



the dti

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the dti

Department:
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the dti Campus
77 Meintjies Street
Sunnyside
Pretoria
0002

the dti
Private Bag X84
Pretoria
0001

the dti Customer Contact Centre: 0861 843 384

the dti Website: www.thedti.gov.za

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List of Abbreviations/ Acronyms



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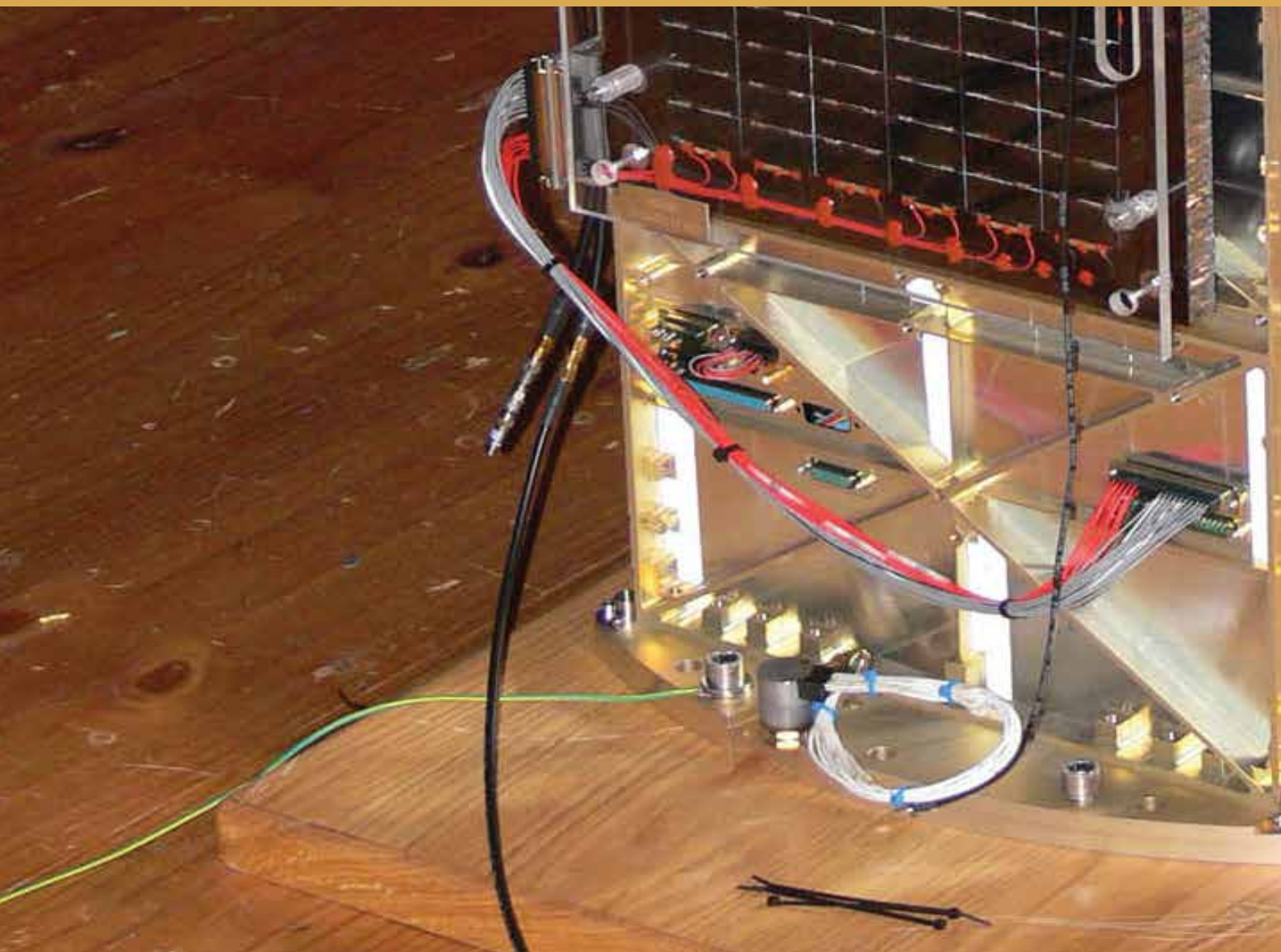
TERM	DEFINITION
AC	Audit Committee
ADEP	Aquaculture Development and Enhancement Programme
AFCON	African Cup of Nations
AIS	Automotive Investment Scheme
AMC	Advanced Manufacturing Centre
APDP	Automotive Production and Development Programme
ARV	Antiretroviral
BAW	Beijing Automotive Works
B-BBEE	Broad-Based Black Economic Empowerment
BBSDP	Black Business Supplier Development Programme
BEE	Black Economic Empowerment
BITC	Botswana Investment and Trade Centre
BPD	Broadening Participation Division
BPS	Business Process Services
BRICS	Brazil, Russia, India, China and South Africa
CCRD	Consumer and Corporate Regulation Division
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIP	Critical Infrastructure Programme
CIPA	China Investment Promotion Agency
CIPC	Companies and Intellectual Property Commission
CIS	Co-operative Incentive Scheme
CTLF	Clothing, Textiles, Leather and Footwear
COMESA	Common Market for Eastern and Southern Africa
Contralesa	Congress of Traditional Leaders of South Africa
COO	Chief Operations Officer
COSO	Committee of Sponsoring Organisations of the Treadway Commission
COTII	Council of Trade and Industry Institutions
CSDP	Competitive Supplier Development Programme
CSIR	Council for Scientific and Industrial Research
CT	Companies Tribunal
CTCP	Clothing and Textiles Competitiveness Programme
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of Southern Africa
DDG	Deputy Director-General
DG	Director-General
DHET	Department of Higher Education and Training

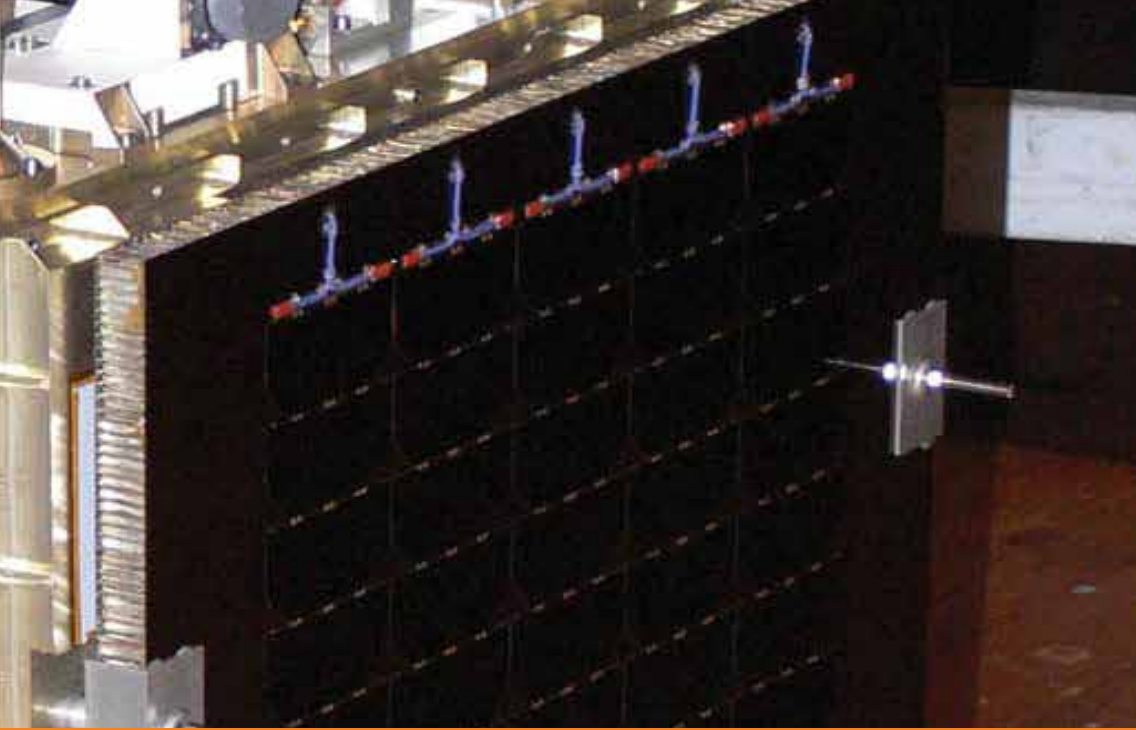
TERM	DEFINITION
DMR	Department of Mineral Resources
DoE	Department of Energy
DPE	Department of Public Enterprises
DPSA	Department of Public Service and Administration
EAC	East African Community
ECIC	Export Credit Insurance Corporation
EDD	Economic Development Department
EIP	Enterprise Investment Programme
EMIA	Export, Marketing and Investment Assistance
ENE	Estimates of National Expenditure
EPA	Economic Partnership Agreement
EU	European Union
EV	Electric vehicle
ExBo	Executive Board
FABCOS	Foundation of African Business and Consumer Services
FACIM	Feira Internacional De Maputo
FAW	First Automobile Works
FIFA	Fédération Internationale de Football Association
GDP	Gross Domestic Product
GSSSD	Group Systems and Support Services Division
HR	Human Resources
IBMC	International Brand Management Centre – China Association of International Trade
ICT	Information Communication Technology
IDC	Industrial Development Corporation
IDIAD	Industrial Development: Incentive Administration Division
IDZ	Industrial Development Zone
IITF	India International Trade Fair
ILO	International Labour Organisation
IMC	Inter-Ministerial Committee
IP	Intellectual Property
IPAP	Industrial Policy Action Plan
ISP	Incubator Support Programme
ITED	International Trade and Economic Development Division
IWF	Isivande Women's Fund
LVP	Large Volume Parenteral
MCEP	Manufacturing Competitiveness Enhancement Programme
MHCV	Medium and Heavy Commercial Vehicles

List of Abbreviations/Acronyms

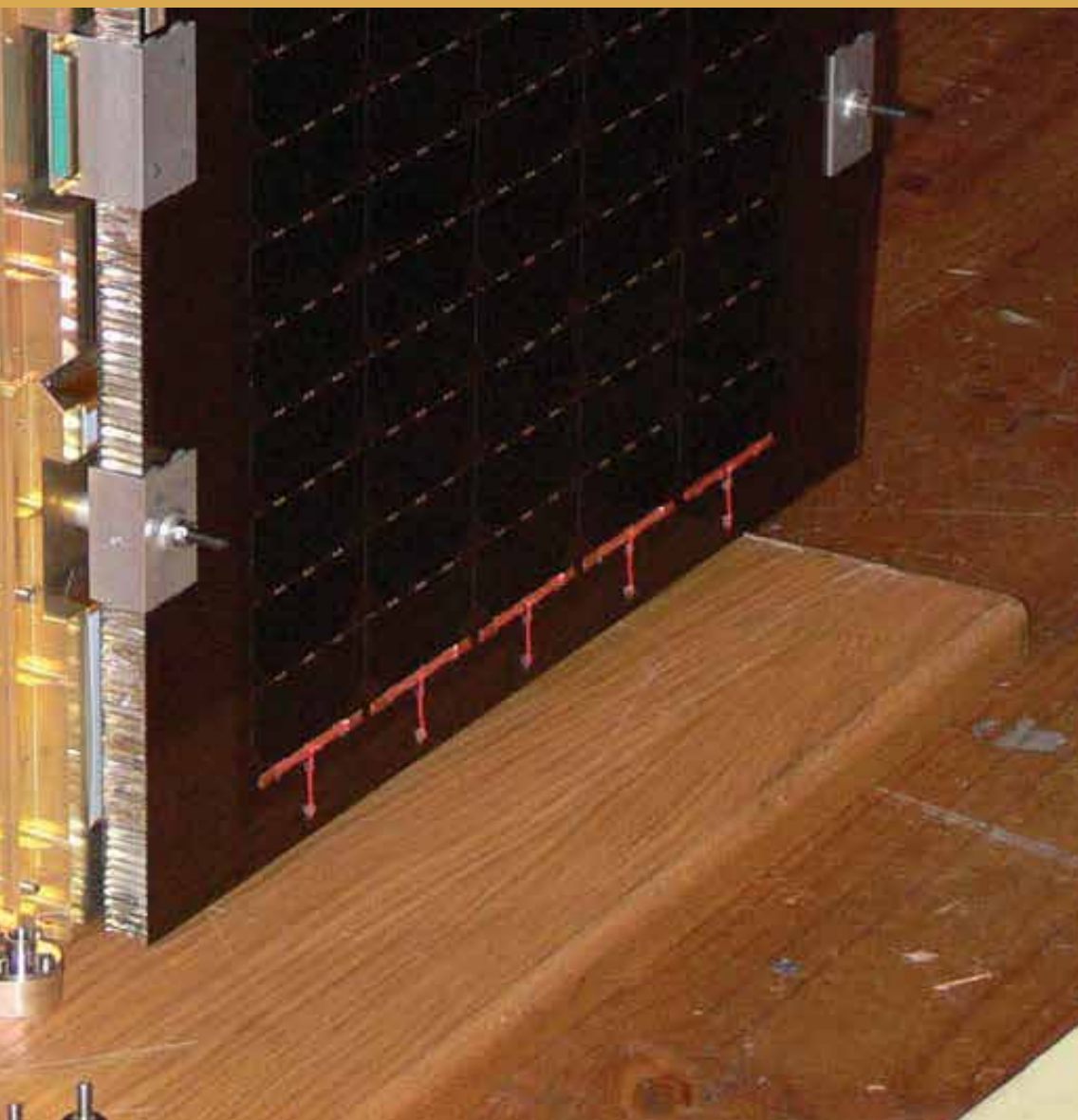
TERM	DEFINITION
MIDP	Motor Industry Development Plan
MIP	Manufacturing Incentive Programme
MoU	Memorandum of Understanding
MP	Member of Parliament
MPAT	Management Performance Assessment Tool
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NAFTA	North American Free Trade Agreement
NCA	National Credit Act
NCC	National Consumer Commission
NCOP	National Council of Provinces
NCR	National Credit Regulator
NCT	National Consumer Tribunal
NDP	National Development Plan
NEDLAC	The National Economic Development and Labour Council
NEDP	National Exporter Development Programme
NEF	National Empowerment Fund
NEPAD	New Partnership for Africa's Development
NGB	National Gambling Board
NGP	New Growth Path
NIPF	National Industrial Policy Framework
NLB	National Lotteries Board
NMISA	National Metrology Institute of South Africa
NOA	National Outsourcing Association
NRCS	National Regulator for Compulsory Specifications
NT	National Treasury
NTI	National Tooling Initiative
NWU	North-West University
OCIO	Office of the Chief Information Officer
ODG	Office of the Director-General
OEM	Original Equipment Manufacturers
P-AIS	People-Carrier Automotive Incentive Scheme
PFMA	Public Finance Management Act
PIC	Public Investment Corporation
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PRASA	Passenger Rail Agency of South Africa

