

the dti



THE DEPARTMENT
OF TRADE AND INDUSTRY
SOUTH AFRICA

Medium Term Strategy Framework 2003-2006



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Medium-Term Strategy Framework 2003 - 2006

Foreword

In terms of National Treasury Regulation 5.2.1., the dti's Medium-Term Strategy Framework is hereby submitted to Parliament. This framework informs the dti's estimate of national expenditure as outlined in Vote 32.



Alec Erwin, MP
Minister of Trade and Industry

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I. Introduction

- I.1. The aim of **the dti** is to lead and facilitate access to sustainable economic activity and employment for all South Africans through higher levels of investment, and increased access for South African products and services in international markets, and to create a fair, competitive and efficient market place for domestic and foreign businesses as well as for consumers. In this way, **the dti** contributes towards accelerated and shared economic growth in South Africa.
- I.2. **the dti's** Medium-Term Strategy Framework (MTSF) underpins its Vote 32, the department's medium-term expenditure framework, to be voted on by Parliament in April and May this year. As such, the MTSF seeks to place the activities and planned outputs of **the dti** within the context provided by the country's current economic performance, the challenges and priorities set out by President Mbeki in his state of the nation address, and the current economic policies of government and the department. In addition, the MTSF examines **the dti's** organisational capabilities and its ability to undertake the activities necessary for the department to have a significant and positive impact on the government's goals of growth, employment and equity.
- I.3. This document elaborates on **the dti's** Integrated Manufacturing Strategy. This strategy, which was released in April 2002, spells out in detail **the dti's** understanding of the current trade and industry policy challenges confronting South Africa and **the dti's** response to these challenges. The Integrated Manufacturing Strategy (IMS) argues that an integrated and advanced manufacturing sector in South Africa can be leveraged to generate higher levels of economic growth, employment creation, and the reduction of economic inequalities throughout the entire economy.

2. Overview of the SA Economy

- 2.1. South Africa has enjoyed eight years of consecutive economic growth. Significant economic





achievements have been recorded since 1994 including macroeconomic stabilisation, a profound restructuring of the real economy, and substantial export success. The economy has demonstrated resilience in the face of several exogenous shocks and positive growth is forecast for 2003. As such, the current conjuncture represents an important opportunity to take a number of decisive steps to place the economy on a shared and accelerated growth path. The critical challenge remains strengthening the linkage between economic growth and export success with employment creation, poverty eradication and a marked reduction in inequalities.

- 2.2. South Africa's current economic performance gives grounds for optimism. After the steady decline in annual GDP growth during the apartheid decades of the 1970s and 1980s, since 1994 we have seen eight years of economic growth. Perhaps more significant is the resilience that the South African economy has shown under difficult circumstances - unlike, for instance, many Latin American or Far Eastern economies when under pressure. South Africa will have growth rates rising to a projected 4% by 2005, with CPIX inflation falling to around 5% per annum by then.
- 2.3. In addition, for the first time in over a decade, real GDP is benefiting from positive inputs from all components - gross fixed investment, household consumption expenditure and government expenditure. The easing of Balance of Payments constraints, supported by a strong trade balance and a positive domestic economic outlook helps the latter. Amongst emerging markets, therefore, South Africa increasingly stands out as a success story.
- 2.4. Supporting this is one of the lesser known achievements of the South African economy - a dramatic rise in productivity levels since 1994, as opposed to two decades of stagnant or declining productivity preceding the first democratic elections. This extends to fixed capital productivity, while labour productivity and unit labour costs are converging. This is further reinforced by the almost complete disappearance of illegal strikes and plant stoppages.
- 2.5. In 2002, manufacturing grew by 5,4%, the fastest growth since 1995. Confidence in the manufacturing sector is strong and expectations are that moderate to good growth will continue for at least another 24 months. The decline in employment in manufacturing has bottomed-out and there are encouraging signs of possible employment growth in manufacturing. Although, the weak



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global economic conditions, compounded by the crisis in the middle east, will lead to softer conditions in manufacturing in 2003, this should be seen against the impressive growth rate in 2002. A lowering of inflation and likely cuts in interest rates, in addition to reductions in personal income tax, will support significant increases in domestic consumer expenditure thus increasing domestic demand.

- 2.6. Forecasts by the Bureau for Economic Research based on surveys of manufacturing enterprises show continued strong growth in manufacturing output over the next four years. In terms of manufacturing output, the sector is expected to be 40% larger in 2007 than it was in 1995.
- 2.7. Ranked against other economies, South Africa's global competitiveness has consistently improved over the last few years, whether measured in terms of business efficiency, government efficiency, infrastructure or economic performance. Mirroring this is a steady rise in manufacturing production, while the quality of that production, measured in terms of defects per unit, is steadily rising. It is no wonder that, for instance, South African-produced vehicles meet the highest standards of Japanese and UK consumers.
- 2.8. Indeed manufacturing for export has replaced commodities as the centrepiece of the South African economy, far exceeding mining in importance. A prime example of this manufacturing exports success is the automotive industry, which since 1996 has taken off to remarkable heights, growing tenfold to 2002 whether in terms of vehicles or components. As at the end of August 2002, annual growth in manufacturing exports was 8.7% according to the Bureau for Economic Research.
- 2.9. Investment grew by 6,3% in 2002 and is expected to continue to grow around 6% a year in 2003-2006. According to the Bureau of Economic Research, the net majority of firms reporting an increase in total fixed investment from 11% to 29%. It is these investment plans that will drive the growth in manufacturing output over the next four years.
- 2.10. The primary sector expanded by 3,7% driven by solid growth in platinum group metals and the agricultural sector. Buoyed by investment in the manufacturing sector and the strong growth in construction spending, the secondary sector expanded steadily in the first three quarters of 2002, helping to create new employment opportunities.




