharing of information on cross border consumer issues with all strategic consumer protection partners in SADC	Second and third quarter: Undertake trips to Mauritius and Zambia and continue information sharing with all established partners in consultation with other Consumer and Corporate Regulation Division (CCRD) units	Hosted counterparts from Lesotho for one week at Office of Consumer Protection (OCP) office. Shared information and assisted in building capacity	Decision to postpone activity to 2009/2010
	Implement Prosecution Strategy Establish and maintain relationships with external enforcement authorities / agencies (SAPS/Scorpions) Three Criminal matters reported to SAPS / Scorpions per quarter	Affidavits drafted and submitted to relevant agencies. Guiding investigators and prosecutors on existing prohibitions Quarterly meetings with law enforcement agencies – one per quarter All criminal matters accepted and investigated by SAPS/Scorpions	First to fourth quarter: one meeting per quarter with law enforcement agencies Report all matters on contraventions to enforcement agencies within five days Engage relevant parties and maintain relationships Attend court and tender evidence where required	Four contacts concluded with referral partners Held four meetings with Senior Management of the SAPS Commercial Crimes Unit on co-operation 13 Affidavits drafted and matters reported to law enforcement agencies Four contacts concluded with referral partners Held four meetings with Senior Management of the SAPS Commercial Crimes Unit on co-operation	
	Proposed legislative amendment submission	Explanatory memorandum developed for amendments to the Act and Regulations Proposed amendments developed and approved by Exco Inputs compiled within two weeks of draft amendments (issued by Policy and Regulation) being released for comments Inputs compiled within two weeks of the release of final amendments		The draft proposal of the proposed amendments to the Liquor Act has been prepared for approval	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
		Research on whether and how the Intellectual Property (IP) system is a constraint in various areas	Research report recommendations approved by EXBO	Project plan the dti research committee approval	
	75% of all new applications finalised by March 2009 90% of new transfers and relocations finalised by March 2009	The number of finalised applications. Average turnaround time of 30 days from date of receipt for relocations and alterations Average turnaround time of 90 days from date of receipt for all other applications Monthly and quarterly statistical and status reports	Quarterly 75% of new applications finalised	100% of all new matters finalised National Liquor Authority (NLA) finalised backlog of 811 license conversion applications submitted between 2005 and 2007 237 new license applications, transfers and relocation applications finalised All new applications submitted in 2008 financial year finalised A few applications awaiting signature for issuing of certificates	Backlog existed for too long without assessment of reasons Cases not allocated timeously, and progress on matters not managed properly
	Advisory Opinions Clarifications Telephonic and walk in assistance provided Information circulars Presentations on request	Advisory Opinions finalised within 2 weeks of receipt Clarifications within 5 days All other enquiries within 24 hours	As and when requested by business/ industry/ media	All items delivered within service delivery standards Advisory opinions: 35 Clarifications: 30 Telephonic enquiries: 21 One presentation: Two information circulars & three guideline documents Three media releases:	
	Liquor Regulation conference	Best practice report 250 attendees 4 regional presenters 2 international presenters	Procurement submission inclusive of terms of reference for events management	Conference held reaching 200 people	

PROGRAMME 5: THE ENTERPRISE ORGANISATION (TEO)

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
TEO					
New Incentive Development	Reintroduce (tax) incentives to attract strategic investment	Set up project team and terms of reference; appoint consultant and do field work followed by analysis, reports; workshops and presentations; sign off recommendations and design incentive Obtain EXBO approval Obtain Minister's approval	Reintroduce (tax) incentives to attract strategic investment	Proposals on new Tax incentive developed by the dti and National Treasury and consolidated Designed regulations for Tax Incentive, released for comments and consultations with industry Final approval to be finalised	Awaiting public to be approved by Minister
	Design new Competitiveness Promotion Incentives	Set up project team and terms of reference; appoint consultant and do field work, followed by analysis, reports, workshops and presentations; sign off recommendations and design incentive Obtain EXBO approval; Obtain Minister's approval	Design new Competitiveness Promotion Incentives	Competitiveness Fund impact report analysed, draft proposal and guidelines designed. Consultations and presentations with industry held Not yet approved	Capacity constraints
	Introduce Amendments to the Critical Infrastructure Programme (CIP)	Set up project team and terms of reference; appoint consultant and do field work, followed by analysis, reports; workshops and presentations; sign off recommendations and design incentive Obtain EXBO approval; Obtain Adjudication Board's approval	Introduce Amendments to the Critical Infrastructure Programme (CIP)	Analysis of guidelines and review completed Design still to be finalised	Impact study only completed in fourth quarter

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
	<p>Approve performance indicators for all incentive schemes</p> <p>Performance Indicators for Strategic Industrial Projects (SIP), Enterprise Investment Programme (EIP), Film, Business Process Outsourcing (BPO), Black Business Supplier Development Programme (BBSDP), Critical Infrastructure Programme (CIP)</p>	<p>Research and analysis;</p> <p>Design and development;</p> <p>Testing</p> <p>Roll-out</p>	<p>Approve performance indicators for all incentive schemes</p> <p>Performance Indicators for SIP, EGP, Film, BPO, BBSDP, CIP</p>	<p>Project conceptualized and scoped. Necessary consultation with stakeholders completed</p>	<p>Capacity constraints</p>
Industrial Development Zones (IDZs) programme	<p>IDZ specific Incentives to be finalised by March 2009</p>	<p>Inputs to Product Development (PDU) to develop IDZ specific incentives</p>	<p>IDZ specific Incentives to be finalised by March 2009</p>	<p>An IDZ Summit was held in August 2008 and an action plan was drafted where it was decided that IDZ Incentive development will be part of a greater IDZ action plan implementation in 2009/10</p>	<p>The process was temporarily put on hold to get inputs from the IDZ Summit in August 2008. The IDZ Action plan drawn out of the Summit recommended that the development of the incentive be part of the entire action plan to be implemented in 2009/10</p>
	<p>Phase one (April 2008 – August 2008): Draft Framework for an appropriate Funding Model for IDZs</p> <p>Phase two (August 2008 – March 2009): Approved Funding Model for IDZs</p>	<p>Inputs to a contracted Service Provider to develop an appropriate framework for funding options for the CDC</p> <p>Coordination with other stakeholders and departments</p> <p>Implementation Plan of the report to be finalised with National Treasury</p>	<p>Phase one: (April 2008 – August 2008): Draft Framework for an appropriate Funding Model for IDZs</p> <p>Phase two (August 2008 – March 2009): Approved Funding Model for IDZs</p>	<p>Consultation with National Treasury was done and a draft framework was presented during the IDZ Summit held in August 2008</p> <p>A preliminary report/ model was completed in January 2009 and further consultation with National Treasury is required to finalise the report</p>	<p>Further consultation with National Treasury is required</p>

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
	Funding agreements signed with the Coega Development Corporation (CDC), East London Industrial Development Zone (ELIDZ) operators by June 08 and with Richards Bay Industrial Development Zone (RBIDZ) before August 08	Funding Agreements Disbursements of IDZ Funds in line with Business Plans and requirements of funding agreements	Quarter one: Complete signing of funding agreements for CDC and ELIDZ on the basis of approved Business Plans Quarter two to quarter four: Process and finalise disbursements in line with funding agreements and approved cash flow projections Quarter two to quarter four: Ongoing monitoring of disbursements and compliance	Funding agreements with both Coega and the ELIDZs were concluded and funds were disbursed accordingly Expenditure for CDC and ELIDZ was fully monitored and the entities submitted the quarterly expenditure reports	
	Assessed Business Plans for the IDZ entities by June 2008 Award Permits to Richards Bay Industrial Development Zone (RIDZ), Johannesburg International Airport –Industrial Development Zone (JIA-IDZ), Mafikeng Industrial Development Zone (MIDZ) by March 2009. (Part of the MTSF presentation)	Business Plans linked to funding requirements IDZ Permit applications (RBIDZ, JIA IDZ and Mafikeng) in compliance with requirements of the IDZ Regulations	Assessed Business Plans for the IDZ entities by June 2008. Award Permits to RBIDZ, JIA-IDZ and MIDZ by March 2009	The business plans of all the existing IDZs were evaluated. No permits were awarded due to outstanding information from applicants	The business plan for MIDZ was received and assessed. Follow-up information was requested. There were logistical challenges on the part of Gauteng province in finalising the application. Outstanding compliance issues for RBIDZ delayed the finalization of the application.
	Coega Development Corporation (CDC) Quarterly compliance with the IDZ requirements Compliance with the Funding Agreement (Part of the MTSF presentation)	Monitoring and reporting on compliance matters by the IDZ Operator on a monthly and quarterly basis Assessment Report of the CDC Quarterly Progress Report within 10 working days of receipt of a Report, and compile a brief assessment report	Coega Development Corporation (CDC) Quarterly compliance with the IDZ requirements Compliance with the Funding Agreement.	A total of R718,4 m transferred to Coega by 31 March 2009. Quarterly reports on Coega were received and compliance to Regulatory and Funding Agreement requirements checked on a regular basis	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
	<p>East London IDZ (ELIDZ)</p> <p>Quarterly compliance with the IDZ requirements</p> <p>Compliance with the Funding Agreement</p>	<p>Quarterly compliance with the IDZ requirements</p> <p>Compliance with the Funding Agreement</p>	<p>East London IDZ (ELIDZ)</p> <p>Quarterly compliance with the IDZ requirements</p> <p>Compliance with the Funding Agreement.</p>	<p>Quarterly reports on ELIDZ were received and analyzed</p> <p>The ELIDZ Business Plan for 2009/10 was received in March 2009</p> <p>A total amount of R154 030 000 has been transferred to ELIDZ up to 31 March 2009.</p>	
	<p>Richards Bay IDZ (RBIDZ)</p> <p>Operator Permit by May 2008</p> <p>Quarterly compliance with the IDZ requirements</p> <p>Monitor implementation of Audit Report Recommendations (Part of the MTSF presentation)</p>	<p>Land agreements with RBIDZ entities who own the land outside of the IDZ control</p> <p>Final Business Plan of RBIDZ</p> <p>Recommendations to the MDB for issuing of an Operator Permit to RBIDZ on the basis of a completed permit application and a Business Plan in the prescribed business plan format.</p>	<p>Richards Bay IDZ (RBIDZ)</p> <p>Operator Permit by May 2008</p> <p>Quarterly compliance with the IDZ requirements</p> <p>Monitor implementation of Audit Report Recommendations</p>	<p>Interaction with the CEO of RBIDZ and the Board made in writing regarding outstanding matters.</p> <p>Compliance issues not finalised yet.</p> <p>Draft business plan completed and TEO made inputs to it. However, operator permits could not be issued due to outstanding issues</p>	<p>An operator permit still not issued to RBIDZ due to outstanding compliance issues that are currently addressed at high level with the RBIDZ Board.</p> <p>Other issues such as the land ownership and implementation of the Audit Report recommendations still outstanding.</p>
	<p>Re-designation of JIA IDZ as ORTIA IDZ and issue Operator Permit</p> <p>Facilitate the establishment of the Jewellery Manufacturing Precinct, as Phase 1 of the IDZ</p>	<p>Assessed and approved application for designation of an IDZ</p> <p>Operator Permit within four months of receipt of a completed Application with a business plan.</p> <p>Implementation of the Jewellery Manufacturing Precinct as the first phase of the IDZ</p>	<p>Re-designation of JIA IDZ as ORTIA IDZ and issue Operator Permit</p> <p>Facilitate the establishment of the Jewellery Manufacturing Precinct, as Phase 1 of the IDZ</p>	<p>Draft applications have been received and assessed and inputs given by the Department</p> <p>Revised Operator Permit application is expected to be completed in May 2009</p>	<p>Progress is dependent on receiving the complete application from Gauteng Department of Economic Development (GDED).</p>
	<p>Presentation on recommendations to TEO and EIDD DDGs and to EXBO by July 2008.</p>	<p>Benchmarking Report on IDZs</p>	<p>Presentation on recommendations to TEO and EIDD DDGs and to EXBO by July 2008.</p>	<p>The international Benchmarking report on Philippines, Malaysia and Taiwan was completed.</p> <p>Further discussion of the report and other IDZ policy matters were discussed in the IDZ Summit held in August 2008</p> <p>An action plan was developed to implement recommendations and will be presented to EXBO beginning of 2009/10 financial year.</p>	<p>Delays in getting inputs from other stakeholders</p>

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
	Economy wide impact analysis of the IDZs	Develop terms of reference to appoint consultants to conduct the study. Establish a reference team to assist in the process. Impact Assessment Report	Economy wide impact analysis of the IDZs	An impact assessment report was finalised by end of March 2009	
Critical Infrastructure Programme	10 approved investment projects with a total value of R5 billion	Valid and complete applications for infrastructure support will be evaluated and presented to the Board within 60 days of receipt. Contracts issued within 30 days of Board Approval.	10 approved investment projects with a total value of R5 billion	Eight investment projects were approved with a total value of R28 billion.	Target exceeded in terms of the value of investments leveraged
	10 contracts issued Letters for declined applications issued	Contracts issued within 30 days of CIP Board's approval Declined applicants informed within 14 days of the CIP Board's decision	10 contracts issued Letters for declined applications issued	Five approval letters/ contracts were issued	The initial target was 10 but only eight were approved due to budget constraints
	Valid claims processed and paid	Evaluate claims within 30 days of receipt	Valid claims processed and paid	Claims paid to date amount to 99,9% of the total annual Budget	
	Annual report Quarterly reports	Quarterly reports per approved projects	Annual report Quarterly reports	Quarterly reports received	Could not publish quarterly reports as planned due to internal logistical challenges
	CIP Promotion Strategy	Engage Business Development Unit (BDU), and approval from Chief Director	CIP Promotion Strategy	The promotion strategy was finalised	
	CIP Signed-off Survey	Terms of reference drafted, and approval by Chief Director	CIP Signed-off Survey	The survey was finalised as part of the impact assessment for the CIP	
	Amended guidelines, in line with NIPF and BBBEE codes by end of March 2009	Brief Product Development Unit (PDU) on the proposed amendments	Amended guidelines, in line with NIPF and BBBEE codes by end of March 2009	Guidelines amended as planned	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
	Impact Assessment Report	Draft Terms of Reference and appointment of the Service provider Continuous inputs during the study phase Assessment Report on the impact of CIP by September 2008	Impact Assessment Report	Final reports submitted in March 2009	
DEPP	Two approved applications in line with priority sectors as identified by NIPF, as per allocated electricity by Eskom	Complete applications presented to the adjudication committee within 60 days of receipt No less than R2 billion worth of economic investment supported	Two approved applications in line with priority sectors as identified by NIPF, as per allocated electricity by Eskom	No new application assessed in fourth quarter	1 application worth over R1.4 billion but was not finalised because of the energy crisis
	DEPP Report on compliance project in operations	Consumption within the DEPP Specified range	DEPP Report on compliance project in	No monitoring as the approved project has not yet commenced	the dti in high-level negotiations with Eskom for the allocation of power for the ALCAN Project Delay by Eskom

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
Investment Projects	Provide investment support by means of financial and non-financial intervention	Evaluate the project's business plan and determine options Refer and monitor the projects to the relevant internal and external stakeholders. Record the decisions Align incentives programmes or other available products	Investment support through financial and non-financial intervention	Phyto Energy- Considering Berlin as a location, looking at providing technical support through project management assistance Rainbow Renewable- Awaiting response from the shareholders on the way forward Eskom cancelled the nuclear energy procurement plan Ford Suspended processing of application for training under SWEEP as per FORD's request Discussion with Ford on going on investment project funding relating to engine plant and T6 Investment Nissan Awaiting supports for the bumper, paint and waxing facilities General Motors Awaiting support for PGM funding Discussion ongoing on assistance package to the auto industry to deal with economic downturn Discussion ongoing regarding the drafting and structuring on the new Automotive Investment Scheme to assist automotive investments	Delay caused as a result of soil contamination Delay caused by delayed response from shareholder/ investor Project with AREVA and Westinghouse through the Eskom procurement plan at this stage not going ahead Ford Urgent need of financial support in taking investment project forward Awaiting ITAC's decision to the PAA application by April Awaiting response from IDC by end of May Not original part of business. However part of automotive task team structuring the package Not originally part of the business plan. However, implementation date on track for 1 July 2009
Investment Projects	Support priority sectors in line with IPAP and AsgiSA priority sectors	Align incentives programmes or other available products	Proactive interaction with PG Bison on the supply of particleboard to SMMEs Interaction with Ford to sustain the local production of engines and assembling of vehicles Interaction with Pulp United on establishment at Richards Bay IDZ Assist with the establishment of new steel mills	Support provided to at least more than 5 projects through TEO Incentives and interacting with IDC	

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
			Location of the investments in the IDZs	Agro-processing Discussions were held with CAPETAINER and EIDD about the possible reconsideration of the location from Paarl to Coega IDZ.	
Investment Projects	Support priority sectors in line with IPAP and AsgiSA priority sectors			Chemical and Pharmaceuticals Coega Chemicals secured a technology partner as well as a shareholder/ investor from Russia following the feasibility study visit to Russia and Ukraine WESGRO assisting Coega Chemicals with land identification On going discussion with BASF a major world chemical company considering a joint venture in South Africa is taking place Rainbaxy/ Deetabs being assisted to secure support from CIP, EIP and energy IDC is considering supporting Ithemba labs-for R&D as well as trial testing for multi resistant strain TB drug with funding following interaction COGNIS - Withdrawal of Unilever will change shareholding and delay implementation	Potential investor to replace Unilever is considering the project
Investment Projects	Support priority sectors in line with IPAP and AsgiSA priority sectors			Capital equipment Discussions with PBMR on localization of nuclear components ongoing Support NECSA with skills development. Funding request being finalised	Changes in strategy may delay implementation Not initially on business plan, but funding request processed completed together with EIDD
				Metal and Allied Task team provided support to RNT's in taking the project forward The metals task team identified 3 potential sites for steel production and discussion on this continuing	Energy constraints and commodity prices decline more that 50% Potential challenges around technology identified by IDC Meeting with EXARRO on provision of raw materials

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
Investment Projects			Location of investors to the IDZs	Pulp, paper and furniture Pulp united was able to secure energy allocation after interaction with Eskom	
Investment Projects	Establish linkages between mega/ large projects and medium enterprises	Obtain buy-in of relevant stakeholders (verbally and in writing) and ensure alignment of the geographic strategy	Development of the chemical hub with Richards/B mineral and Aflourco(FEI) Finalize the establishment of the Re-melting facility with BHP Billiton Coega Aluminium Smelter to leverage downstream beneficiation	The TEO funded pre-feasibility study completed and potential downward linkages identified, i.e the HCI and Fluoropolymers plants whose output will have application in the automotive, construction, medicine, household, and industrial components. EIDD will provide funding for dedicated studies of the different downward linkages	Finalisation of the land for locating the projects has delayed
Incentive Administration	Administer the Manufacturing Investment Programme and Tourism Incentive	Turnaround time achieved Administer the Manufacturing Investment Programme and Tourism Incentive	Turnaround time 90 days 21 approved applications and 1 070 potential jobs created Projected investment R 906 million in projected investment	IT programme not 100% in place which has a negative effect on the turnaround time	
	Administer the SFFP Process applications within 30 days of receipt	Turnaround time achieved	Administer the SFFP Process applications within 30 days of receipt	Average turnaround time 30 days 37 applications received 26 applications approved 11 not approved 4 674 jobs created R1.1 million in investment	
	Processing, checking and payment of first, reconciliation and quarterly claims for SMEDP programme	300 claims processed per month	3 600 claims paid R660 million paid in claims	4 519 claims processed R977 million paid in claims (Allocated budget R854 million plus additional budget of R123 million)	Target exceeded
	Manage and monitor the SIP Programme	Evaluation of each progress report to be concluded within 30 days of receipt Undertake site visits when required Present 45 reports to Adjudication Committee meetings Prepare Parliamentary report	45 projects monitored	45 projects monitored R9 231 846 709 in investment Turnaround times achieved R294 371 762 spent on infrastructure R2 017 576 897 in SMME support 8 446 direct jobs created 19 545 indirect jobs created Draft report finalised	Achieved all targets

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2009

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
	Manage the Film Production Incentive	Process and evaluate provisional applications within 6 weeks of receipt Final application within 6 weeks Payment within 3 weeks	32 Foreign productions 60 Local productions 92 payments	45 Productions approved (31 local and 14 foreign) 23 Claims paid (12 SA and 11 foreign) Turnaround time of three weeks	Full budget committed although fewer applications were received
	Manage EMIA Individual Exhibitions Process 400 applications Process 350 claims	Process applications within 15 working days Notification to EMIA applicants within 20 working days Process claims within 20 working days	400 applications 350 claims	375 applications approved Commitment R19,9 million Turnaround times achieved 291 claims paid 100% budget disbursed	Full budget disbursed
	Manage EMIA Primary Market Research and FDI Process 15 applications Process 10 claims	Process applications within 15 working days Notification to EMIA applicants within 20 working days Process claims within 20 working days	15 Applications 10 Claims	28 applications approved Committed R996 225 Turnaround times achieved 11 claims paid 100% budget disbursed	
	Manage EMIA Individual Inward Missions Process 4 applications Process 4 claims	Process applications within 15 working days Notification to EMIA applicants within 20 working days Process claims within 20 working days	Four applications Four claims	Two applications approved Committed R33 939 Turnaround times achieved One claim paid	Few applications received
	Manage Sector Specific Assistance Scheme (SSAS) Project Funding Process 30 applications Process 25 SSAS claims	Process applications within 15 working days Notification to SSAS applicants within 20 working days Process claims within 30 working days	Manage Sector Specific Assistance Scheme (Project Funding) Process 30 applications Process 25 SSAS claims	Approved 20 applications Committed R12 401 940.58 54 claims paid	Increased interest from sectors 100% budget disbursed

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2009

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
	<p>Manage SA Capital Goods Feasibility Study Fund (SACGFSF)</p> <p>Process four applications</p> <p>Process four claims</p>	<p>Process applications within 12 working days</p> <p>Notification to applicants within 20 working days</p> <p>Process claims within 30 working days</p>	<p>Four applications</p> <p>Four claims</p>	<p>Approved six applications</p> <p>Committed R8.9 million</p> <p>Four claims paid</p> <p>100% budget disbursed</p>	
	<p>Administer the BPO&O incentive programme</p> <p>Provide assistance for companies participating in the BPO&O programme</p> <p>Evaluate and recommend 26 – 34 projects to the AC, within 6 weeks of receipt</p> <p>Process 18-26 claims, within 20 working days of receipt</p> <p>Conduct 18-26 site visits</p>	<p>Number of projects and claims processed for the period</p> <p>Turnaround times</p>	<p>26 - 34 applications</p> <p>18 - 26 claims</p>	<p>17 applications approved</p> <p>Commitment R439 million</p> <p>Turnaround times achieved</p> <p>10 claims paid</p> <p>R1,1 billion investment</p> <p>4 337 jobs created</p> <p>4 239 seats created</p> <p>95% budget disbursed</p>	<p>Full budget committed although fewer applications were received</p>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2009

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
	<p>Administer the BSBDP Programme</p> <p>Process and approve 2 310 applications</p> <p>1 386 Corporate Identity</p> <p>529 Training applications (in business management tendering)</p> <p>231 Software applications (3 dimensional software, quickbooks)</p> <p>95 Quality improvement applications (product improvement to be in line with SABS substandard)</p> <p>69 business plans</p> <p>Process 2 135 claims</p>	<p>Applications to be processed within 15 working days of receipt</p> <p>(Adjudicate each application within 10 working days to maintain the turn-around time of three weeks)</p> <p>Grant Claims to be processed within 30 days from receipt</p> <p>Network Facilitator Claims to be paid within 20 days from receipt</p>	<p>Administer the BSBDP Programme</p> <p>Process and approve 2 310 applications</p> <p>1 386 Corporate Identity</p> <p>529 Training applications</p> <p>231 Software applications</p> <p>95 Quality improvement applications</p> <p>69 business plans</p> <p>Process 2 135 claims</p>	<p>Turnaround times for processing applications: 3 weeks</p> <p>Adjudication application within 10 working days</p> <p>1 625 approved applications to the value of R54 917 609 million</p> <p>Budget depleted and virement of R2 million was disbursed by 31 March 2009</p> <p>Claims processed within 30 of receipt</p> <p>Increase by fourth quarter</p> <p>Western Cape 3.6%; Eastern Cape 2.7%; Free State 3.6%; Limpopo 10.8%</p> <p>Processed Network Facilitator claims within 10 working days</p> <p>by Q4 Reduced Marketing Material by 5%. Increased Software by 3.2%; BP and Quality Improvement by 1%.Unit has been understaffed</p> <p>Unit uncovered fraudulent claims. Staff had to prepare application and claim files for forensic auditing</p>	
Incentive administration	<p>Administer CIS Programme</p> <p>Process 300 applications</p> <p>Approve 45 applications</p> <p>Provide further assistance to non-qualifying applications</p> <p>Process 45 claims pa</p>	<p>Process applications within 15 working days</p> <p>Notification to CIS applicants within 20 working days</p> <p>Process claims within 20 working days</p>	<p>Q1-Q4</p> <p>300 Applications</p> <p>45 Claims</p>	<p>Approved 93 applications</p> <p>Committed R14,6m</p> <p>Turnaround times achieved</p> <p>51 Co-operatives paid</p> <p>101 suppliers paid</p> <p>255 assistance was provided to 255 Co-operatives</p> <p>100% budget disbursed</p>	Capacity constraints
	Develop an IDZ Act (Building on work done in 2007/08)	Bill submitted to Cabinet	Develop an IDZ Act (Building on work done in 2007/08)	No progress to report	Delay in the finalisation of IDZ Policy

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2009

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
	Amendment of the Manufacturing Development Act (Building on work done in 2007/08)	Bill submitted to Cabinet	Amendment of the Manufacturing Development Act (Building on work done in 2007/08)	No progress to report	Delay in the finalisation of Manufacturing Development Policy
	Manage walk-in clients	80% of clients assisted no later than 10 minutes of arrival 70% service satisfaction (A) 80% satisfaction with information content (A) Follow-up assistance to prospective clients	Service quality report	10 973 walk-in clients assisted 11 227 electronic consultations/enquiries attended to	
	Administer Royalty Payments	All received applications processed and approved within three working days of receipt Turnaround times maintained	Process and approve 396 applications	287 applications approved	Received fewer applications this year, this could be a direct result from the current economic crunch. Applications are for the manufacturing sector
	90 solicited information-sharing workshops 50 targeted audience workshops to be organised (50+ to attend each)	10 workshops solicited per province Four workshops organised per province	15 solicited workshops 10 organised workshops 80% acceptance of invitations to present on the dti products	118 solicited workshops 86 targeted audience workshop 14 663 people reached 85% acceptance of invitations	
	Provide one-on-one technical assistance with completion of forms	Clients to be assisted with the following applications: 200 BBSDP 100 CIS 100 SMEDP 50 EMIA 100 New Tourism 50 Food Fortification Five CIP Five BPO&O Four film Five Capital Goods	First quarter 150 Second quarter 200 Third quarter 150 Fourth quarter 100	1 618 clients assisted with completion of application forms for EMIA, BBSDP, CIS and SMEDP	

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2009

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASON FOR DEVIATION
Estimate of National Expenditure (ENE)	Number of jobs created through incentives developed and administered		10 737	5 407	
	Number of firms assisted with incentives		4 260	562	
	Number of companies assisted with black business supplier growth programme		1 320	1 625	
	Number of foreign investors located in the Coega IDZ		14	3	None
	Total value of investment		R8.6 billion	R130 million	Economic decline
	Number of further investors expected		-	2 318 jobs	None
	Total value of investments		-		
	Number of foreign investors located in the East London IDZ		7	10	None
	Total value of investment		R850 million	R344 million	None
	Number of jobs created		-	1 857	Decreased demand
	Number of further investors expected		-	0	
	Total value of further investments		-		
	Number of foreign investors located in the Richards Bay IDZ		6	0	No deals concluded
	Total value of investment		R2.4 billion	0	No deals concluded

PROGRAMME 6: TRADE AND INVESTMENT SOUTH AFRICA (TISA)

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
TISA					
Investment Promotion and Facilitation	Produce 20 high-quality general and customised presentations and sector profiles	Number of presentations and profiles on the database	Produce 20 high-quality general and customised presentations and sector profiles	30 presentations developed including sector profiles	More requests than anticipated
	A project pipeline value of R 100 billion by March 2009	Number of projects on the system`	R100 billion of projects	Project pipeline of R46.5 billion on the system	Current global financial crisis More effort is spent retaining existing investment and projects
	90 Investment presentations Four investment pavilions Five Ministerial or Presidential Missions 20 Inbound missions 12 Outbound missions Six technical missions One local international investment conference by March 2009 Three international Investment conferences	Number of presentations made: pavilions seminars missions Investment conferences arranged	90 Investment presentations Four investment pavilions Five Ministerial or Presidential Missions 20 Inbound missions 12 Outbound missions Six technical missions One local international investment conference by March 2009 3 International Investment conferences	<ul style="list-style-type: none"> • 52 Investment presentations • Five investment pavilions • Six Ministerial or Presidential Missions • 20 Inbound missions • 13 Outbound missions • One technical mission • One local international investment • Three international investment conferences 	More effort is spent on one-on-one meetings with investors on facilitation issues and servicing 2007/08 and 2008/09 pipeline due to financial global crisis and lack of incentives
	Approved branding and image strategy with the International Marketing Council	Approved strategy by 31 March 2009	Approved branding and image strategy with the International Marketing Council	Rolled – out of approved strategy to stakeholders	
	Develop methodology for investor targeting	Identify and meet with SA and locally based foreign companies with potential to expand into the continent	Develop methodology for investor targeting	No progress	Lack of capacity which is being addressed through an organisational design exercise currently conducted