TERM	DEFINITION
PSC	Public Service Commission
PTA	Preferential Trade Agreement
PV	Photovoltaic
RIA	Regulatory Impact Assessment
RIDS	Regional Industrial Development Strategy
REIPPP	Renewable Energy Independent Power Producer Procurement Programme
RMC	Risk Management Committee
SA	South Africa
SABS	South African Bureau of Standards
SACU	Southern African Customs Union
SADC	Southern African Development Community
SANAS	South African National Accreditation System
SANS	South African National Standard
SAPS	South African Police Service
SARS	South African Revenue Service
SAWEN	South African Women Entrepreneurs Network
SDIP	Service Delivery Improvement Plan
seda	Small Enterprise Development Agency
SEZ	Special Economic Zone
SITA	State Information Technology Agency
SMEDP	Small and Medium Enterprise Development Programme
SMMDP	Small and Medium Manufacturing Development Programme
SMME	Small, Micro and Medium Enterprise
SMS	Senior Management Service
SOC	State-Owned Company
SOE	State-Owned Enterprise
SPII	Support Programme for Industrial Innovation
STB	Set-Top Boxes
stp	seda Technology Programme
T-FTA	Tripartite Free Trade Agreement
the dti	The Department of Trade and Industry
THRIP	Technology and Human Resources for Industry Programme
TISA	Trade and Investment South Africa
TWIB	Technology for Women in Business
WIPO	World Intellectual Property Organisation
WCP	Workplace Challenge Programme
WTO	World Trade Organisation
YEDS	Youth Enterprise Development Strategy





PART A: STRATEGIC OVERVIEW



1. Mission statement

1.1. Vision

A dynamic industrial, globally competitive South African economy, characterised by inclusive growth and development, decent employment and equity, built on the full potential of all citizens.

1.2. Mission

The Department of Trade and Industry (**the dti**) aims to:

- Promote structural transformation, towards a dynamic industrial and globally competitive economy;
- Provide a predictable, competitive, equitable and socially responsible environment, conducive to investment, trade and enterprise development;
- Broaden participation in the economy to strengthen economic development; and
- Continually improve the skills and capabilities of **the dti** to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens.

1.3. Values

the dti values during the reporting period were:

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

1.4. Strategic outcome-oriented goals

the dti identified five strategic outcome-oriented goals, namely:

- Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation;
- Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives;
- Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth;
- Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner; and
- Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery.

2. Legislative and other mandates

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

Name of Act	Purpose
1. Abolition of the Fuel Research Institute and Coal Act, 1983 (Act No. 30 of 1983)	To repeal the Fuel Research Institute and Coal Act, 1963, and to provide for the vesting of the assets and liabilities, and the transfer of the employees of the Fuel Research Institute in and to the Council for Scientific and Industrial Research (CSIR).
2. Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	To provide for an internationally recognised and effective accreditation and monitoring system for the Republic of South Africa by establishing SANAS as a juristic person; to recognise SANAS as the only accreditation body in the Republic for the accreditation of conformity assessment and calibration as well as monitoring of good laboratory practice.
3. Alienation of Land Act, 1981 (Act No. 68 of 1981)	To regulate the alienation of land in certain circumstances and to provide for matters connected therewith.
4. Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice and publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.
5. Close Corporations Act, 1984 (Act No. 69 of 1984)	To provide for the formation, registration, incorporation, management, control and liquidation of close corporations.
6. Companies Act, 2008 (Act No. 71 of 2008)	To provide a new legislative framework for the incorporation, registration and management of companies; to establish a Companies and Intellectual Property Commission (CIPC) and Companies Tribunal; and to provide for matters connected therewith.
7. Consumer Protection Act, 2008 (Act No. 68 of 2008)	To promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection; to provide for improved standards of consumer information; to prohibit certain unfair marketing and business practices; to promote responsible consumer behaviour; to promote a consistent legislative and enforcement framework relating to consumer transactions and agreements; to establish the National Consumer Commission (NCC); and to repeal certain laws.
8. Convention on Agency in the International Sale of Goods Act, 1986 (Act No. 4 of 1986)	To provide for the application in the Republic of the Convention on Agency in the International Sale of Goods adopted by the International Institute of the United Nations Organisation for the unification of Private Law.
9. Co-operatives Act, 2005 (Act No. 14 of 2005)	To provide for the formation and registration of co-operatives and matters incidental thereto.
10. Copyright Act, 1978 (Act No. 98 of 1978)	To regulate copyright in respect of, inter alia, artistic works, dramatic works, computer programs, musical and literary works.
11. Counterfeit Goods Act, 1997 (Act No. 37 of 1997)	To strengthen prohibitions on trade in counterfeit goods; confers powers on inspectors and the police to enter and search premises, with and without a warrant; and confers powers on Customs and Excise to seize and detain suspected counterfeit goods.
12. Designs Act, 1993 (Act No. 195 of 1993)	To consolidate the law relating to designs; to provide for the registration of designs; and to delineate the rights pertaining thereto.
13. Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	To promote trade with countries outside the Republic by providing for the insurance on behalf of the Government of the Republic of contracts in connection with export transactions, investments and loans or similar facilities connected with such transactions.
14. Expropriation (Establishment of Undertakings) Act, 1951 (Act No. 39 of 1951)	To provide for the expropriation of land and the taking of the right to use land temporarily for or in connection with the objects or undertakings of national importance.

Strategic Overview

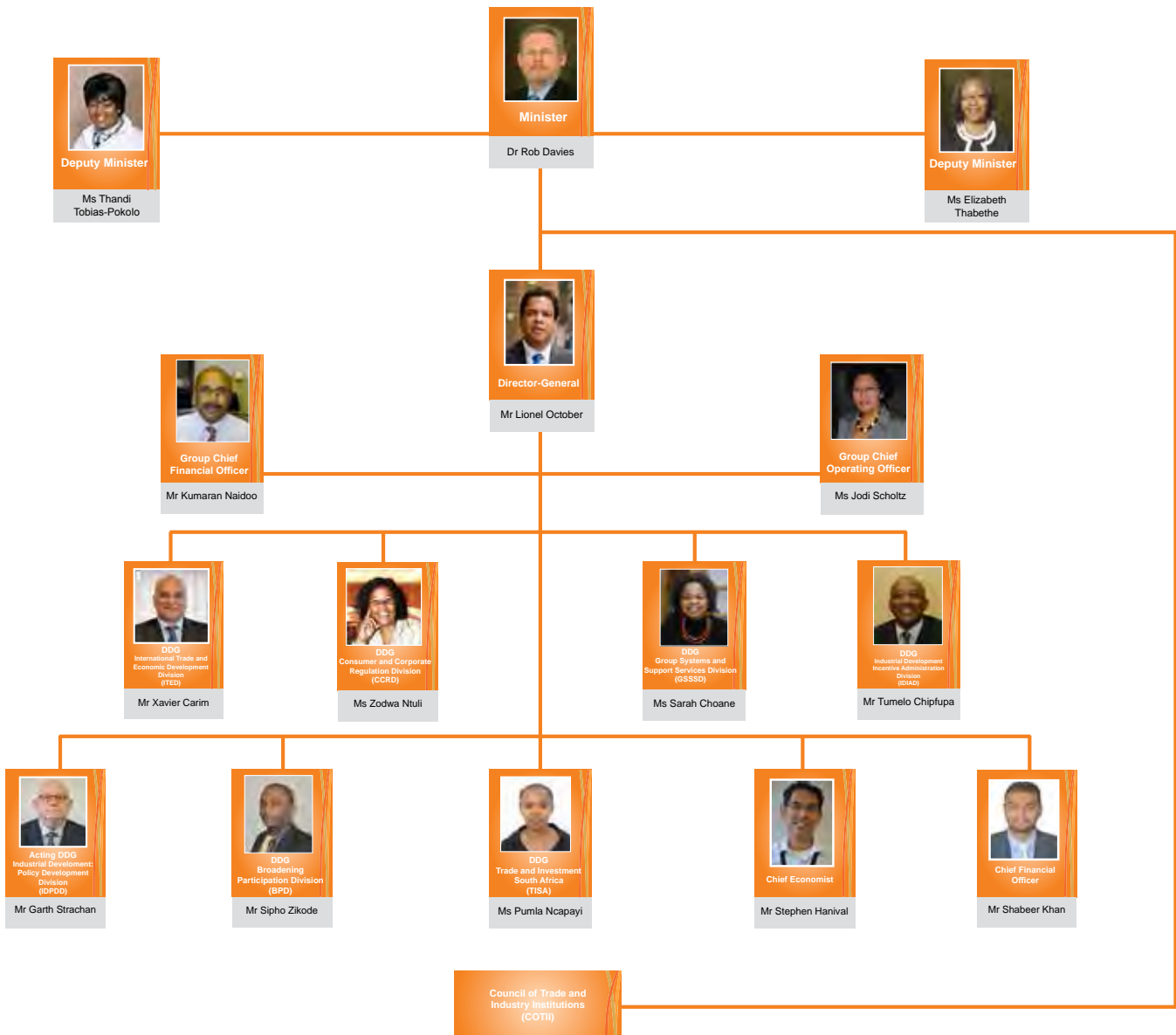
Name of Act	Purpose
15. Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988)	To regulate the alienation of certain interests in housing development schemes for retired persons and to provide for matters connected therewith.
16. Intellectual Property Law Rationalisation Act, 1996 (Act No. 107 of 1996)	To provide for the integration of intellectual property rights subsisting in the ex-TBVC (Transkei, Bophuthatswana, Venda and Ciskei) into the national system, to extend the South African intellectual property rights legislation throughout the Republic and to repeal certain intellectual property laws.
17. International Convention for Safe Containers Act, 1985 (Act No. 11 of 1985)	To provide for the application in the Republic of the International Convention for Safe Containers so as to maintain a high level of safety of human life in the handling, stockpiling and transporting of containers.
18. Liquor Act, 2003 (Act No. 59 of 2003)	To establish national norms and standards to maintain economic unity within the liquor industry; to provide for essential national standards and minimum standards required for the rendering of services; to provide for measures to promote co-operative government in the area of liquor regulation; and to provide for matters connected therewith.
19. Lotteries Act, 1997 (Act No. 57 of 1997)	To establish a National Lotteries Board and regulate and prohibit lotteries and sports pools.
20. Manufacturing Development Act, 1993 (Act No. 187 of 1993)	To establish the Manufacturing Development Board; to provide for the establishment of programmes for manufacturing development; and for matters incidental thereto.
21. Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	To provide for the use of measurement units of the International System of Units; to provide for the designation, keeping and maintenance of national measurement units and standards; to provide for the establishment and functions of the National Metrology Institute; and to provide for the repeal of certain laws.
22. Merchandise Marks Act, 1941 (Act No. 17 of 1941)	To make provision concerning the marking of merchandise and of coverings in or with which merchandise is sold and the use of certain words and emblems in connection with business.
23. National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards.
24. National Credit Act, 2005 (Act No. 34 of 2005)	To promote a fair and non-discriminatory marketplace for access to consumer credit and for that purpose to provide for the general regulation of consumer credit and improved standards of consumer information.
25. National Empowerment Fund Act, 1998 (Act No. 105 of 1998)	To establish a trust to promote and facilitate ownership of income-generating assets by historically disadvantaged persons, particularly assets in state-owned enterprises made available at a discount as part of restructuring programmes; gives powers to the trust to enable it to establish sub-trusts and investment companies to promote black economic empowerment.
26. National Gambling Act, 2004 (Act No. 7 of 2004)	To provide for the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and to provide for the continued regulation of those matters; for that purpose to establish certain uniform norms and standards applicable to national and provincial regulation and licensing of certain gambling activities; to provide for the creation of additional uniform norms and standards applicable throughout the Republic; to retain the National Gambling Board; to establish the National Gambling Policy Council; to repeal the National Gambling Act, 1996; and to provide for matters incidental thereto.

Name of Act	Purpose
27. National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	To provide for the administration and maintenance of compulsory specifications in the interest of public safety, health and environmental protection; and to provide for the establishment of the National Regulator for Compulsory Specifications.
28. National Small Enterprise Act, 1996 (Act No. 102 of 1996)	To provide for the establishment of the Advisory Board and the Small Enterprise Development Agency (seda); and to provide for guidelines to be followed by organs of State to promote small enterprise in South Africa; and for matters incidental thereto.
29. National Supplies Procurement Act, 1970 (Act No. 89 of 1970)	To empower the responsible Minister to manufacture, produce, acquire, hire or import goods; to acquire, hire or supply services; and to exercise control over goods and services and the manufacture, production, processing and treating of goods; and to provide for the establishment and administration of a National Supplies Procurement Fund.
30. Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993)	To provide for control over weapons of mass destruction and to establish a council to control and manage matters relating to the proliferation of such weapons in the Republic; to determine its objectives and functions; and to prescribe the manner in which it is to be managed and controlled.
31. Patents Act, 1978 (Act No. 57 of 1978)	To provide for the registration and granting of letters, patents for inventions and for the rights of a patentee.
32. Performers Protection Act, 1967 (Act No. 11 of 1967)	To provide for the protection of the rights of performers of literary and artistic works.
33. Property Time Sharing Control Act, 1983 (Act No. 75 of 1983)	To regulate the alienation of time-sharing interests pursuant to property time-sharing schemes.
34. Protection of Businesses Act, 1978 (Act No. 99 of 1978)	To restrict the enforcement in the Republic of certain foreign judgments, orders, directions, arbitration awards and letters of request; to prohibit the furnishing of information relating to businesses in compliance with foreign orders, directions or letters of request.
35. Rationalisation of Corporate Laws Act, 1996 (Act No. 45 of 1996)	To provide that certain corporate laws shall apply throughout the Republic of South Africa, to repeal certain corporate laws and provide for the retrospective incorporation of certain putative close corporations.
36. Registration of Copyright in Cinematograph Films Act, 1977 (Act No. 62 of 1977)	To provide for the registration of copyright in cinematograph films and for matters connected therewith.
37. Share Blocks Control Act, 1980 (Act No. 59 of 1980)	To control the operation of share block schemes, i.e. any scheme in terms of which a share, in any manner whatsoever, confers a right to or an interest in the use of immovable property.
38. Small Business Development Act, 1981 (Act No. 112 of 1981)	Whole Act was repealed save for Section 2A dealing with the application of the Insurance Act, 1943.
39. Space Affairs Act, 1993 (Act No. 84 of 1993)	To provide for the establishment of a Council to manage and control certain space affairs in the Republic; to determine its objects and functions; and to prescribe the manner in which it is to be managed and controlled.
40. Standards Act, 2008 (Act No. 8 of 2008)	To provide for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services; and for that purpose to provide for the continued existence of the South African Bureau of Standards (SABS), as the peak national institution; to provide for the repeal of the Standards Act, 1993; and to provide for transitional arrangements.