3. Understanding the policy context

3.1. The MTSF is based upon a number of assumptions about the South African economy:

- South Africa is an open economy and as such an international economic strategy is a critical component of the country's economic policy approach.
- South Africa's growth and development is intertwined with the growth and development of the African continent in general, and the southern African region in particular.
- The South African state has an activist role to play in ensuring that economic growth and development benefits all South Africans.
- The linkage between economic growth and greater levels of employment and equity are not automatic and that the state has an important role in developing and strengthening these linkages.
- The state can leverage greater outcomes and impact through forging partnerships with other economic actors than it can by acting alone.
- An integrated, and increasingly advanced, manufacturing sector can leverage economic growth and development across the economy.
- As a relatively small and open economy, South Africa must grow the size of the market for its products and services through appropriate expansion of domestic demand, regional economic integration and Nepad, and increasing market access opportunities in the global economy.
- Fair, competitive, and efficient markets for domestic and foreign enterprises and consumers are critical in providing a conducive environment for economic growth and development.
- Raising investment levels in the economy is the primary driver of economic growth and that the state has an important role in this regard.



- The South African economy is dualistic in nature. One economy is characterised by 'first-world', competitive enterprises with access to economic infrastructure and services. The other economy is marginalised and characterised by a lack of access of infrastructure and basic services.
- 3.2. In addition, the MTSF is based upon government's Microeconomic Reform Strategy. The Microeconomic Reform Strategy (MERS) states that although necessary, macroeconomic stability is not sufficient to achieve growth and equity in the South African economy. Consequently, it identifies certain high-level microeconomic reforms that are necessary within the economy.
- **Crosscutting issues:** technology, human resource development, access to finance and infrastructure
 - **Competitive input sectors (utilities):** transport, telecommunications, energy and water.
 - **Prioritised growth sectors:** clothing and textiles; mining, metals and minerals; automotives and transport; chemicals; tourism, agriculture, information and communication technology; and cultural industries. Services and aerospace were added in 2003.
 - **Equity and growth:** BEE, women empowerment, small business development, employment and geographic spread
- 3.3. Government's Microeconomic Reform Strategy provided the platform for **the dti's** IMS. This strategy, which was released in April 2002, spells out in detail **the dti's** understanding of the current trade and industry policy challenges confronting South Africa and **the dti's** response to these challenges. The Integrated Manufacturing Strategy (IMS) argues that an integrated and advanced manufacturing sector in South Africa can be leveraged to generate higher levels of economic growth, employment creation, and the reduction of economic inequalities throughout the entire economy.
- 3.4 The IMS has been subjected to an extensive consultation process, negotiations in the National Economic Development and Labour Council (Nedlac) and public hearings in Parliament. The South African Cities Network has embarked on a programme to 'localise the IMS' and provincial departments responsible for economic development are aligning their provincial growth and development strategies with MERS and the IMS.



3.5. Extensive work has been done to elaborate on key elements of the IMS. A methodology has been devised to develop comprehensive strategies for the prioritised sectors and value-matrices identified in the IMS. The methodology involves two broad phases:

3.5.1. Formulating a vision for the sector and value-matrix through intensive research and consultation with stakeholders, including where appropriate sector summits. This vision will include competitiveness, opportunities to expand production, investment, employment and skills development, as well as black economic empowerment, women empowerment and geographic spread.

3.5.2. Based on an assessment of the opportunities, constraints, and strategic vision for the sector and value-matrix, appropriate policy instruments will be developed and implemented to give effect to the sector strategy.

3.6. **the dti's** MTSF is also informed by the Broad-based Black Economic Empowerment Strategy, which will be publicly released by the end of March 2003. Work is underway to develop and refine other policies, including the Integrated Small Enterprise strategy, a cooperatives development strategy, consumer credit policy, consumer protection policy and corporate law reform.

4. **the dti's vision, strategic objectives and key performance areas**

4.1. Vision 2014

Government is working towards an adaptive economy characterised by growth, employment and equity, and built on the full potential of all persons, communities and geographic areas.

4.2. the dti's mandate

The aim of **the dti** is to lead and facilitate access to sustainable economic activity and employment for all South Africans through higher levels of investment, and increased access for South African products and services in international markets, and to create a fair, competitive and efficient market

place for domestic and foreign businesses as well as for consumers. In this way, **the dti** contributes towards accelerated and shared economic growth in South Africa, and the attainment of government's Vision 2014 for the economy.