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SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	48 investor company visits and four networking events by March 2009	Number of investor visits and networking events held	48 investor company visits and four networking events by March 2009	25 companies visited 1 networking event	Currently applications are being received by three provinces due to lack of coordination between Home Affairs HQ & Home Affairs Regional Offices Networking events have been reduced due to joint initiatives with Home Affairs such as the creation of the large account unit with Home Affairs
	Finalisation of TISA's Africa strategy and action plan	Ensure all relevant stakeholder inputs are solicited	Finalisation of TISA's Africa strategy and action plan	No progress	Lack of capacity which is being addressed through an organisational design exercise currently conducted
	Domestic Investment Strategy and Action Plan developed and approved	Approved strategy and action plan	Domestic Investment Strategy and Action Plan developed and approved	No progress	Lack of capacity which is being addressed through an organisational design exercise currently conducted
	Key projects included in the investment pipeline Identification of corporate expansions Identification of potential forward and backward linkages into the economy Promotion and facilitation of secondary industry opportunities	Number of projects in pipeline	Key projects included in the investment pipeline Identification of corporate expansions Identification of potential forward and backward linkages into the economy Promotion and facilitation of secondary industry opportunities	No progress	Lack of capacity which is being addressed through an organisational design exercise currently conducted
	Develop targeted approach to outward investment promotion	Meet with stakeholders including member states' IPAs and other stakeholder institutions	Develop targeted approach to outward investment promotion	Coordination meetings held quarterly with key stakeholders such as the IPAs (General Managers & CEO Forums) to ensure a targeted approach	Unit to be capacitated to ensure better implementation of targeted approach
	Develop strategy to promote strategic expansion of domestic investment	Approved strategy and action plan	Develop strategy to promote strategic expansion of domestic investment	No progress	Lack of capacity which is being addressed through an organisational design exercise currently conducted

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PERFORMANCE INFORMATION for the year ended 31 March 2009

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	Implementation of the investment strategy according to the five themes	Number of themes implemented	Implementation of the investment strategy according to the five themes	No progress	Lack of capacity which is being addressed through an organisational design exercise currently conducted
	President's International Investment Council - two IIC meetings	Number of meetings held Project plan drafted Number of statements reconciled	President's International Investment Council - two IIC meetings	Two International Investment Council (ICC) meetings held	
Export Development and Promotion	23 National Pavilions and two local pavilions at international trade fairs abroad and in South Africa	Number of pavilions successfully managed	23 National Pavilions and two local pavilions at international trade fairs abroad and in South Africa	24 Foreign National Pavilions and two local pavilions took place during this period	The India International Technology Fair pavilion was added to the list
	Overall organisation and management of EMIA funded trade missions	Number of missions managed. Amount of budget spent.	50 missions managed	54 Missions took place until 31 March 2009	The following ad-hoc Missions were accommodated: - ITI DRC - Swedish IIM - GEDA IBM - Design Indaba IBM
	EMIA workshops in each of the nine provinces Marketing of the EMIA Fund in at least eight national papers, export publications	Number of workshops held Number of adverts posted in newspapers Number of updates made on website	EMIA workshops in each of the nine provinces Marketing of the EMIA Fund in at least eight national papers, export publications	Nine workshops conducted until 31 March 2009 Four adverts were placed EMIA information was updated twice until 31 March 2009	Lack of funding
	Bi-annual update and review of EMIA regulations, benefits and offerings	Number of reviews conducted Number of copies of new rules distributed	Bi-annual update and review of EMIA regulations, benefits and offerings	Review and updates facilitated as stipulated by outputs	

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PERFORMANCE INFORMATION for the year ended 31 March 2009

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	<p>Regional Export Promotion Strategies and Action Plans</p> <p>Implementation of 38 project plans for strategies</p> <p>Monitoring and evaluation of export promotion projects</p>	<p>Number of projects implemented</p>	<p>Regional Export Promotion Strategies and Action Plans</p> <p>Implementation of 38 project plans for strategies</p> <p>Monitoring and evaluation of export promotion projects</p>	<p>35 Projects implemented and evaluated</p>	<p>Cancelled projects:</p> <p>ITI Spain – Postponed from March to June 2009</p> <p>SA Week Egypt – Cancelled by the Embassy</p> <p>SA Japan Business Forum – Export promotion participation cancelled, IMME</p> <p>India – The project was cancelled and its resources channeled to the IETF flagship event which was multisectoral</p> <p>MAHA Malaysia – Cancelled</p> <p>Additional projects implemented that were not part of the Business Plan include:</p> <p>IBM, Swedish Trade Council Workshop</p> <p>OSM to Zaragoza Expo</p> <p>India International Trade Fair (November 2008)</p> <p>Trade Promotion projects in Portugal (July 2008)</p> <p>Gender Unit Mission to Chicago, Goldfields Mining Expo (October 2008)</p> <p>OSM Belarus (November 2008), International Havana Trade Fair (November 2008)</p>
	<p>Provide export advice and information to 280 South African exporters</p>	<p>Number of enquiries addressed</p>	<p>Provide export advice and information to 280 South African exporters</p>	<p>260 enquiries addressed</p>	<p>The reduced number of enquiries from South African exporters was as a result of the depressed economic conditions in the latter part of the year</p>
	<p>140 trade leads collected and disseminated</p>	<p>Number of trades collected</p> <p>Number of trade leads disseminated</p>	<p>140 trade leads collected and disseminated</p>	<p>515 trade leads</p>	<p>The greater number of events organised abroad, certain of which were major events lead to the far greater number of trade led to received</p>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2009

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	<p>Publications on the following key issues published and distributed:</p> <p>Country and market reports</p> <p>The three publications in the "Trade Secrets" series (update and re-print)</p>	<p>Number of publications printed.</p> <p>Number of publications distributed</p>	<p>Publications on the following key issues published and distributed:</p> <p>Country and market reports</p> <p>The three publications in the "Trade Secrets" series. (update and re-print)</p>	<p>Published and printed three country reports out of 10, namely:China, Brazil and Spain</p> <p>6 000 Trade Secrets Re-Printed (2 000 Quality Management, 3 000 Export Answer and 1 000 E-Commerce Books)</p> <p>1986 Trade Secrets CDs (Export answer book (823), Quality Mangement(703) and E-Commerce(460) were distributed during 2008/9 period</p>	<p>Information to compile country reports not received timeously</p> <p>Training of all new Foreign Economic Officers is now done on key subjects such intelligence gathering and report writing</p>
	<p>Quality and relevant trade information sourced , stored and provided to the dti and other clients</p>	<p>The quality of relevant trade information collected and made available for consultation and/ or dissemination</p>	<p>Quality and relevant trade information sourced , stored and provided to the dti and other clients</p>	<p>Management and sourcing of information handled effectively during the entire period. Network Information pieces also disseminated to the dti staff and FER's and totals 1 026 for the period</p>	
	<p>100% of all trade information collected disseminated to relevant clients</p> <p>Nine provincial workshops aimed at SMMEs and new exporters</p>	<p>Number and quality of customised and general information collected and disseminated to exporters and support organisations</p> <p>The relevance of the information provided</p> <p>Turnaround time</p> <p>Quality of the information provided</p> <p>Number of workshop participants</p>	<p>100% of all trade information collected disseminated to relevant clients</p> <p>Nine provincial workshops aimed at SMMEs and new exporters</p>	<p>100% off all trade information collected and disseminated to 130 network members, dti staff and FERs = 1026 pieces</p> <p>Nine provincial workshops were attended and participated in, in collaboration. with EMIA and TEO</p>	
	<p>Trade portal completed</p> <p>Integration of all trade information disseminated onto the trade portal</p>	<p>Appointment of service Provider</p>	<p>Trade portal completed</p> <p>Integration of all trade information disseminated onto the trade portal</p>	<p>Business Analyst report completed and received. Received tender proposals from devolopers in line with the SETA agreement. Tenders were evaluated, shortlisted and suitable candidated interviewed and recommendation submitted</p>	<p>Procurement of service provider took longer than anticipated</p>
	<p>Provisioning of trade and investment information on a virtual and in hard-copy format</p>	<p>Enhancement of information pool</p> <p>Relevance of available information</p> <p>Smooth management of subscription process for all subscriptions</p>	<p>Provisioning of trade and investment information on a virtual and in hard-copy format</p>	<p>Trade and investment on a virtual and hard copy format finalised</p>	

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
 PERFORMANCE INFORMATION for the year ended 31 March 2009

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	<p>Training and development programs implemented by international experts from Centre for Promotion of imports (CBI), International Trade Centre (ITC), Trade Facilitation Office Canada (TFOC), Swiss Import Promotion Organisation (SIPPO), USAID, United Nations, etc. in co-operation with TISA</p>	<p>Number of BSOs and exporters participated in training</p> <p>Number of new exporters participating in export development programs</p> <p>Level of assistance received by the dti and BSOs from international organisations</p> <p>Joint export development projects undertaken</p> <p>First to fourth quarters:</p> <p>Continue support and co-operation with the international organisations and implement the planned programs</p>	<p>Training and development programs implemented by international experts from CBI, ITC, TFO, SIPPO, USAID, UN, etc. in co-operation with TISA</p>	<p>Facilitated the identification of support organisations and exporters eligible for assistance. Co-operated with and assisted the international organizations (CBI) in the execution of 11 trade development programmes for the year as opposed to the usual number of four per year</p> <p>Training and development programmes implemented by international experts from CBI in co-operation with TISA – arranged and facilitated two additional workshops</p> <p>CBI coaching programmes – Arranged facilitated and managed four CBI/the dti workshops</p> <p>Entered the dti in the ITC World Trade Promotion Organisation Awards for 2008 in the category for developing countries</p> <p>South Africa was placed in the top five countries</p> <p>Also entered South Africa to host the World Trade Promotion Organisation in 2010</p>	
	<p>450 high potential trade leads</p> <p>12 Trade lead bulletins distributed</p> <p>10 high quality high potential leads per foreign office per year</p>	<p>Number of verified trade leads per annum</p> <p>Number of bulletins published</p> <p>Number of leads generated by foreign offices</p>	<p>450 high potential trade leads</p> <p>12 Trade lead bulletins distributed</p> <p>10 high-quality high potential leads per foreign office per year</p>	<p>318 trade leads were processed and distributed to South African exporters which was initiated by the foreign office</p> <p>12 trade lead bulletins were published and distributed to more than 800 subscribers</p> <p>An average of 7 trade leads (318/43) per foreign office was achieved during 2008/09</p>	<p>This could be attributed to little trade opportunity identification activity, which may have been caused by FERs returning to South Africa</p> <p>The deviation could be attributed to the fact that not all foreign offices generate trade leads</p>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
PERFORMANCE INFORMATION for the year ended 31 March 2009

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
	National Exporter Database - 100% functions moved to the Trade Portal	% of the trade portal operational	National Exporter Database - 100% functions moved to the Trade Portal	The development of an Exporter database was delayed	Delay in the appointment of a service provider
	Revised Sector Specific Assistance Scheme (SSAS) scheme rules	Number of board meetings attended Number of revisions made to scheme rules	Revised Sector Specific Assistance Scheme (SSAS) scheme rules	SSAS Generic Funding rules and guidelines were revised and approved in December 2008. They will be implemented from 1 April 2009	
	20 Export Council business plans approved Quarterly scorecards approved	Number of business plans approved Number of scorecards approved	20 Export Council business plans approved Quarterly scorecards approved	20 Export Councils business plans approved The quarterly scorecards received from all the Export Councils and approved	
	MOU signed with each Export Council	Number of MOUs signed	MOU signed with each Export Council	No MOUs were signed with the Export Councils	Impact Assessment of the Export Councils and a workshop on clustering for the Export Councils had to be undertaken before signing the MOU's with the Export Councils
	200 new small exporters in collaboration with SEDA, PIPAs, Export Councils, Chambers of Commerce, Provincial and Local Authorities, Industry Associations and international Trade development organisations such as CBI and others	Number of new small exporters trained	200 new small exporters in collaboration with SEDA, PIPAs, Export Councils, Chambers of Commerce, Provincial and Local Authorities, Industry Associations and international Trade development organisations such as CBI and others	84 new small exporters were trained in collaboration with SEDA during 2008/09	Funding became available during the last quarter of the financial year
International Operations	Full implemented Foreign Economic Office (FEO) Strategy	Number of offices opened and closed Number of staff appointed	Full implemented Foreign Economic Office (FEO) Strategy.	The Foreign Office Strategy approved The planning for assigning the FER candidates is based on the new strategy	
	Relationship with DFA - MOU signed in first quarter	Signed MOU	Relationship with Department of Foreign Affairs - MOU signed in first quarter	Draft MoU agreed by the two departments, awaiting signatures by the two accounting officers	Due to the complexity and the number of issues it took longer than expected to reach an agreement

PROGRAMME 7: MARKETING

SUB-PROGRAMME	OUTPUTS	PERFORMANCE INDICATOR	TARGET	ANNUAL PROGRESS	REASONS FOR DEVIATION
MARKETING					
Positioning of the dti and strengthening the dti image	100 events and exhibitions including izimbizo	Number of internal and external events/exhibitions held:	100 events and exhibitions including izimbizo	109	
Internal and external communication media, monitoring and publications	20 million	Number of economic citizens reached	20 million	N/A	No scientific approach applied
Outreach programme, conducted customer surveys manages access channels	95% of enquiries handled within 60 seconds	Turnaround time in handling enquiries	95% of enquiries handled within 60 seconds	90%	
	100% of queries answered	100% of queries answered	100% of queries answered	100%	



Annual Report 2008/09



Foreign Economic Representatives

ADDRESS LIST OF FOREIGN ECONOMIC OFFICES

EAST AFRICA AND SADC		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
ADDIS ABABA S A Embassy, Higher 23, Kebele 10, House No 1885, Addis Ababa, ETHIOPIA Postal address P O Box 1091, Addis Ababa, ETHIOPIA +1 HOUR	Ms Noncedo Mviko Counsellor (Economic) Vacant Marketing Officer Ms Anteneh Tula Admin Officer	T 00251 11 371 3034 / 3683 M 00251 911 25 2728 (Noncedo) 00251 911 50 4475 (Anteneh) F 00251 11 371 3682/1330 E econ.saemb@ethionet.et nmviko@thedti.gov.za
KINSHASA S A Embassy, 77 Avenue Ngongo Lutete, Gombe, Kinshasa, DEMOCRATIC REPUBLIC OF THE CONGO (DRC) Postal address Boite Postale 7829, Kinshasa 1, DRC 0 HOURS	Ms Zanele Sanni Counsellor (Economic) Vacant Marketing Officer	T 00243 M 00243 81 001 7980 F 00243 E zsanni@stelecom.cd rsatradeindrc@stelecom.cd
LUANDA SA Embassy, Rua Manuel Fernandes Caldeira 6B, Luanda, ANGOLA Postal Address: -1 HOURS	Vacant Counsellor (Economic) Vacant Marketing Officer	T 00244 222 33 0593 M 00244 912 510 304 F 00244 222 33 3830 E satrade.ang@ebonet.net
MAPUTO SA High Commission Avenida Eduardo Mondlane 41 Caixa Postal 1120 Maputo, MOZAMBIQUE 0 HOURS	Mr Meshack Mathye Counsellor (Economic) Mr Luis Labo Marketing Officer	T 00258 21 490547 x 264 M 00258 82 301 3781 (Meshack) 00258 84 398 7120 (Luis) F 00258 21 488896 E satrade@tropical.co.mz saeconomic@tropical.co.mz
NAIROBI SA High Commission, 5th Floor Roshmaer Building, Lenana Road, Kilimani, Nairobi, KENYA Postal Address: P O Box 42441, Nairobi, KENYA. +1 HOUR	Mr Sisanda Mtwazi Counsellor (Economic) Mr Gerald Ockotch Marketing Officer	T 00254 20 282 7000/7218 Direct M 00254 7222 07083 F 00254 20 282 7219/7236 E rsatrade@thedti.co.ke smtwazi@thedti.gov.za gockotch@thedti.gov.za

WEST AFRICA & MIDDLE EAST REGION

Mission	Economic Office Staff	Telephone / Facsimile / e-mail
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ASIA EAST REGION

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<p>HONG KONG (Also Macau)</p> <p>SA Consulate -General, 2706-2710 Great Eagle Centre, 23 Harbour Road, Wanchai, HONG KONG Postal Address:</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>	
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ASIA WEST REGION

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<p>KUALA LUMPUR (also: Philippines and Brunei)</p> <p>Suite 22-01, Level 22, Menara HLA, No 3 Jalan Kia Peng, 50450 Kuala Lumpur, MALAYSIA Postal Address: +6 HOURS</p>	<p>Vacant Counsellor (Economic) (x4039)</p> <p>Ms Yip Yoke Kim Marketing Officer (x1563)</p> <p>Ms Jackie Vee Trade secretary (x4177)</p>	<p>T 0060 3 2161 4177</p> <p>M 0060 12 220 7962 0060 12 238 9285 (Kim) 0060 17 365 0600 (Secretary)</p> <p>F 0060 3 2162 7767</p> <p>E saecon3@tm.net.my saecon5@tm.net.my</p>
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EUROPE 1 REGION

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<p>DUBLIN</p> <p>SA Embassy, 2nd Floor, Alexendra House, Earlsfort Centre, Earlsfort Terrace, Dublin 2 Postal Address:</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> <p>E</p>
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<p>MILAN</p> <p>South African Consulate -General, Vicolo San Giovanni, Sul Muro 4, 20121, Milano, ITALY Postal Address: Casella Postale 1468, 20101 Milano, ITALY</p> <p>-1 HOURS</p>	<p>Vacant Consul (Economic)</p> <p>Ms Mariacristina Bussani Marketing Officer</p>	<p>T 0039 02 885 8581</p> <p>M 0039 3483 333043</p> <p>F 0039 02 7200 2834</p> <p>E mbussani@thedti.gov.za fcollins@thedti.gov.za dtimilan@thedti.gov.za</p>
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EUROPE 1 REGION (continued)

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EUROPE 2 REGION

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AMERICAS REGION

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AMERICAS REGION

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AMERICAS REGION

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INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT DIVISION

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Annual Report 2008/09



Human Resources Oversight Report
for the year ended 31 March 2009

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)	Average Employment
Administration	345,522	87,282	4,405	26,821	25.26	78.00	1,119
International Trade and Economic Development	167,000	40,306	49	15,996	24.14	36.02	1,119
Enterprise And Industry Development	1,580,756	72,157	421	18,323	4.56	64.48	1,119
Consumer And Corporate Regulation	176,655	31,736	71	5,996	17.96	28.36	1,119
The Enterprise Organisation	2,400,699	49,092	590	7,194	2.04	43.87	1,119
Trade And Investment South Africa	310,233	85,898	130	12,774	27.69	76.76	1,119
Marketing	76,124	16,606	461	15,271	21.81	14.84	1,119
Z=Total as on Financial Systems (BAS)	5,056,989	383,077	6,127	102,375	7.58	342.34	

Employment include Periodical appointments eg Temporary workers, Interns and Board Members

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)	Average Number of Employees
Lower skilled (Levels 1-2)	1,057	0.3	96,091	383,077	11
Skilled (Levels 3-5)	5,307	1.4	123,419	383,077	43
Highly skilled production (Levels 6-8)	52,973	13.8	212,743	383,077	249
Highly skilled supervision (Levels 9-12)	175,412	45.8	445,208	383,077	394
Senior management (Levels 13-16)	97,523	25.5	799,369	383,077	122
Contract (Levels 1-2)	9	0	300	383,077	30
Contract (Levels 3-5)	1,217	0.3	152,125	383,077	8
Contract (Levels 6-8)	6,487	1.7	135,146	383,077	48
Contract (Levels 9-12)	5,461	1.4	390,071	383,077	14
Contract (Levels 13-16)	30,269	7.9	890,265	383,077	34
Periodical Remuneration	7,362	1.9	44,349	383,077	166
TOTAL	383,077	100	342,339	383,077	1,119

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	56,810	65.1	477	0.5	607	0.7	2,710	3.1	87,282
International Trade and Economic Development	26,255	65.1	105	0.3	358	0.9	1,078	2.7	40,306
Enterprise and Industry Development	46,891	65	68	0.1	336	0.5	1,973	2.7	72,157
Consumer and Corporate Regulation	20,872	65.8	0	0	241	0.8	885	2.8	31,736
The Enterprise Organisation	32,843	66.9	498	1	383	0.8	1,534	3.1	49,092
Trade and Investment South Africa	25,221	29.4	528	0.6	132	0.2	1,298	1.5	85,898
Marketing	10,621	64	0	0	64	0.4	358	2.2	16,606
TOTAL	219,513	57.3	1,676	0.4	2,121	0.6	9,836	2.6	383,077

Salaries relates to Basic Salary only and exclude S&W LRP Foreign

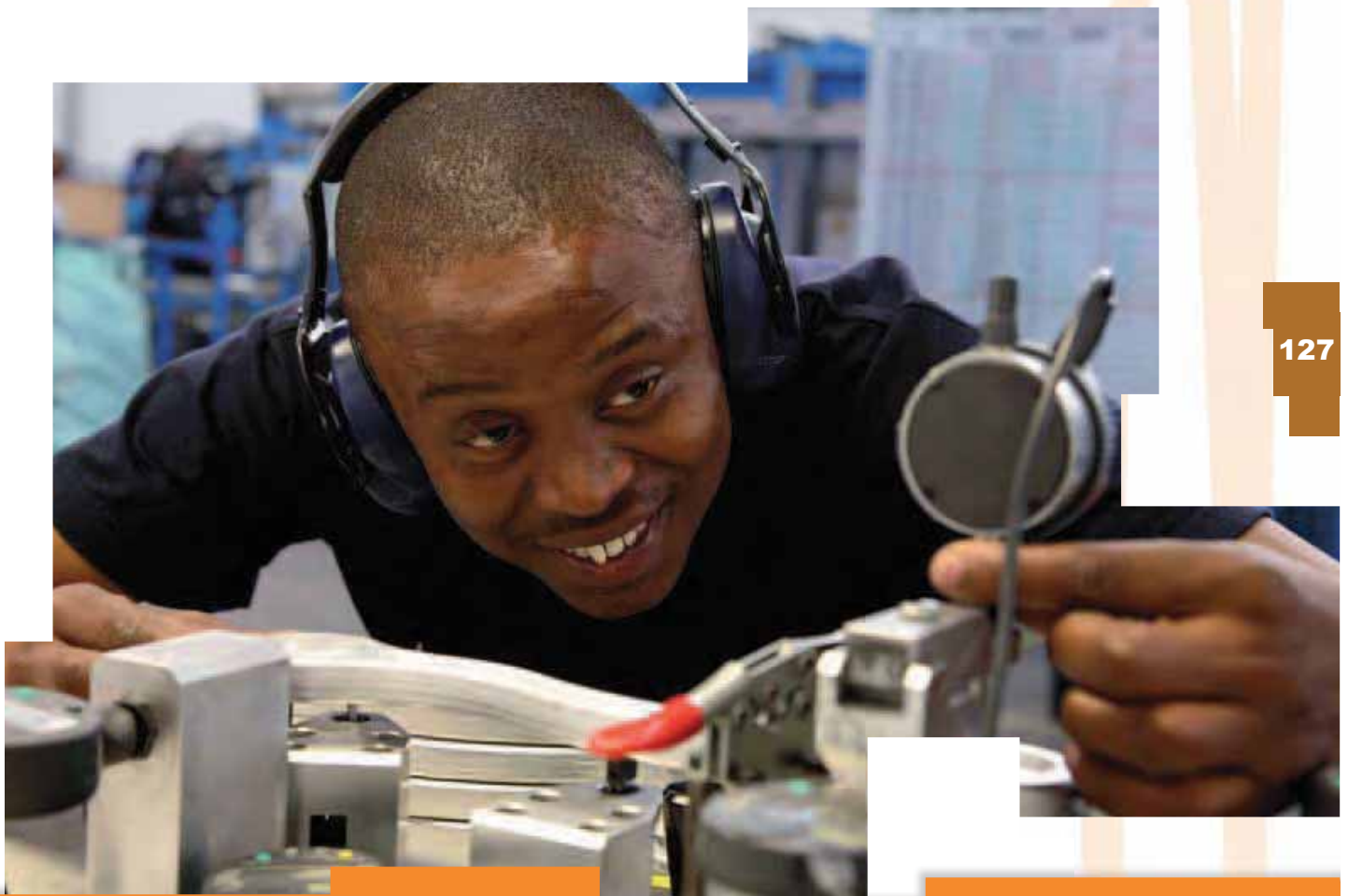


TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Lower skilled (Levels 1-2)	512	48.4	0	0	48	4.5	101	9.6	1,057
Skilled (Levels 3-5)	2,716	51.2	46	0.9	168	3.2	321	6	5,307
Highly skilled production (Levels 6-8)	28,105	53.1	1019	1.9	783	1.5	2,527	4.8	52,973
Highly skilled supervision (Levels 9-12)	99,166	56.5	529	0.3	881	0.5	4,651	2.7	175,412
Senior management (Levels 13-16)	59,215	60.7	0	0	149	0.2	1,811	1.9	97,523
Contract (Levels 1-2)	8	88.9	0	0	0	0	0	0	9
Contract (Levels 3-5)	887	72.9	1	0.1	0	0	0	0	1,217
Contract (Levels 6-8)	4,642	71.6	81	1.2	6	0.1	1	0	6,487
Contract (Levels 9-12)	3,408	62.4	0	0	0	0	39	0.7	5,461
Contract (Levels 13-16)	20,074	66.3	0	0	86	0.3	385	1.3	30,269
Periodical Remuneration	780	10.6	0	0	0	0	0	0	7,362
TOTAL	219,513	57.3	1,676	0.4	2,121	0.6	9,836	2.6	383,077

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	323	268	17	12
Consumer and Corporate Regulation, Permanent	111	90	18.9	3
Enterprise and Industry Development, Permanent	221	183	17.2	7
International Trade and Economic Development, Permanent	158	106	32.9	0
Marketing, Permanent	97	81	16.5	0
Ministry, Permanent	27	23	14.8	0
The Enterprise Organisation, Permanent	172	160	7	16
Trade and Investment South Africa, Permanent	121	96	20.7	10
TOTAL	1230	1007	18.1	48

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	14	13	7.1	0
Skilled (Levels 3-5), Permanent	55	48	12.7	1
Highly skilled production (Levels 6-8), Permanent	314	277	11.8	0
Highly skilled supervision (Levels 9-12), Permanent	579	447	22.8	0
Senior management (Levels 13-16), Permanent	174	128	26.4	0
Contract (Levels 3-5), Permanent	6	6	0	31
Contract (Levels 6-8), Permanent	41	41	0	14
Contract (Levels 9-12), Permanent	11	11	0	2
Contract (Levels 13-16), Permanent	36	36	0	0
TOTAL	1230	1007	18.1	48

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	288	235	18.4	36
Finance and economics related, Permanent	40	36	10	0
Financial and related professionals, Permanent	5	5	0	0
Financial clerks and credit controllers, Permanent	3	3	0	0
Food services aids and waiters, Permanent	1	1	0	0
Head of department/Chief executive officer, Permanent	1	1	0	0
Human resources & organisat developm & relate prof, Permanent	1	1	0	0
Human resources related, Permanent	29	25	13.8	0
Information technology related, Permanent	7	2	71.4	0
Legal related, Permanent	2	1	50	0
Library mail and related clerks, Permanent	4	4	0	0
Logistical support personnel, Permanent	17	17	0	0
Other administrat & related clerks and organisers, Permanent	5	5	0	0
Other occupations, Permanent	59	53	10.2	0
Secretaries & other keyboard operating clerks, Permanent	24	21	12.5	0
Security officers, Permanent	3	2	33.3	0
Senior managers, Permanent	213	168	21.1	0
Statisticians and related professionals, Permanent	1	1	0	0
Trade/industry advisers & other related profession, Permanent	527	426	19.2	12
TOTAL	1230	1007	18.1	48

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)	13	0	0	0	0	0	0
Contract (Levels 3-5)	6	0	0	0	0	0	0
Contract (Levels 6-8)	41	0	0	0	0	0	0
Contract (Levels 9-12)	11	0	0	0	0	0	0
Contract (Band A)	19	0	0	0	0	0	0
Contract (Band B)	12	0	0	0	0	0	0
Contract (Band C)	4	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	56	2	3.6	2	100.0	0	0
Highly skilled production (Levels 6-8)	314	8	2.6	8	100.0	2	25
Highly skilled supervision (Levels 9-12)	579	37	6.4	3	8.1	0	0
Senior Management Service Band A	142	16	11.3	0	0.0	0	0
Senior Management Service Band B	29	0	0.0	0	0.0	0	0
Senior Management Service Band C	3	0	0.0	0	0.0	0	0
TOTAL	1230	63	5.1	13	20.6	2	15.4

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

Beneficiaries	African	Asian	Coloured	White	Total
Female	15	1	1	3	20
Male	5	0	0	1	6
Total	20	1	1	4	26
Employees with a Disability	0	0	0	0	0

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
Senior managers, Permanent	1	14	15	Attraction and retention	1
Finance and economics related, Permanent	7	10	11	Section 197 of LRA	7
Finance and economics related, Permanent	1	11	13	Translation in to OSD	1
Finance and economics related, Permanent	1	11	12	Counter offer	1
Senior managers, Permanent	1	13	14	Attraction	1
Finance and economics related, Permanent	1	11	13	Lack of SMS position	1
Finance and economics related, Permanent	2	12	13	Counter offer	1
Percentage of Total Employment	1.4%				14

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	1	0	5	8
Male	3	1	0	2	6
Total	5	2	0	7	14
Employees with a Disability	0	0	0	0	0

EMPLOYMENT CHANGES

TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2008)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	13	0	0	0
Skilled (Levels 3-5), Permanent	53	12	2	3.8
Highly skilled production (Levels 6-8), Permanent	235	61	14	6
Highly skilled supervision (Levels 9-12), Permanent	409	71	61	14.9
Senior Management Service Band A, Permanent	97	16	17	17.5
Senior Management Service Band B, Permanent	21	0	3	14.3
Senior Management Service Band C, Permanent	5	0	0	0
Contract (Levels 1-2), Permanent	0	0	0	0
Contract (Levels 3-5), Permanent	0	7	1	0
Contract (Levels 6-8), Permanent	4	45	2	50
Contract (Levels 9-12), Permanent	15	7	1	6.7
Contract (Band A), Permanent	21	1	2	9.5
Contract (Band B), Permanent	12	0	3	25
Contract (Band C), Permanent	6	0	0	0
Contract (Band D), Permanent	2	0	0	0
TOTAL	893	220	106	11.9