Strategic Overview

Name of Act	Purpose
41. Sugar Act, 1978 (Act No. 9 of 1978)	To consolidate and amend the laws relating to the sugar industry; and to provide for matters incidental thereto.
42. Temporary Removal of Restrictions on Economic Activities Act, 1986 (Act No. 87 of 1986)	To empower the President to suspend temporarily laws or conditions, limitations or obligations thereunder, if their application unduly impedes economic development or competition.
43. Trade Marks Act, 1993 (Act No. 194 of 1993)	To consolidate the law relating to trademarks and to provide for the registration of trademarks, certification of trademarks and collective trademarks and for the protection of rights relating thereto.
44. Trade Metrology Act, 1973 (Act No. 77 of 1973)	To consolidate and amend the law relating to trade metrology so as to ensure the accuracy of measuring instruments utilised in trade on the basis of national measuring standards.
45. Unauthorised Use of Emblems Act, 1961 (Act No. 37 of 1961)	To provide for the continued operation of certain laws relating to the use of certain emblems and representations, and to extend the scope of such laws.

3. Organisational structure



4. Entities reporting to the Minister

The table below indicates the entities that report to the Minister:

Name of the Public Entity	Enabling Legislation	Nature of Operations
1. Companies and Intellectual Property Commission (CIPC)	Companies Act, 2008 (Act No. 71 of 2008), as amended	The CIPC was established to: enforce intellectual property and company laws, including the registration of companies; promote voluntary resolution disputes arising between a company and a shareholder or director, without intervening in, or adjudicating on the dispute; monitor patterns of compliance; evaluate complaints; and initiate investigations, including referring matters to a court; and appearing before the court or the Companies Tribunal.
2. Export Credit Insurance Corporation (ECIC)	Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	The ECIC is a self-sustained, national export credit agency. Its mandate is to facilitate and encourage South African export trade by underwriting export credit loans and investments outside South Africa to enable South African contractors to win capital goods and services in other countries. It evaluates export credit and foreign investment risks and provides export credit and foreign investments insurance cover on behalf of the South African Government.
3. National Consumer Commission (NCC)	Consumer Protection Act, 2008 (Act No. 68 of 2008)	The NCC is responsible for carrying out the functions and exercising the powers assigned to it. In carrying out its functions, the Commission may review international developments in the field of consumer protection; or consult any person, organisation or institution with regard to any matter relating to consumer protection.
4. National Consumer Tribunal (NCT)	National Credit Act, 2005 (Act No. 34 of 2005)	The NCT adjudicates any application that may be made to it, and makes any order provided for in respect of such an application; or allegations of prohibited conduct by determining whether prohibited conduct has occurred and, if so, by imposing a remedy. It grants orders for costs, and can exercise any other power conferred on it by law.
5. Companies Tribunal (CT)	Companies Act, 2008 (Act No. 71 of 2008)	The CT adjudicates in relation to any application that may be made to it in terms of this Act, and makes any order provided for in this Act in respect of such an application.
6. National Credit Regulator (NCR)	National Credit Act, 2005 (Act No. 34 of 2005)	The NCR is responsible for the promotion and supports the development, where the need exists, of a fair, transparent, competitive, sustainable, responsible, efficient, effective consumer credit market and promotes historically disadvantaged persons; low-income persons and communities, and remote, isolated or low density populations and communities in the end-user credit market. It conducts research and proposes policies to the Minister in relation to any matter affecting the consumer credit industry, including but not limited to proposals for legislative, regulatory or policy initiatives that would improve access to credit for persons contemplated above.

Name of the Public Entity	Enabling Legislation	Nature of Operations
7. National Empowerment Fund (NEF)	National Empowerment Fund Act, 1998 (Act No. 105 of 1998)	The focus of the NEF is to promote and facilitate black economic equality and transformation. It provides finance and financial solutions to black business across a range of sectors, and structures accessible retail savings products for black people based on state-owned equity investments. Its mandate and mission is to be Government's funding agency in facilitating the implementation of B-BBEE in terms of BEE codes of good practice.
8. National Gambling Board (NGB)	National Gambling Act, 2004 (Act No. 7 of 2004)	The NGB was established to monitor and investigate, when necessary, the issuing of national licences by provincial licensing authorities entering into agreements with those authorities in respect of steps to be taken to correct any deficiencies, making recommendations, monitoring the socio-economic patterns of gambling activity within the Republic and, in particular, researching and identifying factors relating to, and patterns, causes, and consequences of: (i) the socio-economic impact of gambling; and (ii) addictive or compulsive gambling.
9. National Lotteries Board (NLB)	Lotteries Act, 1997 (Act No. 57 of 1997)	The NLB monitors and enforces the implementation of the national lottery and the establishment of private lotteries and promotional competition. It manages the National Lottery Distribution Trust Fund, which distributes proceeds from its share of the lottery sales to worthy causes.
10. National Metrology Institute of South Africa (NMISA)	Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	NMISA is responsible for realising, maintaining and disseminating the International System of Unit (SI). It maintains and develops primary scientific standards of physical quantities for South Africa and compares those standards with other national standards to ensure global measurement equivalence.
11. National Regulator for Compulsory Specifications (NRCS)	National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	The NRCS Act provides for the establishment of this institution. The Act protects consumers and promotes South Africa's competitiveness by ensuring that regulated products manufactured and sold in the marketplace meet minimum safety, health and fair trade requirements.
12. Small Enterprise Development Agency (seda)	National Small Enterprise Act, 1996 (Act No. 102 of 1996, as amended)	seda provides non-financial business development and support services for small enterprises in partnership with other role players. Its mission is to develop, support and promote small enterprises to ensure their growth and sustainability.
13. South African Bureau of Standards (SABS)	Standards Act, 2008 (Act No. 8 of 2008)	The SABS aims to develop, promote and maintain South African National Standards; promote quality in connection with commodities, products and services; and render conformity assessment services and matters connected therewith.
14. South African National Accreditation System (SANAS)	Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	The aim of the SANAS is to accredit or monitor for Good Laboratory Practice (GLP) compliance purposes, organisations falling within its scope of activity; promote accreditation as a means of facilitating international trade and enhancing South Africa's economic performance and transformation; promote competence and equivalence of accredited bodies; and promote the competence and equivalence of GLP complaint facilities.

5. Foreword by the Minister

The implementation of successive iterations of the Industrial Policy Action Plan (IPAP) created significant new policy platforms in consultation with Government, business and labour to strengthen industrial development. The current high-impact IPAP has led to significant achievements by increasing production volumes and market diversification. Measurable impacts are visible in key sectors including Automotives, Clothing, Capital Equipment, Film and Business Process Services.

In the automotive sector, the introduction of a “people carrier” incentive scheme for mini- and midi-bus taxis to grow local assembly and production resulted in major investments by Beijing Automotive Works (BAW), which invested R196 million in a taxi assembly plant for the South African and Sub-Saharan Africa markets. Toyota launched the Ses’fikile taxi assembly line in Durban together with a R363 million parts distribution warehouse, the largest in Africa.



Minister of Trade and Industry Dr Rob Davies

The clothing and textile industry experienced an impressive turnaround in fortunes. After a lengthy period of low investment, rising imports and job losses, the introduction of a sector-specific competitiveness-enhancing incentive programme stabilised employment levels and created 12 205 new permanent jobs. In total, the programme supports almost half of the 101 511 jobs in the sector.

The Preferential Procurement Policy Framework Act (PPPFA) enabled **the dti** to designate industries for local procurement at varying levels of local content where procurement is conducted by public entities, including State-Owned Enterprises (SOEs). Sectors already designated include buses; rail rolling stock; power pylons; canned vegetables; clothing, textiles, leather and footwear; and set-top boxes (STBs). The second round of designations was concluded in the 2012/13 financial year and includes school and hospital furniture, solar water heaters and a variety of pharmaceutical products.

Localisation is now fully entrenched in a number of key procurement programmes, including the renewable energy generation programme and the fleet procurement processes of SOEs. The implementation of localisation targets across the spectrum of state procurement regimes is now widely accepted as an important part of South Africa’s industrial policy. In the next financial year, **the dti** will continue to engage the private sector to encourage local procurement and enterprise development. With regards to industrial financing, the IDC will release R102 billion over the next five years to support more labour-intensive IPAP and New Growth Path (NGP) sector projects. Complementary to these efforts, **the dti** launched the Manufacturing Competitiveness Enhancement Programme (MCEP) in 2012. The MCEP assists industry during this challenging global economic

environment and provides grants to fund 'cluster' interventions. The MCEP support has been strong and we are seeing a number of investments in innovative technologies that will assist firms to become more competitive.

I am pleased to report on the progress made in implementing policy interventions for economic transformation. Cabinet approved the Broad-Based Black Economic Empowerment (B-BBEE) Amendment Bill. The enactment of the Bill will more closely align B-BBEE with other pieces of legislation. A new statutory body, the B-BBEE Commission, will also be established to deal with fronting and enhance compliance with legislation.

The Codes of Good Practice have been revised and will provide greater alignment with Government objectives of job creation, localisation, industrialisation, skills development and poverty reduction.

the dti continued to actively support Small, Micro and Medium Enterprises (SMMEs) as an integral part of social and economic development. The merger of Government's major financing programmes for small and micro enterprises was finalised, resulting in the establishment of the Small Enterprise Finance Agency (SEFA) in May 2012. SEFA will consolidate and synergise funding for SMMEs and is developing a national footprint.

the dti launched a scaled-up small business incubation programme, which will be implemented in partnership with the Small Enterprise Development Agency (**seda**) and the private sector. The criteria and guidelines for the Incubation Support Programme (ISP) were published and 38 incubator projects were established.

The lingering effects of the 2008 global economic recession continue to depress global business and consumer confidence. In South Africa, consumer and business confidence is gradually improving. Notably, a number of foreign investors announced substantial investments in the South African economy. New investments were announced in diverse industrial sectors, from personal hygiene products to auto components, agro-processing and capital equipment. These investments suggest that South Africa is regarded as an important investment destination for both its growing domestic market and the export opportunities in Sub-Saharan Africa.

These developments, along with an intensified focus on economic transformation, give us confidence that our economy is increasingly on a stable and sustainable growth path to the benefit of all South Africans.

A handwritten signature in black ink, appearing to read 'R. Davies', is centered within a light blue rectangular box.

Dr Rob Davies, MP
Minister of Trade and Industry

6. Overview of the Accounting Officer

To ensure that South Africa moves towards embracing the status of a leading industrial economy on the African continent, **the dti** has leveraged several opportunities to restructure and stabilise our economy. Despite the slow global economic growth, some of these initiatives are addressing the challenges of unemployment, poverty and inequality.

One of the cornerstones on the road to industrialisation is the annual iteration of the IPAP in 2012 that saw the launch of the MCEP, which supports a large number of jobs and has the potential to create further employment opportunities by improving downstream manufacturer competitiveness. Since the launch of the MCEP, and through rigorous engagements with stakeholders, **the dti** has received an unexpectedly high uptake, with 189 applications approved for grants valued at R4.2 billion.



Director-General Mr Lionel October

The 12I Tax Incentive, which aims to support investment in manufacturing assets to improve the productivity of the South African manufacturing sector, approved 12 projects to the value of projected investments worth R10.2 billion.

Chinese automotive company, First Automobile Works (FAW), commenced with the construction of a truck plant in Coega. BAW invested R196 million in a taxi assembly plant for the South African/Sub-Saharan markets. Toyota SA opened its new Ses'fikile taxi assembly line in Durban and a new R363 million parts distribution warehouse, which is Africa's largest.

The People-Carrier Automotive Incentive Scheme (P-AIS) is a sub-component of the Automotive Incentive Scheme (AIS) that was launched in the financial year under review.

Investment worth R1.3 billion was secured from the Business Process Services (BPS) Incentive Programme and 4 500 jobs are expected to be created over the next three years. South Africa was named 'Offshoring Destination of the Year' 2012 at the National Outsourcing Association (NOA) Awards held in the United Kingdom in April 2013.

The Special Economic Zones (SEZ) Bill was introduced in Parliament after a robust consultative process. In support of this, the Regional Industrial Development Strategy (RIDS), which seeks to industrialise certain provinces, has been developed and is being consulted on.

Significant progress was realised at the fifth BRICS (Brazil, Russia, India, China and South Africa) summit, which was held in Durban in March 2013. Key outcomes included the BRICS Trade and Investment Co-

operation Framework and the establishment of the BRICS Business Council, which South Africa will chair for 12 months. South Africa's position in BRICS has strengthened as the opportunities for trade, economic development and investment partnership expand into the untapped potential in Africa.

South Africa continued to participate in the negotiations on the Memorandum of Understanding (MoU) for the North-South Corridor, which will establish a legal framework for infrastructure development work among the signatories. **the dti** has also engaged in the Tripartite Free Trade Area (T-FTA) negotiations in which the next phase of negotiations will focus on the exchange of tariff concessions and finalising legal texts.

the dti facilitated export sales to the value of R3.88 billion as a result of promotional activities undertaken. The department received awards for best foreign exhibitor; National Pavilion at the Zimbabwe International Trade Fair in April 2012, 2nd best National Pavilion for foreign exhibitors at Feira Internacional De Maputo (FACIM) in Mozambique in September 2012, and a silver award for the National Pavilion at India International Trade Fair (IITF) in November 2012.