4.3. the dti's strategic goals

For the MTSF period, **the dti** is pursuing three high-level goals:

- 4.4.1. Accelerate the economic growth rate
- 4.4.2. Create new employment opportunities
- 4.4.3. Reduce economic inequalities

4.5. Key performance areas

the dti will seek to impact positively on these three high-level goals through working towards the following economic outcomes:

- Increase in economic output
- Increase in employment
- Increase in the contribution of small enterprises to GDP
- Significant progress in achieving broad-based black economic empowerment, with a special emphasis on black women
- More equitable geographic spread of economic activities within South Africa, and across the continent
- Increase in direct investment, with a special emphasis on investment in priority sectors
- Increase in the value and volume of exports, with a special emphasis on priority sectors
- Increase in investment in the drivers of South Africa's future competitiveness, namely, skills, technology and infrastructure



5. the dti business model and implementation strategy

- 5.1. The core business of **the dti** is to provide leadership to the South African economy through its understanding of the economy, its knowledge of economic opportunities and potential, and its



anticipation of the future. In this way, **the dti** also seeks to represent the voice of enterprises within the government of South Africa. **the dti** acts as a catalyst for the restructuring and development of the economy in order to realise government's vision 2014 for the economy. **the dti** undertakes its core business through the design and delivery of relevant, effective and accessible products and services to its customers.

- 5.2. **the dti** has identified its key customers to include enterprises of different types and sizes, investors, entrepreneurs and customers.
- 5.3. **the dti** has identified its key stakeholders and potential partners to include other government structures and statutory organisations, organised labour, organised business, and community organisations, as well as academia and the donor community.
- 5.4. **the dti** has recognised that the provision of its core business requires an efficient and effective, adaptive and flexible, intelligent organisation. **the dti** is structured according to the following key trade and industry policy areas:
 - Enterprise and industry development.
 - International trade and economic development.
 - Consumer and corporate regulation.
 - Investment promotion, attraction and facilitation
 - Export development and trade promotion
- 5.5. The work in these policy areas is enabled and supported through the following functions:
 - Marketing
 - External relations and policy coordination
 - Executive management
 - Group systems and support service
- 5.6. **the dti** Group consists of twenty-one agencies that perform a regulatory function or deliver a specialised service to the customers of **the dti**. These agencies are represented in the Council of Trade and Industry Institutions, chaired by the Minister of Trade and Industry. The agencies fall into three broad categories:

Development finance institutions including the Industrial Development Corporation, Khula Enterprise Finance (Pty) Ltd, and the National Empowerment Fund


Regulatory agencies including the Competition Authorities, the National Gambling Board and the National Lotteries Board, the Microfinance Regulatory Council, the Companies and Intellectual Property Registration Office, the Estate Agency Affairs Board and the International Trade Administration Commission.

Specialised services agencies including small enterprise support agencies such as Ntsika and Namac, technology support agencies including the Council for Scientific and Industrial Research, and standards, quality assurance, and metrology agencies including the South African Bureau of Standards.

5.7. **the dti** will implement its strategy using six types of offerings and projects:

5.7.1. **Policy – the dti** will publish coherent, evidence-based policies that will provide certainty and predictability in the market place, as well as providing clear vision and leadership to the economy. In the MTSF period several policies will be produced including a strategy for Broad-based Black Economic Empowerment, a consumer credit policy, a consumer protection policy, a cooperatives development strategy, and an integrated small enterprise development policy. In addition, the Integrated Manufacturing Strategy will be reviewed and customised sector development strategies will be formulated. In the MTSF period, **the dti** will invest more resources into promoting evidence-based policies through the establishment of research management, policy and programme evaluation, and statistical analysis and modelling expertise and capacity in **the dti**.

5.7.2. **Legislation and regulation – the dti** will submit to Parliament legislation to give legal force to its policies where required, as well as to regulate certain activities, and allow for the establishment of new agencies when needed. **the dti** will also publish regulations to provide guidance and details on various legislative matters. **the dti** will seek to provide an enabling regulatory framework that promotes ease of compliance and best practice corporate governance. In the MTSF period, **the dti** will introduce into Parliament amendments to the National Small Business Act, the National Gambling Act, the Manufacturing Development Act, the Lotteries Act, and the Intellectual Property



Laws Act. New legislation to be introduced include a Broad-based Black Economic Empowerment Bill, a Liquor Bill, and a Cooperatives Bill. In addition, a corporate law reform project will be prioritised. In the MTSF period, several preferential market access agreements are being negotiated including a SACU – US trade agreement, and an agreement with Mercosur. Multilateral negotiations in the World Trade Organisation will impact, not only on market access, but also on the regulatory regime governing trade administration, services, competition policy, and possibly environmental regulation.