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2008)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	161	116	35	21.7
Advocates, Permanent	2	0	1	50
Client inform clerks(switchb recept inform clerks), Permanent	2	0	0	0
Communication and information related, Permanent	1	0	0	0
Community development workers, Permanent	1	0	0	0
Custodian personnel, Permanent	1	0	0	0
Diplomats, Permanent	4	0	0	0
Economists, Permanent	4	0	0	0
Engineering sciences related, Permanent	1	0	0	0
Finance and economics related, Permanent	96	6	3	3.1
Financial and related professionals, Permanent	9	0	0	0
Financial clerks and credit controllers, Permanent	5	0	1	20
Food services aids and waiters, Permanent	3	0	0	0
General legal administration & rel. professionals, Permanent	1	0	0	0
Head of department/ Chief executive officer, Permanent	2	0	0	0
Human resources & organisat developm & relate prof, Permanent	5	0	0	0
Human resources clerks, Permanent	1	0	0	0
Human resources related, Permanent	22	5	1	4.5
Information technology related, Permanent	3	0	3	100
Legal related, Permanent	3	1	1	33.3
Librarians and related professionals, Permanent	1	0	0	0
Library mail and related clerks, Permanent	12	1	1	8.3
Light vehicle drivers, Permanent	1	0	0	0
Logistical support personnel, Permanent	16	2	1	6.3
Material-recording and transport clerks, Permanent	4	0	0	0
Messengers porters and deliverers, Permanent	6	0	0	0
Other administrat & related clerks and organisers, Permanent	7	0	0	0
Other information technology personnel., Permanent	1	0	0	0
Other occupations, Permanent	49	0	1	2
Regulatory inspectors, Permanent	2	0	1	50
Secretaries & other keyboard operating clerks, Permanent	22	4	0	0
Security officers, Permanent	3	0	1	33.3
Senior managers, Permanent	128	16	15	11.7
Statisticians and related professionals, Permanent	1	0	0	0
Trade/industry advisers & other related professionals, Permanent	313	69	41	13.1
TOTAL	893	220	106	11.9

TABLE 5.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment
Death, Permanent	1	0.94	0.1
Resignation, Permanent	88	83.02	8.7
Expiry of contract, Permanent	8	7.55	0.8
Dismissal-misconduct, Permanent	3	2.83	0.3
Retirement, Permanent	6	5.66	0.6
TOTAL	106	100	10.5
Resignations as % of Employment			
10.5			

TABLE 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2008)	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	161	23	13	100	62.1
Advocates	2	1	50	2	100
Client inform clerks (switch receipt inform clerks)	2	0	0	2	100
Communication and information related	1	1	100	1	100
Community development workers	1	1	100	0	0
Custodian personnel	1	0	0	0	0
Diplomats	4	1	25	0	0
Economists	4	1	25	2	50
Engineering sciences related	1	0	0	2	200
Finance and economics related	96	5	5.2	64	66.7
Financial and related professionals	9	1	11.1	7	77.8
Financial clerks and credit controllers	5	0	0	1	20
Food services aids and waiters	3	0	0	0	0
General legal administration & rel. professionals	1	0	0	0	0
Head of department/Chief executive officer	2	0	0	0	0
Human resources & organisat developm & relate prof	5	0	0	0	0
Human resources clerks	1	0	0	1	100
Human resources related	22	2	9.1	15	68.2
Information technology related	3	1	33.3	2	66.7
Legal related	3	0	0	0	0

Occupation	Employment at Beginning of Period (April 2008)	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
Librarians and related professionals	1	0	0	0	0
Library mail and related clerks	12	0	0	6	50
Light vehicle drivers	1	0	0	0	0
Logistical support personnel	16	0	0	9	56.3
Material-recording and transport clerks	4	0	0	1	25
Messengers porters and deliverers	6	0	0	1	16.7
Other administrat & related clerks and organisers	7	0	0	3	42.9
Other information technology personnel.	1	0	0	1	100
Other occupations	49	0	0	27	55.1
Regulatory inspectors	2	0	0	0	0
Secretaries & other keyboard operating clerks	22	1	4.5	10	45.5
Security officers	3	0	0	1	33.3
Senior managers	128	10	7	146	114.1
Social sciences related	0	0	0	0	0
Statisticians and related professionals	1	0	0	0	0
Trade/industry advisers & other related professionals	313	24	7.3	173	55.3
TOTAL	893	72	8.1	577	64.6

TABLE 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2008)	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	5	38.5
Skilled (Levels 3-5), Permanent	53	0	0	21	39.6
Highly skilled production (Levels 6-8), Permanent	235	21	8.9	134	57
Highly skilled supervision (Levels 9-12), Permanent	409	41	10	203	49.6
Senior management (Levels 13-16), Permanent	123	10	8.1	155	126
Contract (Levels 6-8), Permanent	4	0	0	1	25
Contract (Levels 9-12), Permanent	15	0	0	10	66.7
Contract (Levels 13-16), Permanent	41	0	0	48	117.1
TOTAL	893	72	8.1	577	64.6

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	44	6	7	57	19	42	2	4	48	10	134
Professionals, Permanent	231	15	14	260	45	338	21	29	388	77	770
Clerks, Permanent	6	0	0	6	0	20	2	1	23	19	48
Service and sales workers, Permanent	0	1	0	1	1	1	0	0	1	0	3
Plant and machine operators and assemblers, Permanent	1	0	0	1	0	0	0	0	0	0	1
Elementary occupations, Permanent	22	0	1	23	3	19	1	0	20	5	51
Other	0	0	0	0	0	0	0	0	0	0	0
TOTAL	304	22	22	348	68	420	26	34	480	111	1007
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	2	0	0	2	2	2	0	0	2	3	9

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	8	3	2	13	5	8	1	0	9	3	30
Senior Management, Permanent	37	2	4	43	16	27	0	7	34	11	104
Professionally qualified and experienced specialists and mid-management, Permanent	154	11	13	178	32	149	8	19	176	39	425
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	51	1	0	52	7	175	7	6	188	50	297
Semi-skilled and discretionary decision making, Permanent	13	0	0	13	0	28	1	0	29	3	45
Unskilled and defined decision making, Permanent	8	0	0	8	0	4	1	0	5	0	13
Contract (Top Management), Permanent	6	1	2	9	1	6	0	1	7	0	17
Contract (Senior Management), Permanent	7	0	1	8	4	3	2	0	5	2	19
Contract (Professionally qualified), Permanent	1	1	0	2	3	0	2	0	2	0	7
Contract (Skilled technical), Permanent	17	3	0	20	0	16	3	1	20	3	43

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
Contract (Semi-skilled), Permanent	2	0	0	2	0	3	1	0	4	0	6
Contract (Unskilled), Permanent	0	0	0	0	0	1	0	0	1	0	1
TOTAL	304	22	22	348	68	420	26	34	480	111	1007

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
Senior Management, Permanent	6	2	1	9	0	4	0	1	5	2	16
Professionally qualified and experienced specialists and mid-management, Permanent	32	0	2	34	2	26	2	2	30	5	71
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	21	0	0	21	0	39	0	0	39	0	60
Semi-skilled and discretionary decision making, Permanent	3	0	0	3	0	9	0	0	9	0	12
Contract (Senior Management), Permanent	0	0	0	0	1	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	5	0	0	5	1	0	0	0	0	0	6
Contract (Skilled technical), Permanent	18	3	0	21	0	1	3	1	5	3	29
Contract (Semi-skilled), Permanent	2	0	0	2	0	17	1	0	18	1	21
Contract (Unskilled), Permanent	0	0	0	0	0	4	0	0	4	0	4
TOTAL	87	5	3	95	4	100	6	4	110	11	220

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	0	0	0	0	0
Senior Management, Permanent	1	1	0	2	2	3	1	2	6	0	10
Professionally qualified and experienced specialists and mid-management, Permanent	15	0	1	16	0	21	2	1	24	1	41
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	6	1	0	7	0	11	1	1	13	1	21
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	0	0	0	0	0	0
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
TOTAL	22	2	1	25	2	35	4	4	43	2	72

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	9	2	2	13	1	4	2	0	6	1	21
Professionally qualified and experienced specialists and mid-management, Permanent	21	0	3	24	2	25	3	3	31	4	61
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3	0	0	3	2	7	0	0	7	2	14
Semi-skilled and discretionary decision making, Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Top Management), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Senior Management), Permanent	1	0	1	2	2	1	0	0	1	0	5

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
Contract (Professionally qualified), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Skilled technical), Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Semi-skilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	39	2	6	47	7	37	5	3	45	7	106

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
Dismissal	4	0	0	4	0	3	0	0	3	0	7
Suspended without payment	0	0	0	0	0	0	0	0	0	1	1
TOTAL	4	0	0	4	0	3	0	0	3	1	8

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	43	3	3	49	18	158	9	26	193	56	316
Professionals	0	0	0	0	0	0	0	0	0	0	0
Technicians and Associate Professionals	173	32	11	216	103	267	9	31	307	58	684
Clerks	89	9	8	106	15	109	10	9	128	39	288
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	34	11	0	0	0	0	0	0	0	0	45
TOTAL	339	55	22	371	136	534	28	66	628	153	1288
Employees with disabilities	0	0	0	0	0	0	0	3	0	4	7

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)
African, Female	127	420	30	2,641	20,794
African, Male	67	305	22	2,126	31,730
Asian, Female	14	34	41	514	36,699
Asian, Male	4	22	18	137	34,173
Coloured, Female	9	26	35	330	36,645
Coloured, Male	4	21	19	146	36,594
Total Blacks, Female	150	480	31	3,484	23,230
Total Blacks, Male	75	348	22	2,409	32,119
White, Female	52	111	47	1,622	31,193
White, Male	27	68	40	1,147	42,470
Employees with a disability	2	8	25	89	44,260
TOTAL	306	1007	30	8,751	28,597

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)
Lower skilled (Levels 1-2)	5	13	38.5	24	4,800
Skilled (Levels 3-5)	12	45	26.7	66	5,500
Highly skilled production (Levels 6-8)	108	297	36.4	1,322	12,241
Highly skilled supervision (Levels 9-12)	143	425	33.6	4,307	30,119
Contract (Levels 1-2)	0	1	0	0	0
Contract (Levels 3-5)	0	6	0	0	0
Contract (Levels 6-8)	1	43	2.3	8	8,000
Contract (Levels 9-12)	3	7	42.9	170	56,667
Periodical Remuneration	0	201	0	0	0
TOTAL	272	1038	30	5,897	21,680

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)
Administrative related	72	249	28.9	1,140	15,833
Advocates	0	1	0	0	0
Client inform clerks(switchb receipt inform clerks)	0	2	0	0	0
Communication and information related	0	1	0	0	0
Custodian personnel	0	1	0	0	0
Economists	0	2	0	0	0
Engineering sciences related	0	1	0	0	0
Finance and economics related	36	74	48.6	1,375	38,194
Financial and related professionals	5	9	55.6	71	14,200
Financial clerks and credit controllers	3	3	100	27	9,000
Food services aids and waiters	2	3	66.7	9	4,500
General legal administration & rel. professionals	0	1	0	0	0
Head of department/ Chief executive officer	0	2	0	0	0
Human resources & organisat developm & relate prof	1	1	100	36	36,000
Human resources clerks	1	1	100	11	11,000
Human resources related	10	24	41.7	234	23,400
Information technology related	0	1	0	0	0
Language practitioners interpreters & other commun	0	2	0	0	0
Legal related	1	3	33.3	42	42,000
Librarians and related professionals	1	1	100	15	15,000
Library mail and related clerks	3	11	27.3	27	9,000
Light vehicle drivers	0	1	0	0	0
Logistical support personnel	7	18	38.9	103	14,714
Material-recording and transport clerks	0	4	0	0	0
Messengers porters and deliverers	0	6	0	0	0
Natural sciences related	0	1	0	0	0
Other administrat & related clerks and organisers	4	7	57.1	50	12,500
Other information technology personnel.	0	1	0	0	0
Other occupations	21	33	63.6	274	13,048
Regulatory inspectors	0	1	0	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Secretaries & other keyboard operating clerks	5	17	29.4	54	10,800
Security officers	1	2	50	11	11,000
Senior managers	21	130	16.2	2,078	98,952
Statisticians and related professionals	0	1	0	0	0
Trade/industry advisers & other related professionals	112	392	28.6	3,196	28,536
TOTAL	306	1007	30.4	8,753	28,605

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)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	27	125	21.6	2,416	8,948	3.8	63,242
Band B	7	37	18.9	437	6,243	1.3	34,418
Band C	0	7	0	0	0	0	0
Band D	0	1	0	0	0	0	0
TOTAL	34	170	20	2,853	8,391.20	2.9	97,660

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
Highly skilled supervision (Levels 9-12)	1	33.3	1	25	0
Contract (Levels 6-8)	1	33.3	1	25	0
Contract (Levels 13-16)	1	33.3	1	25	0
Periodical Remuneration	0	0	1	25	1
TOTAL	3	100	4	100	1

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	Change in Employment
Other occupations	0	0	1	25	1
Professionals and managers	3	100	3	75	0
TOTAL	3	100	4	100	1

LEAVE

TABLE 9.1 - Sick Leave for Jan 2008 to Dec 2008

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)	69	88.4	9	1.4	8	13	662	61
Skilled (Levels 3-5)	196	85.2	30	4.5	7	49	662	167
Highly skilled production (Levels 6-8)	1438	77.5	207	31.3	7	659	662	1115
Highly skilled supervision (Levels 9-12)	1749	77.8	303	45.8	6	2,075	662	1361
Senior management (Levels 13-16)	398	79.6	76	11.5	5	850	662	317
Contract (Levels 1-2)	8	87.5	3	0.5	3	2	662	7
Contract (Levels 3-5)	7	100	2	0.3	4	2	662	7
Contract (Levels 6-8)	15	73.3	6	0.9	3	6	662	11
Contract (Levels 9-12)	34	73.5	7	1.1	5	40	662	25
Contract (Levels 13-16)	84	71.4	19	2.9	4	197	662	60
TOTAL	3998	78.3	662	100	6	3893	662	3131

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2008 to Dec 2008

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)	1	100	1	14.3	1	0	1	7
Highly skilled production (Levels 6-8)	138	100	4	57.1	35	75	138	7
Highly skilled supervision (Levels 9-12)	5	100	1	14.3	5	8	5	7
Senior management (Levels 13-16)	22	100	1	14.3	22	48	22	7
TOTAL	166	100	7	100	24	131	166	7

TABLE 9.3 - Annual Leave for Jan 2008 to Dec 2008

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	255	21	12
Skilled (Levels 3-5)	844	20	43
Highly skilled production (Levels 6-8)	5 038	18	286
Highly skilled supervision (Levels 9-12)	7 996	17	479
Senior management (Levels 13-16)	2 603	17	153
Contract (Levels 1-2)	76	4	21
Contract (Levels 3-5)	54	8	7
Contract (Levels 6-8)	210	4	50
Contract (Levels 9-12)	146	13	11
Contract (Levels 13-16)	640	15	42
TOTAL	17 862	16	1 104

TABLE 9.4 - Capped Leave for Jan 2008 to Dec 2008

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2008	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2008	Number of Employees as at 31 December 2008
Skilled (Levels 3-5)	14	3	68	5	1 642	24
Highly skilled production (Levels 6-8)	43	4	19	12	1 451	75
Highly skilled supervision (Levels 9-12)	60	2	38	25	5 664	151
Senior management (Levels 13-16)	41	5	41	9	2 283	56
TOTAL	158	3	36	51	11 040	306

TABLE 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2008/09 due to non-utilisation of leave for the previous cycle	727	54	13,463
Capped leave payouts on termination of service for 2008/09	486	7	69,429
Current leave payout on termination of service for 2008/09	1,159	79	14,671
TOTAL	2,372	140	16,943

HIV/AIDS

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	Yes
First Aiders	Yes

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 N Raliphada, 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 wellbeing, 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.
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 N Raliphada; Sr E Sebata; Mr K Mokaba; Ms Lynne Smilie, Ms SNO Choane, Ms M Jacobs, Mr S Sekgato; Members represent organised labour, gender, race and occupational levels, including senior managers.
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 as part of EE to assess if there any barriers or discrimination against people infected and affected with HIV and AIDS. The EE Plan was approved during the reporting period.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Policies such as the HIV&AIDS as well as the Employment Equity policy have been developed to eliminate and/or prevent discrimination and unfair treatment. The grievance procedure is also used if people feel that they are discriminated against. Awareness programmes to create awareness around discrimination against people who are affected and infected are also implemented. Diversity Management training is offered.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		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. We also market the local clinic for employees to go directly if they want to do VCT.
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. Programme evaluation is also done regularly.

LABOUR RELATIONS

TABLE 11.1 - Collective Agreements

Subject Matter	Date
None	

TABLE 11.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total
Dismissal	7	87.5
Suspended without payment	1	12.5
TOTAL	8	100

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total
Theft	1	3
Misrepresentaton	2	6
Fails to carry out order or instruction	11	35
Negligence	2	6
Possesses or wrongfully uses property of state	3	10
Absenteeism	3	10
Attempted Assault	1	3
Disrespect	1	3
Steals, bribes or commits fraud	7	23
TOTAL	31	100

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TABLE 11.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total
Not resolved	9	33
Resolved	18	67
TOTAL	27	100

TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	4	100
Dismissed	0	0
Total	4	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

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	-
Number of people suspended	8
Number of people whose suspension exceeded 30 days	8
Average number of days suspended	150
Cost (R'000) of suspensions	1,016,948.96

SKILLS DEVELOPMENT

TABLE 12.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training (ABET)	Total
Legislators, senior officials and managers	Female	58	0	72	0	72
	Male	76	0	109	0	109
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	465	0	266	0	266
	Male	305	0	189	0	189
Clerks	Female	42	0	341	0	341
	Male	6	0	99	0	99
Service and sales workers	Female	1	0	0	0	0
	Male	2	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	25	0	0	0	0
	Male	26	0	19	0	19
Gender sub totals	Female	591	0	679	0	679
	Male	416	0	416	0	416
Total		1007	0	1095	0	1095

Multiple training identified per employee

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	58	0	97	0	97
	Male	76	0	97	0	97
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	465	0	330	0	330
	Male	305	0	243	0	243
Clerks	Female	42	0	391	0	391
	Male	6	0	127	0	127
Service and sales workers	Female	1	0	0	0	0
	Male	2	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	25	0	3	0	3
	Male	26	0	0	0	0
Gender sub totals	Female	591	0	821	0	821
	Male	416	0	467	0	467
Total		1007	0	1288	0	1288
Multiple training attended per employee						

INJURIES

TABLE 13.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	10	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	10	

CONSULTANTS

Table 14.1

Create Date	Project Title	No consultants that worked on the project	Duration : Work days	Contract value	% Ownership by HDI groups	% management by HDI groups	No. consultants from HDI groups
19-Apr-08	ADVISORY CONSULTING SERVICES CONSULTING 26 EPISODES OF THE DTI TELEVISION SHOW THAT IS TO BE HOSTED ON SABC3 -	25	360	6,301,050.00	100	100	20
29-Apr-08	RECRUITMENT (CONSULTANTS) IT RELATED - CHARGE MANAGEMENT AGENT - SITA RFT348 TENDER -	1	240	832,000.00	25	25	1
05-May-08	CONSULTING SERVICES - IMPLEMENTATION OF THE SA WOMEN'S FUND	1	2	160,000.00	34	34	0
12-May-08	CONSULTING SERVICES TO BUILD CAPACITY ON THE APPRAISAL OF INVESTMENT PROJECTS IN INCENTIVES ADMINISTRATION	1	120	450,000.00	100	100	1
16-May-08	RECRUITMENT (CONSULTANTS) IT RELATED NETWORK SPECIALIST NOVELL	1	240	853,203.20	25	25	0
16-May-08	RECRUITMENT (CONSULTANTS) IT RELATED - IT SECURITY SPECIALIST	2	120	473,100.00	0	0	0
16-May-08	RECRUITMENT (CONSULTANTS) IT RELATED BUSINESS SPECIALIST	1	240	1,040,000.00	100	100	1
21-May-08	CONSULTING SERVICES APPLICATION MODULE FOR THE ENTERPRISE INVESTMENT PROGRAMME (TEO) IN THE DTI - SITA TENDER RFT348	1	80	862,444.20	25	25	0
21-May-08	CONSULTING SERVICES EXTENSION OF CONTRACT FOR ADDITIONAL WORK AS ASSIGNED BY THE WEAPONS OF MASS DESTRUCTION	1	71	205,000.00	0	0	0
28-May-08	RECRUITMENT (CONSULTANTS) IT RELATED DESKTOP SUPPORT TECHNICIANS - SITA RFT 348	3	240	984,960.00	100	100	3
29-May-08	CONSULTING SERVICES SA WOMEN & BEE PROCESS: EVALUATION STUDY	1	160	122,700.00	100	100	1
06-Jun-08	ADVISORY CONSULTING SERVICES CONSULTING	1	60	1,005,351.75	40	40	0
10-Jun-08	ADVISORY CONSULTING SERVICES CONSULTING FOR A MOTIVATIONAL SPEAKER	1	1	19,237.50	0	0	1
17-Jun-08	CONSULTING SERVICES WORK PLAN PROPOSAL FOR THE FORESTRY, TIMBER AND PAPER INDUSTRY (WORD CLUSTER): PROVISION OF SECRETARIAT TO ASSIST CO-ORDINATE & FACILITATE THE MIDLANDS KZN TIMBER CLUSTERS	1	20	99,638.00	60	60	0
23-Jun-08	ADVISORY CONSULTING SERVICES ON MASS WEAPONS OF DESTRUCTION	1	480	600,000.00	0	0	0
23-Jun-08	ADVISORY CONSULTING SERVICES - FORENSIC SERVICES TO THE DTI	3	80	140,041.18	56	56	3

Create Date	Project Title	No consultants that worked on the project	Duration : Work days	Contract value	% Ownership by HDI groups	% management by HDI groups	No. consultants from HDI groups
30-Jun-08	ADVISORY CONSULTING SERVICES CONSULTING EXTENSION OF BEE TENDER TO PROVIDE LEGAL, FINANCIAL & BEE EQUITY ADVISORY SERVICES TO THE DTI - PERIOD: 01 FEBRUARY 2008 TO 31 JANUARY 2009	3	240	369,000.00	100	100	3
10-Jul-08	CONSULTING SERVICES FOR THE INTERIM DIRECTOR: NATIONAL SMALL BUSINESS ADVISORY COUNCIL IN EIDD, THEDTI	1	40	51,300.00	51	51	0
15-Jul-08	CONSULTING SERVICES TO CONDUCT A RESEARCH AND PROVIDE POLICY ANALYSIS AND ADVICE ON A RANGE OF ISSUES RELATED TO INDUSTRIAL POLICY	1	240	493,800.00	100	100	1
18-Jul-08	MONITORING AND EVALUATION (CONSULTANTS) COMPETENCY ASSESSMENTS FOR THE FOREIGN ECONOMIC REPRESENTATIVES (TISA)	3	5	53,764.00	0	0	1
21-Jul-08	CONSULTING SERVICES - PPP RECTIFICATION PLAN 4:12 THE BRIDGE IN BLOCK G RAISED ACCESS (DTI CAMPUS)	1	1	11,400.00	0	0	0
29-Jul-08	CONSULTING SERVICES TO CONDUCT IMPACT ASSESSMENT FOR INDUSTRIAL DEVELOPMENT ZONE (ID2, TEO)	3	20	287,793.00	n/a	n/a	2
29-Jul-08	CONSULTING SERVICES TO CONDUCT IMPACT ASSESSMENT FOR CRITICAL INFRASTRUTURE PROGRAMME (CIP IN TEO)	3	105	297,027.00	n/a	n/a	2
01-Aug-08	RECRUITMENT (CONSULTANTS) IT RELATED INFORMATION TECHNOLOGY INFRASTRUCTURE LIBRARY (ITIZ) SPECIALIST	1	240	1,040,000.00	76	76	1
07-Aug-08	CONSULTING SERVICES TO CONDUCT A STUDY TO ANALYSE THE CONSTRAINTS AND CHALLENGES OF THE RECYCLING INDUSTRY WITH A VIEW TO DESIGNING INCENTIVES FOR REALISING SMME'S, CO-OPS AND JOB CREATION OPPORTUNITIES	4	94	751,396.80	51	51	1
12-Aug-08	MONITORING AND EVALUATION (CONSULTANTS) FOR THE 10-SEATER CALL CENTRE FOR INVESTMENTS PROMOTION (TISA) THE DTI	1	26	157,240.01	25	25	0
12-Aug-08	CONSULTING SERVICES RE-EVALUATION FOR ASSETS	1	5	22,000.00	0	0	0
12-Aug-08	CONSULTING SERVICES INDUSTRIAL POLICY RESEARCH WORK (THEDTI) PERIOD: APRIL 2007 - MARCH 2009 - BID NO: DTI03/06-07	5	240	500,000.00	n/a	n/a	1

Create Date	Project Title	No consultants that worked on the project	Duration : Work days	Contract value	% Ownership by HDI groups	% management by HDI groups	No. consultants from HDI groups
12-Aug-08	CONSULTING SERVICES TO CONDUCT A BASELINE STUDY FOR ALL CORPORATIVES SECTORS IN SA ECONOMY - BID NO: DTI14/07-08	5	240	2,889,558.00	100	100	5
19-Aug-08	CONSULTING SERVICES RE-EVALUATION & CIP REVIEW FOR TEO	1	80	649,800.00	60	60	1
19-Aug-08	CONSULTING SERVICES TO CONDUCT A STUDY TO ANALYSE THE CONSTRAINTS AND CHALLENGES OF THE RECYCLING INDUSTRY WITH A VIEW TO DESIGNING INCENTIVES FOR REALISING SMME'S, CO-OPS AND JOB CREATION OPPORTUNITIES	4	47	375,698.40	51	51	1
26-Aug-08	CONSULTING SERVICES TO ALIGN THE EXISTING CGA TRAINING MATERIAL TO AN OUTCOMES/COMPETENCY BASED TRAINING MATERIAL	1	80	200,000.00	0	0	0
26-Aug-08	IT RELATED CONSULTANTS TO UPGRADE DOCUMENTUM TO VERSION 6	1	8	46,512.00	20	20	0
02-Sep-08	CONSULTING SERVICES PRESENTATION OF DRAFT REPORT	1	60	133,921.00	n/a	n/a	0
03-Sep-08	ADVISORY CONSULTING SERVICES CONSULTING TO CONDUCT ASSESSMENT OF RISK MANAGEMENT COMMITTEE & THE AUDIT COMMITTEE - V.NAIDOO	1	40	104,401.00	83	83	1
10-Sep-08	CONSULTING SERVICES TO DEVELOP AN IT DATABASE FOR MANAGING & MONITORING THE IMPLEMENTATION OF BBBEE	7	720	160,000.00	26	26	4
10-Sep-08	CONSULTING SERVICES RECRUITMENT & RESEARCH COMMISSIONING: RIA OF NCA STUDY	1	20	53,568.00	n/a	n/a	0
12-Sep-08	RECRUITMENT (CONSULTANTS) IT RELATED SPECIALIST ANALYST PROGRAMME	1	240	861,117.70	100	100	1
15-Sep-08	CONSULTING SERVICES TO ANALYST PROGRAMME FOR TEO	1	12	680,476.03	100	100	1
18-Sep-08	CONSULTING SERVICES RERUITMENT OF L.NKITHA CREATIVE INDUSTRIES, EIDD	1	100	93,999.99	51	51	1
18-Sep-08	RECRUITMENT (CONSULTANTS) IT RELATED LEXMARK ENGINEER FOR "FOLLOW ME PRINTING"	1	240	342,000.00	100	100	1
30-Sep-08	CONSULTANTS SERVICES FOR NECESSARY CHANGES FOR THE DEPLOY OF EIP APPLICATION MODULE	1	240	53,602.80	25	25	0
02-Oct-08	CONSULTANTS SERVICES CONSULTING MONYETLA WORK READINESS PROGRAMME	1	200	499,812.00	100	100	1

Create Date	Project Title	No consultants that worked on the project	Duration : Work days	Contract value	% Ownership by HDI groups	% management by HDI groups	No. consultants from HDI groups
06-Oct-08	CONSULTANTS SERVICES MAINTENANCE FOR THE ENTERPRISE INVESTMENT PROGRAMME IT SYSTEM (TEO)	1	80	500,000.00	25	25	1
15-Oct-08	CONSULTING SERVICES TO REVIEW A STRATEGY DOCUMENT FOR BROAD-BASED - BLACK ECONOMIC EMPOWERMENT	3	65	483,360.00	100	100	3
20-Oct-08	CONSULTING SERVICES TO CONDUCT FORENSIC AUDIT SERVICES - BID NO: DT105/08-09	1	720	4,500,000.00	51	51	1
21-Oct-08	CONSULTING SERVICES EXTENSION OF THE CONTRACT FOR THE PERFORMANCE OF ADDITIONAL WORK AS ASSIGNED BY THE SA COUNCIL FOR NON-PROLIFERATION OF WEAPONS OF MASS DESTRUCTION	1	240	100,485.00	0	0	0
27-Oct-08	CONSULTING SERVICES INTERNAL AUDIT SERVICES - TENDER NO: DT104/08-09	3	240	2,000,000.00 000,000.00	50	50	0
30-Oct-08	CONSULTANTS SERVICES MAINTENANCE FOR THE ENTERPRISE INVESTMENT PROGRAMME IT SYSTEM (TEO)	1	27	170,000.04	25	25	0
30-Oct-08	CONSULTING SERVICES MAINTENANCE OF DECISION SUPPORT MODEL: REPORT 3/2008	5	720	99,000.00	n/a	n/a	0
25-Nov-08	CONSULTING SERVICES TO CONDUCT IMPACT ASSESSMENT FOR INDUSTRIAL DEVELOPMENT ZONE (IDZ IN TEO)	3	107	287,793.00	n/a	n/a	2
25-Nov-08	CONSULTING SERVICES TO CONDUCT IMPACT ASSESSMENT FOR CRITICAL INFRASTRUCTURE PROGRAMME (CIP, TEO)	3	120	297,027.00	n/a	n/a	2
25-Nov-08	CONSULTING SERVICES PRINCIPAL SYSTEM ANALYST IN TEO	1	240	836,205.00	90	90	1
27-Nov-08	CONSULTING SERVICES TO EDIT & FORMAT THE BBSDP APPLICATION USER GUIDE	1	1	2,756.91	0	0	0
27-Nov-08	CONSULTING SERVICES DESIGN, PRODUCT DEVELOPMENT BRANDING & PACKAGING WORKSHOP TRAINING	2	6	76,230.00	0	0	1
22-Dec-08	ADVISORY CONSULTING SERVICES TO HIRE A MOTIVATIONAL SPEAKER FOR BUSINESS NETWORK SEMINAR	1	1	17,100.00	100	100	1
23-Dec-08	CONSULTING SERVICES TO CONDUCT A STUDY ON THE "EFFECTIVENESS OF THE COMMUNICATION STRATEGY EMPLOYED BT THE NATIONAL LIQUOR AUTHORITY	3	80	186,339.36	n/a	n/a	2

Create Date	Project Title	No consultants that worked on the project	Duration : Work days	Contract value	% Ownership by HDI groups	% management by HDI groups	No. consultants from HDI groups
16-Jan-09	ADVISORY CONSULTING SERVICES CONSULTING FOR THE FIELDWORK COMPONENT & RAW DATA COMIPLATION FOR PHASE 1 OF SEDA'S IMPACT EVALUTION STUDY	3	240	1,550,000.00	n/a	n/a	2
21-Jan-09	CONSULTING SERVICES TO SERVICE PROVIDERFOR THE DEVELOPMENT OF ONLINE CLAIMS FOR THE ENTERPRISE INVESTMENT PROGRAM		170	2,097,920.50	0	0	1
12-Feb-09	RECRUITMENT (CONSULTANTS) IT RELATED (OCIO)	1	60	93,024.00	25	25	1
17-Feb-09	CONSULTING SERVICES - CELEBRATING SUMMER : PROMOTING NETWORKING OPPORTUNITIES BETWEEN CORPORATE SA WOMEN & WOMEN IN BUSINESS	1	1	R 10,000.00	100	100	1
09-Mar-09	CONSULTING SERVICES TO CONDUCT INSPECTIONS ACCORDING TO SECTION 26 TO BE INSPECTORS ACCORDING SECTION 25 OF THE LIQUOR ACT (NO. 59 OF 2003) BID NO DTI 21/07-08	1	240	498,246.54	51	51	0
19-Mar-09	CONSULTANT SERVICES TO ASSIST WITH THE HUMAN CAPITAL OUTLOOK PROJECT FOCUSING ON REVIEW AND DEVELOPMENT OF SKILLS PLANNING MODEL	4	40	109,246.54	15	15	0

AMENDMENTS REGARDING SIGNING OF PERFORMANCE AGREEMENTS AND FILLING OF POSTS FOR MEMBERS OF SENIOR MANAGEMENT SERVICE

SENIOR MANAGEMENT SERVICE

TABLE 15.1 - Signing of Performance Agreement by SMS Members as on 30 September 2008

SMS Level	Total number of Funded SMS Posts Per Level	Total number of SMS Members Per Level	Total number of Signed Performance Agreements Per Level	Signed Performance Agreement as % of Total Number of SMS Members Per Level
Director-General/ Head of Department	1	1	0	0
Salary Level 16 but not HOD	0	0	0	0
Salary Level 15	7	6	5	71.4
Salary Level 14	41	33	32	96.9
Salary Level 13	158	125	116	92.8
TOTAL	207	165	153	93

TABLE 15.2 - Reasons for not having concluded Performance Agreement for all SMS members as on 30 September 2009

Director-General/ Head of Department	PA Compiled - to be discussed by DG and the Minister
Salary Level 16 but not HOD	None
Salary Level 15	PA was submitted on 22 Oct 2008 - Seconded abroad
Salary Level 14	Compiled, submitted to Manager for finalisation
Salary Level 13	One Secondment, Business plan review due to new Manager's appointment affects three agreements. Six new employees and Managers needed extra guidance in completion of PA. A SMS member experienced difficulty in completing the agreement.