The department, via **seda**, continued to support enterprises that entered the mainstream economy by establishing eight incubators during the period under review. To scale-up small businesses, **the dti** launched the ISP in September 2012, with the aim of establishing 250 incubators by the 2015/16 financial year. More than 10 applications have been approved in sectors ranging from renewable energy, information and communication technology, agro-processing, chemicals and mining to clothing and textiles. The next step will be to expand into high-tech and high-growth sectors that will encourage global demand for such products.

In conjunction with the Department of Agriculture, Forestry and Fisheries (DAFF), **the dti** approved the Aquaculture Development and Enhancement Programme (ADEP), an incentive scheme to increase investments in the sector, enhance competitiveness and grow employment.

The B-BBEE Amendment Bill, which aims to reduce fronting among other objectives, was approved by Cabinet and introduced to Parliament after a lengthy and vigorous consultative process. The Revised Codes of Good Practice for B-BBEE were gazetted for public comment.

Significant progress has been made on the development of the Youth Enterprise Development Strategy (YEDS). A draft strategy was finalised and consultations with key stakeholders are at an advanced stage. To bring informal business into the mainstream of the economy, particularly in the townships, a Draft Informal Sector Strategy was developed and a consultative process undertaken with the support of the International Labour Organisation (ILO). **the dti**, in collaboration with Brand South Africa and Proudly South African, hosted the Inaugural South African Premier Business Awards in March 2013 to recognise South African companies, their products, services and employees that promote the spirit of success, innovation and good business ethics in the economy.

The department complied with the legislative requirement pertaining to the payment of creditors within 30 days by ensuring that all eligible payments were processed within the 30-day timeframe.

Strategic Overview

To develop and continuously improve our service delivery, **the dti** has embarked on an exciting journey to review organisational values and this project will be concluded in the 2013/14 financial year.

As we move to the end of the term of this administration, I am confident that interventions by **the dti** have yielded positive results and geared South Africa onto a path that will solidify its role as a beacon of the continent on the back of its people and their commitment to developing and growing the economy.

In conclusion, I would like to thank the Minister, Deputy Ministers and the entire staff of **the dti** for their contribution to the work undertaken during the 2012/13 financial year and anticipate a productive forthcoming year in 2013/14 that will realise our goals.



Mr Lionel October
Director-General



PART B: PERFORMANCE INFORMATION



Performance Information

for the year ended 31 March 2013

8. Statement of Responsibility for Performance Information

The Accounting Officer is responsible for the preparation of the department's performance information and the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects that of the department for the financial year ended 31 March 2013.



Mr Lionel October
Director-General

9. Auditor-General's Report: Predetermined Objectives

The Auditor-General South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on the section of other legal and regulatory requirements of the auditor's report.

Refer to page 80 of the Report of the Auditor-General, published as Part C: Governance.

10. Overview of Departmental Performance

10.1. Organisational environment

Ensuring strengthened leadership and capacitating the department with the right skills and the right people has been one of **the dti**'s key focal areas over the past medium-term period. In the year under review, **the dti** filled the key vacancies of Chief Financial Officer (CFO), Deputy Chief Financial Officer to ensure efficient and effective management of its finances, and Chief Economist to provide intellectual leadership relating to all aspects of economics, planning and research.

The vacancy rate is at a record low of 8%, compared to 2007/08 when it was about 26%, which when translated into the retention rate implies that 94% of the staff in **the dti** were retained. This is indicative that the department is building its capacity and retaining it to further policy implementation and delivery on its mandate.

Project Rea Aga (We are building) was undertaken to develop a balanced organisational culture that promotes professionalism, ethical conduct, productivity and retention. This has culminated in a consultative process where new values were adopted. These values will now shape the desired culture the department requires and implementation plans are being developed.

10.2. Key policy developments and legislative changes

The finalisation of the B-BBEE Amendment Bill and the Co-operative Amendment Bill as well as the anticipated approval by Cabinet of the National Strategic Framework on Gender and Women Economic Empowerment will have a significant impact on improving the regulatory environment as these regulatory measures seek to establish new institutions, such as the Co-operative Development Agency, the Tribunal as well as the B-BBEE Commission.

The introduction of the SEZ Bill in Parliament will require additional capacity to deal with the establishment of new SEZs.

In line with the regulations promulgated in terms of the amended Preferential Procurement Policy Framework Act (PPPFA), 2000, Act No. 5 of 2000, instruction notes were published by the National Treasury (NT) for the designation of key sectors or products to leverage public sector procurement.

The National Export Development Programme (NEDP) is being rolled out with particular reference to key interventions such as the Global Exporter Passport Initiative, the Export Village and the Export Helpdesk Initiative to provide support to current and emerging exporters across the country.

The Lotteries Policy and Amendment Bill were finalised.

A Notice on the labelling of products was issued in line with the provisions of the Consumer Protection Act, which requires consumers to be informed about the country of origin of the product(s) so that they can make informed choices when sourcing or purchasing goods.

11. Strategic Outcome-Oriented Goals

11.1. Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation

Industrial development is the cornerstone of the work of **the dti**, with investment and competitiveness enhancement as some of the key policy levers and employment creation an outcome of wider and deeper industrial development. Internationally, consensus has emerged across a range of countries that the industrial sector is the engine of growth for both developed and developing economies. For the developed economies of the European Union and the United States, where the services sectors' contribution to Gross Domestic Product (GDP) had long eclipsed that of the industrial sector, the Global Financial Crisis brought into sharp focus the dangers of economic growth dependent primarily on consumer spending financed through foreign investment. The inferred independence of the services

Performance Information

for the year ended 31 March 2013

sectors from the industrial sector has been shown to be an illusion, with those countries that had retained a substantial industrial sector recovering far more rapidly from the GFC than those that had ignored the decline of their industrial sectors. Reversing this decline is now foremost in many developed countries' policy imperatives. An important characteristic of how this imperative is converted to policies, strategies and programmes is the re-emergence of industrial policy as the key policy lever for these countries to re-industrialise.

As developed countries look to revive prematurely discarded industrial policies, South Africa is in the relatively fortunate position of having begun this process in earnest in 2007 with Government's adoption of the National Industrial Policy Framework and its subsequent action plan, IPAP. IPAP is released annually at the start of the financial year and has a three-year implementation horizon. It is updated on an annual basis in order to allow for adjustment to prevailing economic conditions, new opportunities and emerging threats. Given IPAP's focus on the industrial sector, it serves to consolidate and co-ordinate a range of government departments' work in industrial development within the NGP and NIPF policy frame. IPAP's focus on time-bound actions and the intense monitoring thereof by the Minister of Trade and Industry, Cabinet and the Portfolio Committee of Trade and Industry has led to it becoming a yardstick of Government delivery and accountability. The latter is particularly important as IPAP also serves to signal to the private sector Government's sectoral priorities and provides timelines for implementation of particular actions. This reduces uncertainty and contributes to improved private sector planning and decision-making.

The fourth iteration of IPAP was launched in April 2012 and set out transversal and sector-specific programmes and key action plans with time-bound milestones. It identified a range of complementary policies that needed to be aligned, integrated and in some cases subordinated to Industrial Policy such as public procurement, industrial finance, trade policy, export and investment promotion, and competition policy.

11.1.1. Policy Instruments

Public Procurement

the dti has been at the forefront of the Government processes to amend the Preferential Procurement Policy Framework Act (PPPFA) Regulations, to allow for the designation of sectors and products where the State will require specific minimum local content levels from bidders. The Regulations came into effect on 7 December 2011 and in the first phase, rolling stock, power pylons, bus bodies, canned/processed vegetables, textile, clothing, leather and footwear, and pharmaceuticals were designated in July 2012. The second phase of designations for STBs for digital television migration and furniture products were published by the Minister of Finance in September and November 2012 respectively. The research, which informs the designation of sectors or products, has been completed for Electrical and Power Cables, and Solar Water Heater components and these designations are imminent.

Monitoring and evaluation of the impact of the designations as well ensuring compliance with the Regulations is an important element of ensuring effective implementation of IPAP interventions and a local content hotline and e-mail address has been established where individuals may blow the whistle on

suppliers or procuring entities attempting to avoid compliance. The regulatory framework and verification process to be used by the South African Bureau of Standards (SABS) to assess local content levels in designated sectors has also been finalised.

To further bolster Government's commitment to public procurement, the National Industrial Participation Programme (NIPP) has been amended and subsequently approved by Cabinet. One of the key changes made was to improve alignment between the NIPP and the existing Competitive Supplier Development Programmes (CSDP), which some State-owned Companies (SOCs) had implemented before the PPPFA Regulations were amended.

While public procurement is an important policy lever, its reach is limited to Government spending. **the dti** has actively engaged the private sector through a number of fora to encourage it to demonstrate support for local industries by implementing similar local content mechanisms in their procurement practices. Broad agreement has been reached with the private sector, but implementation of its commitments has thus far been relatively slow. Nevertheless, **the dti** remains optimistic that in the coming financial year the private sector will actively start implementing procurement programmes to support local industries.

Industrial Finance

Facilitating ready access to appropriate industrial financing measures at appropriate cost is a key lever of IPAP. **the dti's** investment incentives play a substantial role in reducing project risk and market failures in the financial services sector that often results in the financial costs of industrial investments being priced above that of the investments in consumption sectors such as retail services.

In the year under review, the 12I Tax Allowance programme approved 12 projects with a total investment value of R10.2 billion. Many of these investments are in catalytic sectors such as fertilizer production and, therefore, promise the potential for further spill-over investment and growth multipliers.

The Enterprise Investment Programme (EIP) is the core investment incentive of **the dti**. During the period under review, implementation of the EIP gathered momentum and more than 500 enterprises were approved for support. Consequently, R10.8 billion in investment was facilitated, with approximately 12 000 direct jobs created.

The re-orientation of IDC support to IPAP and NGP sectors led to the earmarking of R102 billion to increase these sectors' access to industrial finance. Of this, R5.5 billion was committed for investment in the Green Economy, R1.1 billion for the agriculture and forestry value-chains, and R501 million for the clothing and textiles sector. In addition, a R5 billion private 'green bond' was concluded with the Public Investment Corporation (PIC) to facilitate funding for businesses looking to invest in clean energy infrastructure developments.

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In April 2012, the Minister launched the MCEP to offer assistance to firms to upgrade their production facilities, processes and products to maximise employment and value-added potential within existing macro-economic constraints and uncertainties in the global environment. To date, 98% of approved applications were for capital investments and 16 107 jobs were retained as a result of MCEP grants.

Trade Policy

With respect to trade policy, **the dti** continues to implement a developmental trade policy that balances export market access with the need to provide support to domestic industrialists. One aspect of this is the need to ensure that illicit imports becomes progressively more difficult. In this regard, the South African Revenue Service (SARS) and **the dti** Industry Forum was launched, and the Customs Modernisation Programme to integrate anti-fraud measures was rolled out both domestically and in the Southern African Development Community (SADC).

The technical standard (SANS 862) for STBs was launched by SABS in June 2012 during the Information and Communication Technology (ICT) Indaba, where the process of manufacturing the STB and rollout of digital migration will be kick-started in the 2013/14 financial year.

To support a better balance of incentives to commodity exports, and manufactured exports and imports, **the dti** has been engaging intensively to encourage a re-balancing of port pricing policy. **the dti**, therefore, welcomes the announcement by the Transnet National Ports Authority that it is committed to changing its pricing model in favour of the export of manufactured goods by lowering tariffs on tradable exports by 40% from 1 April 2013.

South Africa's trade policy emphasises tariff policy-setting on a sector-by-sector basis, as indicated by the imperatives of evolving sector strategies. The technical infrastructure institutions continued to reprioritise their activities to support the development, accreditation and enforcement of standards that can create scale-up and resuscitate certain industries, while simultaneously contributing to broader social benefits. During the 2012/13 financial year, a range of these kinds of interventions were facilitated by **the dti** and implemented by SARS.

11.1.2. Sectoral Highlights

The impact of **the dti**'s IPAP interventions are felt most sharply within the enterprises, value-chains and sectors targeted for industrial policy interventions. The following section provides a summary of high-level highlights where IPAP has had substantial and tangible impacts on the South African economy.

Automotives

The automotive sector has been successfully transitioned from the Motor Industry Development Plan (MIDP), which had been challenged by some trading partners as an incentive contrary to the World Trade

Organisation (WTO) requirements, by the Automotive Production and Development Programme (APDP). The APDP is WTO-compliant and feedback from the sector has been overwhelmingly positive.

The AIS for light motor vehicles continues to perform exceptionally well and, in the financial year, 128 projects were approved with an investment value of R12 billion. These projects – supported by **the dti** – now assist in sustaining 56 197 jobs in the sector.

New investments and developments in the sector include the Friedrich Boysen GmbH R180 million investment in a new 10,000m² plant to supply 90 000 exhaust systems annually to Mercedes Benz SA, BMW SA introducing a 3rd shift at its Rosslyn plant, and Mercedes Benz SA has begun the recruitment drive for 600 new positions in preparation for production of the new C-class.

To expand the industrial benefits of the Automotive Incentive Scheme (AIS) to the Medium and Heavy Commercial Vehicles (MHCV) segment, **the dti** created a “People Carrier” incentive scheme for mini- and midi-bus taxis. The incentive has had an almost immediate impact with BAW investing R196 million in a taxi assembly plant for the South African/Sub-Saharan markets and Toyota SA opening a new Ses’fikile taxi assembly line in Durban together with a new R363 million investment in a parts distribution warehouse. In addition, FAW has commenced with the construction of a truck plant at the Coega Industrial Development Zone (IDZ) in the Eastern Cape.

In 2012, the department’s three-year Supplier Development Programme came to an end, with 65 companies having benefitted from improvement interventions.

Looking ahead, the Minister of Trade and Industry approved the Electric Vehicle (EV) Road Map in early 2013 and it is expected that this will contribute towards positioning the South African automotive industry in what **the dti** believes will be an important segment in the near future.

Clothing, Textiles, Leather and Footwear (CTLF)

The CTLF sectors have endured a difficult period of high imports, low growth, low investment and increasing job losses. The development of the Clothing and Textiles Competitiveness Programme (CTCP) marked an important incentive development phase for **the dti** with the introduction of a production and competitiveness enhancement incentive that encourages production and job creation activities more directly. The CTCP has precipitated a remarkable turnaround in the sector with production stabilised, and the job losses, which had become a common feature of the sector, comprehensively reversed. Approximately 12 205 new, decent permanent jobs have been created in the sector as a direct result of the CTCP.