5.7.3. **Finance – the dti** will finance programmes and projects directly or provide different forms of incentives and matching grants. Financing can take the form of debt or equity financing through one of the development finance institutions belonging to **the dti** Group. It can also take indirect forms through tax incentives and other allowances. In the MTSF period, **the dti** will provide approximately R1bn of financial support to enterprises through the Small and Medium Manufacturing Development Programme, the Competitiveness Fund, Sector Partnership Fund, and the Export Market and Investment Assistance Fund. In addition, **the dti** will provide financing for critical infrastructure to support designated Industrial Development Zones, such as the John Ross Highway in Richards Bay. Other forms of financial support provided to enterprises include tax incentives through the Strategic Industrial Programme, export credit guarantees, as well as R300m in the 2003/4 financial year for the taxi recapitalisation programme. Additional financial support is made available through the IDC, Khula and the NEF.

5.7.4. **Procurement** – the enterprises from which **the dti** procures its goods and services can be leveraged in support of the department's strategic objectives. **the dti** will be reviewing its procurement practices, and those of its twenty-one agencies to align them with the Broad-based Black Economic Empowerment strategy. In addition, the National Industrial Participation Programme will leverage benefits to the South African economy through government's procurement of goods and services in excess of US\$10m.

5.7.5. **Information** – **the dti** will provide its customers and stakeholders with relevant and timely information in a user-friendly and accessible manner. This includes information about **the dti's** policies and offerings, economic opportunities, as well as commentary and analysis about the real economy. **the dti's** new marketing division will work to increase awareness and accessibility of

relevant and user-friendly information to **the dti's** existing and potential customers. This will be achieved through various publications, promotional and advertising campaigns including **the dti** express, **the dti** customer care centre, and **the dti** website. In recognition of the important role played by parliamentarians in communicating information to their constituents, **the dti** is launching a new resource centre for the public in its Cape Town office.

5.7.6. **Partnerships** – **the dti** will seek to leverage a wider impact than it can achieve alone through forging strategic partnerships with important stakeholders and roleplayers including other government structures, sectors, as well as specific enterprises. In this regard, **the dti** has an extensive intergovernmental relations programme, takes a leading role in the Trade and Industry Chamber of Nedlac, and supports export councils. In 2003, **the dti** will launch a new sector-based forum to promote partnerships between government and priority sectors. **the dti** is also partnering with donor agencies and a key partnership for this MTSF period is the Sector-Wide Economic, Employment and Equity Programme with the European Union.

5.8. The business model of **the dti** is based on the design and delivery of different types of products and services according to an 80-20 principle:

5.8.1. 80% of products delivered to customers will be generic in nature and will comprise repetitive, routine transactions with an emphasis on fast processing times and standardised delivery channels. These transactions will contribute 20% of the value of **the dti** business. Examples include registering close corporations or the provision of market access information.

5.8.2. 20% of the products delivered to customers will be customised to meet specific needs of particular enterprises, value matrices, sectors, or geographic regions. These products will typically be designed and delivered in close collaboration with the customer. These 'transactions' will contribute 80% of the value of **the dti** business. Examples include an Industrial Development Zone or the Motor Industry Development Programme.

5.9. In addition, **the dti** will implement selected priority projects to catalyse activity in a particular policy area or to remove an obstacle to the attainment of its objectives. These projects will be relatively short-term in nature.





5.10. Emphasis is placed in the business model on policy coherence and operational alignment. All of **the dti's** offerings and projects must be aligned towards achieving the objectives of **the dti** specifically and of the South African government in general. In addition, enabling strategies must be aligned to ensuring that **the dti** is capable of performing its core business as effectively and efficiently as possible. This requires that financial, human resource management, knowledge and information management, corporate governance, **the dti's** marketing strategy, external relations programme, and strategic research agenda, are all aligned towards supporting **the dti's** core business. It also requires an organisational structure that supports the delivery of **the dti's** offerings and projects and that is staffed by people who have, or who are developing, the appropriate competencies.

5.11. **the dti's** organisational structure is set out in Appendix A of this document.

5.12. **the dti** is investing resources in ensuring institutional alignment and operational efficiency. In 2002, two new agencies were established, the Companies and Intellectual Property Registration Office (Cipro) and the International Trade Administration Commission (ITAC). As a result, these functions were moved out of the department allowing **the dti** to concentrate on its core business rather than on regulation and administration. Cipro and ITAC are members of Cotii.

5.13. Investment is being made in streamlining **the dti's** business processes and systems in a drive for greater efficiency and improved customer service. These processes will be benchmarked against appropriate institutions in the public sectors in other countries, as well as the private sector. Improvements have already been achieved in certain areas including the registration of companies and close corporations and processing of incentive applications. These successes provide a platform for further work to be undertaken over the next three years. Information and communications technology is being harnessed in support of this endeavour: **the dti** has introduced a customer care centre and toll-free number and this will be augmented by the launch of a new complaints line later in 2003.

5.14. In a bid to improve service delivery, **the dti** incubated a new marketing function in 2001. A marketing division was established in 2002 to develop and implement a marketing strategy that gave effect to **the dti's** commitment to becoming a customer-focused and responsive public service

organisation. The marketing division plays an integral role in meeting this commitment as it is responsible for customer surveys, market research into customers' needs, developing accessible delivery channels, as well as advertising and promoting **the dti** and its offerings. The results of the second annual customer survey – independent market research commissioned by **the dti** – reflects significant improvements in awareness of **the dti's** products and services since the establishment of a full-fledged marketing function. This function will be consolidated over the MTSF period.