TABLE 15.3 - Disciplinary steps taken against SMS members for not having concluded Performance Agreement as on 30 September 2009

No disciplinary action taken after investigation. Extra guidance and advice given to Managers in the need for extra assistance in completing their agreements. Eight submitted during Oct 2008. One Secondment, Business plan review due to new Manager's appointment affects one agreement. Also recommended that the Secondment of the one Manager be investigated to ensure compliance with signing of performance agreement.

AMENDMENTS REGARDING SIGNING OF PERFORMANCE AGREEMENTS AND FILLING OF POSTS FOR MEMBERS OF SENIOR MANAGEMENT SERVICE

TABLE 16.1 - SMS posts as on 31 March 2009

Salary Level	Total number of Funded SMS Posts Per Level	Total number of SMS posts filled Per Level	% of SMS Posts Filled Per Level	Total Number of SMS Posts Vacant Per Level	% of SMS Posts Vacant Per Level
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16 but not HOD	0	0	0	0	0
Salary Level 15	7	6	85.7	1	14.3
Salary Level 14	41	35	85.4	6	14.6
Salary Level 13	159	122	76.7	37	23.3
TOTAL	208	164	78.8	44	21.2

TABLE 16.2- Advertising and filling of SMS posts as on 31 March 2009

SMS Level	Advertising	Filling of Posts	
	Number of Vacancies Per Level Advertised in 6 Months of Becoming Vacant	Number of Vacancies Per Level Filled in 6 Months after Becoming Vacant	Number of Vacancies Per Level not Filled in 6 Months but Filled in 12 Months
Director-General/ Head of Department	0	0	0
Salary Level 16 but not HOD	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	1	2
Salary Level 13	12	6	4
TOTAL	13	7	6

TABLE 16.3 - Reason for not having complied with the filling of funded vacant SMS- Advertised within 6 months and filled within 12 months after becoming vacant

Reason for vacancies not advertised within six months:
Some positions could not be filled in six months due to scarcity of the skills attached to the positions which results in the Department embarking on headhunting process.
Reorganising process also delayed the filling of some positions
Sometimes due to the nature of senior management work which requires extensive international travelling the process of finalising the recruitment process take longer.
Reason for vacancies not advertised within 12 months:
Some positions could not be advertised due to reorganisation within the Divisions.
In some Division they have to wait for the appointment of the DDG before advertising senior management positions.
Some positions were left vacant in order to accommodate returning Foreign Economic Representatives
Unavailability of funds also contributed to the no filling and advertising of positions

TABLE 16.4 - Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

There have not been any disciplinary steps taken against Divisions but they have been requested to develop a priority posts list for their vacant positions in an effort to prioritise critical positions and align such positions to the budget.

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Annual Financial Statements

for the year ended 31 March 2009

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 report for the financial year ended 31 March 2009.

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. D Braithwaite	4
Ms P Ndumo	3
Executive Member	
Mr. T Matona (Director-General)	3
However the Director-General has ensured adequate representation on his behalf for meetings that he could not attend, due to urgent requests from the Minister.	

AUDIT COMMITTEE RESPONSIBILITY

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

THE EFFECTIVENESS OF INTERNAL CONTROL

The systems of internal control are designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. From the various reports of the Internal Auditors and of the Auditor-General, 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, 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 risk management 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.

QUALITY OF MANAGEMENT REPORTS

The Committee is not fully 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. They are in discussion with Management regarding improvements to the quality of these reports.

EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

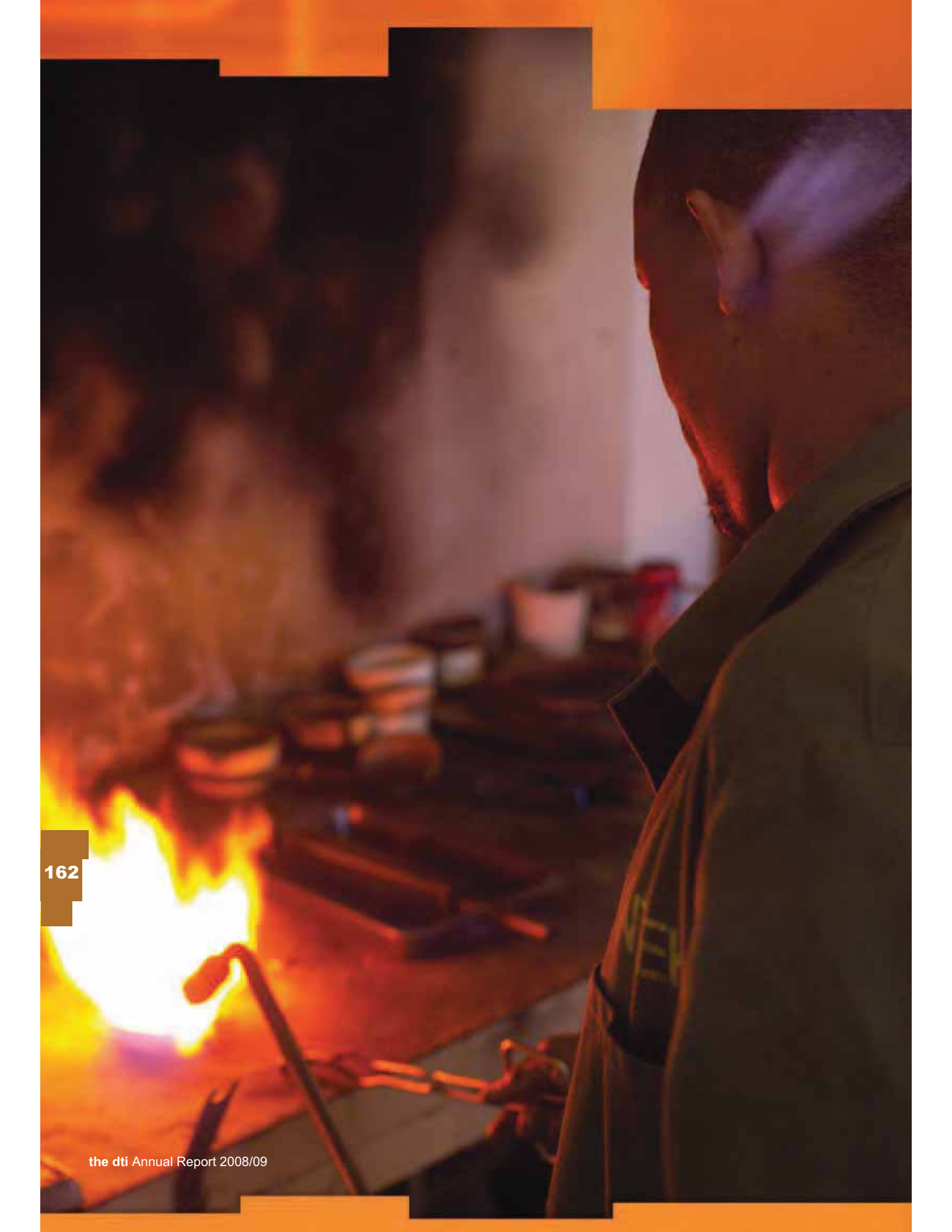
- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management's response thereto;
- Reviewed the appropriateness of accounting policies and practices;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

The Audit Committee concurs with and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited financial statements be accepted and read together with the report of the Auditor-General.



CHAIRPERSON OF THE AUDIT COMMITTEE

31 July 2009



Annual Financial Statements

for the year ended 31 March 2009



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 (**the dti**) continued to build on past achievements to accelerate momentum towards the implementation of a range of interventions aimed at realising its medium-term strategic objectives of:

- Promoting the co-ordinated implementation of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA);
- Promoting direct investment and growth in the industrial and services economy, with particular focus on employment creation;
- Raising the level of exports and promoting equitable global trade;
- Promoting broader participation, equity and redress in the economy; and
- Contributing to Africa's development and regional integration within the New Partnership for Africa's Development (Nepad) framework.

Over the course of 2008/09, the South African economy performed relatively well in the face of a deteriorating global climate. The economic growth rate contracted from 5% in the past year to 3.1% for 2008, the first such contraction in the last decade. Weakening consumer and business confidence, declining global sales and production, and a relatively tight domestic monetary policy, contributed towards a contraction in real gross domestic production over the final quarter of 2008. The deepening global economic crisis translated into significant reduction in export demand from major trading partners, and diminishing capital bases, from which fixed capital formation is supported. The global economic crisis continues to threaten gains made by the country to build on the recent impressive economic growth performance for future equitable and sustainable growth.

Key among challenges faced by **the dti** for the year ended 31 March 2009, was the preservation and utilisation of gains made through the implementation of the National Industrial Policy Framework (NIPF), to eliminate further bottlenecks, bolster capacity in and place the economy on a higher, equitable and sustainable growth path trajectory to counter the global economic slowdown.

A strong industrial policy requires coherent and simultaneously supportive policies throughout government. **the dti**, making optimal use of its position as co-chair of the Economic and Employment Cluster, worked with other departments in pursuit of a skills development system, aligned to the national industrial policy priorities, namely investment in traditional and modern infrastructure of the necessary quantum, quality and pricing for South Africa's industrialisation needs; and a supportive regulatory environment that encourages investment and employment creation amongst firms of all sizes.

Through the focused implementation of the National Industrial Policy Framework (NIPF), significant strides have been made in aligning the industrial financing regime to industrial policy objectives, of which work will continue in the forthcoming financial year and beyond. Incentives for industry and enterprises will be developed and sharpened to enhance their effectiveness and focus on promoting investment and industrial competitiveness in the key sectors, as prioritised in the NIPF, in addition to small and medium enterprise development. Attention will also be given to improving the efficiency of incentive administration.

The NIPF also seeks to ensure that the industrial and trade policies of the country are mutually aligned and co-ordinated, within the context of an increasingly rules-based global trading system centred on the World Trade Organization (WTO). **the dti**'s trade strategy strives to leverage global growth for the development of South Africa's economy, focusing on both existing trading partners and dynamic fast-growing emerging markets. In addition, promoting African economic integration and participating in the WTO Development Round, to ensure a developmental outcome, will also continue to receive attention.

Significant industrial policy work is still required to achieve substantial productive employment and structural transformation of key sectors of the economy to enable the economy to reach higher levels of growth and address the current account deficit. **the dti** will continue to utilise its position as co-chair of the Economic and Employment Cluster to prioritise the implementation of key interventions that achieve the objective of accelerating economic growth.

1.2 Overview of Key Policy Developments

Industrial Development

The launch of the NIPF and Industrial Policy Action Plan (IPAP) set **the dti** on the path to a more significant and comprehensive industrial policy agenda. The IPAP will now have a three-year rolling framework with annual targets and milestones.

The review of the long-standing Motor Industry Development Programme (MIDP) resulted in the development of the Automotive Development Programme (ADP), which was launched in 2008/09. The Programme will run from 2013 to 2020.

In addition, 2008/09 saw the launch of the Enterprise Investment Programme (EIP), which is the replacement scheme for the Small and Medium Enterprise Development Programme (SMEDP).

the dti has played a key role in the development of Business Process Outsourcing (BPO) as a priority sector, through the implementation of the Government Assistance and Support (GAS) Programme. Formulated in partnership with the private sector via the Business Trust and the industry association BPeSA, projects approved under this Programme, aimed at the marketing of and facilitating entry into South Africa of business process outsourcing operations, skills development and other investment incentives, are expected to create 25 000 direct jobs by 2010. To date 17 552 jobs have been created and R1.2 billion worth of investment.

Through the implementation of the industrial action plan over the next three years, a focus area of **the dti** will be to create an enabling environment for industrial upgrading and support for sustainable development by producing and implementing a technical infrastructure strategy (including standards, quality, assurance, accreditation and metrology). This will be coupled with the provision for incentives packages relating to manufacturing, tourism, skills and competitiveness.

Trade, Investment and Exports

With regards international trade, in the Doha Round of the World Trade Organization (WTO) negotiations, **the dti** continues to work towards ensuring a developmental outcome, notably in industrial tariff negotiations. This role has been built on intense consultations within the National Economic Development and Labour Council (Nedlac), and represents a high-point of our domestic consultative efforts.

the dti is in the process of reviewing the country's trade policy. This project will result in a report that reviews South Africa's trade performance and tariff regime since 1994, and recommends an approach and methodology to guide trade policy in the medium-term.

Given the importance of regional trade to the South African economy, and the implications of regional integration for domestic development, South Africa has embarked on a number of regional and bilateral trade initiatives within Africa and Southern Africa (including the South African Customs Union (SACU) and Southern African Development Community (SADC) that will promote African economic development in the medium to long-term.

Given the impact of the global financial crisis, **the dti** is required to provide advice on the trade and investment policy, in relation to managing the crisis through greater global collaboration. In this regard, **the dti** has already been involved in the G8 and G5 process (Heilingendamm Dialogue Process (HDP) on investment policy), and has been tasked with making inputs into preparations for Summits of the G20.

Given the global economic crisis it is important for **the dti** to continue to expand market access for South African exports and strengthen trade and investment links. This will be done by participating in government to government platforms and concluding three memorandums of understanding with key trading partners. **the dti** will utilize the market access opportunities created to promote South African products in targeted high growth markets by conducting 6 international trade initiatives and funding 50 trade missions through export councils and provincial investment promotion agencies.

Broadening Participation

The Department's growth strategy includes a focus on broadening participation, equity and access to redress for all economic citizens, particularly those previously marginalised. The Codes of Good Practice were put into practice as an implementation framework for the Broad-Based Black Economic Empowerment (B-BBEE) policy and legislation. After the implementation thereof, institutional mechanisms were established for the monitoring and evaluation of BEE in the entire economy.

In response to the challenge of accelerating the economic empowerment of women, **the dti** announced the Isivande Women's Fund in 2008. The Fund seeks to provide financial and business development support services to women-owned enterprises.

In support of Small, Medium and Micro Enterprises (SMMEs) and Corporations, Cabinet approved the "ten products" for government preferential procurement from small enterprises, and also granted approval for the implementation of recommendations to step up measures to monitor the 30 days' compliance for payments to SMMEs (in which regard the small enterprise development agency ie seda, an agency of **the dti** is setting up a call centre and a process to manage complaints regarding late payment). Approval was also given for **the dti** to extend Khula Enterprise Finance Ltd's mandate to include direct-lending activities.

As regards the development of co-operatives, in 2008 **the dti** approved the Co-operatives Strategy, which was tabled at Nedlac for input by social partners.

Emphasis will be placed by **the dti** on fostering the growth of SMMEs and cooperatives by monitoring and evaluating the support provided by agencies such as Khula Enterprise Finance, seda, National Empowerment Fund and the South African Micro Apex Fund. The objective of **the dti** is to increase the number of SMMEs and cooperatives and their contribution to GDP from 40% to 45% over the next 5 years. As part of this objective, **the dti** will facilitate access to government procurement opportunities by SMMEs and cooperatives through overseeing the implementation of the "10 approved products", thereby increasing the number of SMMEs and cooperatives from which government procures.

Regulation

During the period under review, **the dti** achieved significant milestones in respect of the finalisation of key pillars of economic regulation. Corporate Law Reform was embarked upon from 2004 and concluded in 2008. It culminated in the development of the Companies Act, which was passed by Parliament in 2008. The Act makes provision for good corporate governance and the need for company legislation to promote the spirit of the Bill

of Rights of the Constitution and alleviate regulatory burdens on the costs of doing business in South Africa, in particular for small businesses.

The Consumer Protection Act, enacted in 2008, seeks to create and promote an economic environment that supports and strengthens a culture of consumer rights and enhances consumer welfare, whilst through the measures adopted therein, promotes a fair, efficient and transparent marketplace for consumers and business.

The Competition Amendment Act, enacted in 2008, is aimed at advancing government initiatives of promoting economic growth and competitiveness of local industries by strengthening counter-cartel enforcement, increasing inefficiencies and the cost of doing business on downstream firms, as well as dealing with complex monopolies and collusion in highly concentrated markets, to counter the incidence of artificially high prices of major inputs. The Act will be implemented with an initial focus on the IPAP lead sectors.

The National Gambling Amendment Act was also enacted in 2008, and seeks to regulate interactive or electronic gambling.

While **the dti** achieved significant milestones in respect the area of economic regulation, the department will continue to improve investor confidence and certainty in South Africa's regulatory environment by establishing the Companies and Consumers Commissions. **the dti** will introduce the Intellectual Property Laws Amendment Act and publish a policy document on intellectual property law reform for public comment during the financial year.

Administration and Co-ordination

the dti has an obligation to strengthen stakeholder partnerships and engagements to ensure the improved implementation of key interventions to achieve the AsgiSA objectives of halving unemployment and poverty by 2014. Such engagements are undertaken through specific fora, such as the Economic Cluster, Nedlac and the Industry Forum, where **the dti** is the lead co-ordinator.

Within the Economic and Employment Cluster, **the dti** has guided a process of innovation, ensuring that the Cluster evolves into a more coherent institution, better able to facilitate and co-ordinate economic growth and transformation, including the implementation of the NIPF.

Through Nedlac's biannual leadership-level strategic sessions, **the dti** and its social partners, deliberated and agreed on the implementation of the Growth and Development Summit consultation obligations. Through the Technical Sectoral Liaison Committee of Nedlac, the Department has led discussions that seek to lay the foundation for a more industrial policy-influenced trade agenda. The Industry Forum, in which **the dti** engages with industry, in towards building partnerships aimed at accelerating and sharing economic growth in the country, was a key stakeholder in the development and implementation of the NIPF.

1.3 Envisaged Outcomes

Consistent with the objectives of AsgiSA, the outcomes the Department seek to realise are as follows:

- an overall growth in line with the AsgiSA target of six per cent;
- growth in investment rates;
- increased foreign direct investment;
- an increase in manufacturing growth supported by sector strategies and increased industrial financing;
- growth in exports and employment; and
- broader economic inclusion.

1.4 Overview of Expenditure Trends

The budget allocation for the 2008/09 financial year was R5 126 893 000, as compared to R5 479 433 000 in 2007/08. The expenditure for 2008/09 was R5 056 989 000, i.e. 98,6% of the budget, and in 2007/08, it stood at 96,6%, i.e. R5 295 250 000. This spending pattern should be considered in the context of the Departmental cost drivers, comprising mainly incentive schemes and transfer payments. Approximately 29% of the expenditure consisted of incentives, 25% to the departmental agencies, 17% to the Industrial Development Zones (ie. COEGA & East London) and the remainder was utilised for other transfers and the department's 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.

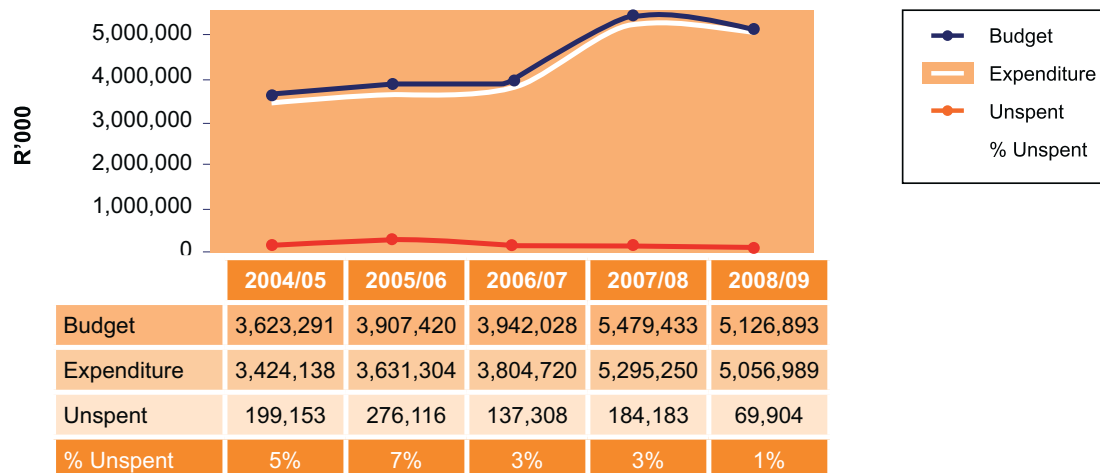
Under-spending occurred primarily in the Administration, Marketing, and TEO programmes. Under-spending of R69,904m must be read in the context of four requests for roll-overs, amounting to R37,446m, which are pending approval by National Treasury. Roll-overs were requested for the following:

Programme	Item/Project	Amount R'000
Administration	Upgrade of the Information Communication and technology network	16,000
Enterprise and Industry Development Division	UNIDO-Automotive Supplier Development	5,700
The Enterprise Organisation	Business Process Outsourcing (BPO)	5,006
	Film and Television Production Incentives	10,740
	TOTAL	37,446

Subject to the approval of these requests, under-spending will decrease to R32,458m, or 0.63%, which would constitute 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



NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2009

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:

	2008/09		2007/08	
	R'000	%	R'000	%
Total Allocated Budget	5,126,893		5,479,433	
Less: Payments to agencies	1,269,549	24.76%	1,502,959	27.43%
Less: Compensation	383,077	7.47%	327,488	5.98%
Less: Incentives	2,802,962	54.67%	2,984,171	54.46%
Incentives capital	983,507	19.18%	1,263,739	23.06%
Other incentives	1,819,455	35.49%	1,720,432	31.40%
Less: Goods & Services	525,419	10.25%	393,487	7.18%
Less: Other Payments	55,298	1.08%	63,027	1.15%
Less: Capital	20,684	0.40%	24,118	0.44%
Total Unspent	69,904	1.36%	184,153	3.36%

1.5 Virements

A total amount of R38,380m was re-directed between main divisions of the vote by means of virement transactions approved by National Treasury, to address various changes in operational requirements. The most important operations for which redirected funds were utilised, are as follows:

Virements between Programmes

PROGRAMME (FROM)	PROGRAMME (TO)	R'000	REASONS
ADMIN	ITED	R 13,271	Largely relates to unforeseen legal fees to defend an action against the department
EIDD	TISA	R 9,780	To fund interdepartmental claims received from the Department of Foreign Affairs, in respect of mission offices abroad
EIDD	MARKETING	R 6,000	To address various identified shortfalls in Goods & Services
EIDD	ITED	R 4,229	To supplement shortfall due exchange rate for subscription to the World Trade Organisation
CCRD	TISA	R 3,590	To fund interdepartmental claims received from the Department of Foreign Affairs, in respect of mission offices abroad
CCRD	TEO	R 1,510	To address various identified shortfalls in Goods & Services
TOTAL		R 38,380	

1.6 Expenditure Trends per Programme

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 R310,7m in 2007/08 to R345,5m in 2008/09, amounting to an increase of 11,1%. The expenditure for GSSSD also increased by 10,9% from 2007/08 to 2008/09. This increase is largely the result of payments to the concessionaire for the provision of fully-serviced office accommodation for the Department.

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

This programme is responsible for the development of policies and 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 R133,5m in 2007/08 to R167m in 2008/09, amounting to an increase of 25%. The increase in expenditure is as a result of exchange rate fluctuations, including the implications for foreign travel and increase in transfers to the World Trade Organization (WTO) and the International Trade Administration Commission. The Division also recruited additional staff during the reporting period as per the approved establishment, which had a ripple effect by increasing travel expenditure.

Programme 3: The Enterprise and Industry Development Division (EIDD)

This programme provides leadership in the development of policies and strategies to create an enabling environment for competitiveness, equity and enterprise development.

The majority of **the dti** group of institutions report to this division. Nevertheless, its expenditure decreased from R1 793,2m in 2007/08 to R1 580,8m in 2008/09, resulting in a budgetary decline of 11,8%. The decrease is largely attributed to a lower level of funding to National Empowerment Fund.

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 of goods or services exceeds US\$10m.

The table below sets out the updated progress, as presented to the Portfolio Committee on Trade and Industry, on the achievement of the obligations due by the obligors, including those under the Strategic Defence Package (SDP). The SDP accounts for approximately 85% of the total Programme in value terms. Two of the six obligors under the SDP completed their NIPP obligations, namely Thales, under the MEKO Programme and Augusta Westland, under the Light Utility Helicopter (LUH) Programme.

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 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.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2009

To date, in totality, the NIPP has seen the implementation of over 220 projects and credits in excess of US\$ 16 billion 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 16,500 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	\$17,500,000	£76,051,147
Milestone Date	April 2011	January 2008	October 2008	April 2007, extended until April 2009	April 2007, extended until April 2009	February 2010	September 2008
Over/Under Achieved	Will be accessed in 2011	Under achieved by €1,104,130,297 Performance = €1,748,330,157	Under achieved by \$437,003,724 Performance = \$1,610,596,276	Achieved with an excess of \$48,327,681	Achieved with an excess of \$36,440,941	Achieved with an excess of \$16,653	Under achieved by 34,383,256
Date milestone actually achieved	N/A	Still in progress.	Still in progress.	August 2008	March 2009	N/A	Still in progress

- Obligor 2:
Milestone could not timeously be achieved due to the withdrawal of a strategic project which was out of the control of the obligor. Every effort is still being made to replace this project and achieve this milestone in the shortest possible time.
- Obligor 3:
The last claims are in process of being prepared which should then satisfy this obligation in full.
- Obligor 7:
The obligor has taken measures to remedy this situation and it should be resolved within the next few months.

Programme 4: Consumer and Corporate Regulation Division (CCRD)

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

The Division experienced an increase in expenditure from R148,5 million (m) in 2007/08 to R176,6m in 2008/09, amounting to an increase of 19%, which can be attributed to increased transfer payments to entities.

Programme 5: The Enterprise Organisation (TEO) Division

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

The Division's expenditure decreased from R2,563b in 2007/08 to R2,401b in 2008/09, resulting in a decline of 6,4%. The decrease was mainly attributed to a once-off payment of R300m to the Critical Infrastructure Programme (CIP): ALCAN aluminium smelters. Other areas where the Division spent less than anticipated, included the Film and Television Productions Incentives Scheme, where productions were unexpectedly delayed, and the Business Process Outsourcing & Offshoring (BPO&O) Incentive Scheme, where projects were terminated.

Programme 6: Trade and Investment South Africa (TISA) Division

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

The programme experienced an increase in expenditure from R284,5m in 2007/08 to R310,2m in 2008/09, amounting to an increase of 9%. The increase in expenditure was due to exchange rate fluctuations and claims against the Department for payments made internationally.

Programme 7: 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; building an image of trust and confidence, by improving brand presence and visibility through proactive marketing and public relations activities; establishing and maintaining effective communication and co-ordination within the Department; and ensuring that activities are impact-oriented, customer-centric in focus, nationally and internationally relevant, and that they entrench the positive values of *Batho Pele*.

This programme experienced an increase in expenditure from R61,5m in 2007/08 to R76,1m in 2008/09, amounting to a financial boost of 23,7%. This increase was largely due to inflationary costs and the increase in mass marketing campaigns focussed on promoting the products and services of the Department through radio and television.

2. SERVICES RENDERED BY THE DEPARTMENT

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 R2,6m at financial year end.

3. CAPACITY CONSTRAINTS

Between 2007/08 and 2008/09, the approved establishment of **the dti** increased by 60 positions to 1 230 positions, whilst the staff complement increased from 891 on 1 April 2008, to 1 007 on 31 March 2009, excluding the positions of the three political office bearers. Of the approved establishment of 1 230 positions, 223 positions (18,1%) stood vacant at 31 March 2009. Vacancies existed across all levels of the approved establishment of 1 170 positions for the previous reporting period - 279 posts (23,8%) remained unfilled at 31 March 2008.

It is acknowledged that vacancies impacts 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. This is, however, not sustainable and hence, the under-mentioned initiatives are being undertaken.

Service providers were appointed to assist with the targeted recruitment of candidates, where difficulty was experienced in recruiting suitable applicants for positions. Vacancies were triggered in a dedicated manner and the results of these efforts already became evident during the reporting period. Regular reporting and monitoring took place at the Departmental Operations Committee (OPSCOM) and Executive Board (EXBO), as well as Risk Management 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 (USAID). 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 R182m 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. An amount of R25m 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, targeting primarily small and medium-sized companies in both countries. An amount of R11,331m was paid to the Swedish Trade Council during this financial year.