The CTCP and IPAP have galvanised key stakeholders in the sector to think more strategically about how to preserve the sector in South Africa. Some key local retailers have now committed themselves to local procurement with Foschini taking over Cut, Make and Trim (CMT) operations like Prestige Clothing to ensure its ability to grow its local procurement.

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From inception of the CTCP in 2009, 469 companies have been assisted with projects valued at more than R1.5 billion. The CTCP supports 49 888 of the total 101 511 jobs in the sector.

During the financial year under review, conditions in the footwear sector also improved and, after years of decline, the sector now projects an increase in the quantity of shoes produced, from 52 million to 100 million in the next three years.

To facilitate cluster-level engagements, the National Fashion Council was established and the funding structure developed, while the National Leather and Footwear Cluster at the Vaal University of Technology was established to accelerate skills and technology development in the sector.

Metals fabrication, capital and rail transport equipment

This sector is the bedrock of industrial capacity and **the dti** has prioritised a range of interventions to ensure that the sector's capacity and capabilities are fundamentally scaled-up. To this end, the National Skills Fund (NSF), under the auspices of the Department of Higher Education and Training (DHET), allocated R200 million to train 970 new apprentices under the National Tooling Initiative (NTI) and 345 workers were trained under the National Foundry Technology Network.

Moreover, given the importance of the public infrastructure drive and this sector's ability to provide large portions of the inputs required, **the dti** prioritised continuous engagement with SOCs to develop alignment in supplier development and localisation. These activities and designations resulted in key new production opportunities. For example, the Passenger Rail Agency of South Africa (PRASA) awarded a 10-year contract to build 3 600 coaches to Gibela Rail Consortium in December 2012 and this is set to achieve 69% local content over the duration of the contract. Transnet Freight Rail issued a Request for Proposals (RFP) for the procurement of 1 064 locomotives (599 dual-voltage electric and 465 diesel) as part of its R300 billion, seven-year capital investment programme with a local content requirement of 55% (diesel) and 60% (electric). The Eskom amorphous transformers tender was awarded to local manufacturers with an 80% local content requirement. The scale of these contracts and the local content requirements are having a profound impact on the investment outlook for the affected input sectors and it is expected that significant tooling-up with associated benefits will become more visible in the next financial year.

A significant new investment in the sector was the opening of the R1 billion metals coating facility (Safal Steel) in KwaZulu-Natal, which **the dti** was instrumental in securing.

At the broader policy level, **the dti** facilitated a mediation process with Sishen Iron Ore Company and Arcelor Mittal South Africa and assisted the companies to conclude an iron ore interim supply agreement in December 2012. Cabinet also approved the final Intra-Departmental Task Team on Iron and Steel (IDTT) Value Chain in December 2012, with the final report presented to the Portfolio Committee in February 2013. On scrap metals, which play an important role in moderating steel prices, a Policy Paper and Amended Regulations were gazetted in January 2013 for public consultation, aimed at strengthening export control measures on scrap metals.

Agro-processing

The agro-processing sector faced a number of challenges in this financial year with export demand flat in many of its key export markets and imports rising in South Africa's domestic market. **the dti** interventions in the sector comprised a combination of assisting enterprises to diversify exports and develop new products to new markets, support for investments in competitiveness enhancement, development of new incentives to unlock latent potential, development of defensive measures to assist local companies facing risk of closure and facilitation of new investments in sectors that have a direct impact on poor consumers.

Company-level joint action plans were developed with a number of major companies in the agro-processing sector to facilitate investment and promote product and export destination diversification. Partly as a result of these interventions and incentive support, significant new investments were undertaken across a spectrum of sub-sectors such as animal feed, soybean processing, food-processing, beverages, and processed fruit and vegetables.

Examples include Coetzee and Coetzee (Pty) (Ltd) winning an order for 800 000 boxes of value-added Rooibos tea for the Chinese market; an investment of R150 million in a new soybean processing facility by RusselStone (Pty) (Ltd); investments in small-scale soybean processing facilities by Gr8 (Pty) (Ltd); the development of 12 new products for the fruit-processing sector with Boland Pulp (Pty) (Ltd), the first company to take new products to consumers; and the Joint Implementation Plan with Mozambique on timber trade and forestry joint ventures.

the dti also played an important role in facilitating consensus with the NT on the need for, and broad design of, a fiscal incentive for the biofuels industry. The fiscal incentive was announced by the Minister of Finance in the 2013 Budget and **the dti** projects that the development of the sector could lead to the creation of 55 000 new jobs over the coming years.

Together with the Foundation of African Business and Consumer Services (FABCOS), **the dti** facilitated the launch of an agro-processing investment worth R1.2 billion to assist in growing sustainable HDI-owned/controlled SMMEs; supported the retailer/supplier development model, investments of which are in small-scale milling, malt plants, snack plants, blended foods and incubator farms; and launched the Emerging Organic Farmer/Retailer Programme with Pick n Pay to provide shelf space and support to emerging organic farmers' co-operatives.

To unlock the latent economic potential of the aquaculture sector, **the dti** in conjunction with DAFF developed and launched the ADEP, an incentive scheme to increase investments in the sector, enhance competitiveness and grow employment.

the dti through IPAP facilitated the establishment and launch of a Small-Scale Milling plant by Kuvusa Pty (Ltd) in Durban. These mills take advantage of the transport costs associated with transporting maize to mills and maize-meal to consumers and it is projected that the maize-meal price from these mills will be reduced

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for the year ended 31 March 2013

by up to 20%, thereby having a substantial impact on the welfare of poor South Africans. **the dti** also assisted in developing interventions with Economic Development Department (EDD) to successfully stave off retrenchments at SAPPI and FoodCorp Pty (Ltd), with approximately 2 000 jobs saved as a result.

Green Industries

the dti has worked closely with the Department of Energy (DoE) and NT to encourage appropriate local content levels in successive Renewable Energy Independent Power Producers Programme (REIPP) rounds. As a result, 47 bids were approved with minimum levels of local content ranging from 25% to 45%.

The emphasis on local content has had tangible benefits in the sector, with global wind and solar power developer Mainstream Renewable Power turning soil on a 138MW wind energy plant in the Eastern Cape in February 2013. Sun Edison South Africa broke ground on its first South African project, a 28MW solar plant in Limpopo. This R1.2 billion project will be followed by a 30MW R1.4 billion project at Witkop near Polokwane. DCD Pty (Ltd) has begun construction of a wind tower manufacturing facility in the Coega IDZ and it is projected that 628 construction jobs and 200 full-time jobs will be created.

IDC is providing industrial finance for two local manufacturers of solar water heaters, with further investments to follow in wind tower production, solar photovoltaic (PV) structures and PV panel assembly.

As a relatively new sector in South Africa, the availability of skills has the potential to become a binding constraint on the 'Green Economy'. To build local skills, an Energy-Efficiency Training Centre was established at the National Cleaner Production Centre, with the first 600 students accepted for training, while a Radiation Training Facility has been established at the South African Nuclear Energy Corporation.

Chemicals, Pharmaceuticals, Plastics and Cosmetics

Given Government's substantial rollout of access to antiretroviral (ARV) medication, public procurement is an important lever in this sector. **the dti** facilitated and secured the application of local content objectives to the Large Volume Parenterals (LVP) and blood fractions tenders. The entire R294 million blood fractions tender was awarded to local producers, while 99,4% of the more than R750 million LVP tender was awarded to South African manufacturers Adcock-Ingram, Fresenius-Kabi and the National Bio-Products Institute. Sixty-five per cent of the R5.8 billion ARV tender has been awarded to South African manufacturers, thereby providing a substantial boost to local production.

Value-added Services Sectors (Film, Business Process Services, Craft and Design)

The film sector has quickly established itself as a growing niche sector that has responded strongly to **the dti's** introduction of a sector-specific incentive package to support its development. A number of blockbuster films have been approved for support including: *Mad Max 4 – Fury Road*, one of the biggest (\$125 million) feature films ever brought by Warner Bros to South Africa, *Chronicle*, *Safe House*, the

3D comic-book adventure *Dredd*, the television drama *Mary and Martha* and locally produced animated feature film *The Adventures of Zambezia*.

Over the past five years, South Africa has emerged as a global competitor in Business Process Services (BPS) and Offshoring, attracting many of the world's biggest service providers. These include Aegis, Capita, Genpact, Global Telesales, IBM, British Gas, Amazon, ASDA, Bloomberg, WNS, Serco, iiNet, Kleinwort Benson, Lufthansa, O2, Shell, Shop Direct, TalkTalk and T-Mobile.

The successful and growing impact of industry demand resulted in the Monyetla Work-Readiness Programme training 3 819 learners as BPS agents (3 233 agents and 586 team leaders trained) and a total of 2 120 competent learners being placed in employment.

In a major accolade to **the dti's** support of the sector, South Africa was named "Offshoring Destination of the Year" in the 2013 United Kingdom National Outsourcing Association Awards.

In the craft and design sub-sectors, a total of 165 enterprises successfully participated in four trade shows, namely Decorex in Johannesburg, Ambiente in Germany, Design Indaba in Cape Town and the India International Trade Fair (IITF). South Africa won a silver trophy for best stand and products at the IITF in November 2012 and direct sales at these events amounted to R1.4 million, with orders of R4.6 million secured.

Advanced Manufacturing

This sector supports the development of technology, skills and production capabilities in value-chains and industries that have the potential to become major contributors to the economy in the long-term. **the dti's** main intervention in this space is its support for Centres of Excellence at the Witwatersrand University and the North-West University (NWU), where a state-of-the art super critical fluid extraction laboratory and pilot plant opened in January 2013 to safely extract essential oils and other compounds for the cosmetics, food and medicinal extracts industry.

The Advanced Manufacturing Centre (AMC) at NWU has assisted SASKO (Pty) Ltd and FeedPro (Pty) Ltd in product development through extrusion. These companies subsequently placed orders for customer-specified extruders with the AMC. Significant international interest has developed around NWU's Extru-Africa initiative. About 70 jobs have been created and new products introduced that were not previously available in the market. The NWU Centre is currently supporting 19 postgraduates in the advanced manufacturing field.

The National Aerospace Centre has supported 59 postgraduate students in the fields of mechanical, electrical, electronic and aeronautical engineering. Partnerships were strengthened with key departments such as the EDD, Department of Public Enterprises (DPE), DoE, Department of Mineral Resources (DMR), NT and the DHET. This has served as a useful mechanism to strengthen intra-governmental integration and co-ordination.

11.2. Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives

The development and implementation of South Africa's trade policy requires ongoing efforts to shape the terms and conditions of South Africa's integration into the global economy in a manner that supports South Africa's national economic development objectives. The department creates the conditions to enhance South Africa's export of higher value-added products, promote inward and outward investment to Africa, and preserve the space to implement national development policies.

the dti plays a prominent role in advancing trade and economic integration in Africa. Within the Southern African Customs Union (SACU), the department worked to design and implement a five-point plan in which regional industrial development is accepted as the overarching objective. **the dti** led the process to identify sectors for developing cross-border complementary value-chains, with the agro-processing sector being designated as the pilot. Work has also been done to ensure that SACU takes and maintains unified positions in trade negotiations with third parties.

In the SADC region, **the dti's** key objective has been to consolidate the Trade Protocol by ensuring that those members who have lagged in fully implementing their commitments move towards full implementation. Progress has been made in this regard. Work continues to develop SADC-wide standards, to address on an ongoing basis non-tariff barriers (NTBs) that impede trade and to promote trade facilitation. Importantly, the SADC Summit approved the approach to strengthening regional economic integration through the Tripartite Initiative, drawing together SADC, COMESA and the EAC. The Summit also approved the launch of negotiations in SADC on trade in services.

the dti led the process of co-ordinating a unified SACU position during participation in the T-FTA negotiations. Over the course of 2012 and 2013, **the dti** has contributed to defining the principles and modalities for the negotiations, laying the basis for the next phase of negotiations on tariff concessions and legal texts. **the dti** made a contribution to the complementary work on infrastructure development under the T-FTA by leading the negotiations on the conclusion of the MoU for the North-South Corridor.

Bilateral work in Africa is intensifying where **the dti** organised missions that involved Government and business engagements with 11 countries across the continent. The department also facilitated outward investments and funding for major infrastructure programmes in African countries.

the dti played a growing role in South Africa's overall participation in the BRICS Forum. In preparation for the third BRICS Trade Ministers Meeting ahead of the fifth BRICS Summit, the department led the process of developing the Trade and Investment Co-operation Framework that places the work programme on trade and investment co-operation in a longer-term strategic perspective. This includes efforts to strengthen co-operation in multilateral fora where trade and investment matters arise, notably in the WTO, and to explore BRICS partnerships that support Africa's development agenda. The third BRICS Trade Ministers' Meeting was successfully held in Durban. A key outcome included the BRICS Trade and Investment Co-operation Framework.

During the year under review, **the dti** continued to represent South Africa at the Economic Partnership Agreement (EPA) negotiations with the European Union (EU) to establish a common trade in goods arrangement between SACU and the EU.

Exports sales facilitated as a result of promotional activities undertaken amounted to R3.88 billion, where Europe accounted for 19%, Africa and the Middle East contributed 13%, Asia contributed 61%, Latin America 2% and North America 5%. **the dti** organised the South African Expos in Beijing and Shanghai, China, in November 2012 in which 61 South African companies participated. Five Investment and Trade Initiatives (ITIs) were organised to Brazil, Russia, India, Zimbabwe and the Democratic Republic of Congo. World Cup Legacy exhibitions were organised in future host countries of the FIFA World Cup, namely Brazil and Russia. **the dti** financially assisted 259 emerging exporters with access to export markets.

the dti organised 22 National Pavilions during the year under review where it received awards for best foreign exhibitor National Pavilion at the Zimbabwe International Trade Fair in April 2012, second-best National Pavilion for foreign exhibitors at FACIM in Mozambique in September 2012 and silver award for the National Pavilion at IITF in November 2012. Forty-three trade missions were organised in the following key sectors: capital equipment and allied services; chemicals; electro-technical; built environment; agro-processing; automotives; boatbuilding; and the creative industries.