- 5.15. A performance-orientated management system is also being designed to monitor and evaluate the performance of **the dti** and whether or not it is achieving its strategic goals. In the MTSF period, **the dti** will establish a monitoring and evaluation function in the department and define a 'balanced scorecard' of key performance indicators that will apply to both **the dti** and **the dti** Group.


6. Resourcing the strategy

People, money and facilities are the three key resources available to **the dti** to implement its strategy:

6.1. People

6.1.1. **the dti's** most important resource is its people. In recognition of this, **the dti** is investing in its people to develop their competencies and capabilities in support of **the dti's** strategic objectives. **the dti** has 1013 posts. This represents a reduction in the department's establishment following the establishment of the Companies and Intellectual Property Registration Office (Cipro) and the International Trade Administration Commission (ITAC) and the transfer these activities and staff out of **the dti** into the new agencies. As **the dti** seeks to become a more knowledge-intensive organisation capable of giving leadership to the economy it needs qualified and knowledgeable staff. In this regard, **the dti** has increased the number of senior managers and professionals in **the dti** in keeping with its move from administration to leadership.

6.1.2. A dti learning centre has been established to develop and implement customised training and development programmes for the employees of **the dti** to enable them to contribute towards **the**



dti's strategic goals. Two key training projects in the 2003/4 financial year are training all staff on **the dti's** offerings in order to improve customer service and a training programme on performance management to support the ongoing implementation of a comprehensive performance management system.

6.2. Money

6.2.1. the MTEF for the department provides for an appropriation to be voted upon by Parliament of:

2003/04	2004/05	2005/06
R2 674 981 000	R2 844 345 000	R3 016 359 000

6.2.2. Seventy percent of **the dti's** budget takes the form of transfer payments to the agencies that comprise **the dti** Group, as well as incentives and other grants to enterprises.

6.2.3. Personnel expenditure accounts for almost ten percent of **the dti's** budget. **the dti** has an establishment of 1013 posts.

6.2.4. In addition, to the voted allocation from Parliament, **the dti** is able to leverage additional resources in support of its strategy through forging partnerships. These partnerships take different forms and include both financial support and technical assistance.

6.2.5. The sector-wide economic, employment and equity programme (SWEEEP) is an example of such a partnership. SWEEEP is an innovative five-year programme funded by the European Union (EU). The EU is providing **the dti** with on-budget support of 50m Euros to achieve its strategic objectives as set out in the IMS. This represents the first time that the EU is providing on-budget support to a middle-income country for private sector development. The EU will monitor **the dti's** delivery of key outputs and if satisfied, release further tranches of funds. The first tranche of funds is expected to be made available to **the dti** in the second-half of 2003. No longer will **the dti** need to obtain approval for individual EU-funded projects and programmes. **the dti** and the EU are encouraging other donor agencies that support **the dti** to join the SWEEEP initiative, if not with on-budget support, then through technical and other kinds of support.



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6.3. Facilities

The physical environment within which an organisation operates also needs to be aligned to the organisation's strategy. Thus, **the dti** is investing in a radical overhaul of its facilities through the building of a new dti campus and through new information and communication technology infrastructure.

6.3.1. **the dti** Campus PPP

the dti has forged a Public-Private Partnership with a consortium to provide a campus for **the dti**. **the dti** campus will be a fully-serviced, world-class facility that will contribute significantly to the efficiency and efficacy of **the dti**. The campus will house **the dti** as well as many of the agencies that report to the department, and will also provide a one-stop service centre for enterprises and entrepreneurs. The PPP allows **the dti** to transform its ownership responsibilities and burdens to a third party in the private sector while still maintaining an oversight and performance management role.

6.3.2. *Project Khulumani PPP*

Project Khulumani is an information and communications technology project that will improve efficiency and service delivery through a shared services ICT centre on the new dti campus and a knowledge management platform to promote the sharing of information and building of knowledge. This project will be delivered through a Public-Private Partnership.

7. Measurable objectives and targets

The MTSF includes specific outputs and targets for each of the programmes described above:

7.1. International Trade and Economic Development

<p>Measurable objective: To increase market access for South African exports in predetermined countries through the successful conclusion of trade agreements aimed at ensuring fair, predictable and where possible preferential treatment for South African products in foreign markets.</p>			
Sub programme	Output	Measure/Indicator	Target
International Trade Development	Increased market access	Conclusion of bilateral and multilateral agreements	By end 2004 or early 2005, negotiate agreements with the United States, Mercosur, India, China, Nigeria, European Free Trade Agreement, and the World Trade Organisation
African Economic Development	Strategy for the Department's role in NEPAD	Strategic and analytical content to the economic aspects of NEPAD	Provide NEPAD secretariat with economic content to advance South Africa's thrusts in NEPAD
International Trade Administration	Establish an enabling environment for domestic industry Improved services to business	Implementation of International Trade Administration Commission Bill Rebates, duty free and other import and export control certificates and permits issued	Conclude tariff investigations within 3 months Reduced processing time for issuing of permits and certificates: 90% of permits issued within 72 hours
<p>Cotii Agencies in this programme: International Trade Administration Commission</p>			