5. TRADING ENTITIES AND PUBLIC ENTITIES

The trading and public entities listed below were funded from the Department's vote during the 2008/09 financial year:

Name of Entity	Purpose of Entity	Type of Institution	Transfers 08/09 (07/08) R'000	Enabling Legislation/ Type of Listing
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	44,000 (23,221)	Competition Act, 1998 (Act No. 89 of 1998) Schedule 3A
Competition Tribunal 	Adjudicate competition matters, in accordance with the Act and has jurisdiction throughout South Africa.	Regulatory	9,909 (8,670)	Competition Act, 1998 (Act No. 89 of 1998) Schedule 3A
Export Credit Insurance Corporation of South Africa (ECIC) 	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.	Specialist Services	123,648 (120,567)	Export Credit and Foreign Investment Reinsurance Amendment Act, (Act No. 9 of 2001) Schedule 3B
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	523 (5,250)	Industrial Development Act, 1940 (Act No. 22 of 1940) Schedule 2
Khula Enterprise Finance Ltd 	Provide wholesale financial support services to retail financial intermediaries.	Development Finance	69,932 (73,495)	National Small Business Act (Act No. 102 of 1996) Schedule 3B





NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2009

Name of Entity	Purpose of Entity	Type of Institution	Transfers 08/09 (07/08) R'000	Enabling Legislation/ Type of Listing
National Gambling Board 	Provide advice on the national gambling industry, and promote uniform norms and standards across provinces.	Regulatory	17,274 (19,776)	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 Bureau of 	Promote the standardisation and quality management in industry and commerce, and supervising trade metrology and units of measure.	Specialist services	142,144 (138,612)	Standards Act, 1993 (Act No. 29 of 1993) Schedule 3B
National Metrology Institute of South Africa (NMISA) 	Support global competitiveness through the provision of fit-for purpose international acceptable measurement standards and measurements.	Specialist services	54,999 (46,768)	Measurement Units and Measurement Standards Act (Act No. 18 of 2006) Schedule 3A
South African National Accreditation System (SANAS) 	Provide an accreditation system for laboratories, certification, inspection and GLP. Establish laboratory, personnel, and certification body in South Africa, as well as mutual recognition agreements with international accreditation organisations.	Regulatory	13,750 (12,500)	No enabling Act (Section 21 Co.) Schedule 3A

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2009

Name of Entity	Purpose of Entity	Type of Institution	Transfers 08/09 (07/08) R'000	Enabling Legislation/ Type of Listing
<p>National Empowerment Fund (NEF)</p> 	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	312,932 (709,954)	National Empowerment Fund, 1998 (Act No. 105 of 1998) Schedule 3A
<p>South African Quality Institute (SAQI)</p> 	Co-ordinate the quality effort in South Africa, in order to contribute towards the global competitiveness of the South African economy and the region as a whole.	Specialist services	Nil	Standards Act, 1993 (Act No. 29 of 1993) Schedule 3A Delisted during the financial year.
<p>International Trade Administration Commission (ITAC)</p> 	Improve administration and decision-making processes, to maintain South Africa's policy and legislative framework for tariff and trade remedy investigations.	Regulatory	58 427 (55 707)	International Trade Administration Act, 2002 (Act No. 71 of 2002) Schedule 3A
<p>Small Enterprise Development Agency (seda)</p> 	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	413 631 (258 849)	National Small Business Act, 2003 (Act No. 26 of 2003) Schedule 3B
<p>Companies and Intellectual Property Registration Office (CIPRO)</p> 	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 DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
 REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2009

Name of Entity	Purpose of Entity	Type of Institution	Transfers 08/09 (07/08) R'000	Enabling Legislation/ Type of Listing
South African Micro Apex Fund (SAMAF) 	Lend money to micro-businesses through partner organisations.	Development Finance	38,093 (83,999)	Established as a trading entity of the dti
Trade and Investment South Africa	Provide professional support to foreign investors, to enhance foreign direct investment in South Africa	Section 21	Nil	No enabling Act (Section 21 Co.) Schedule 3A Delisted during the financial year.
National Credit Regulator 	Regulate the South African credit industry.	Regulatory	34,082 (44,514)	National Credit Act, 2005 (Act No. 34 of 2005)
National Consumer Tribunal 	Adjudicate a wide variety of applications, and hear cases against credit providers that contravene the Act.	Regulatory	11,392	National Credit Act, 2005 (Act No. 34 of 2005)
National Regulator for Compulsory Specifications (NRCS) 	Administer compulsory specifications, otherwise known as technical regulations.		11,797	Compulsory Specifications Act (Act No. 5 of 2008)

6 OTHER ORGANISATIONS TO WHICH TRANSFER PAYMENTS HAVE BEEN MADE

Transfer payments made towards entities are reflected in the above summary, as well as in Annexures 1C, E, F and G of the financial statements. The entities, towards which transfer payments were made, were 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 2008/09. Additional specialist positions were created and advertised, and are in the process of being filled. To contribute to the provision of assistance in specialist areas, **the dti** made use of specialist support services of *Utho Capital* as financial and BEE consultants, for which payments to the amount of R387,920 were made. Support from a quantity surveyor was also requested to assess the value of proposals and reasonability of costs, which amounted to R104,424.00. Work on determining an appropriate space strategy to deal with growth aspects of **the dti** and Council of Trade and Industry Institution (COTII) agencies located at **the dti** Campus, amounted to R352,305.60, payment of which was effected to *BI Architects and Space Planners*.

Particular service delivery challenges were experienced around variation orders, where excessive costing and delays in project execution were the order of the day, amounting to substantial mark-ups, in some instances totalling 300%, which had not been adequately justified. These problems were resolved by the latter part of the year and unfortunately resulted in delays in implementation, and thus the lower spend on variation orders than planned. To assess the value for money of these proposals (amounting to several Rand million), the services of a registered quantity surveyor were procured, as outlined above. The small works process (as provided for in the agreement) was initiated, which relieved some service delivery pressures. The parties met at least monthly on senior level (Chief Executive Officer (CEO)/DDG) to discuss key problem areas.

Unitary payments, totalling an amount of R137,298m as per PPP agreement, were paid during the reporting period, whilst performance deductions to the amount of R11,019 were also recovered. Payments of R343,722 and R507,822 were made for variation orders and small works respectively. An amount of R7,738m was paid in terms of pass-through costs, such as rates, taxes, water, electricity and consumables. The concessionaire credited **the dti** to the total amount of R24,639 for sundry items.

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 30 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.

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 mandate. It can thus be concluded that all relevant committees operated effectively during the period under review.

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 made provision for quarterly reviews of the implementation of business plans by EXBO. The purpose of such reviews was 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 Fraud Prevention Plan Matrix is revised annually and was also done in 2008, to align it to the 2007/08 risk assessment process. An updated plan will be forthcoming from the risk assessment completed in quarter four of 2008/09, and is in progress of being drafted.

Two Promotion of Ethical Conduct and Fraud Prevention Workshops were held during the 2008/09 financial year, on 2 September 2008 and 25 February 2009 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 were represented at the RMC meetings, and provision was made for two external members, who were members of **the dti** Audit Committee. The Committee was also chaired by an *ex-officio* member. The risk management function is vested in the Corporate Governance Unit.

The RMC also requested that an external self-assessment be conducted. A report was compiled by SAB&T, after intensive engagement with stakeholders during the last two quarters of the financial year, and it was presented to RMC on 2 April 2009. An action plan will be developed in the forthcoming financial year to deal with the findings. Overall, good progress was made in institutionalising the RMC, however more emphasis will be placed on creating divisional capacity to manage risks.

the dti also adopted a Risk Management Policy 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.

The Legislative Compliance Calendar, which stipulates the actions the Department is required to perform, to ensure compliance with applicable legislation, 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**.

8.4 Disclosure of Financial Interests by Senior Managers

For the 2007/08 disclosure period, all senior managers (100%) disclosed their financial interests, which were noted by the Minister and submitted to the Public Service Commission. Two disciplinary letters were issued to

managers who had not complied. With reference to the 2006/07 period, 160 of the 162 senior managers (99%) disclosed their financial interests.

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 will commence duty in **the dti** during the 2009/10 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 **dti** divisions at the OPSCOM.

OPSCOM met 11 times during the past financial year, in line with its annual year plan. OPSCOM also completed a self-assessment of its effectiveness during March 2008, and implemented the recommendations that emanated from the exercise in 2008/09, one of which was the amendment of its Terms of Reference.

8.7 Operational Policies

the dti continued to review, develop and implement operational policies during the reporting period. It reviewed existing policies, operational strategies and approved nine new Departmental policies. 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 2008/09 financial year. These policies are maintained through a central policy register, and are placed on the Departmental intranet, where they can be accessed by all employees. The automated process flow on the leave application process commenced with roll-out during this year, as part of the National Archives' required Enterprise Content Management process.

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 auditing firm *KPMG* won the tender for audit services, for the second term of a three-year tender period. The internal Audit Unit and the consultant are managing identified risks in the Fraud Prevention Plan, Risk Assessment Plan, and also in respect of general Corporate Governance concerns at **the dti**.

The internal capacity of **the dti** in-house function was strengthened during the reporting period with the appointment of four deputy directors (DDs) and two interns. Three of the four DD positions are specialist posts, i.e. DD: Forensic Auditing, DD: IT Auditing and DD: Performance Auditing. The Internal Audit Unit's capacity increased from 11 to 17 persons during the period of review. **the dti** Internal Audit function underwent the Institute of Internal Audit (IIA) Quality Assurance Review, necessary for compliance with the International Auditing Standards of the IIA.

the dti Internal Audit received an overall "*generally compliant*" assessment (almost a 100% generally compliant rating), with only two areas of partial compliance.

An article on **the dti**: Internal Audit Unit also featured in the *IIA Magazine* (July 2008).

Forensic audit services continued to be outsourced to the consortium comprising *PWC* and *Gcabashe Forensic Audit Services* until July 2008. *Gobodo Forensic Accounting Pty (Ltd)* has been successful in the new forensic audit tender, which is a three-year period tender, commencing September 2008. 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.

8.9 Audit Committee

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

The Audit Committee amended its Charter for the 2008/09 year, to include an oversight function of **the dti** agencies. Review of the agencies' Audit Committee minutes and audit findings now takes place twice per annum, starting from October 2008.

All four scheduled Audit Committee meetings took place for the period under review.

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:

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 2008/09. 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 and Tourism. Specific actions, as reflected in the second edition, 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

The Departmental Tender Committee continues to manage the awarding and adjudication of tenders, with a value ranging between R500,000 and R4m, and advise the Accounting Officer on values higher than R4m. **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

During 2008/09, Programme 3 (EIDD) was divided into two new programmes, namely Empowerment and Enterprise Development, and Industry Development. This development did not affect the continuation of activities. Some Chief Directorates will, however, be re-organised or adjusted, with the imminent change of the organisation structure in 2009/10.

10 NEW/PROPOSED ACTIVITIES

Two new programmes (Programmes 3 and 4) have been created for 2009/10 onwards, to replace the EIDD

Programme of **the dti**. These new programmes include Programme 3: Empowerment and Enterprise Development, and Programme 4: Industry Development.

The sub-programmes of the new Programme 3 comprise:

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

The sub-programmes of the new Programme 4 comprise:

- *Industrial Competitiveness, which does advocacy work and develops policies and interventions, such as technical infrastructural support diversification; eliminates intermediate barriers to entry, deepening domestic technology linkages; and participating in dynamic value chains to improve the industrial competitiveness of the South African economy; and*
- *Customised Sector Programme, which seeks to develop high-impact sector-specific strategies that are crucial for economic growth and employment creation.*

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 National Treasury.

12 EVENTS AFTER THE REPORTING DATE

No events took place after the reporting date of 31 March 2009, which would impact on the financial position of the **the dti** for the 2008/09 reporting period.

13 PERFORMANCE INFORMATION

the dti is currently engaging in a review of 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 objective of this exercise is to streamline reporting and simultaneously provide information of a more strategic nature to the Department's top management, thereby facilitating a shift to Results-Based Management. **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 Treasury Regulations, and subsequently submitted to the Auditor-General.

14 SCOPA RESOLUTIONS

Based on the recommendation of the Standing Committee on Public Accounts (SCOPA) of January 2008, Parliament subsequently approved in October 2008, by means of the Finance Act, No. 42 of 2008, the following unauthorised expenditure amounting to R32 246 285,72 which occurred in the 2003/04 financial year:-

- R14 185 849,88, which was paid to *Intershore*, based on its claim in accordance with the GEIS incentive scheme. This amount became payable following the Department's unsuccessful appeal against an earlier judgement of the High Court on its interpretation of the claimed amount;
- R11 456 455,06, which was paid to Standard Bank, following a letter of comfort issued by the South African Government in respect of the South African National Pavilion held in Germany, where *Assistwise*, in respect of whom the guarantee was issued, failed to honour its obligations in successfully hosting the exhibition;
- R6 375 000,00, which was a settlement payment to *Solly & Tsiki Associates*, for losses suffered as a result of the alleged breach of **the dti** in respect of a staff recruitment tender. The company suffered losses as a result of the Department's alleged failure to issue recruitment instructions and performed associated functions internally; and
- R228 980,78, which was paid to *Shurlock*, relating to a claim awarded by the High Court in accordance with the GEIS incentive scheme. This amount became payable following *the dti's* unsuccessful appeal against an earlier judgement of the High Court on its interpretation of the claimed amount.

15 PRIOR MODIFICATIONS TO AUDIT REPORTS

Actions were taken to resolve all substantial matters reported by the Auditor-General during the audit of the 2007/08 financial year:

With respect to matters that affect the Audit Report, the Auditor-General raised the following:

- The insufficiency of performance indicators and measures in the 2007 to 2010 Strategic plan of **the dti**;
- *The financial statements submitted for audit were subject to material amendments.*

The insufficiency of performance indicators and measures will be addressed in the 2009 to 2012 Strategic plan. The material amendments to the financial statements largely relate to the exchange rates utilised for guarantees given on behalf of the Industrial Development Corporation, an agency of **the dti**. Procedures have been implemented to ensure that the exchange rates utilised are consistent with the previous financial year.

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.

Other matters

The following prior year adjustments were effected:

- The closing balance which is reflected as the opening balance for the financial year under consideration with respect to the Stannic vehicle guarantee, was restated (Refer to Annexure 3A).
- Leases were re-categorized from Finance to Operating leases, as all risks and awards incident to ownership of an asset are not transferred as is the case with a finance lease.

18 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: 31 May 2009

Annual Financial Statements

for the year ended 31 March 2009



Report of the Auditor General

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 32: DEPARTMENT OF TRADE AND INDUSTRY FOR THE YEAR ENDED 31 MARCH 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

- 1 I have audited the accompanying financial statements of the Department of Trade and Industry which comprise the appropriation statement, the statement of financial position as at 31 March 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 134 to 221.

The accounting officer's responsibility for the financial statements

- 2 The accounting officer is responsible for the preparation and fair presentation of these 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, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2008 (Act No. 2 of 2008) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

- 3 As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
- 4 I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.
- 6 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

- 7 In my opinion the financial statements present fairly, in all material respects, the financial position of the Department of Trade and Industry as at 31 March 2009 and its financial performance and its cash flows for the year then ended, 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 PFMA and DoRA.

Emphasis of matters

Without qualifying my opinion, I draw attention to the following matters:

Basis of accounting

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

Restatement of corresponding figures

- 9 As disclosed in note 25 and note 26 to the financial statements, the corresponding figures for 31 March 2008 have been restated as a result of an error discovered during the year ended 31 March 2009 in the financial statements of **the dti** at, and for the year ended, 31 March 2008.

Other matters

Without qualifying my opinion, I draw attention to the following matters that relates to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

- 10 Public Service Regulations (PSR)

The following regulatory requirements were not complied with:

- Leave taken by employees was not always recorded accurately and in full, as required by the PSR, chapter 1, part V, F(b).
- A human resource plan was not in place for the major part of the financial year, as required by the PSR, chapter 1, part III, D.1(a) and (b).

- 11 Public Service Act (PSA)

The determination on leave of absence in the public sector (DPSA circular 17/6/P dated 8/7/2008) issued in terms of section 3(2) of the PSA was not complied with in the following respect:

- All leave taken was not captured on a daily basis and there were backlogs in respect of the annual leave cycle.

Governance framework

- 12 The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the

key governance responsibilities addressed below:

Key governance responsibilities

13 The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.		X
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		X
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	X	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines (section 40 of the PFMA).	X	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	X	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	The department had an audit committee in operation throughout the financial year.	X	
	The audit committee operates in accordance with approved, written terms of reference.	X	
	The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	X	
7.	Internal audit		
	The department had an internal audit function in operation throughout the financial year.	X	
	The internal audit function operates in terms of an approved internal audit plan.	X	
	The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	X	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	X	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		X
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	X	

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2009

No.	Matter	Y	N
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2.	X	
12.	Powers and duties have been assigned, as set out in section 44 of the PFMA.	X	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	X	
Issues relating to the reporting of performance information			
14.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	X	
15.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	X	
16.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the dti against its mandate, predetermined objectives, outputs, indicators and targets (Treasury Regulations 5.1, 5.2 and 6.1).		X
17.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	X	

- 14 The department did not have adequate systems to maintain the safekeeping of all documentation. Consequently, documentation requested for audit purposes was not always made available timeously. I also noted that management did not put measures in place to monitor adherence to policies and procedures relating to financial reporting and compliance with applicable laws and regulations.

Report on other legal and regulatory requirements

Report on performance information

- 15 I have reviewed the performance information as set out on pages 1 to 84 (separate Performance information document).

The accounting officer's responsibility for the performance information

- 16 The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

The Auditor-General's responsibility

- 17 I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.
- 18 In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
- 19 I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

Findings on performance information Non-compliance with regulatory requirements

Approval of strategic plan by the relevant executive authority

20 The executive authority of the National Empowerment Fund, Competition Commission Competition Tribunal, National Gambling Board, National Lotteries Board, National Credit Regulator, National Credit Tribunal and International Trade Administration Commission of South Africa did not approve the strategic plan submitted by the accounting authority, as required by Treasury Regulation 30.1.1.

Content of strategic plan

21 The strategic plan of the dti did not include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets of the entity's programmes, as required by Treasury Regulation 5.2.3(d).

APPRECIATION

22 The assistance rendered by the staff of the Department of Trade and Industry during the audit is sincerely appreciated.

Auditor-General

Pretoria
27 August 2009



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annual Financial Statements

for the year ended 31 March 2009



Appropriation Statement

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2009

Appropriation per programme									
APPROPRIATION STATEMENT	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1. Administration									
Current payment	368,570	(4,253)	(13,271)	351,046	332,724	18,322	94.8%	292,103	285,697
Transfers and subsidies	2,070	217	-	2,287	1,833	454	80.1%	6,560	6,169
Payment for capital assets	24,561	4,036	-	28,597	10,965	17,632	38.3%	30,188	18,876
2. International Trade and Economic Development									
Current payment	68,067	(337)	13,600	81,330	80,215	1,115	98.6%	51,550	51,009
Transfers and subsidies	82,958	-	3,900	86,858	86,421	437	99.5%	82,195	81,898
Payment for capital assets	318	337	-	655	364	291	55.6%	931	615
3. Enterprise and Industry Development									
Current payment	176,939	(21,729)	(20,009)	135,201	132,921	2,280	98.3%	119,822	111,497
Transfers and subsidies	1,432,090	18,721	-	1,450,811	1,444,207	6,604	99.5%	1,682,854	1,680,981
Payment for capital assets	910	3,008	-	3,918	3,628	290	92.6%	896	814
4. Consumer and Corporate Regulation									
Current payment	53,325	(915)	(5,100)	47,310	44,884	2,426	94.9%	45,742	39,131
Transfers and subsidies	130,267	910	-	131,177	131,177	-	100.0%	109,180	109,098
Payment for capital assets	730	5	-	735	594	141	80.8%	447	296
5. The Enterprise Organisation									
Current payment	71,921	-	1,500	73,421	73,244	177	99.8%	52,547	50,685
Transfers and subsidies	2,343,821	-	10	2,343,831	2,326,705	17,126	99.3%	2,649,726	2,511,756
Payment for capital assets	815	-	-	815	750	65	92.0%	948	664
6. Trade and Investment South Africa									
Current payment	163,158	-	13,200	176,358	175,555	803	99.5%	150,472	148,878
Transfers and subsidies	133,559	-	-	133,559	133,559	-	100.0%	134,316	134,316
Payment for capital assets	1,096	-	170	1,266	1,119	147	88.4%	1,370	1,353
7. Marketing									
Current payment	67,858	(2)	6,000	73,856	72,473	1,383	98.1%	65,218	59,950
Transfers and subsidies	-	2	-	2	2	-	100.0%	68	67
Payment for capital assets	3,860	-	-	3,860	3,649	211	94.5%	2,300	1,500
TOTAL	5,126,893	-	-	5,126,893	5,056,989	69,904	98.6%	5,479,433	5,295,250
				2008/09				2007/08	
				Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				302,863				323,508	
Aid assistance				387,386				140,480	
Actual amounts per statement of financial performance (total revenue)				5,817,142				5,943,421	
ADD									
Aid assistance					291,556				48,598
Prior year unauthorised expenditure approved without funding									2,925
Actual amounts per statement of financial performance (total expenditure)					5,348,545				5,346,773

N.B. The total prior year expenditure has been restated as the accounting treatment for Fruitless & Wasteful expenditure (R 101 000) has changed. This has resulted in the restatement of values in Programme 1: Administration and Goods & Services.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2009

Appropriation per economic classification									
	2008/09							2007/08	
	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	411,993	(3,653)	(8,900)	399,440	383,077	16,363	95.9%	330,717	327,488
Goods and services	557,845	(23,583)	4,820	539,082	525,033	14,049	97.4%	446,737	393,487
Financial transactions in assets and liabilities	-	-	-	-	3,906	(3,906)	-	-	25,872
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	8	8
Departmental agencies and accounts	1,259,110	10,600	-	1,269,710	1,269,549	161	99.9%	1,503,131	1,502,959
Universities	10,500	-	-	10,500	10,500	-	100.0%	1	-
Foreign governments and international organisations	28,839	3,100	3,600	35,539	29,616	5,923	83.3%	31,128	30,596
Public corporations and private enterprises	2,815,185	5,431	-	2,820,616	2,802,963	17,653	99.4%	3,123,586	2,984,171
Non-profit institutions	6,075	-	-	6,075	6,075	-	100.0%	5,000	5,000
Households	5,056	719	310	6,085	5,200	885	85.5%	2,045	1,551
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	4,885	-
Machinery and equipment	26,066	4,366	170	30,602	14,847	15,755	48.5%	28,052	20,537
Software and other intangible assets	6,224	3,020	-	9,244	6,223	3,021	67.3%	4,143	3,581
Total	5,126,893	-	-	5,126,893	5,056,989	69,904	98.6%	5,479,433	5,295,250

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2009

Programme 1 – Administration	2008/09							2007/08	
	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 payment									
1.1 Minister									
Current Payment	973	736	-	1,709	1,585	124	92.7%	909	908
1.2 Deputy Minister									
Current payment	790	617	-	1,407	1,306	101	92.8%	1,478	1,476
1.3 Deputy Minister									
Current payment	790	617	-	1,407	1,307	100	92.9%	-	-
1.4 Ministry									
Current Payment	22,750	3,540	-	26,290	25,697	593	97.7%	20,680	20,593
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	1,047	-	-	1,047	15	1,032	1.4%	1,430	587
1.5 Office of the Director General									
Current payment	42,449	(5,529)	(3,000)	33,920	31,651	2,269	93.3%	28,298	26,902
Transfers and subsidies	1,990	(40)	-	1,950	1,542	408	79.1%	6,020	5,631
Payment for capital assets	788	599	-	1,387	595	792	42.9%	836	511
1.6 Corporate Services									
Current payment	294,356	(4,234)	(10,271)	279,851	264,716	15,135	94.6%	234,738	229,826
Transfers and subsidies	80	257	-	337	291	46	86.4%	532	530
Payment for capital assets	22,726	3,437	-	26,163	10,355	15,808	39.6%	27,922	17,778
1.7 Government Motor Transport									
Payment for capital assets	6,462	-	-	6,462	6,462	-	100.0%	-	-
1.8 Property Management									
Current payment	-	-	-	-	-	-	-	6,000	5,992
Transfers and subsidies	-	-	-	-	-	-	-	8	8
Total	395,201	-	(13,271)	381,930	345,522	36,408	90.5%	328,851	310,742

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2009

Economic Classification	2008/09							2007/08	
	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 payment									
Compensation of employees	100,061	(489)	-	99,572	87,282	12,290	87.7%	70,089	69,402
Goods and services	268,509	(3,764)	(13,271)	251,474	243,462	8,012	96.8%	222,014	216,295
Financial transactions in assets and liabilities	-	-	-	-	1,980	(1,980)	-	-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	8	8
Public corporations and private enterprises	600	-	-	600	523	77	87.2%	5,250	5,250
Households	1,470	217	-	1,687	1,309	378	77.6%	1,302	911
Payments for Capital Assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	4,885	-
Machinery and equipment	18,357	4,036	-	22,393	7,561	14,832	33.8%	21,470	15,295
Software and other intangible assets	6,204	-	-	6,204	3,405	2,799	54.9%	3,833	3,581
Total	395,201	-	(13,271)	381,930	345,522	36,408	90.5%	328,851	310,742

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2009

Programme 2 – International Trade and Economic Development	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 International Trade Development									
Current payment	44,424	(671)	13,100	56,853	56,085	768	98.6%	31,233	30,858
Transfers and subsidies	67,730	-	3,600	71,330	70,948	382	99.5%	11,917	11,620
Payment for capital assets	220	294	-	514	226	288	44.0%	671	535
2.2 African Economic Development									
Current payment	23,643	334	500	24,477	24,130	347	98.6%	20,317	20,151
Transfers and subsidies	15,228	-	300	15,528	15,473	55	99.6%	14,571	14,571
Payment for capital assets	98	43	-	141	138	3	97.9%	260	80
2.3 International Trade Administration									
Transfers and subsidies	-	-	-	-	-	-	-	55,707	55,707
TOTAL	151,343	-	17,500	168,843	167,000	1,843	98,9%	134,676	133,522

Economic Classification	2008/09							2007/08	
	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 payment									
Compensation of employees	41,435	(460)	-	40,975	40,306	669	98.4%	32,598	32,125
Goods and services	26,632	123	13,600	40,355	39,881	474	98.8%	18,952	18,884
Financial transactions in assets and liabilities	-	-	-	-	28	(28)	-	-	-
Transfers and subsidies									
Departmental agencies and accounts	60,470	-	-	60,470	60,309	161	99.7%	57,805	57,635
Foreign governments & international organisations	7,250	-	3,600	10,850	10,639	211	98.1%	9,819	9,693
Public corporations and private enterprises	15,228	-	-	15,228	15,228	-	100.0%	14,524	14,524
Households	10	-	300	310	245	65	79.0%	47	46
Payment for Capital Assets									
Machinery and equipment	298	337	-	635	364	271	57.3%	931	615
Software and other intangible assets	20	-	-	20	-	20	-	-	-
Total	151,343	-	17,500	168,843	167,000	1,843	98,9%	134,676	133,522

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2009

Programme 3 – Enterprise and Industry Development	2008/09							2007/08	
	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 Industrial Competitiveness									
Current payment	90,240	(11,704)	(8,500)	70,036	69,501	535	99.2%	51,876	52,022
Transfers and subsidies	498,821	7,931	-	506,752	516,374	(9,622)	101.9%	533,737	533,172
Payment for capital assets	595	2,951	-	3,546	3,262	284	92.0%	455	453
3.2 Enterprise Development									
Current payment	14,085	5,211	(1,000)	18,296	17,714	582	96.8%	17,236	15,689
Transfers and subsidies	555,261	5,600	-	560,861	545,148	15,713	97.2%	421,641	421,315
Payment for capital assets	-	87	-	87	86	1	98.9%	106	82
3.3 Equity and Empowerment									
Current payment	21,536	(236)	(5,000)	16,300	15,736	564	96.5%	19,530	14,344
Transfers and subsidies	338,007	65	-	338,072	338,007	65	100.0%	725,005	724,954
Payment for capital assets	80	36	-	116	115	1	99.1%	232	176
3.4 Customised Sector Programme									
Current payment	51,078	(15,000)	(5,509)	30,569	29,970	599	98.0%	31,180	29,442
Transfers and subsidies	40,001	5,125	-	45,126	44,678	448	99.0%	2,471	1,540
Payment for capital assets	235	(66)	-	169	165	4	97.6%	103	103
TOTAL	1,609,939	-	(20,009)	1,589,930	1,580,756	9,174	99.4%	1,803,572	1,793,292

Economic Classification	2008/09							2007/08	
	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 payment									
Compensation of employees	78,887	(2,500)	(4,000)	72,387	72,157	230	99.7%	60,774	60,718
Goods and services	98,052	(19,229)	(16,009)	62,814	60,764	2,050	96.7%	59,048	50,779
Transfers and subsidies to:									
Departmental agencies and accounts	1,081,983	10,600	-	1,092,583	1,092,583	-	100.0%	1,349,145	1,349,143
Universities and technikons	10,500	-	-	10,500	10,500	-	100.0%	1	-
Foreign governments and international organisations	9,204	2,500	-	11,704	5,992	5,712	51.2%	5,200	4,875
Public corporations and private enterprises	320,752	5,431	-	326,183	325,733	450	99.9%	323,100	321,606
Non-profit institutions	6,075	-	-	6,075	6,075	-	100.0%	5,000	5,000
Households	3,576	190	-	3,766	3,324	442	88.3%	408	357
Payment for capital assets									
Machinery and equipment	910	(12)	-	898	810	88	90.2%	896	814
Software and other intangible Assets	-	3,020	-	3,020	2,818	202	93.3%	-	-
Total	1,609,939	-	(20,009)	1,589,930	1,580,756	9,174	99.4%	1,803,572	1,793,292