MoUs were signed with Botswana Investment and Trade Centre (BITC), Mitsubishi Bank of Japan and China Investment Promotion Agency (CIPA). The intent of these agreements is to seek deepened economic collaboration and partnerships on trade and investment between the respective agencies. An MoU was signed with the International Brand Management Centre – China Association of International Trade (IBMC-CAIT) to support exports of South Africa's value-added products into China, focusing on the Top Ten products/sectors. It was agreed that IBMC-CAIT would provide comprehensive services to introduce and promote South Africa's products and services in the Chinese market, develop local distributors for selected South African enterprises and exporters, and facilitate appropriate distribution channels. IBMC-CAIT would also assist with the promotion of the South African Expo in China and provide a free service in its exhibition centre, particularly for bonded goods after the Expos in China, including six months' free display, distributor development and product promotion. In addition, IBMC-CAIT would send buying delegations to South Africa.

The rules for the Export Marketing and Investment Assistance (EMIA) Group Offerings were reviewed during the financial year and changes have been recommended for implementation in 2013/14.

the dti recently launched the National Exporter Development Programme (NEDP) under its National Export Plan to boost the country's long-anticipated advancement into exports markets, industrialisation and broad economic objectives by reigniting South Africa's dormant exporter base. This programme is underpinned by the following key pillars: the creation of export culture towards global participation, enhanced access to reliable information and export advice through strategic platforms; extensive capacity building and mentorship; export villages that are designed for the pooling and sharing of resources; joint tackling of markets; and stakeholder mobilisation and strategy, including the iterations for the continuous improvement of the service offerings of the NEDP.

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The Export Council Impact Assessment and Review was finalised, recommending a new model for improved stakeholder engagement on export processes, including the proposal for the establishment of a national co-ordinating structure. It is expected that the selected model will be implemented by clustering and setting up Export Round Tables in all provinces upon approval.

During the financial year, **the dti** assisted 1 170 clients with trade information, exceeding a target of 1 149. Furthermore, 643 trade leads were processed and 44 export awareness and capacity-building initiatives were successfully conducted, exceeding the targets of 600 and 36 respectively. The implementation of this programme is set to provide extensive mentorship support to foster a strong aftercare service designed to turn the trade leads into business opportunities and increased export sales.

11.3. Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth

In the financial year under review, **the dti** focused on fostering the partnership between the public sector and the private sector; strengthening the collaboration with educational institutions to enhance entrepreneurship education; amending pieces of legislation governing co-operatives and B-BBEE to provide for institutional frameworks that fast-track delivery of these respective programmes. In addition, **the dti** enhanced the competitiveness and productivity of small enterprises through targeted interventions, supported enterprises that invent and develop high-tech products and designed regional industrial development strategies to fast-track industrialisation in the poorer regions of South Africa.

In fostering the partnership between the private and public sectors, **the dti** designed and developed the ISP, a 50/50 cost-sharing partnership between the private sector and the department. The overall intention is to promote collaboration between industry and small enterprises so that strategic supply partnerships are developed. Currently, 13 projects have been approved with a total project value of R373 million and in sectors ranging from renewable energy, ICT, agro-processing, chemicals and mining to clothing and textiles.

The **seda** Technology Programme (**stp**) provides financial and non-financial support to small enterprises through technology transfer, business incubation and quality services. Currently, the **stp** is supporting 42 Incubation Centres (of which eight were established in 2012/13) in all nine provinces of the country in different economic sectors such as biotechnology, mining, agro-processing, construction, jewellery, automotives, metals and renewable energy.

To enhance the competitiveness and productivity of small enterprises, the Workplace Challenge Programme (WCP) was up-scaled to assist more enterprises to improve their operational processes and manufacturing procedures. Eighty of these enterprises were co-operatives in enterprise clusters in the rural areas. The impact of the WCP on enterprises is illustrated through a 49% improvement in the quality of production, a 60% reduction in the cost of production and a 25% improvement in speed or responsiveness.

The Support Programme for Industrial Innovation (SPII) and the Technology and Human Resources for Industry Programmes (THRIP) continue to support enterprises that invent and develop high-tech prototypes and products.

In the 2012/13 financial year, 53 enterprises with a total project value of R203.5 million were assisted through the SPII to improve their competitiveness.

THRIP supported 1 506 students and 1 135 researchers to enhance technological competencies. In support of the National Skills Accord, 69 unemployed graduates were placed in manufacturing enterprises to improve their employability and enhance skills necessary for enterprise development.

the dti amended the Co-operatives Act, 2005 (Act No. 14 of 2005) and B-BBEE legislation. The Co-operatives Amendment Bill adopted by the National Assembly seeks to establish the Co-operatives Development Agency, which will provide business development support to co-operatives, and the Co-operatives Tribunal, which will adjudicate over conflict as well as serve as an apex body to represent the interest of co-operatives. There is an in-principle agreement with the Department of Higher Education and Training (DHET) to work on the establishment of the Co-operative Academy to enhance the capacity of co-operatives in critical technical skills and to improve sustainability based on standardised and accredited curricula benchmarked to international standards.

The creation of black industrialists is one of the key priorities of the department. In this regard, the department has amended the B-BBEE legislation and Codes of Good Practice to create an enabling environment for the restructuring of the South African economy and to enable the meaningful participation of black people, women, youth and people living with disabilities in the economy. The B-BBEE Amendment Bill was approved by Cabinet in 2012/13 and the consultation process is under way.

The B-BBEE Amendment Bill seeks to eliminate the practice of fronting, which undermines efforts to empower black people and the creation of genuine black industrialists. The creation of a B-BBEE Commission seeks to strengthen institutional capacity to deal with B-BBEE and enhance compliance with the legislation. The Commission will play a strategic role in terms of B-BBEE transactions to ensure they are beneficial to black people and further the policy objectives.

The B-BBEE Codes of Good Practice have been revised with enterprise development and supplier development becoming a key focus. This shift will ensure the integration of black enterprises in key value chains. It will ensure that big business plays a key role in developing a viable supplier base, which will be able to take on opportunities in both domestic and international markets.

The Financial Services Sector Code was finalised during the 2012/13 financial year and is aimed at facilitating access to finance for B-BBEE activities and SMMEs and to facilitate the development of marginalised areas in South Africa.

Women enterprises form a priority target group within the empowerment initiatives of **the dti**. The National Strategic Framework on Women's Economic Empowerment has been completed and will be taken through to Cabinet in the 2013/14 financial year. According to the ILO, which partnered with **the dti** in the development of the strategy, South Africa is one of the few countries in the world with an enterprise strategy focused on women empowerment and the only one in Africa. The strategy aims to ensure the development and growth of women-owned enterprises as well as the integration of women enterprises in the economic mainstream through the provision of targeted interventions as well as gender mainstreaming.

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The Isivande Women's Fund (IWF), which is aimed at providing affordable finance in all sectors of the economy with particular emphasis on rural enterprises, has supported 22 projects. Other specific women enterprise development programmes included the Bavumile Programme, which provided training to women in the clothing sector. The Technology for Women in Business (TWIB) Awards recognised women enterprises that used technology to grow and develop their businesses. Specific targets were set for women participation under the EMIA scheme to ensure that women enterprises are able to develop export market capabilities.

The YEDS has been drafted and consultations with key stakeholders are at an advanced stage. The Informal Sector Strategy draft has been developed and the Reference Group has been established with the support of the ILO.

the dti has developed the RIDS to facilitate the industrialisation of provinces, to unlock their economic potential and this strategy is being consulted with key stakeholders.

the dti is implementing the SEZ and Cluster programmes as part of its strategic intervention to support regional industrialisation. Key regions have been identified for the development of SEZs in sectors ranging from renewable energy, mineral beneficiation, and information and technology. A number of regional clusters are at varying phases of implementation and include the fishery cluster in the Western Cape and the agro-processing cluster in KwaZulu-Natal.

11.4. Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner

One of the mandates of **the dti** is to facilitate a regulatory framework that is predictable, coherent and flexible for businesses and investors to do business in South Africa.

The Lotteries Policy and Amendment Bill were finalised.

Further, **the dti** also tabled the Bill and Policy on the review of the National Credit Act. The Policy and Bill seek to enhance provisions dealing with debt counselling and to expand the powers of the NCR to perform administrative functions such as de-registration of registrants for failure to comply with conditions.

the dti issued a notice on the labelling of meat products and instructed the NCC to investigate allegations of incorrect labelling of meat products.

Furthermore **the dti**, together with the National Council of Provinces Select Committee on Trade and International Relations, conducted research on the feasibility of granting credit amnesty to the public. This is informed by the realisation that access to credit continues to be a challenge for consumers even after they have settled their debt or where their financial position has changed. A report with recommendations on the amnesty will be presented to Parliament for adoption in the first quarter of the new financial year.

During the 2013 African Cup of Nations (AFCON) tournament, Notices on Intellectual Property were developed in terms of the Merchandise Marks Act, 1941 (Act No. 17 of 1941) and Counterfeit Goods Act, 1997 (Act No. 37 of 1997).

These Notices deal with ambush marketing that deters non-sponsors from associating themselves with the mega-

events protected by the law. Special Liquor Regulations were published for comments and consulted with National Liquor Policy Council. A fully functional Co-ordinating Committee was established comprising **the dti**, NCC and CIPC to discuss issues of enforcement, compliance, registration and training. Thirty-two inspectors were assigned to monitor and enforce compliance and participated in the Directors-General Forum, Inter-Ministerial Committee (IMC) for AFCON and other operational committees. The Committee provided training to the South African Police Service (SAPS) and Customs officials on the enforcement of the related Regulations.

In combating illegal trading, **the dti** conducted 639 routine inspections, 237 targeted inspections and nine joint inspections with other regulatory bodies. Monitoring of compliance with the conditions of trade in the liquor industry continued. To combat the negative effects of alcohol, **the dti** held awareness campaigns on alcohol abuse, which included a Youth Month Campaign, Sobriety Week Campaign, Festive Season Campaign, Easter Campaign and a Liquor Regulators Conference reaching 6 084 stakeholders directly. This was coupled with media campaigns, which are estimated to have reached more than 31 million people.

The department, as the leader in the regulation of the liquor industry in partnership with the provincial liquor authorities, has developed a strategy to help reduce the socio-economic effects of the irresponsible use of liquor. The strategy highlights the role **the dti** and Provincial Liquor Regulators have to play in balancing the positive contribution of the liquor industry with the adverse effects of alcohol abuse on the economy. The strategy highlighted five priority areas, namely reducing the availability of alcohol, managing alcohol advertising, marketing and counter measures, managing pricing of liquor products, reduction of harm and creating awareness. The execution of this strategy requires co-ordination with regulators and other stakeholders.

the dti ensured that it harmonised regulation within the liquor and gambling environment. This was done in consultation with the Provincial Licensing Authorities under the banner of the National Liquor Policy Council and the National Gambling Policy Council. Both councils sat twice during the financial year and looked at national norms and standards for both industries. The Norms and Standards on Liquor were consulted with the stakeholders and are awaiting the Council's approval while in Gambling, the consultation and approval will be a priority in the 2013/14 financial year.

the dti entered into an MoU with the Congress of Traditional Leaders of South Africa (Contralesa) to improve access to rural communities and conduct a rollout programme to all provinces, including three major campaigns in KwaZulu-Natal, Mpumalanga and Western Cape. The process to recruit field workers to deploy in rural communities is finalised and will facilitate access to government services, including assistance to communities to register indigenous rights as recognised in terms of the amendments to the Intellectual Property Laws Amendment Bill upon its adoption.

In the campaign on Anti-piracy and the Formalisation of the Creative Industry, **the dti** prepared and submitted a report for feedback to the Creative Industry by the State President. Formalisation workshops were conducted in KwaZulu-Natal, the Eastern Cape, Western Cape, Gauteng, North West, Limpopo and Northern Cape reaching a total of 690 artists. Local artists were given the opportunity to showcase their talents and interviews were held with different radio stations to promote the programme and educate the industry about business registration, intellectual property (IP) rights and available incentives. The Task Team facilitated a session on challenges/pitfalls and how to avoid them.

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the dti also hosted the Africa IP Forum, which aimed to highlight the need to use IP as an integral tool for economic development and industrialisation as well as a means to facilitate competition, access to medicine and education for the poor. It also emphasised the successes, challenges and strategies for the establishment of strong IP regimes that encourage innovation and entrepreneurship, and to improve trade and investment, while protecting public health and safety in Africa. The department also hosted the Patent Limitation Conference to provide direction on the examination of patents in South Africa.

In addition, a Company Law Symposium was convened, which focused on how the Companies Act, 2008 impacts on small businesses, mergers and amalgamations, as well as other co-operative governance issues. The Companies Act has been in place for more than 18 months and it was deemed necessary to engage with stakeholders on the Act and its impact on them. Successes were recorded with regard to businesses rescued and jobs saved.

the dti conducted Regulatory Impact Assessments (RIAs) on all policies and Bills tabled or to be tabled in the parliamentary process. This process assists in determining the cost-benefit and the necessity of policy interventions or legislation proposed.

11.5. Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery

In compliance with the corporate governance principles as identified in the King III Report, **the dti** facilitated the continued disclosure of financial interests by members of the Senior Management Service (SMS) and has taken an unprecedented step of extending this requirement to below-SMS members. Decisive action was taken against non-compliance.

The department also improved interaction and timely feedback to the public entities reporting to the Minister and this resulted in strengthened relations. The Minister in this regard continues to hold individual engagements with the Chairpersons of Boards, Commissioners and CEOs to discuss strategic priorities, alignment and ways to unblock implementation challenges.

Policy frameworks, strategies and plans on human resources, ICT, accommodation and security were considered and recommended for approval during the year under review. Some of the policies and strategies finalised are the ICT Strategy, Change Management Framework, Gender Mainstreaming Strategy, Succession Planning Framework, Vetting Policy, Parking Policy and the Dress Code Policy.

the dti continued to ensure that various pieces of legislation, policy frameworks and strategies emanating from the Economic Sectors and Employment Cluster that have a bearing on the socio-economic conditions of the country be introduced in the National Economic Development and Labour Council (NEDLAC) to engage the social partners in terms of the NEDLAC Act, 1994 Act No. 35 of 1994. This is directly linked to Outcome 4 and the NGP. In this regard, the department facilitated and finalised consultation on a series of legislation including Customs Control and Customs Duty Bill, B-BBEE Amendment Bill, SEZ Bill, Tourism Bill, National Energy Regulator Amendment Bill, Electricity Regulation Second Amendment Bill, Spatial Planning and the Land-use Management Bill.