7.2. Enterprise and Industry Development

Measurable objective: To contribute to an annual increase in the value-added of production in the economy and to contribute to the de-racialisation of the economy in terms of ownership and control.			
Sub programme	Output	Measure/Indicator	Target
Technology	IStrategic Partnership for Industrial Innovation Technology and Human Resources for Industry Programme	Rand value of projects supported Number of researchers, students and enterprises supported	R250 million 1 045 researchers assisted 2 394 students supported 315 enterprises supported
Standards, Quality Assurance and Metrology	National standards developed by South African Bureau of Standards Facility accreditation through South African National Accreditation System	Number of voluntary national standards Number of test and calibration laboratories, certification and inspection bodies	150 new standards 250 revised standards 25 test laboratories 25 medical laboratories 20 inspection bodies
Logistics and Infrastructure	Taxi recapitalization programme	Finalise phase I	Commence with rollout of programme subject to meeting all the criteria
Skills Development	Identification of skill needs in the 8 priority growth sectors	Publication of skills studies	Publication of 8 skills studies by June 2003
National Industrial Participation Programme	Leveraging of economic benefits to South Africa and industry by effectively using Government procurement	All projects have allocated milestones as per contractual obligations	All government purchases greater than US\$10 million included in National Industrial Participation Programme.
Enterprise Development	Renewed small enterprise development strategy	Publication of new strategy	Publication of strategy by end June 2003
Black Economic Empowerment	Increased participation in economic activity through the National Empowerment Fund (NEF) in accordance with its objectives	New empowerment charters to be developed in conjunction with social partners, if feasible and where appropriate	New black economic empowerment legislation and improved framework New black economic empowerment strategy developed by the Department and its partners. Increase in support to historically disadvantaged individuals
Cotii Agencies in this programme: Industrial Development Corporation Khula Enterprise Finance Ntsika Enterprise Promotion Agency National Coordination Office of Manufacturing Advisory Centres Council for Scientific and Industrial Research South African Bureau of Standards South African Quality Institute South African National Accreditation Technology for Women in Business Technology and Human Resources for Industry Programmes Proudly South African Campaign National Empowerment Fund			

7.3. Consumer and Corporate Regulation

<p>Measurable objectives: To increase monitoring of compliance with the regulatory framework, ensure efficient processing of regulatory transactions, and promote business certainty through the development of clear policies and regulations.</p>			
Sub programme	Output	Measure/Indicator	Target
Policy and Legislative Development	New policy and draft legislation in: company law; intellectual property law, consumer law, consumer credit law	Publication of draft policies and legislation	Policies approved by Cabinet and new legislation drafted by March 2004
Enforcement and Compliance	Case management and complaints handling system Corporate leniency policy	Turnaround time for case resolution Successful prosecutions of offenders	Turnaround time improved by 30% 3 successful prosecutions
Management and Compliance	Service standards for regulatory agencies Regulatory agencies monitored	Adoption of service standards policy by regulatory agencies Compliance with PFMA	Service standards adopted by 90% of regulatory agencies reporting to the Consumer and Corporate Regulation Division 98% compliance with PFMA
<p>Cotii Agencies in this programme Companies and Intellectual Property Registration Office Competition Commission Competition Tribunal National Gambling Board National Lotteries Board MicroFinance Regulatory Council Estate Agents Affairs Board</p>			



7.4. The Enterprise Organisation

Measurable objective: Increased investment by enterprises in infrastructure, human resource development, integrated manufacturing, technology and innovation.			
Sub programme	Output	Measure/Indicator	Target
Investment Incentives	ISmall and Medium Enterprise Development Programme Foreign Investment Grant Strategic Investment Programme	Number of enterprises assisted Rand value of investment projects Number of employment opportunities generated and sustained	5 000 enterprises assisted R14,5 billion investments secured 32 000 new employment opportunities 88 000 employment opportunities sustained 50 new technology projects supported
Infrastructure Investment Incentives	Critical Infrastructure Programme Industrial Development Zones	Number of infrastructure projects supported Rand value of infrastructure projects Issuing of provisional IDZ operator permits Issuing of IDZ operator permits Number of employment opportunities generated Number of small enterprises supported	12 infrastructure projects supported R1 billion investment in infrastructure 2 provisional IDZ operator permits issued 1 IDZ operator permit issued 600 employment opportunities 60 small enterprises supported
Integrated Manufacturing	Competitiveness Fund	Number of Competitiveness Fund projects approved	500 projects approved
Strategy support Measures	Sector Partnership Fund Skills Support Programme	Number of Sector Partnership Fund projects approved Number of Skills Support Programme projects approved	100 projects approved 120 projects approved
Empowerment Support Measures	Black Business Supplier Development Programme	Number of black economic empowerment projects supported	200 black-owned enterprises supported