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2009

Programme 4 – Consumer and Corporate Regulation	2008/09							2007/08	
	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 Policy and Legislative Development									
Current payment	18,098	(4,109)	(1,000)	12,989	12,022	967	92.6%	11,550	8,678
Payment for capital assets	-	171	-	171	132	39	77.2%	48	35
4.2 Enforcement and Compliance									
Current payment	29,966	3,852	(4,100)	29,718	29,132	586	98.0%	30,888	27,464
Transfers and subsidies	-	310	-	310	310	-	100.0%	20	19
Payment for capital assets	580	(120)	-	460	403	57	87.6%	327	197
4.3 Regulatory Services									
Current payment	5,261	(658)	-	4,603	3,730	873	81.0%	3,304	2,989
Transfers and subsidies	130,267	600	-	130,867	130,867	-	100.0%	109,160	109,079
Payment for capital assets	150	(46)	-	104	59	45	56.7%	72	64
TOTAL	184,322	-	(5,100)	179,222	176,655	2,567	98.6%	155,369	148,525

Economic Classification	2008/09							2007/08	
	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 payment									
Compensation of employees	33,848	-	(900)	32,948	31,736	1,212	96.3%	29,796	29,692
Goods and services	19,477	(915)	(4,200)	14,362	13,144	1,218	91.5%	15,946	9,439
Financial transaction in assets and liabilities	-	-	-	-	4	(4)	-	-	-
Transfers and subsidies to:									
Departmental agencies and accounts	116,657	-	-	116,657	116,657	-	100.0%	96,181	96,181
Foreign governments and international organisations	2,474	600	-	3,074	3,074	-	100.0%	2,360	2,279
Public corporations and private enterprises	11,136	-	-	11,136	11,136	-	100.0%	10,619	10,619
Households	-	310	-	310	310	-	100.0%	20	19
Payments for Capital Assets									
Machinery and equipment	730	5	-	735	594	141	80.8%	437	296
Software and Intangible assets	-	-	-	-	-	-	-	10	-
Total	184,322	-	(5,100)	179,222	176,655	2,567	98.6%	155,369	148,525

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2009

Programme 5 – The Enterprise Organisation	2008/09							2007/08	
	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 Incentive Administration									
Current payment	61,496	(1,342)	800	60,954	60,953	1	100.0%	40,939	39,823
Transfers and subsidies	2,343,821	-	10	2,343,831	2,326,705	17,126	99.3%	2,649,726	2,511,756
Payment for capital assets	815	-	-	815	750	65	92.0%	948	664
5.2 New Incentive Development									
Current payment	3,053	323	-	3,376	3,211	165	95.1%	3,168	3,126
5.3 Business Development and After-Care									
Current payment	7,372	1,019	700	9,091	9,080	11	99.9%	8,440	7,736
TOTAL	2,416,557	-	1,510	2,418,067	2,400,699	17,368	99.3%	2,703,221	2,563,105

Economic Classification	2008/09							2007/08	
	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 payment									
Compensation of employees	54,473	(204)	(4,000)	50,269	49,092	1,177	97.7%	38,969	38,928
Goods and services	17,448	204	5,500	23,152	22,306	846	96.3%	13,578	11,757
Financial transaction in assets and liabilities	-	-	-	-	1,846	(1,846)	-	-	-
Transfers and subsidies to:									
Public corporations and private enterprises	2,343,821	-	-	2,343,821	2,326,695	17,126	99.3%	2,649,526	2,511,605
Households	-	-	10	10	10	-	100.0%	200	151
Payments for Capital Assets									
Machinery and equipment	815	-	-	815	750	65	92.0%	948	664
Total	2,416,557	-	1,510	2,418,067	2,400,699	17,368	99.3%	2,703,221	2,563,105

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2009

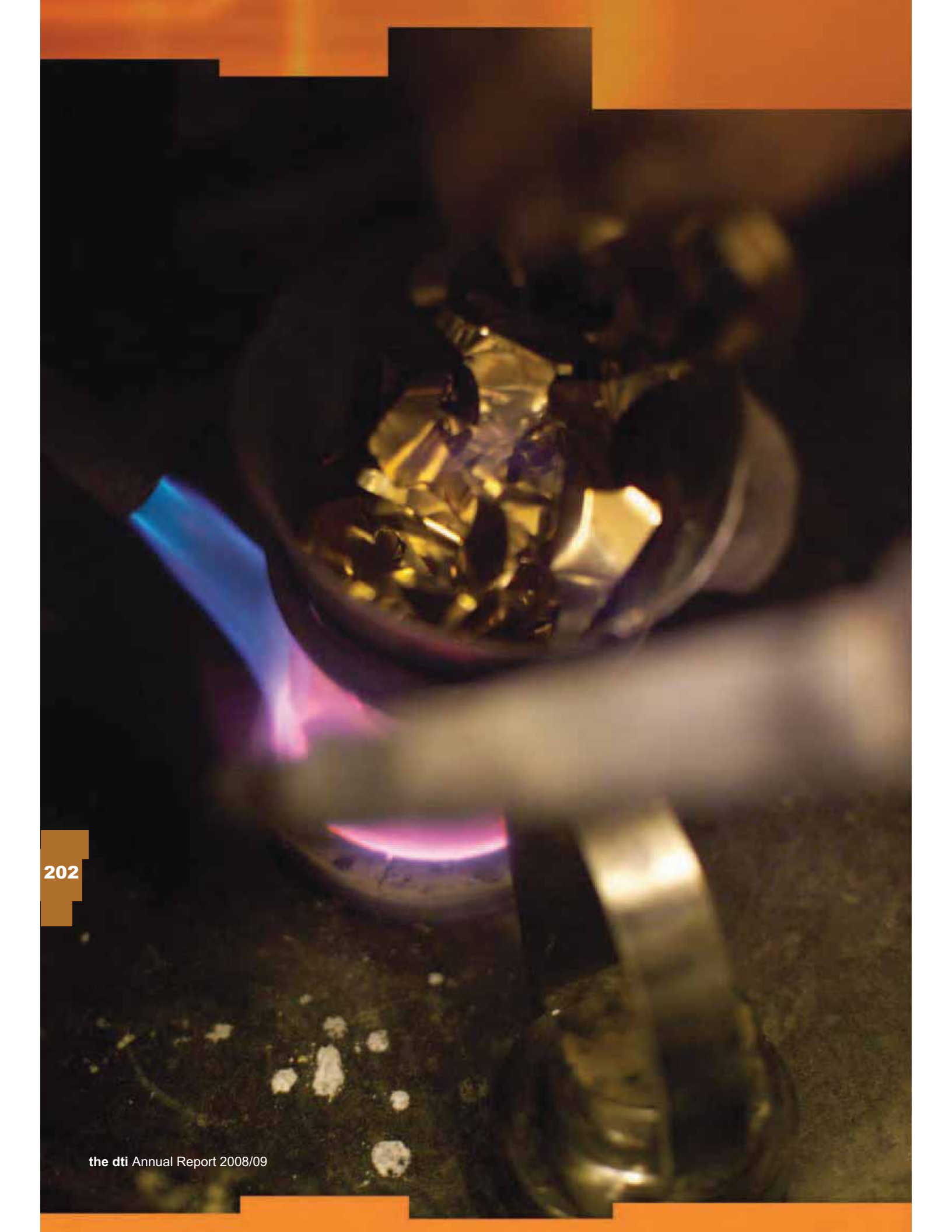
Programme 6 – Trade and Investment South Africa	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Investment Promotion and Facilitation									
Current payment	35,826	(1,965)	-	33,861	33,592	269	99.2%	25,186	24,605
Payment for capital assets	285	(60)	-	225	89	136	39.6%	30	26
6.2 Export Development and Promotion									
Current payment	41,484	(2,387)	-	39,097	38,937	160	99.6%	19,186	18,937
Transfers and subsidies	133,559	-	-	133,559	133,559	-	100.0%	134,316	134,316
Payment for capital assets	153	60	-	213	206	7	96.7%	200	194
6.3 International Operations									
Current payment	85,848	4,352	13,200	103,400	103,026	374	99.6%	106,100	105,336
Payment for capital assets	658	-	170	828	824	4	99.5%	1,140	1,133
TOTAL	297,813	-	13,370	311,183	310,233	950	99.7%	286,158	284,547

Economic Classification	2008/09							2007/08	
	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 payment									
Compensation of employees	86,254	-	-	86,254	85,898	356	99.6%	83,323	82,992
Goods and services	76,904	-	13,200	90,104	89,609	495	99.5%	67,149	65,871
Financial transactions in assets and liabilities	-	-	-	-	48	(48)	-	-	15
Transfers and subsidies to:									
Foreign governments and international organisations	9,911	-	-	9,911	9,911	-	100.0%	13,749	13,749
Public corporations and private enterprises	123,648	-	-	123,648	123,648	-	100.0%	120,567	120,567
Payments for Capital Assets									
Machinery and equipment	1,096	-	170	1,266	1,119	147	88.4%	1,370	1,353
Total	297,813	-	13,370	311,183	310,233	950	99.7%	286,158	284,547

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
APPROPRIATION STATEMENT for the year ended 31 March 2009

Programme 7 – Marketing	2008/09							2007/08	
	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 Brand Management									
Current payment	27,468	(2,000)	6,000	31,468	30,646	822	97.4%	18,051	17,313
7.2 Marketing Communication									
Current payment	25,170	(1,910)	-	23,260	22,762	498	97.9%	17,896	13,902
Transfers and subsidies	-	2	-	2	2	-	100.0%	68	67
Payment for capital assets	-	102	-	102	101	1	99.0%	-	-
7.3 Distribution									
Current payment	15,220	3,908	-	19,128	19,065	63	99.7%	29,271	28,735
Payment for capital assets	3,860	(102)	-	3,758	3,548	210	94.4%	2,300	1,500
TOTAL	71,718	-	6,000	77,718	76,124	1,594	97.9%	67,586	61,517

Economic Classification	2008/09							2007/08	
	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
Compensation of employees	17,035	-	-	17,035	16,606	429	97.5%	15,168	13,631
Goods and services	50,823	(2)	6,000	56,821	55,867	954	98.3%	50,050	20,462
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	25,857
Transfers and subsidies to:									
Households	-	2	-	2	2	-	100.0%	68	67
Payment for capital assets									
Machinery and equipment	3,860	-	-	3,860	3,649	211	94.5%	2,000	1,500
Software and intangible assets	-	-	-	-	-	-	-	300	-
Total	71,718	-	6,000	77,718	76,124	1,594	97.9%	67,586	61,517



Annual Financial Statements

for the year ended 31 March 2009

Notes to the Appropriation Statement

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 7 (Transfers and subsidies) and Annexure 1 (A-L) 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 6 (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	381,930	345,522	36,408	9.5%
Explanation of variance: Under spending was due to the vacancies within the Division (R12 million) and the delay in the implementation of IT projects (R16 million).				
International Trade and Economic Development	168,843	167,000	1,843	1.1%
Enterprise and Industrial Development	1,589,930	1,580,756	9,174	0.6%
Consumer and Corporate Regulations	179,222	176,655	2,567	1.4%
The Enterprise Organisation	2,418,067	2,400,699	17,368	0.7%
Explanation of variance: Due to the time lag in the payment of incentive schemes there was under spending in the BPO & O incentive scheme. The number of claims in respect of the Film and Television Production incentive decreased, with the resulting decrease in expenditure. Roll-over applications for both the above incentive schemes have been made.				
Trade and Investment South Africa	311,183	310,233	950	0.3%
Marketing	77,718	76,124	1,594	2.1%
Total	5,126,893	5,056,989	69,904	1.4%

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2009

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments:				
Compensation of employees	399,440	383,077	16,363	4.1%
Goods and services	539,082	525,033	14,049	2.2%
Financial transactions in assets and liabilities	-	3,906	(3,906)	0.0%
Transfers and subsidies:				
Departmental agencies and accounts	1,269,710	1,269,549	161	0.0%
Universities and Technikons	10,500	10,500	0	0.0%
Foreign governments and international organisations	35,539	29,616	5,923	16.7%
Public corporations and private enterprises	2,820,616	2,802,963	17,653	0.6%
Non-profit institutions	6,075	6,075	0	0.0%
Households	6,085	5,200	885	14.5%
Gifts and donations				
Payments for capital assets:				
Machinery and equipment	30,602	14,847	15,755	51.5%
Software and other intangible assets	9,244	6,223	3,021	32.7%
Total	5,126,893	5,056,989	69,904	1.4%

Explanation of variances:

Compensation of employees – due to vacancies.

Goods and services – under spending was due to the delay in finalization of work being undertaken by consultants, as well as for a dispute on project costs for Variations Orders for alterations to office accommodation.

Transfers and subsidies – Due to the time lag in the payment of incentive schemes there was under spending in the BPO & O incentive scheme. The number of claims in respect of the Film and Television Production incentive decreased, with the resulting decrease in expenditure. Roll-over applications for both the above incentive schemes have been made.

Capital - due to the delay in the implementation of IT projects.



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for the year ended 31 March 2009



Statement of Financial Performance

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2009

PERFORMANCE	Note	2008/09	2007/08
		R'000	R'000
REVENUE			
Annual appropriation	1	5,126,893	5,479,433
Departmental revenue	2	309,326	323,508
Aid assistance	3	387,386	140,480
TOTAL REVENUE		5,823,605	5,943,421
EXPENDITURE			
Current expenditure			
Compensation of employees	4	383,077	327,488
Goods and services	5	525,033	393,487
Financial transactions in assets and liabilities	6	3,906	25,872
Aid assistance	3	7,430	3,910
Unauthorised expenditure approved without funding	9	-	2,925
Total current expenditure		919,446	753,682
Transfers and subsidies			
Transfers and subsidies	7	4,123,903	4,524,285
Aid assistance	3	284,126	44,688
Expenditure for capital assets			
Tangible capital assets	8	14,847	20,537
Software and other intangible assets	8	6,223	3,581
Total expenditure for capital assets		21,070	24,118
TOTAL EXPENDITURE		5,348,545	5,346,773
SURPLUS FOR THE YEAR		475,060	596,648
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		69,904	181,258
Departmental revenue	18	309,326	323,508
Aid assistance	3	95,830	91,882
SURPLUS/(DEFICIT) FOR THE YEAR		475,060	596,648

Annual Financial Statements

for the year ended 31 March 2009



Statement of Financial Position

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
ASSETS			
Current assets		510,335	473,530
Unauthorised expenditure	9	37,380	69,626
Fruitless and wasteful expenditure	10	86	11
Cash and cash equivalents	11	225,998	181,233
Prepayments and advances	13	21,878	1,831
Receivables	14	224,993	220,829
Non-current assets		1,677,370	1,642,921
Other financial assets	12	3,121	3,702
Investments	15	1,392,969	1,392,969
Loans	16	281,280	246,250
TOTAL ASSETS		2,187,705	2,116,451
LIABILITIES			
Current liabilities		296,595	263,866
Voted funds to be surrendered to the Revenue Fund	17	29,468	3,241
Departmental revenue to be surrendered to the Revenue Fund	18	10,206	92,033
Payables	19	9,300	16,801
Aid assistance repayable	3	247,621	151,791
TOTAL LIABILITIES		296,595	263,866
NET ASSETS		1,891,110	1,852,585
Represented by:			
Capitalisation reserve		1,674,250	1,639,219
Recoverable revenue		216,860	213,366
TOTAL		1,891,110	1,852,585

Annual Financial Statements

for the year ended 31 March 2009



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 2009

NET ASSETS	Note	2008/09	2007/08
		R'000	R'000
Capitalisation Reserves			
Opening balance		1,599,219	1,599,219
Transfers:		-	-
Movement in Equity		35,031	40,000
Closing balance		1,674,250	1,639,219
Recoverable revenue			
Opening balance		213,366	290,978
Transfers:		3,494	(77,612)
Irrecoverable amounts written off		(1,874)	(23,973)
Debts revised		(4,236)	(99,872)
Debts recovered (included in departmental receipts)		(17,432)	(41,084)
Debts raised		27,036	87,317
Closing balance		216,860	213,366
TOTAL		1,891,110	1,852,585

Annual Financial Statements

for the year ended 31 March 2009



Cash Flow Statement

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
CASH FLOW STATEMENT for the year ended 31 March 2009

CASH FLOW	Note	2008/09 R'000	2007/08 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		5,683,385	5,690,526
Annual appropriated funds received	1.1	5,086,783	5,301,742
Departmental revenue received	2	209,216	248,304
Aid assistance received	3	387,386	140,480
Net (increase)/decrease in working capital		459	94,415
Surrendered to Revenue Fund		(394,720)	(337,770)
Current payments		(919,446)	(750,757)
Transfers and subsidies paid		(4,408,029)	(4,568,973)
Net cash flow available from operating activities	20	(38,351)	127,441
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(21,070)	(24,118)
Proceeds from sale of capital assets	2.4	110	204
(Increase)/decrease in loans		(35,030)	-
(Increase)/decrease in other financial assets		581	(3,636)
Net cash flows from investing activities		(55,409)	(27,540)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		100,000	75,000
Increase/(decrease) in net assets		38,525	(77,612)
Net cash flows from financing activities		138,525	(2,612)
Net increase/(decrease) in cash and cash equivalents		44,765	97,289
Cash and cash equivalents at the beginning of the period		181,233	83,944
Cash and cash equivalents at end of period	21	225,998	181,233

Annual Financial Statements

for the year ended 31 March 2009



Accounting Policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act 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 rollover the funds to the subsequent financial year. These rollover funds form part of retained funds in the financial statements. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement

of financial position. Amounts receivable at the reporting date are indicated in the disclosure notes to the annual financial statements.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and/or regulations (excluding fines, penalties and forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sale of goods and services other than capital assets

The proceeds received from the sale of goods and /or the provision of services 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.

2.3.5 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.

2.3.6 Financial transactions in assets and liabilities (Receipts)

Repayments of loans and advances previously extended to employees and public corporations for policy purposes 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.

2.3.7 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.

2.4 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.

2.5 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.

All in-kind local and foreign aid assistance are 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. The value of the assistance expended prior to the receipt of the funds is recognised as a receivable in the statement of financial position.

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

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

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

3. EXPENDITURE

3.1 Compensation of employees

3.1.1 Short-term employee benefits

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

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

Short-term employee benefits comprise of 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.

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

3.1.2 Post retirement benefits

The department contributes towards 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 employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system

3.1.3 Termination benefits

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

3.1.4 Other long-term employee benefits

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

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

3.2 Goods and services

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

3.3 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.

3.4 Transfers and subsidies

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

3.5 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.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance when it is condoned by the Accounting Officer. If the expenditure is recoverable, it is treated as an asset until it is recovered from the responsible person, or written off as irrecoverable in the statement of financial performance.

3.7 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.

3.8 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.

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.

4.7 Inventory

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

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 by the department.

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 of the department 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.

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 Bank overdraft

The bank overdraft is carried in the statement of financial position.

5.5 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.

5.6 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.

5.7 Commitments

Commitments other than lease commitments, represent goods and services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments, whether of a current or capital nature, are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are indicated in the disclosure notes to the financial statements.

5.8 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.

5.9 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.

5.10 Lease commitments

5.10.1 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.

5.10.2 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."

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 of 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 transferred to the National Revenue Fund 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.

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 utilizing the state property, either by way of:*
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

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



Annual Financial Statements

for the year ended 31 March 2009



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	Actual Funds Received	Funds not requested/ not received	Appropriation received 2007/08
	R'000	R'000	R'000	R'000
1. Administration	381,930	345,715	36,215	318,079
2. International Trade and Economic Development	168,843	168,603	240	134,395
3. Enterprise and Industry Development	1,589,930	1,588,105	1,825	1,793,982
4. Consumer and Corporate Regulatory Division	179,222	179,122	100	151,090
5. The Enterprise Organisation	2,418,067	2,416,657	1,410	2,570,356
6. Trade and Investment South Africa	311,183	310,863	320	284,394
7. Marketing	77,718	77,718	-	49,446
Total	5,126,893	5,086,783	40,110	5,301,742

The Final Appropriation for 2007/08 amounted to R 5,479,893 which is reflected in the Statement of Financial Performance, whilst the amount of R 5,301,742 reflected in the above table are the actual funds requested for the 2007/08 financial year.

Explanation of funds not requested/not received:

Refer to the Notes to the Appropriation Statement on page 49 for the reasons why funds were not requested/not received.

2 DEPARTMENTAL REVENUE

	Note	2008/09	2007/08
		R'000	R'000
Tax revenue		2,854	3,655
Sales of goods and services other than capital assets	2.1	210	180
Fines, penalties and forfeits	2.2	144,395	154,291
Interest, dividends and rent on land	2.3	101,912	86,315
Sales of capital assets	2.4	110	204
Financial transactions in assets and liabilities	2.5	59,845	78,863
Departmental revenue collected		309,326	323,508

Tax revenue relates to liquor licence fees received.

2.1 Sales of goods and services other than capital assets

	Note	2008/09	2007/08
	2	R'000	R'000
Sales of goods and services produced by the department		209	175
Sales by market establishment		33	-
Other sales		176	175
Sales of scrap, waste and other used current goods		1	5
Total		210	180

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

2.2 Fines, penalties and forfeits

	Note	2008/09	2007/08
	2	R'000	R'000
Penalties		144,395	154,291
Total		144,395	154,291

The above refers to penalties imposed by the Competition Commission. All fines imposed by the Competition Commission are deposited via **the dti** into the National Revenue Fund.

2.3 Interest, dividends and rent on land

	Note	2008/09	2007/08
	2	R'000	R'000
Interest		1,912	11,315
Dividends (IDC)		100,000	75,000
Total		101,912	86,315

2.4 Sale of capital assets

	Note	2008/09	2007/08
	2	R'000	R'000
Tangible capital assets		110	204
Machinery and equipment	32.2	110	204
Total		110	204

2.5 Financial transactions in assets and liabilities

	Note	2008/09	2007/08
	2	R'000	R'000
Receivables		24,481	54,119
Forex gain		3,322	31
Other Receipts including Recoverable Revenue		32,042	24,713
Total		59,845	78,863

Receivables consist of amounts paid over to the National Revenue Fund in respect of debts recovered and written-off.

Other receipts comprises of refunds from entities of unused funds and interest earned.

3 AID ASSISTANCE

3.1 Aid assistance received in cash from RDP

	Note	2008/09	2007/08
		R'000	R'000
Foreign			
Opening Balance		151,791	59,909
Revenue		387,386	140,480
Expenditure	Ann 11	(291,556)	(48,598)
Current		(7,430)	(3,910)
Transfers		(284,126)	(44,688)
Current year surplus/(deficit)		95,830	91,882
Closing Balance		247,621	151,791
Analysis of balance	Note		
Aid assistance repayable			
RDP		247,621	151,791
Closing balance		247,621	151,791

4 COMPENSATION OF EMPLOYEES

4.1 Salaries and Wages

	Note	2008/09	2007/08
		R'000	R'000
Basic salary		247,872	206,034
Performance award		7,835	5,170
Service Based		1,748	1,399
Compensative/circumstantial		5,077	4,331
Periodic payments		3,921	8,946
Service Bonus		13,546	11,256
Home Owners allowance		2,121	1,503
Other non-pensionable allowances		43,598	35,043
Foreign allowance		20,277	22,825
Total		345,995	296,507

Other non-pensionable allowances comprise of car allowances, housing allowances, benefits structured as part of salary packages for employees on level 11 and higher, etc. Foreign allowances comprise of cost of living allowances awarded to employees based abroad at foreign mission offices.

4.2 Social contributions

	Note	2008/09	2007/08
		R'000	R'000
Employer contributions			
Pension		27,216	22,163
Medical		9,836	8,792
Bargaining council		30	26
Total		37,082	30,981
Total compensation of employees		383,077	327,488
Average number of employees		953	893

5 GOODS AND SERVICES

	Note	2008/09	2007/08
		R'000	R'000
Administration fees		3,550	4,143
Advertising		22,372	11,133
Assets less than R5,000	5.1	2,031	292
Bursaries (employees)		587	403
Catering		3,685	2,178
Communication		15,733	13,653
Computer services	5.2	10,950	8,785
Consultants, contractors and special services	5.3	102,375	58,522
Entertainment		1,093	1,650
Audit cost-External	5.4	4,750	3,742
Inventory	5.5	9,620	6,303
Maintenance, repairs and running costs		-	-
Operating leases		157,695	156,623
Owned leasehold property expenditure	5.6	8,825	2,953
Travel and subsistence	5.7	101,426	74,469
Venues and facilities		54,785	31,796
Training & staff development		3,434	1,539
Other operating expenditure	5.8	22,122	15,303
Total		525,033	393,487

Several of the 2007/08 figures were restated due to the revised Standard Chart of Accounts which became applicable from 1 April 2008.

The largest monetary restatement to the 2007/08 figures is between Venues & facilities and Operating leases as a large percentage of these costs relate to the Public Private Partnership expenditure which were paid under Operating leases in 2008/09 but was reflected under Venues & facilities in 2007/08.

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5.1 Assets less than R5,000

	Note	2008/09	2007/08
	5	R'000	R'000
Tangible assets		1,938	287
Machinery and equipment		1,938	287
Intangible assets		93	5
Total		2,031	292

5.2 Computer services

	Note	2008/09	2007/08
	5	R'000	R'000
SITA computer services		5,450	4,329
External computer service providers		5,500	4,456
Total		10,950	8,785

5.3 Consultants, contractors and agency/outsourced services

	Note	2008/09	2007/08
	5	R'000	R'000
Business and advisory services		56,655	28,975
Infrastructure and planning		114	-
Legal costs		24,319	5,208
Contractors		19,040	13,291
Agency and support/outsourced services		2,247	11,048
Total		102,375	58,522

5.4 Audit cost – External

	Note	2008/09	2007/08
	5	R'000	R'000
Regularity audits		4,474	3,742
Forensic audits		276	-
Total		4,750	3,742

The total Internal Audit costs, both co-sourced and in-house, amounted to R6,984 million and R6,712 million for 2008/09 and 2007/08 respectively.

5.5 Inventory

	Note	2008/09	2007/08
	5	R'000	R'000
Learning and teaching support material		63	-
Other consumable materials		28	44
Maintenance material		23	-
Stationery and printing		9,506	6,238
Medical supplies		-	21
Total		9,620	6,303

5.6 Owned and leasehold property expenditure

	Note	2008/09	2007/08
	5	R'000	R'000
Municipal services		6,615	2,273
Property management fees		484	-
Other		1,726	680
Total		8,825	2,953

5.7 Travel and subsistence

	Note	2008/09	2007/08
		R'000	R'000
Local	5	41,064	28,182
Foreign		60,362	46,287
Total		101,426	74,469

5.8 Other operating expenditure

	Note	2008/09	2007/08
	5	R'000	R'000
Professional bodies, membership and subscription fees		5,147	3,009
Resettlement costs		6,392	3,808
Other		10,583	8,486
Total		22,122	15,303

6 FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

	Note	2008/09	2007/08
		R'000	R'000
Other material losses written off	6.1	1,671	197
Debts written off	6.2	1,904	25,660
Forex losses	6.3	331	15
Total		3,906	25,872

6.1 Other material losses written off

	Note	2008/09	2007/08
	6	R'000	R'000
Nature of losses			
Fruitless Expenditure		20	92
Court settlement		1,630	105
Claims for losses by staff		21	-
Total		1,671	197

6.2 Debts written off

	Note	2008/09	2007/08
	6	R'000	R'000
Nature of debts written off			
Staff Debts		31	119
General Export Incentive Scheme		1,797	25,476
Other		1	4
Regional Industrial Development Programme		24	43
Suppliers		51	18
Total		1,904	25,660

6.3 Forex losses

	Note	2008/09	2007/08
	6	R'000	R'000
Nature of losses			
Mission Accounts (i.e. Expenditure at foreign offices)		331	15
Total		331	15

6.4 Recoverable revenue written off

	Note	2008/09	2007/08
		R'000	R'000
Nature of losses			
General Export Incentive Scheme		(1,874)	(23,973)
Total		(1,874)	(23,973)

7 TRANSFERS AND SUBSIDIES

		2008/09	2007/08
		R'000	R'000
	Note		
Provinces and municipalities	Annex 1A	-	8
Departmental agencies and accounts	Annex 1B	1,269,549	1,502,959
Universities and technikons	Annex 1C	10,500	-
Public corporations and private enterprises	Annex 1D	2,802,963	2,984,171
Foreign governments and international organisations	Annex 1E	29,616	30,596
Non-profit institutions	Annex 1F	6,075	5,000
Households	Annex 1G	5,200	1,551
Total		4,123,903	4,524,285

8 EXPENDITURE FOR CAPITAL ASSETS

	Note	2008/09	2007/08
		R'000	R'000
Tangible assets			
Machinery and equipment	32.1	14,847	20,537
Software and other intangible assets			
Other intangibles	33.1	6,223	3,581
Total		21,070	24,118

8.1 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	6,223	-	6,223
Computer software	6,223	-	6,223
Total	21,070	-	21,070

8.2 Analysis of funds utilised to acquire capital assets – 2007/08

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	20,537	-	20,537
Machinery and equipment	20,537	-	20,537
Software and other intangible assets	3,581	-	3,581
Computer software	3,581	-	3,581
Total assets acquired	24,118	-	24,118

9 UNAUTHORISED EXPENDITURE

9.1 Reconciliation of unauthorised expenditure

	Note	2008/09	2007/08
		R'000	R'000
Opening balance		69,626	72,551
Less: Amounts approved by Parliament/Legislature (with funding)		(32,246)	-
Less: Amounts approved by Parliament/Legislature (without funding)		-	(2,925)
Current		-	(2,925)
Unauthorised expenditure awaiting authorisation		37,380	69,626
Analysis of awaiting authorisation per economic classification			
Current		37,380	69,626
Total		37,380	69,626

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

Incident	Disciplinary steps taken/ criminal proceedings	2008/09 R'000
Approved		
HR Recruitment [Overspending of the vote]		6,375
EMIA Exhibitions [Overspending of the vote]		11,456
GEIS Intershore [Overspending of the vote]		14,186
GEIS Shurlock [Overspending of the vote]		229
		32,246
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

10. FRUITLESS AND WASTEFUL EXPENDITURE

10.1 Reconciliation of fruitless and wasteful expenditure

	Note	2008/09	2007/08
		R'000	R'000
Opening balance		11	20
Add: Fruitless and wasteful expenditure- current year		95	101
Current expenditure	27.2	95	101
Less: Amounts condoned		(20)	(92)
Current		(20)	(92)
Less: Amounts transferred to receivable for recovery		-	(18)
Fruitless and wasteful expenditure awaiting condonement		86	11
Analysis of awaiting condonement per economic classification			
Current		86	11
Total		86	11

11. CASH AND CASH EQUIVALENTS

	Note	2008/09	2007/08
		R'000	R'000
Consolidated Paymaster General Account		225,930	181,169
Cash on hand		68	64
Total		225,998	181,233

12 OTHER FINANCIAL ASSETS

Note	2008/09	2007/08
	R'000	R'000
Non-current		
Local		
Staff Debts (Bursary, Salary overpayments)	104	189
Other	38	71
Sub-total	142	260
Foreign		
Other (Rental deposits for employees based abroad)	2,979	3,442
Sub-total	2,979	3,442
Total Non-current other financial assets	3,121	3,702

The 2007/08 Staff debts were restated to include certain amounts that were previously reflected in Receivables (Note 14).