The department complied with the legislative requirement pertaining to the payment of creditors within 30 days by ensuring that all eligible payments were processed within the 30-day requirement.

The department was recognised in 2012 as having Human Resource (HR) best practice in the public service during the assessment of individual departments against the Management Performance Assessment Tool (MPAT) by the Department of Performance Monitoring and Evaluation's (DPME) and to this end a case study was developed as a benchmark for other departments.

The department was also awarded the best internship programme in the public service, based on the 58 interns recruited in 2012, representing 4,5% of the staff establishment.

the dti, in collaboration with Brand SA and Proudly South African, hosted the Inaugural South African Premier Business Awards in March 2013 to recognise South African companies, their products, services and employees that promote the spirit of success, innovation and good business ethics in the economy. Companies were recognised for their contributions in the following key categories: Exporter Award, Quality Award, Green Award, Rural Development Award, Investor Award, SMME Award, Manufacturer Award, Technology Award, Media Award, Women-Owned Enterprise Award, Most Empowered Enterprise, Young Entrepreneur Award, and Proudly South African Enterprise Award.

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Economic Overview

Global Economic Development

Late in 2009, the world economy began to show signs of recovery from the deep and synchronised recession that crippled global trade, investment and output in 2008 and the first half of 2009. The global economic recovery gained momentum in 2010, marked by an upturn in global growth driven by the world's dynamic emerging economies. However, the recovery slowed in 2011 as global economic conditions deteriorated due to structural fragilities largely resulting from the poor fiscal position of many advanced economies, including the US and Japan, while the intensifying sovereign debt crisis in the Eurozone countries led to a substantial drop in business and consumer confidence across most of Europe. In the second quarter of 2012, the Eurozone entered a deepening recession, which resulted in the contraction of the aggregate Eurozone economy with few economies outside of Germany registering any meaningful growth.

The 2012 global economic recovery has been led by emerging economies in Asia, Africa and Latin America. Emerging economies contributed 6,3% to global growth in 2011 and 5,1% in 2012 compared to 1,6% and 1,3% by the advanced economies over the same period.

The International Monetary Fund (IMF) expects global growth to accelerate modestly from 3,2% in 2012 to 3,5% in 2013. The IMF also projects that emerging economies will grow by a healthy 5,5% of GDP in 2013, but does not expect growth to rebound to 2010/11 levels as the continued weakness of the advanced economies is likely to continue to dampen demand. The IMF projects that China and India will lead the recovery, with China expected to grow by 8,2% and India by 5,9% in 2013.

In line with this reality, South Africa's trade is gradually shifting towards the dynamic countries of the South and East, for example, exports to the BRICS countries have grown significantly since 2008, and this shift is led by China and India. Although the financial crisis brought about a decline in South Africa's imports from the BRIC countries, it is encouraging to note that South Africa's exports were not affected and total trade in 2012 has surpassed pre-crisis levels.

At the same time, Africa is the world's second-fastest growing region and offers the highest return on investment (ROI) compared to any region. South Africa is therefore prioritising trade and investment relations with the continent as well as promoting an ambitious regional economic integration and infrastructure development agenda.

It is worth noting that in terms of global competitiveness, South Africa is ranked 52 out of 144 countries. Although South Africa fell two places, from 50 in 2012, it is still the highest ranked economy in Sub-Saharan Africa and in third place among the BRICS countries.

For South Africa and Sub-Saharan Africa to benefit from the growth forecast for the next few years, it is critical to speed up the conclusion of the T-FTA negotiations. The negotiations, which were launched in 2011, seek to join the trading arrangements of SADC, the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA). Once established, the T-FTA will combine the markets of 26 countries with a population of nearly 600 million people and a combined GDP of US\$1 trillion, providing the market scale that could launch a sizeable part of the continent onto a new developmental trajectory.

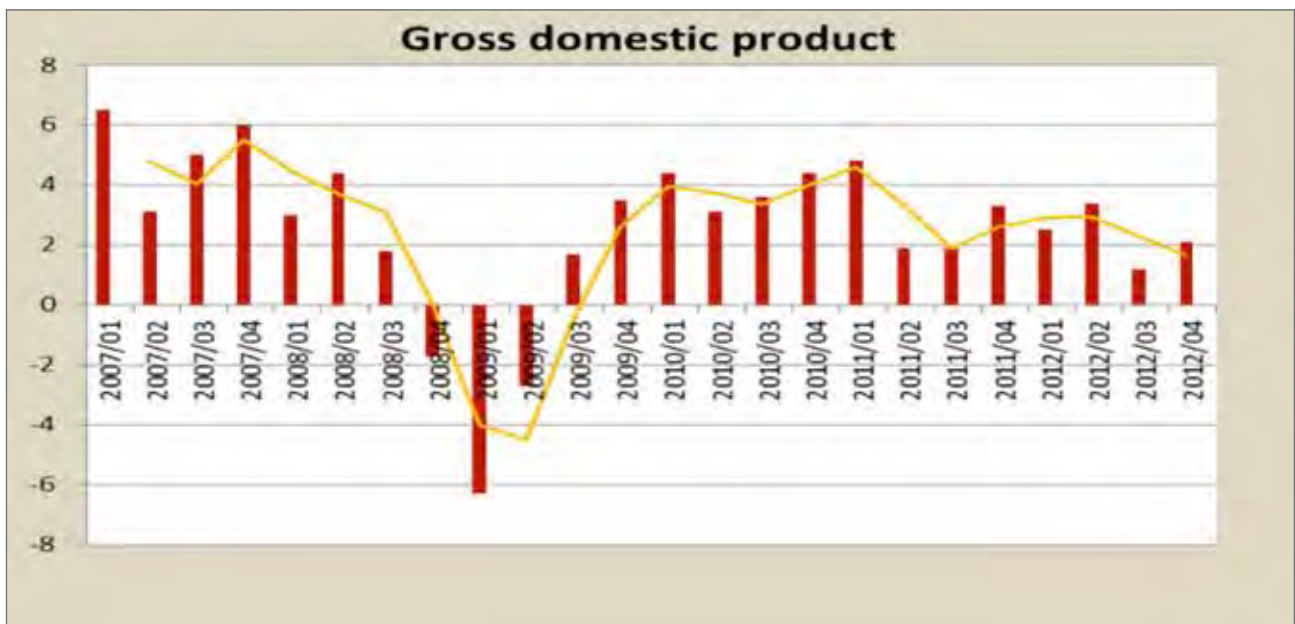
It will, as a first phase, cover only trade in goods, targeting 2014 for the conclusion of the negotiations. Services and other trade-related areas will be covered in a second phase. The T-FTA will form the basis for an Africa-wide FTA, which is expected to create a market of US\$2.6 trillion.

Gross Domestic Product (GDP)

Poverty, inequality and joblessness remain major challenges for the South African economy. To address these challenges, the economy needs to grow faster and the nature of growth will need to be far more inclusive than in recent years. Although the domestic economy has been adversely affected by the 2008/09 global recession and the 2011/12 sovereign debt crisis in the Eurozone, it has shown signs of improvement.

The economy grew by an annualised rate of 2,1% in the fourth quarter of 2012, almost double the rate of 1,2% recorded in the third quarter. The main sources of growth included manufacturing; finance, real-estate and business services; general government services; agriculture, forestry and fishing; wholesale, retail and motor trade; catering and accommodation; and the transport, storage and communication industry.

Figure 1: Quarter-on-quarter growth 2006-2012



Source: South African Reserve Bank

Manufacturing Sector

A vibrant, competitive and productive manufacturing sector is critically important for any country's growth and development. Manufacturing is regarded as a driver of innovation, productivity and competitiveness. Key interventions introduced by the department to enhance manufacturing competitiveness include the launch of MCEP; the Clothing and Textiles Competitiveness Programme; and the AIS.

In 2006, real output growth of the manufacturing sector accelerated to more than 5%, but declined by 10% in 2009 due to depressed demand triggered by the global recession. In 2010, the sector showed some signs of recovery, but this was not particularly robust.

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The quarter-on-quarter performance shows that real output growth increased from 1,2% in the third quarter to 5,0% in the fourth quarter of 2012. This made the manufacturing sector the biggest contributor to the 2,1% GDP growth in the fourth quarter.

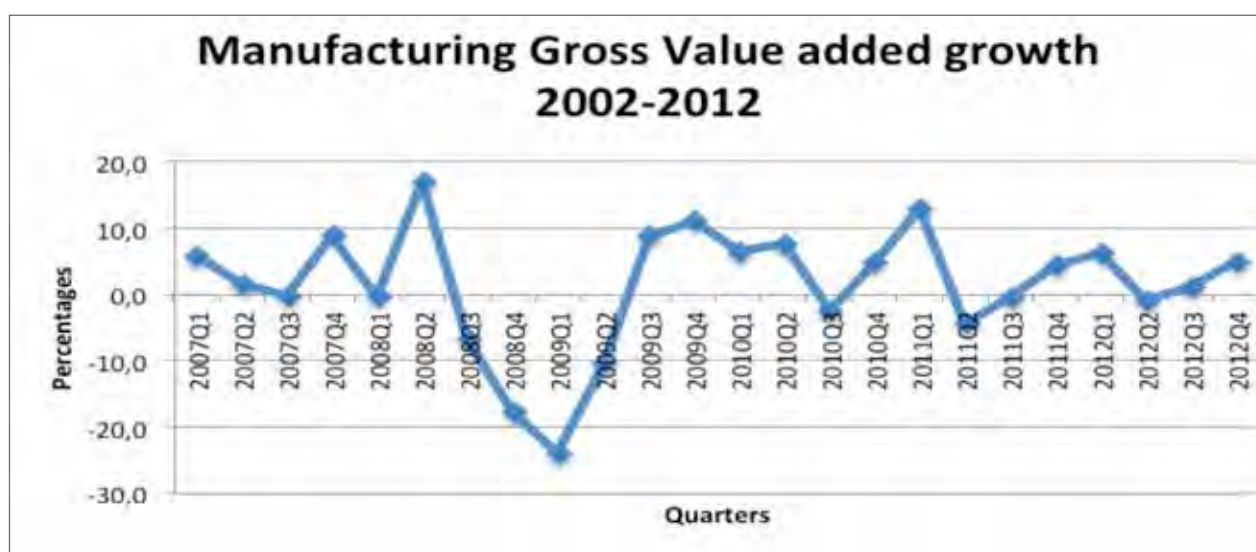
The strong manufacturing growth performance was led by sub-sectors such as petroleum, chemicals, rubber and plastic products; and wood and wood products propelled by stronger demand in the domestic market and emerging economies as well as enhanced competitiveness resulting from a degree of rand depreciation.

Total exports driven mainly by high demand in Africa and Asia, accelerated from R590 billion in 2010 to R717.9 billion in 2012. Exports to Africa grew by 20% from R103 billion in 2011 to R123 billion in 2012.

Gross manufacturing value added is also ticking up as illustrated in Figure 2. This trend, together with a strong contribution by the manufacturing sector in the fourth quarter, bodes well for the sector going forward.

Figure 2: Manufacturing value added

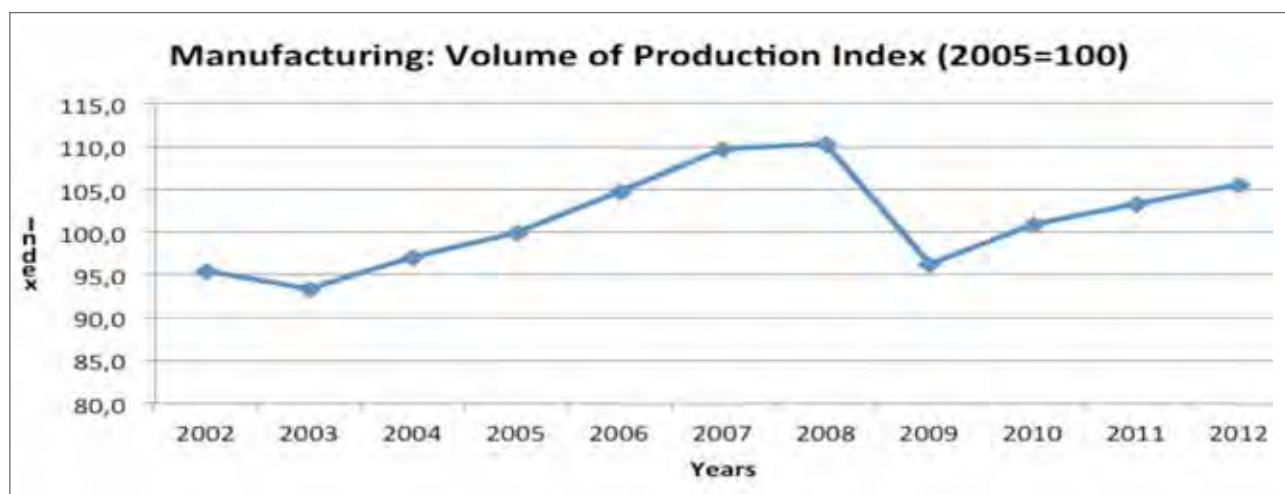
Source: Based on StatsSA data



Manufacturing production grew by 5,6% between 2010 and 2012 (Figure 3). This increase was underpinned by increases in petroleum, chemical products, rubber and plastics, which grew by 5,2%; motor vehicles, parts and accessories and other transport (2,3%); and food and beverages (2,1%).

However, manufacturing production fell in industries closely linked to the mining sector partly due to the labour unrest that erupted in the sector in late 2012. Metal products, the largest component in manufacturing output, and electrical machinery also performed poorly, depressing the manufacturing sector's overall production performance.

Figure 3: Manufacturing production



Source: Based on StatsSA data

The utilisation of production capacity by large manufacturers increased by 3,2%, from 80,6% in November 2011 to 83,8% in November 2012. Insufficient demand and shortage of raw materials are the likely reasons for the relatively low levels of utilisation.

South Africa's manufacturing base remained relatively robust despite the prevalence of a wide variety of sector and company-specific constraints on productivity and competitiveness.