7.5. Trade and Investment South Africa

Measurable objective: To increase levels of direct investment in eight priority sectors identified by the Department, and to increase exports of South African goods and services from the eight priority sectors.			
Sub programme	Output	Measure/Indicator	Target
Investment Promotion	Investment projects	Number of potential foreign investors attracted	400 foreign investors attracted R3,8 billion investments secured 11 060 projects facilitated
	Investment leads	Number of projects facilitated for investors Number of investment leads generated and domestic investors attracted	3 600 leads generated and 1 200 domestic investors attracted 450 foreign investors assisted
	Assist investors	Number of investors assisted	
Export Development and Promotion	Export advice	Number of enterprises assisted	3 000 exporters advised
	Export marketing and investment assistance	Number of enterprises assisted Value of export sales generated Employment opportunities generated	1 800 exporters assisted R3 billion in export sales generated 2 000 employment opportunities generated
Sector and Value-Matrix Strategies	Sector and value-matrix strategies	Number of sector and value-matrix strategies published	8 strategies published by May 2003
Cotii Agencies in this programme Export Credit Insurance Corporation			



7.6. Marketing

Measurable objective: To increase the awareness and accessibility of relevant and effective services to all of the Department's customers.			
Sub programme	Output	Measure/Indicator	Target
Advertising and Promotions	'The business express' Advertising campaigns	Number of customers reached	4,7 million customers reached
Media	A newsroom	Operational newsroom in the Department.	By May 2003
Publications	Quarterly: 'Sizebenza Sonke'; 'Donor News Update'; 'Tshwelopele' Annual: Provincial Economies; Metro Economies; Council of Trade and Industry Institutions Leadership Conference	Frequency of publications Quality of publications Distribution of publications Positive feedback from customers and stakeholders	Relevant, accessible publications for internal and external customers and stakeholders
Distribution Channels	Excellent customer care via various channels	Percentage of successful contacts made with the Department	

7.7. Executive Management and External Relations and Policy Coordination

<p>Measurable objective: To position the dti as a leading voice on the real economy and, through this, leverage strategic partners in support of the department's objectives, through among others best practice policy analysis and management, including improved stakeholder relations and strategic partnerships.</p>	
Sub programme	Output
Executive Management and Leadership	Strategic direction and leadership
Strategy Formulation and Alignment	MTSF MTEF Strategic planning process Development of high-level KPIs
Policy Analysis and Management	Policy management framework Coherent policy documents Establish statistical analysis and modeling function
Research Management	Strategic research programme Research database and website Dissemination of research findings
External Relations	Intergovernmental relations programme Nedlac Trade and Industry Chamber Launch of the sector-based industry forum Launch of SADC DTIs Network



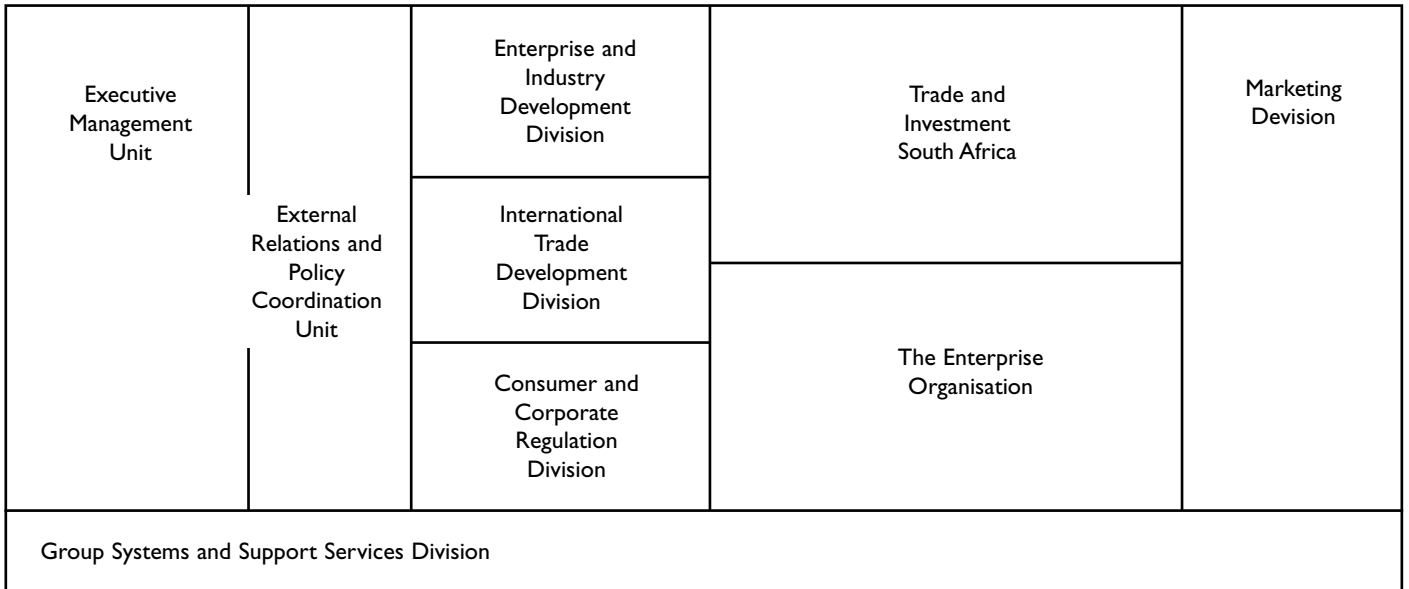
7.8. Groups Systems and Support Services