13 PREPAYMENTS AND ADVANCES

Note	2008/09	2007/08
	R'000	R'000
Staff advances	9	-
Travel and subsistence	1,523	798
Prepayments	-	91
Advances paid to other entities	20,346	942
Total	21,878	1,831

The amount for Advances paid to other entities substantially relate to advance payments to the Department of Foreign Affairs in lieu of payments that will be made for expenditure incurred at the dti foreign mission offices.

14 RECEIVABLES

	Note	2008/09			2007/08	
		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	14.1 Annex 4	3,049	5,541	208,177	216,767	213,776
Staff debt	14.2	80	95	23	198	255
Other debtors	14.3	588	3,830	3,610	8,028	6,798
Total		3,717	9,466	211,810	224,993	220,829

14.1 Claims recoverable

	Note	2008/09	2007/08
	14	R'000	R'000
National departments		72	590
Public entities		7,725	5,342
Private enterprises		208,970	207,844
Total		216,767	213,776

R 207,517 (R 207,682 – 2007/08) is included in Claims recoverable – Private enterprises that relate to the General Export Incentive Scheme debt which are potentially irrecoverable and are reflected as such in Note 31 – Provisions.

14.2 Staff debt

	Note	2008/09	2007/08
	14	R'000	R'000
Bursary		62	83
Leave Without Pay		35	1
Other		16	119
Salary Overpayment In Service		74	45
Telephone		9	5
Travel and Subsistence		2	2
Total		198	255

The 2007/08 amount for Staff debts was restated to include certain amounts that were previously reflected in Receivables (Note 14).

14.3 Other debtors

	Note	2008/09	2007/08
	14	R'000	R'000
Bursary		186	134
Salary Overpayment Out of Service		1,619	1,529
Other		21	2
Medical		499	454
Tax		33	2
Fraud		5,067	4,574
Theft		250	103
Clearing Accounts		228	-
Travel and subsistence		10	-
Damages to property		115	-
Total		8,028	6,798

N.B. The amount for Fraud comprises R1,5 million for stolen cheques (old cases) and R3,5 million for the alleged ACHIB fraud, which are under investigation.

The 2007/08 total for Other debtors was restated by the inclusion of values relating to Theft which was previously included in Staff debt (Note 14.2).

15 INVESTMENTS

Note	2008/09	2007/08
	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

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 that of **the dti**.

16 LOANS

Note	2008/09	2007/08
	R'000	R'000
Public corporations	281,280	246,250
Total	281,280	246,250
Analysis of Balance		
Opening balance	246,250	206,250
New Issues	35,030	40,000
Closing balance	281,280	246,250

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.

17 VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2008/09	2007/08
		R'000	R'000
Opening balance		3,241	12,936
Transfer from statement of financial performance		69,904	181,258
Voted funds not requested/not received	1.1	(40,110)	(177,691)
Paid during the year		(3,567)	(13,262)
Closing balance		29,468	3,241

18 DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

	Note	2008/09	2007/08
		R'000	R'000
Opening balance		92,033	93,033
Transfer from Statement of Financial Performance		309,326	323,508
Paid during the year		(391,153)	(324,508)
Closing balance		10,206	92,033

19 PAYABLES – CURRENT

Description	Note	2008/09	2007/08
		Total	Total
		R'000	R'000
Amounts owing to other entities	Annex 5	268	39
Clearing accounts	19.1	168	106
Other payables	19.2	8,864	16,656
Total		9,300	16,801

19.1 Clearing accounts

	Note	2008/09	2007/08
	19	R'000	R'000
PAYE		119	91
Pension fund		3	3
Medical Aid		20	-
Bargaining Council		1	-
PERSAL EBT Control		-	5
Travel and Subsistence advance		25	7
Total		168	106

19.2 Other payables

	Note	2008/09	2007/08
	19	R'000	R'000
WTO		-	1,276
Other		9	8
OPCW		-	598
National Pavilions		-	5,766
Film incentive		-	8,043
PPP		965	965
BPO		3,840	-
WIPO		600	-
Business Trust		3,450	-
Total		8,864	16,656

The 2007/08 amount for Other payables was restated by R 106 thousand which is now reflected in Note 19.1.

20 NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note	2008/09	2007/08
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		475,060	596,648
Add back non cash/cash movements not deemed operating activities		(513,411)	(469,207)
(Increase)/decrease in receivables – current		(4,164)	84,058
(Increase)/decrease in prepayments and advances		(20,047)	(684)
(Increase)/decrease in other current assets		32,171	2,934
Increase/(decrease) in payables – current		(7,501)	11,032
Proceeds from sale of capital assets		(110)	(204)
Expenditure on capital assets		21,070	24,118
Surrenders to Revenue Fund		(394,720)	(337,770)
Voted funds not requested/not received		(40,110)	(177,691)
Other non-cash items		(100,000)	(75,000)
Net cash flow generated by operating activities		(38,351)	127,441

21 RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	Note	2008/09	2007/08
		R'000	R'000
Consolidated Paymaster General account		225,930	181,169
Cash on hand		68	64
Total		225,998	181,233

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Disclosure Notes to the Annual Financial Statements

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

22 CONTINGENT LIABILITIES

		Note	2008/09	2007/08
			R'000	R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 3A	1,308	1,337
Housing loan guarantees	Employees	Annex 3A	589	900
Other guarantees	IDC	Annex 3A	1,445,958	1,193,793
Claims against the department		Annex 3B	2,947,407	2,947,242
Other departments (interdepartmental unconfirmed balances)		Annex 5	268	39
Total			4,395,530	4,143,311

The 2007/08 amounts for the claims against the department were restated.

23 COMMITMENTS

		Note	2008/09	2007/08
			R'000	R'000
Current expenditure			44,300	27,221
Approved and contracted			44,300	27,221
Capital expenditure			297	117
Approved and contracted			297	117
Total Commitments			44,597	27,338

24 ACCRUALS

	2008/09			2007/08
	R'000			R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	1,944	-	1,944	2,034
Machinery and equipment	-	-	-	39
Total	1,944	-	1,944	2,073
	Note			2008/09
				2007/08
	R'000			R'000
Listed by programme level				
Administration			453	1,170
International Trade and Economic Development			217	32
Enterprise and Industry Development			595	309
Consumer and Corporate Regulation			310	116
The Enterprise Organisation			181	75
Trade and Investment South Africa			146	148
Marketing			42	223
Total			1,944	2,073

25 EMPLOYEE BENEFITS

	Note	2008/09	2007/08
		R'000	R'000
Leave entitlement		12,047	8,950
Thirteenth cheque		7,869	6,401
Performance awards		61	93
Capped leave commitments		10,064	10,206
Total		30,041	25,650

The 2007/08 amounts for leave entitlement and capped leave commitments were restated.

26 LEASE COMMITMENTS

26.1 Operating leases expenditure

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	-	131,276	2,778	134,054
Later than 1 year and not later than 5 years	-	613,269	3,169	616,438
Later than 5 years	-	4,119,480	-	4,119,480
Total lease commitments	-	4,864,025	5,947	4,869,972

2007/08	Land	Buildings and other fixed structures	Machinery and equipment	Total
	Not later than 1 year	-	120,437	-
Later than 1 year and not later than 5 years	-	577,579	-	577,579
Later than 5 years	-	4,286,447	-	4,286,447
Total lease commitments	-	4,984,463	-	4,984,463

An amount of R 4, 426 million that is associated with the fleet management is included in the lease commitments for 2008/09.

The amounts reflected under Building & other fixed structures relate to payments that will be made with respect to a Public Private Partnership (PPP) agreement as detailed in note 31.1. 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.

A large portion of the amount for 2007/08 were restated as these were previously reported as finance leases.

26.2 Finance leases expenditure**

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	517	517
Later than 1 year and not later than 5 years	-	-	266	266
Total lease commitments	-	-	783	783
LESS: finance costs	-	-	-	-
Total present value of lease liabilities	-	-	783	783

2007/08	Land	Buildings and other fixed structures	Machinery and equipment	Total
	Not later than 1 year	-	-	2,107
Later than 1 year and not later than 5 years	-	-	3,959	3,959
Total lease commitments	-	-	6,066	6,066
LESS: finance costs	-	-	-	-
Total present value of lease liabilities	-	-	6,066	6,066

**This note excludes leases relating to public private partnership as they are separately disclosed to notes no. 26.1 and 31.

A large portion of the 2007/08 leases, which were classified as finance leases have been re-classified as operating leases in 2008/09. This relates to lease commitments for the fleet management as well as for cellular phones.

27 IRREGULAR EXPENDITURE

27.1 Reconciliation of irregular expenditure

	Note	2008/09	2007/08
		R'000	R'000
Opening balance		-	-
Add: Irregular expenditure – relating to current year		251	-
Less: Amounts condoned		-	-
Irregular expenditure awaiting condonation		251	-

27.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2008/09 R'000
Delegation of authority	Matter referred to Accounting Officer for condonation.	251
Total		251

The above amount was condoned by the Accounting Officer on 29 May 2009, which was subsequent to the financial year-end.

28 FRUITLESS AND WASTEFUL EXPENDITURE

28.1 Reconciliation of fruitless and wasteful expenditure

Note	2008/09 R'000
Fruitless and wasteful expenditure – relating to prior year	11
Add: fruitless and wasteful expenditure – relating to current year	95
Less: Amounts condoned	(20)
Fruitless and wasteful expenditure awaiting condonation	86
Analysis of awaiting condonation per economic classification	
Current	86
Total	86

28.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proceedings	2008/09 R'000
No show – Hotel	Under investigation	41
Interest	Written off	20
Penalty fee	Under investigation	34
Total		95

29 RELATED PARTY TRANSACTIONS

Revenue received/(paid)	Note	2008/09	2007/08
		R'000	R'000
Fines, penalties and forfeits	2.2	144,395	154,291
Rent on land	28.1	15,957	16,801
Dividends (IDC)	2.3	100,000	75,000
Total		260,352	246,092

Payments made	Note	2008/09	2007/08
		R'000	R'000
Goods and services		55,487	101,550
Purchases of capital assets		511	1,106
Total		55,898	102,656

The above payments have been made to the Department of Foreign Affairs for costs incurred by the dti foreign mission offices, and to the Department of Justice for legal fees.

	Note	2008/09	2007/08
		R'000	R'000
Year end balances arising from revenue/payments			
Receivables from related parties	Ann 4	7,725	5,341
Payables to related parties	Ann 5	(31)	(20)
Total		7,694	5,321

	Note	2008/09	2007/08
		R'000	R'000
Loans to /from related parties			
Non-interest bearing loans to/(from)	16	281,280	245,250
Total		281,280	245,250

	Note	2008/09	2007/08
		R'000	R'000
Other			
Guarantees issued/received	22	1,445,958	1,193,793
Total		1,445,958	1,193,793

29.1 Rent on land

Name of Agency	Note	2008/09	2007/08
	28	R'000	R'000
Competition Commission & Competition Tribunal		5,479	5,145
National Lotteries Board		-	1,443
Companies & Intellectual Property Rights Organisation		7,645	7,179
South African Quality Institute		222	153
International Trade Administration Commission		2,021	2,367
South African Micro-finance Apex Fund		590	514
Total		15,958	16,801

The entities listed in the table on pages 17 to 21 are also related parties.

30 KEY MANAGEMENT PERSONNEL

	No. of Individuals	2008/09	2007/08
		R'000	R'000
Political office bearers (provide detail below)	3	4,267	2,384
Officials:			
Level 15 to 16	8	7,194	8,024
Level 14 (incl. CFO if at a lower level)	10	5,030	2,298
Family members of key management personnel			
Total		16,491	12,706

All 8 employees on Level 15 to 16 were permanently employed for the full duration of the reporting period. Of the 10 employees on Level 14, 6 were permanently employed for the duration of the reporting period and 4 were acting for a portion of the period.

From 1 April 2008 the Political office bearers received an annual adjustment and an all inclusive salary package was also introduced which includes employer contributions.

Political office bearers consists of:

- Minister M Mphahla,
- Deputy Minister E Thabethe and
- Deputy Minister RH Davies.

31 PUBLIC PRIVATE PARTNERSHIP

31.1 Buildings & 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, 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.

During the reporting period, **the dti** paid amounts totalling R860 369.78 to the following suppliers for support services relating to the PPP agreement:

- R 387 920.18 *Utho Capital*, for financial and BBBEE advisory services
- R104 424.00 *Procurement Dynamics* for review of variation enquiry documentation
- R6 600.00 *2A Consulting* for inspection of electrical distribution boards
- R352 305.60 *BI Architects & Space Planners* for strategic space planning
- R9 120.00 *AJA Quality surveyors* for quality control services

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 R145.001 million for the 2008/09 reporting period, as compared to the R127.017million for the 2007/08 financial year. Payments of R343 722.02 were made during the reporting period in respect of variation orders, as compared to the R4.088 million that was paid during the 2007/08 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 R507 822.05 were made during the reporting 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 R7.738 million. Performance deductions to the amount of R11 019.00 were charged and recovered from *Rainprop (Pty) Ltd*, whilst credits of R24 639.39 were received for sundry items.

Transactions that may affect future cash flows include an amount of R964 776.00 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.

A historic saving of R7.927 million is still available as reported during 2007/08 on furniture as part of the capital provision of the concessionaire agreement, which amount will be made available to **the dti** to fund security improvements.

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 experienced delivery services to **the dti** as contractually defined by an “experience delivery matrix” over the term of the concession. **the dti** will enjoy the benefits as deemed contractually appropriate by the Concessionaire in the fulfilment of its obligations to **the dti**.

Obligation to provide rights or to expect the provision of services.

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

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

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

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

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

Fixed assets, including buildings erected thereon by the Concessionaire as part of its asset mobilization program 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 mobilized 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 Treasury.

Other rights and obligations:

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

Changes in the arrangement occurred during the period.

No changes in the arrangement occurred during the reporting period

	Note	2008/09	2007/08
		R'000	R'000
Contract fee paid		145,012	134,546
Fixed component		137,298	127,017
Indexed component		7,714	7,529
Total		145,012	134,546

31.2 Motor 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 and chauffeur and point-to-point driven services. The service level agreement signed with service provider clearly stipulates the service levels that must be adhered to and the time frame within which such service is to be booked by the department. The contract term is five years which commenced on 1 December 2006. At the end of the five years only the information relating to the fleet service will revert to government. Assets will not be transferred to Government. The following services are provided in the contract:
- Long term fleet rental (five years)
- Short-term fleet rental (day to day),
- Short-medium term fleet rental (more than a month but less than a year),
- 24/7 call centre, internet based system with an electronic log book,
- Chauffeur and point-to-point driven services,
- Fuel management services, Fuel management system,
- Vehicle tracking device for long-term and short-medium term rental,
- Classroom-based driver training and
- Fleet consultancy services

	Note	2008/09	2007/08
		R'000	R'000
Contract fee paid		3,819	2,367
Fixed component		2,125	1,853
Indexed component		1,694	514
Total		3,819	2,367

The above is a new disclosure to the PPP note.

32 PROVISIONS

	Note	2008/09	2007/08
		R'000	R'000
Potential irrecoverable debts			
Private enterprises		208,517	207,682
Staff debtors		118	181
Other debtors		7,441	6,595
Total		216,076	214,458

33 MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009					
	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	71,155	(15,086)	20,216	2,954	73,331
Transport assets	3,854	(1,956)	2,656	297	4,257
Computer equipment	57,618	(20,898)	11,993	1,158	47,555
Furniture and office equipment	7,081	8,099	3,990	1,152	18,018
Other machinery and equipment	2,602	(331)	1,577	347	3,501
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	71,155	(15,086)	20,216	2,954	73,331

33.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009					
	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	14,847	5,369	-	-	20,216
Transport assets	248	2,408	-	-	2,656
Computer equipment	9,881	2,112	-	-	11,993
Furniture and office equipment	3,275	715	-	-	3,990
Other machinery and equipment	1,443	134	-	-	1,577
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	14,847	5,369	-	-	20,216

33.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009				
	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	297	2,657	2,954	110
Transport assets	297	-	297	110
Computer equipment	-	1,158	1,158	-
Furniture and office equipment	-	1,152	1,152	-
Other machinery and equipment	-	347	347	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	297	2,657	2,954	110

33.3 Movement for 2007/08

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	50,822	20,537	204	71,155
Transport assets	3,647	411	204	3,854
Computer equipment	40,750	16,868	-	57,618
Furniture and office equipment	5,281	1,800	-	7,081
Other machinery and equipment	1,144	1,458	-	2,602
TOTAL MOVABLE TANGIBLE ASSETS	50,822	20,537	204	71,155

33.4 Minor assets

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2009					
	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Value of Minor assets	245	-	11,623	-	11,868
TOTAL	245	-	11,623	-	11,868

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	158	-	13,476	-	13,634
TOTAL	158	-	13,476	-	13,634

The values of minor assets were previously included in Notes 33 and 34 but are now reported separately.

34 INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009					
	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	11,337	(1,020)	6,223	-	16,540
TOTAL INTANGIBLE CAPITAL ASSETS	11,337	(1,020)	6,223	-	16,540

34.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009					
	Cash	Non-Cash	(Develop- ment 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
COMPUTER SOFTWARE	6,223	-	-	-	6,223
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	6,223	-	-	-	6,223

34.2 Movement for 2007/08

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	7,756	3,581	-	11,337
TOTAL	7,756	3,581	-	11,337

35 IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009					
	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Non-residential buildings	31	(31)	-	-	-
Other fixed structures	4,005	(4,005)	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	4,036	(4,036)	-	-	-

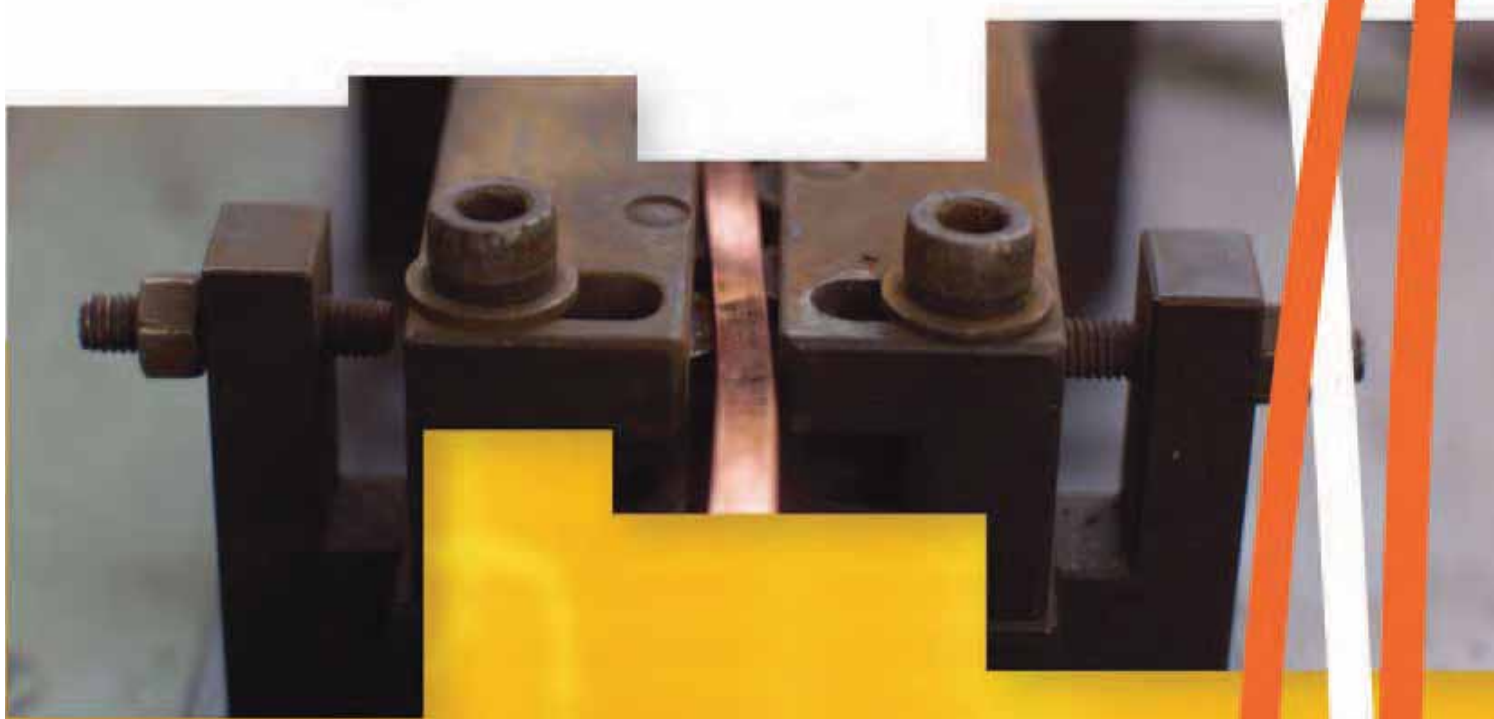
The adjustments to the above amounts were effected as the payment related to operating expenditure with respect to renovations and should not have been capitalised.

35.1 Movement for 2007/08

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Non-residential buildings	31	-	-	31
Other fixed structures	4,005	-	-	4,005
TOTAL IMMOVABLE TANGIBLE ASSETS	4,036	-	-	4,036

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for the year ended 31 March 2009



Annexures

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
ANNEXURES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

ANNEXURE 1A

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2007/08
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Regional Service Council	-	-	-	-	-	-	-	-	-	8
	-	-	-	-	-	-	-	-	-	8

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2007/08
	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	58,427	-	-	58,427	58,427	100%	55,707
National Productivity Institute: Workplace Challenge	8,660	-	-	8,660	8,660	100%	8,258
National Empowerment Fund - Capital	312,932	-	-	312,932	312,932	100%	609,954
South African Micro-finance Apex Fund	38,093	-	-	38,093	38,093	100%	83,999
Small Enterprise Development Agency	408,031	-	5,600	413,631	413,631	100%	258,849
National Research Foundation: Technology and Human Resources for Industry Programme	161,982	-	-	161,982	161,982	100%	155,455
National Gambling Board	17,274	-	-	17,274	17,274	100%	19,776
Competition Commission	44,000	-	-	44,000	44,000	100%	23,221
ProTechnik Laboratories (Current)	1,782	-	-	1,782	1,621	91%	1,528
ProTechnik Laboratories (Capital)	261	-	-	261	261	100%	400
South African National Accreditation System	13,750	-	-	13,750	13,750	100%	12,500
Small Enterprise Development Agency :Technology Programme	76,739	-	-	76,739	76,739	100%	73,360
Competition Tribunal	9,909	-	-	9,909	9,909	100%	8,670
National Credit Regulator	34,082	-	-	34,082	34,082	100%	44,514
National Metrology Institute of South Africa	54,999	-	-	54,999	54,999	100%	46,768
National Consumer Tribunal	11,392	-	-	11,392	11,392	100%	-
National Regulator for Compulsory Specifications	6,797	-	5,000	11,797	11,797	100%	-
National Empowerment Fund - Current	-	-	-	-	-	-	100,000
TOTAL	1,259,110		10,600	1,269,710	1,269,549		1,502,959

ANNEXURE 1C

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2007/08
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
University of Pretoria: Advanced Engineering Centre of Excellence	2,500	-	-	2,500	2,500	-	100%	-
Witwatersrand Business School: Centre for Entrepreneurship	2,000	-	-	2,000	2,000	-	100%	-
North-West University: Advanced Manufacturing Skills Sector Support Centre	3,000	-	-	3,000	3,000	-	100%	-
University of Witwatersrand: National Aerospace Skills Sector Support Centre	3,000	-	-	3,000	3,000	-	100%	-
Total	10,500	-	-	10,500	10,500	-	100%	-

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2007/08
	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	600	-	-	600	523	87%	-	523	5,250
Development Bank of Southern Africa : Regional Spatial Development Initiatives	15,228	-	-	15,228	15,228	100%	-	15,228	14,524
Industrial Development Corporation : Support Programme for Industrial Development	-	-	-	-	-	-	-	-	46,881
Council for Scientific and Industrial Research : Aerospace Industry	10,001	-	-	10,001	10,000	100%	10,000	-	10,000
Coega Development Corporation	718,425	-	-	718,425	718,425	100%	718,425	-	725,963
East London Industrial Development Zone Company	154,030	-	-	154,030	154,030	100%	154,030	-	124,850
Richards Bay Industrial Development Zone (Pty) Ltd	1	-	-	1	-	-	-	-	-
Council for Scientific and Industrial Research : National Cleaner Production Centre	9,800	-	-	9,800	9,800	100%	-	9,800	4,500
South African Bureau of Standards : Research Contribution	142,144	-	-	142,144	142,144	100%	-	142,144	138,612
Council for Scientific and Industrial Research : Fibre and Textile Centre of Excellence	3,000	-	-	3,000	3,000	100%	-	3,000	-
MINTEK: CSP	1,000	-	-	1,000	1,000	100%	-	1,000	1,540
Industrial Development Corporation : Isivande Women's Fund	19,000	-	-	19,000	19,000	100%	-	19,000	10,000
KHULA Enterprise Finance	69,932	-	-	69,932	69,932	100%	35,030	34,902	73,495
South African Bureau of Standards : Small Business Technical Consulting	873	-	431	1,304	1,303	100%	-	1,303	748
Centurion Aerospace Village	20,000	-	-	20,000	20,000	100%	20,000	-	-
UNIDO: Automotive	-	-	5,000	5,000	4,553	100%	-	4,553	-
Council for Scientific and Industrial Research : Technology Venture Capital	6,001	-	-	6,001	6,001	100%	6,001	-	5,830

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NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2007/08
	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
South African Bureau of Standards : Trade Metrology	11,136	-	-	11,136	11,136	100%	-	11,136	10,619
Export Credit Insurance Corporation	123,648	-	-	123,648	123,648	100%	-	123,648	120,567
Industrial Development Corporation : Customised Sector Programmes	39,000	-	-	39,000	39,000	100%	-	39,000	-
Industrial Development Corporation: Regional Industrial Development	-	-	-	-	-	-	-	-	30,000
Council for Scientific and Industrial Research: Maritime Industry Project	1	-	-	1	-	0%	-	-	-
Subsidies									
Small and Medium Manufacturing Development Programme	4,661	-	-	4,661	4,652	100%	-	4,652	5,606
Enterprise Development	977,798	-	37,000	1,014,798	1,014,790	100%	-	1,014,790	1,040,163
Industrial Development Zones: Other	1	-	-	1	-	-	-	-	-
Business Process Outsourcing	110,000	-	-	110,000	104,994	95%	-	104,994	35,588
Film and Television Production Incentives	154,240	-	(38,000)	116,240	105,500	91%	-	105,500	96,020
Staple Food Fortification Programme	3,001	-	(2,000)	1,001	476	48%	-	476	-
Sector Development Programme	1	-	-	1	-	-	-	-	-
Enterprise Investment Programme	1	-	-	1	-	-	-	-	-
Manufacturing Development Programme	1	-	-	1	-	-	-	-	-
Sub - total	2,593,524	-	2,431	2,595,955	2,579,135		943,486	1,635,649	2,500,756

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NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2007/08
	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
Private Enterprises									
Export Market and Investment Assistance	111,885	-	1,000	112,885	112,124	99%	-	112,124	89,770
Black Business Supplier Development Programme	25,329	-	2,000	27,329	27,323	100%	-	27,323	28,490
Other Critical Infrastructure Programme Project	75,117	-	-	75,117	75,051	100%	75,051	-	60,215
Co-Operatives Incentive Scheme	9,330	-	-	9,330	9,330	100%	-	9,330	-
South African Capital Goods Feasibility Study Fund	-	-	-	-	-	-	-	-	4,940
Critical Infrastructure Programme: ALCAN aluminium smelter	-	-	-	-	-	-	-	-	300,000
Sub - Total	221,661	-	3,000	224,661	223,828		75,051	148,777	483,415
TOTAL	2,815,185	-	5,431	2,820,616	2,802,963		1,018,537	1,784,426	2,984,171

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE			2007/08
	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	4,950	-	3,600	8,550	8,339	98%	7,495	
Organisation for the Prohibition of Chemical Weapons	2,300	-	-	2,300	2,300	100%	2,198	
United Nations Industrial Development Organisation	9,204	-	-	9,204	3,492	38%	4,875	
International Bank for Reconstruction and Development	4,956	-	-	4,956	4,956	100%	9,075	
International Finance corporation	4,955	-	-	4,955	4,955	100%	4,674	
World Intellectual Property Organisation	2,474	-	600	3,074	3,074	100%	2,279	
African Programme of Rethink Development Economics	-	-	2,500	2,500	2,500	100%	-	
Total	28,839	-	6,700	35,539	29,616	100%	30,596	

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	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	2,475	3,600	-	6,075	6,075	100%	5,000
Total	2,475	3,600	-	6,075	6,075	100%	5,000

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	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	-	-	678	678	983	145%	747
Donations and gifts	-	-	3,551	3,551	3,240	91%	804
Bursaries	-	-	1,450	1,450	977	67%	-
Total	-	-	5,679	5,679	5,200		1,551

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ANNEXURES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
		R'000	R'000
Received in kind			
Australian Development Scholarship	Study scholarship in Australia	-	106
Swedish International Development Cooperation Agency (SIDA)	Training programme on Rules of Origin - Travel costs	-	22
US Department of Energy Oakridge National Laboratory	Attend a Commodity Identification Training workshop - Travel costs	-	29
Trade Law Centre for Southern Africa (TRALAC)	Postgraduate Diploma in Management Practice - Scholarship and travel costs	-	500
World Trade Organisation (WTO)	WTO Regional Seminar on Market Access for Non-agricultural Products - Travel costs	-	28
Trade Hub	Meeting for the finalisation of the SADC Phytosanitary Annex to Trade Protocol - Travel costs	-	12
AUSAID	Australian Development Scholarship	-	121
Swiss Government - Material Science & Technology Institute of Switzerland	Attend the e-Waste Study tour - Travel costs	-	8
French Institute of SA (IFAS)	Attend the APORDE seminar - Travel costs	-	34
Organisation of Economic Co-operation and Development	Participating in the OECD Global Forum on "Trade, Innovation and Growth" - Travel costs	-	19
Pro Consumers Mozambique	Attend the First International Conference on Consumers, Products and Services towards FIFA 2010 World Cup - Travel costs	-	57
Commonwealth Secretariat	Attend SADC Expert Group meeting on Competition Policy and Law - Travel costs	-	28
USAID	Services rendered as Project manager in relation to Corporate Law reform	-	263
United States Department	Partially funded programme - United States - Protection of Intellectual Rights - Travel costs	-	65
Japan-Singapore Partnership programme for the 21st Century (JSPP21)	Attend Human Resource Management training - Travel costs	-	61
Worldbank	Attend training workshop on Competition Policy - Travel costs	-	10
The South African Breweries Limited (SAB)	Annual Beer Heritage Tour - Travel costs	-	15
VISA International	Attend and address the VISA International Government Services Conference - Travel costs	-	75
AUSAID	Scholarship in Public Sector Management in Australia -Travel costs & tuition for the programme	-	68