Measurable objective: Design and implement world-class systems and support services, including human resources management, financial management, information technology support, facilities management, and corporate governance, to ensure the efficiency and efficacy of the dti and the dti Group.	
Sub programme	Output
Human Resources Management	HR Plan Performance Management System Learning Centre
Financial Management	Budget/ MTEF Transfer payments Procurement
Information Technology Support	Project Khulumani Integrated Document Management System ICT strategy
Corporate Governance	Corporate secretariat Agency management
Facilities Management	the dti Campus Project Maintenance Security

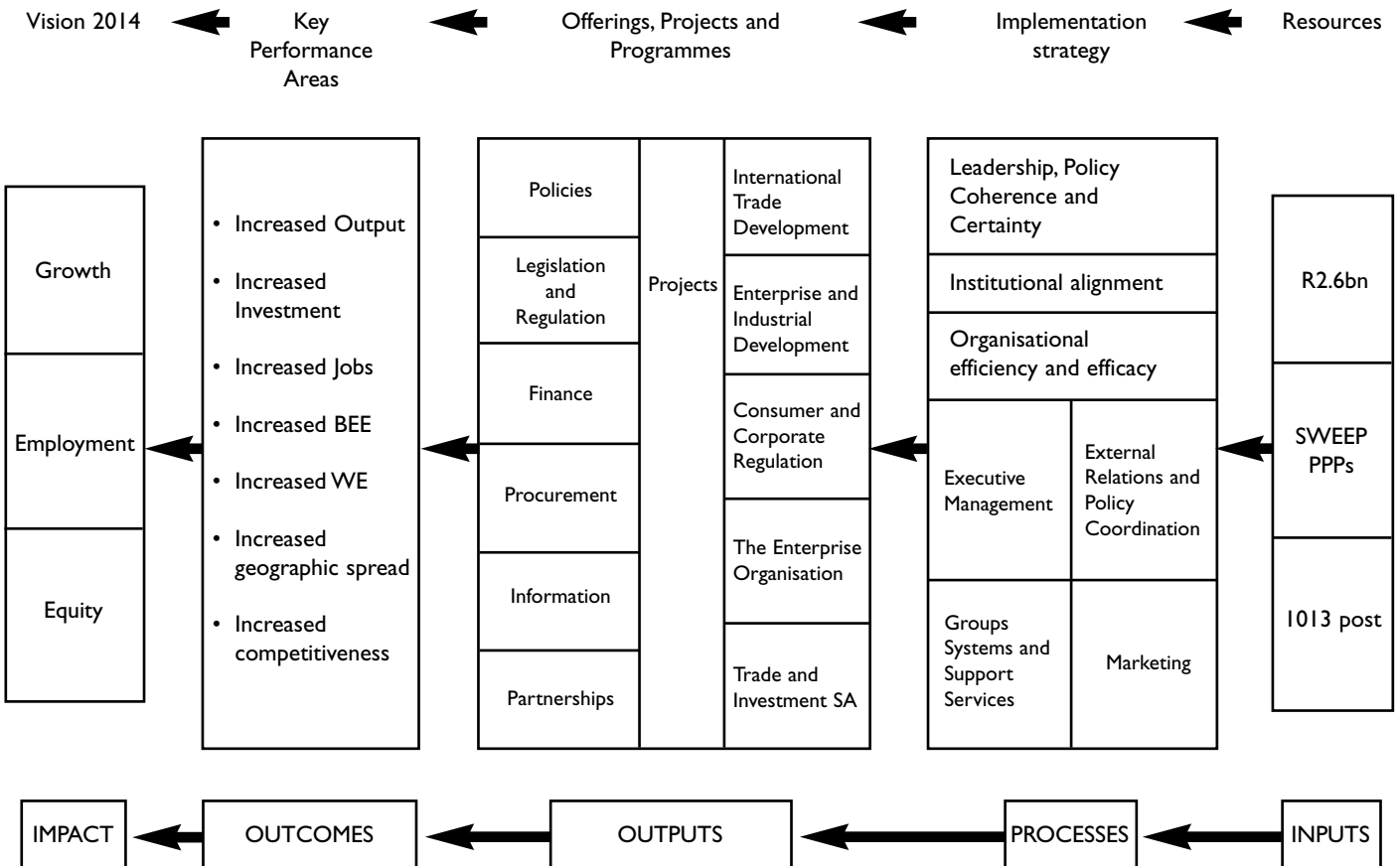
8. Conclusion

The MTSF sets out the strategic goals of **the dti**, the instruments **the dti** will utilise to achieve these goals, the supporting institutional arrangements, and resources required to implement the strategy. As such, the MTSF represents **the dti's** plan of action for contributing to the achievement of economic growth, employment and equity over the three years from April 2003 to end-March 2006.

Appendix A the dti House



Appendix B the dti Strategy



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OF TRADE AND INDUSTRY
SOUTH AFRICA