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NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
		R'000	R'000
Ausaid Scholarship	Study scholarship in Australia	-	51
Ausaid Scholarship	Study scholarship in Australia	-	76
USAID	External training, Investment appraisal and risk analysis - Tuition and accommodation	-	56
Donor agency from United Kingdom (DFID)	Consultancy services from SSAS with implementation cost - Source data clean-up (SMEDP)	-	169
Ausaid Scholarship	Study scholarship in Australia	-	161
International Trade Centre (ITC)	Attend the "Serviceexportnet" meeting - Travel costs	-	10
BMW SA & Diners Club International	President's International Investment Council - availability of 20 vehicles and event costs	-	150
Commonwealth Secretariat	Attend the Pan Commonwealth conference on professional service trade - Travel costs	-	40
International Association of Outsourcing Professionals	Attend the 2008 Outsourcing World Summit - Conference fee	-	27
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 & 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 & accommodation	30	-
Regional Trade Facilitation Project	Attending a Preparatory meeting for the COMESA-EAC-SADC Tripartite Summit -Travel costs & Accommodation	10	-
Swedish International Development Cooperation Agency (SIDA)	Attending the International training programme on Trade Facilitation - Travel costs & Accommodation	168	-
OPCW	Third Regional Assistance and Protection course for African CWC states - Travel costs & Accommodation	31	-

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NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
		R'000	R'000
The French Institute of South Africa	Attending the African Programme on Rethinking Development Economics - Travel costs & 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 & 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	-
CBI	Attend the CBI Fame XIX Export marketing and promotion training for Business Support Organisations	22	-
Miscellaneous		-	1
TOTAL		1,316	2,262

ANNEXURE 1I
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPEN-DITURE	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 SMME's	131,160	197,816	87,775	241,201
RDP Finland	To support enterprise, employment and equity for SMME development.	10,063	-	10,063	-
RDP Sweden	Promote business to business support.	10,568	7,183	11,331	6,420
Risk Capital Facility		-	182,387	182,387	-
TOTAL		151,791	387,386	291,556	247,621

ANNEXURE 1J

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)	2008/09	2007/08
	R'000	R'000
Paid in cash		
Bereavement benefits (dti officials)	-	14
NEDLAC: Strategic workshop on Trade and Industry as per GDS agreement (costs of venue, refreshments.)	-	50
Transworld Catering CC (Co-sponsorship of launch of the Black Business Women's Association. BBWA)	-	50
Environmental Management Accounting Network Africa Global conference (conference material, transport of delegates and general administration costs)	-	84
Dlamini Well Communication (Pty) Ltd (Sponsor a table at the International Women's Forum SA)	-	11
SA Agency for Science Technology Advancement: World Space Week celebrations (publishing of the Space Council work and its role in the Industry)	-	100
Trophy Africa (Sponsor the Enterprise Development Awards as token of appreciation to the winners - trophies)	-	29
Amacusi Guest House (Awards for the best performing Black Business Supplier Development Programme recipient - 5 th best achiever)	-	10
Yana Music & Entertainment (Awards for the best performing Black Business Supplier Development Programme recipient - 3 rd best achiever)	-	10
Recliner Specialist (Awards for the best performing Black Business Supplier Development Programme recipient - 6 th best achiever)	-	10
Usizo Professional Consultancy (Awards for the best performing Black Business Supplier Development Programme recipient - 4 th best achiever)	-	10
Shosholozza Biomedical (Awards for the best performing Black Business Supplier Development Programme recipient - 2 nd best achiever)	-	10
Plumbing Solutions (Awards for the best performing Black Business Supplier Development Programme recipient - 1 st best achiever)	-	20
Department of Economic Development & Tourism: North West Provincial Government (Sponsor the Summit on Enterprise Development, Local Growth and Second Economy- stationery, carry packs, name tags, printing for 500 delegates and gifts for 30 presenters)	-	69
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	-
Subtotal	3,240	477

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NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2008/09	2007/08
	R'000	R'000
Made in kind**		
Complete Management Services (Gifts for foreign dignitaries)	-	26
Pictorial Press: Third Regional OPCW assistance and protection course for CWC state parties (gifts to presenters)	-	5
Meropa Heritage: National workshop: Women's access to the financial markets (gifts to presenters)	-	11
Meropa Heritage: Women Economic Empowerment Mother's day seminar (gifts to women to acknowledge their role in uplifting the economic position of the country)	-	34
Sizanaolwazi CC: Cell C initiative "Take a girl to work" Empowering South African girls through Entrepreneurship (gifts as token for participation)	-	21
Kea-Nthabi's African Design: Hosting a business luncheon on Women Empowerment as part of the Italian Ministerial Visit (gifts)	-	6
Sizanaolwazi CC: Tokens to the women attending the commemoration of the Women's day in Thohoyandou, Venda (gifts)	-	30
Multi-line marketing (Gifts for foreign dignitaries and counterparts)	-	41
RS Sculptor: BBSDP award ceremony (trophies)	-	26
Malerato Crafts: BBSDP award ceremony (gifts)	-	43
Pshesheya Marketing Communications (Gift to the retired CEO of Alcan)	-	6
Multi-line marketing (Gifts for foreign dignitaries and counterparts)	-	30
Sizanaolwazi CC: Event for commemoration of the Women's month (Gifts as token for participants)	-	19
Tshala Promotions: 16 days of activism (gifts for Leamogetswe children)	-	9
Zamzi Trading Enterprise CC (Gifts for women entrepreneurs during the Business Women Leadership awards - gifts)	-	18
Silver Solutions: business trips (Gifts for exchange)	-	95
Paddywack Promotional Products (Gifts)	-	12
Citikay International Import & Export (Gifts for foreign dignitaries and counterparts)	-	15
Organisation for Prohibition of Chemical Weapons: Cost for the sub-regional workshop (travel costs)	-	6
High Schools (Desktop computers as prizes for the winning schools)	-	21
Tertiary Institutions (34 books of the Enforcement of Intellectual Property project)	-	14
Conference on World Intellectual property (Transport for WIPO personnel and international delegates)	-	10
Pictorial Press: Third Regional assistance and protection course for CWC state parties (gifts to presenters)	6	-
Elle Promotions CC: Capital and Fesibility 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	-
Sizanaolwazi CC: Women month commemoration at the dti (gifts)	15	-

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NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2008/09	2007/08
	R'000	R'000
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	-
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 awards ceremony (trophies for the winners)	25	-
Chat Connection Enterprises: Table gifts for delegates for the Bying 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	-
Miscellaneous (Exchange gifts with counterparts and business executive etc.)	63	59
Subtotal	861	557
TOTAL	4,101	1,034

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
ANNEXURES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

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)			Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed
		% Held 08/09	% Held 07/08	2008/09	2007/08	R'000		R'000		R'000		
				2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	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	5,621,000	3,951,000	No
Total		100%	100%	1,392,969,357	1,392,969,357	1,392,969	1,392,969	1,392,969	1,392,969	5,621,000	3,951,000	

The 2007/08 profit/(loss) for the year was restated.

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

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	
		2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08
Controlled entities									
Industrial Development Corporation of SA Ltd	Contribution to growth, Industrial Development and Economic Empowerment through its financial activities	1,392,969	1,392,969	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 2009 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2008	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2009	Guaranteed interest for year ended 31 March 2009	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		674	866	270	299	-	837	-	-
Daimler Chrysler		48	471	-	-	-	471	-	-
		722	1,337	270	299	-	1,308	-	-
	Housing								
ABSA			265	-	121	-	144	-	-
African Bank			16	-	16	-	-	-	-
FNB			53	55	54	-	54	-	-
Fidelity Bank			23	-	23	-	-	-	-
Nedbank Ltd (NBS)			23	-	-	-	23	-	-
Nedbank			176	-	145	-	31	-	-
Saambou			130	-	7	-	123	-	-
Standard Bank			193	-	-	-	193	-	-
BoE Bank Ltd			21	-	-	-	21	-	-
			900	55	366	-	589	-	-
Total		722	2,237	325	665	-	1,897	-	-

The opening balance for Stannic motor vehicle guarantees was restated.

ANNEXURE 3A (CONTINUED)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2009 – FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2008	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2009	Guaranteed interest for year ended 31 March 2009	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	1,296,241	381,336	-	165,863	32,014	247,487	10,935	-
African Investment Bank	IDC	949,500	688,500	-	94,950	118,575	712,125	8,174	-
Nordic Investment Bank	IDC	284,850	83,025	-	18,990	14,299	78,334	313	-
Export-Import Bank of Japan	IDC	407,015	-	-	-	-	-	-	-
KFW	IDC	387,586	387,712	-	-	-	387,712	878	-
Total		3,325,192	1,540,573	-	279,803	164,888	1,425,658	20,300	-

The opening balance was restated to include the guarantee from KFW which was issued during 2008/09.

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2009

Nature of Liability	Opening Balance 01/04/2008	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31/03/2009
	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	67	-	67	-	-
Karibu Promotions	67	-	67	-	-
Specialised Plumbing Services and Drain Cleaners	67	-	67	-	-
Watertite Conservation	67	-	67	-	-
Obec Enterprises	67	-	67	-	-
Pipe Repair Joint Couplings	67	-	67	-	-
Wesela	67	-	67	-	-
Changing Tides 1065	67	-	67	-	-
CorpCapital Bank	5,554	-	5,554	-	-
Dr Nkem-Abotho	360	-	-	-	360
E van Zyl	125	-	-	-	125
JHC Engelbrecht	36	-	-	-	36
Top Conference and Events Co.	11,167	-	-	-	11,167
Von Abo	97,163	-	-	-	97,163
ICSID	2,829,221	-	-	-	2,829,221
ISS International	-	313	-	-	313
Marina Lodge(Pty) Ltd & Others/Tshediso Matona & Others	-	5,000	-	-	5,000
Moody Blue/Swiss Port Cargo	-	942	-	-	942
Total	2,947,242	6,255	6,090	-	2,947,407

The opening balance was restated as some claims were erroneously excluded in the prior year.

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 ICSID also relates to an international arbitration case brought against **the dti** and the Department of Minerals and Energy.

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**.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY, VOTE 32
ANNEXURES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

ANNEXURE 4

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department Foreign Affairs	-	-	4	407	4	407
National Treasury	-	-	-	2	-	2
Provincial Treasury Western Cape	-	-	-	38	-	38
Department of Public Works	-	-	-	58	-	58
Department of Public Enterprises	-	-	-	25	-	25
Department of Housing	-	-	-	25	-	25
Department of Agriculture	-	-	-	12	-	12
Government Employees Pension Fund	-	-	-	8	-	8
Department of Statistics	49	-	-	-	49	-
Department of Water Affairs and Forestry	-	-	19	-	19	-
Department of Justice & Constitutional Development	-	-	-	15	-	15
Subtotal	49	-	23	590	72	590
Other Government Entities						
International Trade Administration Commission			218	51	218	51
Companies and Intellectual Property Registration Office			412	103	412	103
Competition Commission			94	236	94	236
Competition Tribunal			28	29	28	29
Export Credit Insurance Corporation			5,695	3,881	5,695	3,881
Khula			302	505	302	505
National Gambling Board			1	2	1	2
National Lotteries Board			138	66	138	66
Other Government Entities (Continued)						
Trade and Investment South Africa	-	-	1	1	1	1
South African National Accreditation System	-	-	50	50	50	50
South African Quality Institution	-	-	580	358	580	358
Small Enterprise Development Agency	-	-	191	-	191	-
National Credit Tribunal	-	-	1	-	1	-
South African Micro-finance Apex Fund	-	-	14	59	14	59
Subtotal	-	-	7,725	5,341	7,725	5,341
TOTAL	49	-	7,748	5,931	7,797	5,931

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Foreign Affairs	-	-	237	19	237	19
Total	-	-	237	19	237	19
OTHER GOVERNMENT ENTITY						
Current						
International Trade Administration	-	-	20	20	20	20
South African National Accreditation Centre	-	-	11	-	11	-
Total	-	-	31	20	31	20



Annual Financial Statements

for the year ended 31 March 2009



**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 AND PERFORMANCE OF THE NATIONAL SUPPLIES PROCUREMENT FUND FOR THE YEAR ENDED MARCH 2009

Introduction

- 1 I have audited the accompanying financial statements of the National Supplies Procurement Fund which comprise the balance sheet as at 31 March 2009, and the income statement, 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 notes, as set out on pages 134 to 221.

The accounting officer's responsibility for the financial statements

- 2 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, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

- 3 As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) 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.
- 4 I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.
- 6 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

- 7 In my opinion the financial statements present fairly, in all material respects, the financial position of the National Supplies Procurement Fund as at 31 March 2009 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 PFMA and the National Supplies Procurement Act.

Emphasis of matter

Without qualifying my opinion, I draw attention to the following matter:

Going concern

- 8 As mentioned in my previous report, the National Supplies Procurement Fund was in the process of being liquidated and legislation was being drafted to repeal the National Supplies Procurement Act, 1970. At the date of this report, exemption had been obtained from the Minister of Trade and Industry from complying with section 12(4) of the said act.

Other matters

Without qualifying my opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements:

Governance framework

- 9 The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

- 10 The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	X	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.	X	
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	X	
Timelines of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines (section 40 of the PFMA).	X	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	X	

NATIONAL SUPPLIES PROCUREMENT FUND
REPORT OF THE AUDITOR-GENERAL as at 31 March 2009

No.	Matter	Y	N
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	The fund had an audit committee in operation throughout the financial year.	X	
	The audit committee operates in accordance with approved, written terms of reference.	X	
	The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	X	
7.	Internal audit		
	The fund had an internal audit function in operation throughout the financial year.	X	
	The internal audit function operates in terms of an approved internal audit plan.	X	
	The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	X	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	X	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	X	
10.	Powers and duties have been assigned, as set out in section 44 of the PFMA.	X	

Appreciation

11 The assistance rendered by the staff of the Department of Trade and Industry during the audit is sincerely appreciated.

Auditor-General

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Pretoria
 27 August 2009



AUDITOR - GENERAL
 SOUTH AFRICA

Auditing to build public confidence

Annual Financial Statements

for the year ended 31 March 2009



**Annual Financial Statements of the
National Supplies Procurement Fund**

NATIONAL SUPPLIES PROCUREMENT FUND
BALANCE SHEET AND INCOME STATEMENT as at 31 March 2009

BALANCE SHEET
as at 31 March 2009

		2008/09	2007/08
	Note	R	R
ASSETS			
Current assets		4,842.82	5,087.53
Cash and cash equivalents	2	4,842.82	5,087.53
TOTAL ASSETS		4,842.82	5,087.53
NET ASSETS			
Capital and reserves		4,842.82	5,087.53
Accumulated surplus		4,842.82	5,087.53
TOTAL NET ASSETS		4,842.82	5,087.53

INCOME STATEMENT
as at 31 March 2009

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		2008/09	2007/08
	Note	R	R
EXPENDITURE			
Administrative expenses	3	-244.71	-371.96
TOTAL EXPENDITURE		-244.71	-371.96
DEFICIT FOR THE YEAR		-244.71	-371.96

NATIONAL SUPPLIES PROCUREMENT FUND
STATEMENT OF CHANGES IN EQUITY AND CASH FLOW STATEMENT as at 31 March 2009

STATEMENT OF CHANGES IN EQUITY
as at 31 March 2009

	Accumulated Funds
	R
Balance as at 1 April 2007	5,459.49
Deficit for the year	-371.96
Balance as at 31 March 2008	5,087.53
Surplus/ (Deficit) for the year	-244.71
Balance as at 31 March 2009	4,842.82

CASH FLOW STATEMENT
as at 31 March 2009

		2008/09	2007/08
	Note	R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(utilised in) operations	4	-244.71	0.00
Net cash flows from operating activities		-244.71	0.00
Net (decrease)/increase in cash and cash equivalents		-244.71	0.00
Cash and cash equivalents at beginning of the year		5,087.53	5,087.53
Cash and cash equivalents at end of the year		4,842.82	5,087.53

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 as at 31 March 2009

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.

1.1 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.

1.2 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.

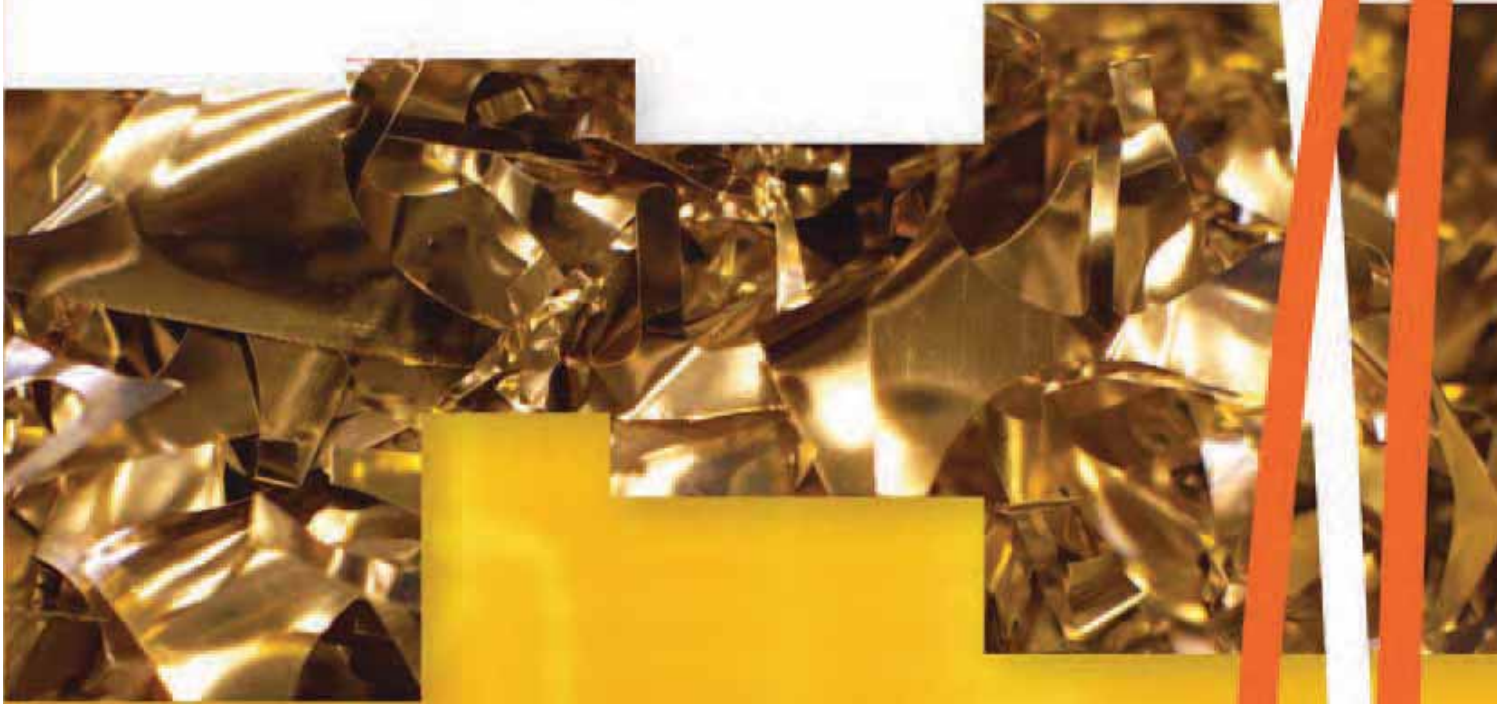
The fund is exposed to credit and interest rate risk. These risks are managed by the fund by holding a bank account in high quality financial institutions, with interest accruing at prevailing market rates.

	2008/09	2007/08
	R	R
2 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consists of cash held in a bank account	4,842.82	5,087.53
3 ADMINISTRATIVE EXPENSES		
Bank Charges	-244.71	-371.96
4 CASH GENERATED FROM (UTILISED IN) OPERATIONS		
Deficit before tax	-244.71	-371.96
Net cash flow from operating activities	-244.71	-371.96

5 GOING CONCERN

The amendment of the *National Supplies Procurement Act (Act 89 of 1970)*, which took place after the reporting date, provides for the closing of the bank account of the NSPF.

Glossary



Glossary

AGOA:	Africa Growth and Opportunity Act
ANSA:	Affiliated Network for Social Accountability
APDP:	Automotive Production and Development Programme
AsgiSA:	Accelerated Shared Growth Initiative for South Africa
ASP:	Automotive Supplier Park =20
AU:	African Union
BAS:	Basic Accounting System
B-BBEE:	Broad-Based Black Economic Empowerment
BBSDP:	Black Business Suppliers Development Programme
BEE:	Black Economic Empowerment
BER:	Bureau for Economic Research
BIT:	Bilateral Investment Treaty
BPO:	Business Process Outsourcing
BPO&O:	Business Process Outsourcing & Offshoring
BTA	Bilateral Trade Agreement
CASE	Community Agency for Social Enquiries
CAV:	Centurion Aerospace Village =20
CCRD:	Consumer and Corporate Regulation Division of the dti
CDC:	Coega Development Corporation=20
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
CIP:	Critical Infrastructure Programme
CIPRO:	Companies and Intellectual Property Regulation Office
COMESA:	Common Market for Eastern and Southern Africa
COTII:	Council of Trade and Industry Institutions

CPPP:	Community Public-Private Partnerships
CSIR:	Council for Scientific and Industrial Research
CSP:	Customised Sector Plan
CTCP:	Clothing and Textiles Competitiveness Programme
DEAT:	Department of Environmental Affairs and Tourism
DEPP:	Developmental Electricity Pricing Programme
DFA:	Department of Foreign Affairs
Doha:	The capital city of Qatar, where the current WTO negotiations commenced in 2001, and after which they are named
DoL:	Department of Labour
DWAF:	Department of Water Affairs and Forestry
EAAB:	Estate Agency Affairs Board
EAC:	East African Community
ECIC:	Export Credit Insurance Corporation
EE:	Employment Equity
EFTA:	European Free Trade Agreement
EG&S:	Environmental Goods & Services
EIDD:	Enterprise and Industry Development Division of the dti
EIEC:	Economic Investment and Employment Cluster
EIP:	Enterprise Investment Programme
ELIDZ:	East London Industrial Development Zone
EMIA:	Export Market and Investment Assistance
ENE:	Estimate of National Expenditure
EPA:	Economic Partnership Agreement
EU:	European Union

EXBO:	Executive Board of the dti
FER:	Foreign Economic Representative
Fridge:	Fund for Research into Industrial Growth and Equity
FTA:	Free Trade Agreement
GCIS:	Government Communication and Information Services
GDP:	Gross Domestic Product
GFS:	Government Finance Statistics
GSSSD	Group Systems and Support Services Division of the dti
GWEAC:	Gender and Women's Empowerment Advisory Committee
HDI:	Historically Disadvantaged Individuals
HDP:	Heilingendamm Dialogue Process
IBSA:	India, Brazil, South Africa
ICT:	Information and Communications Technology
IDC:	Industrial Development Corporation
IDZ:	Industrial Development Zone
IMC:	International Marketing Council
IMS:	Integrated Manufacturing Strategy
IPAP:	Industrial Policy Action Plan
IPP:	Industrial Participation Programme
IPRs:	Intellectual Property Rights
IRPS:	International Relations, Peace and Security
ITAC:	International Trade Administration Commission
ITED:	International Trade and Economic Development Division of the dti
KAP:	Key Action Plan
LED:	Local Economic Development
LOGIS:	Logistical Information System

Mercosur:	Customs Union of Brazil, Argentina, Paraguay and Uruguay
MERS:	Microeconomic Reform Strategy
MIDP:	Motor Industry Development Programme
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
NCR:	National Credit Regulator
NCT:	National Consumer Tribunal
NDA:	National Development Agency
NEDLAC:	National Economic Development and Labour Council
NEF:	National Empowerment Fund
NEMA:	National Environmental Management Act
NEPAD:	New Partnership for Africa's Development
NHRDS:	National Human Resource Development Strategy
NGB:	National Gambling Board
NIPF:	National Industrial Policy Framework
NIPP:	National Industry Participation Programme
NLB:	National Lotteries Board
NMISA:	National Metrology Institute of South Africa
NRCS:	National Regulator for Compulsory Specifications
NRDS:	National Research and Development Strategy
NRF:	National Revenue Fund
NSDF:	National Spatial Development Framework
NSDS:	National Skills Development Strategy

NSPF:	National Supplies Procurement Fund
OPSCOM:	Operations Committee
PFMA:	Public Finances Management Act
PGD:	Partnership for Growth and Development=20
PIPA:	Provincial Investment Promotion Agency
PoA:	Programme of Action
PTA:	Preferential Trade Agreement
R&D:	Research and Development
RDP:	Reconstruction and Development Programme
RMC:	Risk Management Committee
SABS:	South African Bureau of Standards
SACU:	Southern African Customs Union
SADC:	Southern African Development Community
SAMAF:	South African Micro-Finance Apex Fund
SANAS:	South African National Accreditation System
SAPS	South African Police Services
SAQI:	South African Quality Institute
SARS:	South African Revenue Services
SAWEN:	South African Women Entrepreneurs' Network
SCOA:	Standard Chart of Accounts
SDI:	Spatial Development Initiative
seda:	Small Enterprise Development Agency
SIP:	Strategic Investment Programme
SLA:	Service Level Agreement
SMEDP:	Small and Medium Enterprises Development Programme

SMME:	Small, Medium and Micro Enterprise
SNA:	Systems of National Accounts
SoNA:	State of the Nation Address
SPF:	Sector Partnership Fund
SPII:	Strategic Partnership for Industrial Innovation
SSAS:	Sector Specific Assistance Scheme
SSP:	Skills Support Programme
SWEEP:	Sector-Wide Employment and Equity Programme
TDCA:	Trade Development and Cooperation Agreement
TEO:	The Enterprise Organisation of the dti
the dti:	Department of Trade and Industry
TISA	Trade and Investment South Africa Division of the dti
TTC:	Technology Transfer Centre
TWIB:	Technology for Women in Business
UNIDO:	United Nations Industrial Development Organization
WEE:	Women's Economic Empowerment
WMD:	Weapons of Mass Destruction
WTO:	World Trade Organization

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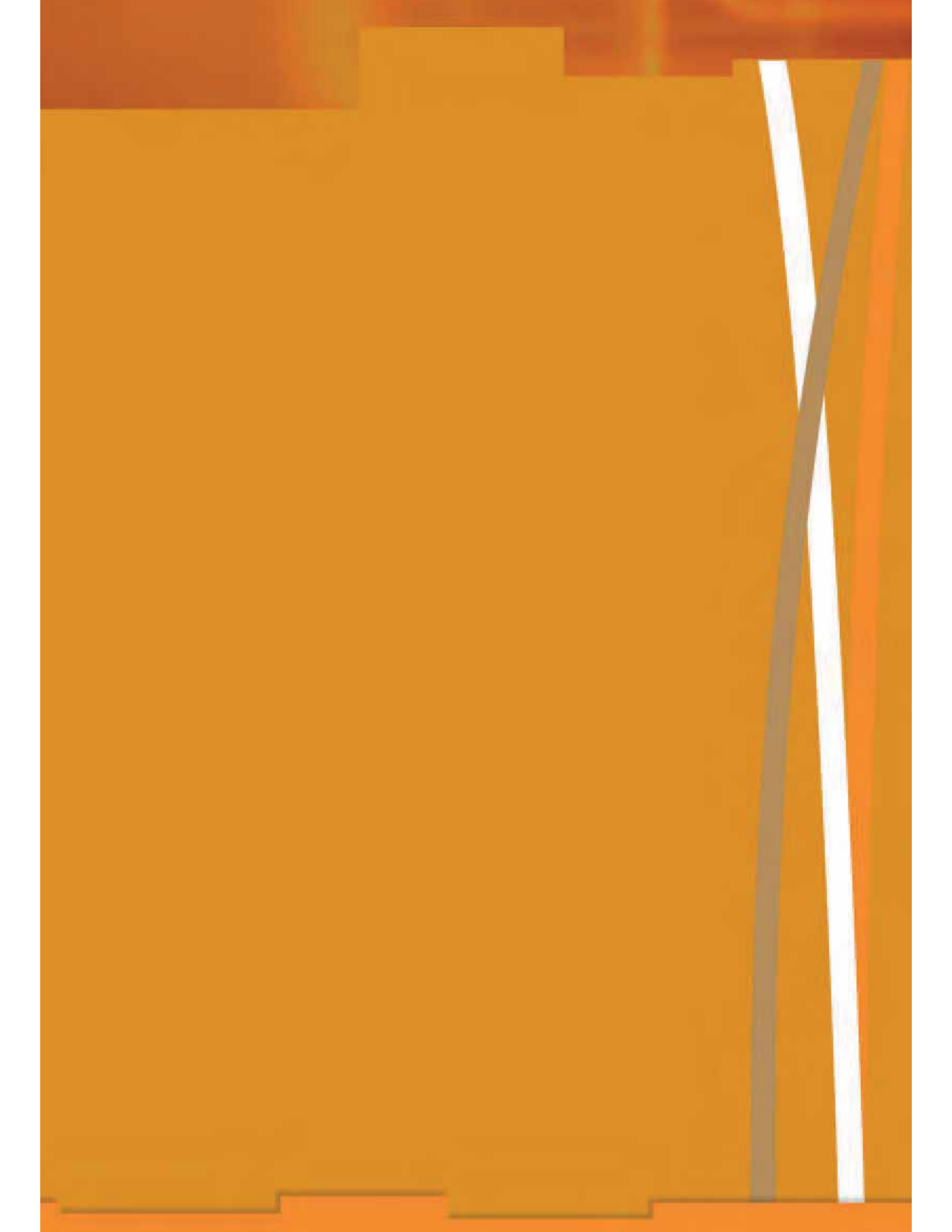
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ISBN No: 978-0-621-38657-8

RP No: 18/2009