This encouraging output performance by the sector has not yet translated into job creation, given that the sector posted a net loss of about 59 000 jobs in 2012. However, there are signs that the sector might be recovering, given that in the last two quarters of 2012 it contributed to job creation by creating 49 000 and 3 000 jobs in the third and fourth quarters respectively.

Employment

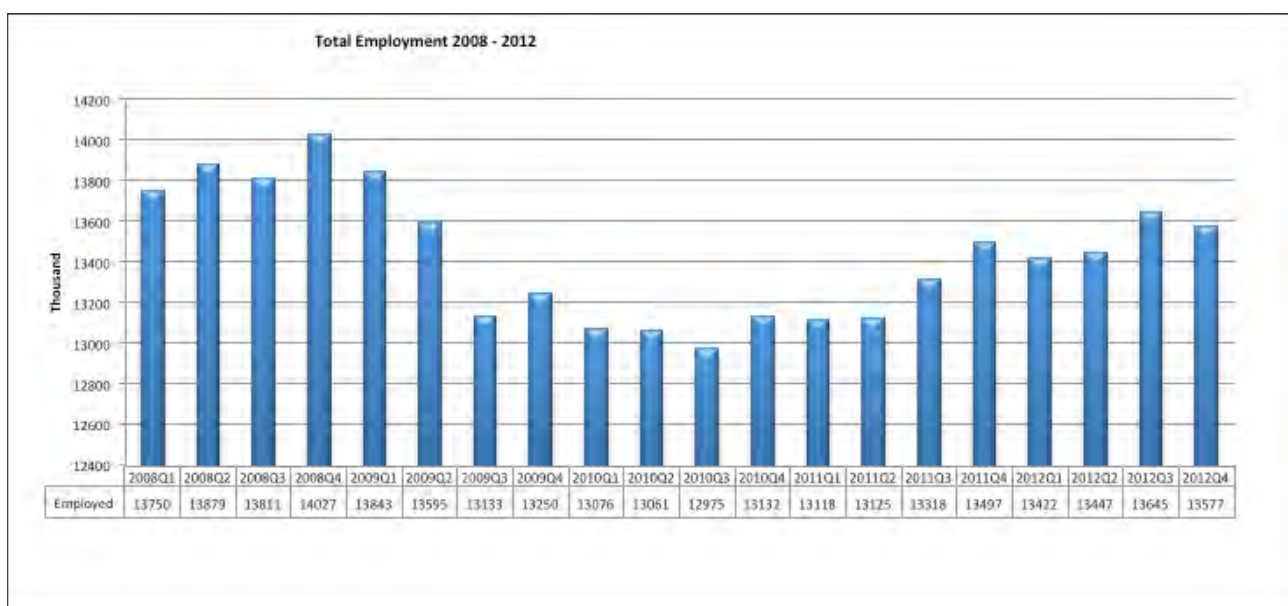
The South African economy experienced weak employment growth during the financial year under review. Employment grew by 80 000 new jobs, that is 0,6% from 13.5 million in 2011 to 13.6 million in 2012 (Figure 4). Growth was supported by an increase of 126 000 in community and social services, 65 000 in finance and other business services, and 55 000 jobs in agriculture. However, these gains were offset by the shedding of jobs by other sectors, led by the trade sector, which shed 139 000 jobs.

This increase in job creation by the manufacturing sector in the last two quarters of 2012 is in line with a positive trend in GDP contribution by the sector. These positive developments could serve as a basis for a possible rebound in the performance of the sector generally and job creation in particular.

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Figure 4: Total employment



Source: QLFS quarter 4:2012

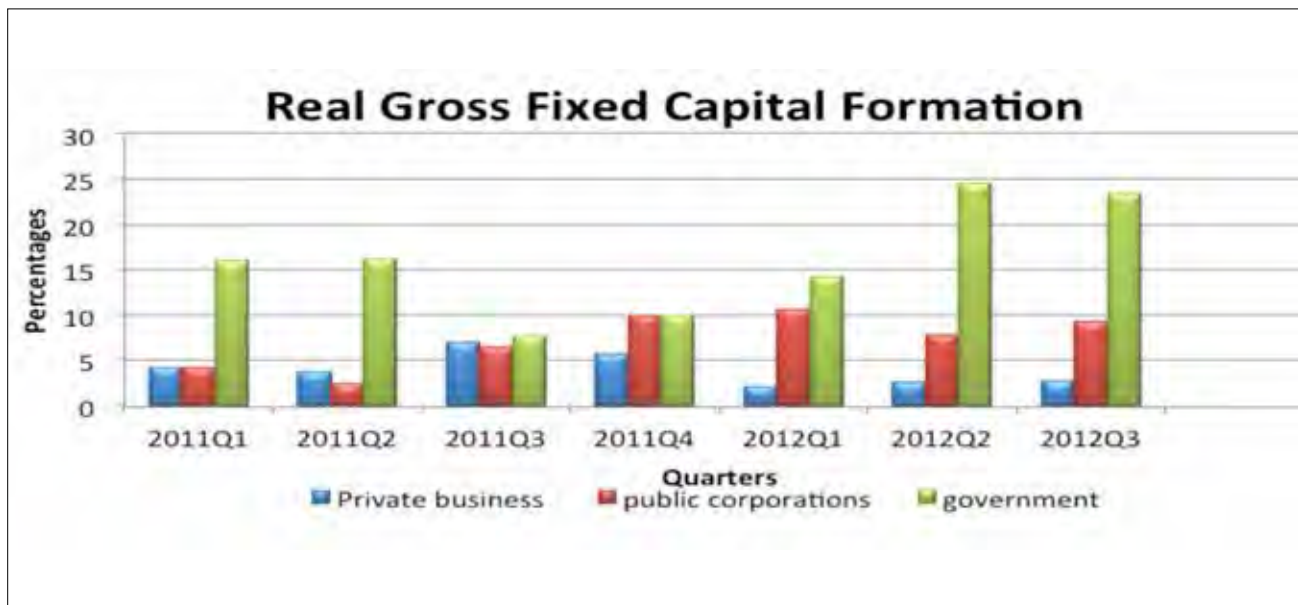
Investment

South Africa requires high levels of growth to tackle poverty and high levels of unemployment. The NDP and NGP emphasise the need to increase the rate of investment in capital projects since it has the potential to generate both employment and economic growth. As a result, infrastructure development has become a top priority in Government.

Real gross fixed capital formation by general Government accelerated from 7,7% in the third quarter of 2011 to 23,4% in the third quarter of 2012 (Figure 5). However, during the same period, private sector investment growth decelerated from 7% to 2,8%.

The large decline in private sector investment was compensated by higher levels of investment by public corporations and general government. Public-sector capital spending grew by 11% during the first nine months of 2012 as a result of major Eskom and Transnet projects, and road infrastructure.

Figure 5: Real gross fixed capital formation



Source: Based on SARB data

Trade

South Africa's total merchandise exports (excluding gold) increased from R150.9 billion in the first quarter of 2012 to R170.4 billion in the fourth quarter of 2012 (Figure 6). Exports were boosted by growth in manufacturing precious metals, base metals, steel, coal and motor vehicles.

In turn, demand for imports rose in the first quarter of 2011 due to manufacturing production and stronger domestic demand, which led to an increase in imports of transport equipment, chemicals, plastics and rubber and vehicle components in the first nine months of the year.

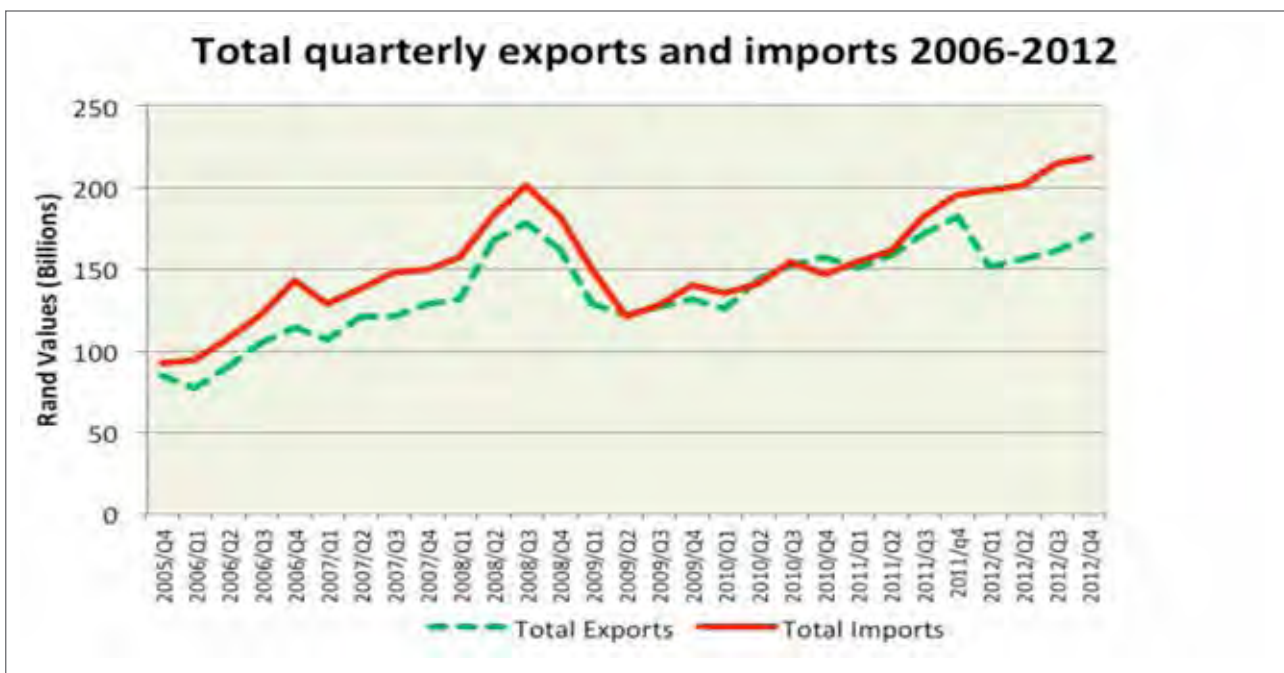
In response to the Great Recession and the Eurozone crisis, the department scaled up its efforts to diversify South Africa's trade and investment markets, with stronger focus on the fast-growing, emerging markets in Africa, South-East Asia, the Middle East and South America.

The trade figures for the period between 2009 and 2012 highlight the growing importance of the emerging economies for South Africa. The levels of export volumes to Asia and Africa have been growing more than those to the Americas.

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Figure 6: Total exports and imports



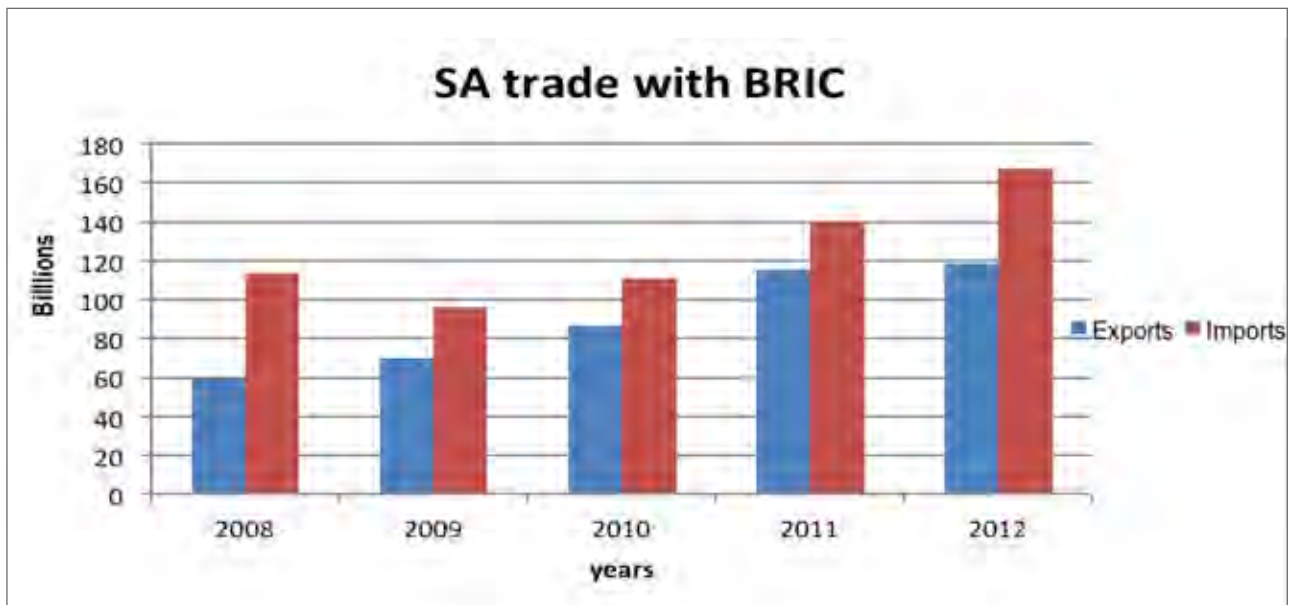
Source: the dti

BRICS major traded products

South Africa's membership of the BRICS grouping created important opportunities to build the domestic manufacturing base, enhance value-added exports, promote technology sharing, support small business development and expand trade and investment opportunities.

In March 2013, the country hosted the fifth BRICS summit, the major outcome of which was the launch of the BRICS Business Council, which will serve as a platform to strengthen and promote economic development, trade, business and investment in the group. South Africa has been nominated to chair the Council for the next 12 months.

Figure 7: South Africa trading with BRIC



Source: the dti

South Africa's exports to the BRIC countries have also grown significantly between 2008 and 2012, with China being the main driving force behind this increase, followed by India. Trade with the BRIC countries represents approximately 10% of the total South African exports. The top manufacturing export products categories to BRIC were in basic chemicals, basic iron and steel, basic non-ferrous metal and motor vehicles, parts and accessories.

Conclusion

Despite weak global economic conditions, the South African economy is projected to grow at 2,7% in 2013. However, this growth remains insufficient for South Africa to meaningfully reduce unemployment and poverty in line with the objectives set out in the NDP and NGP.

It is against this backdrop that the need arises to intensify efforts to propel the economy towards a growth trajectory that is characterised by the creation of decent jobs and inclusive growth.

This includes a fast-tracked implementation of a well-resourced and well-focused IPAP. Further diversification of the economy away from mineral and commodity exports towards manufactured exports, together with the improvement of regional integration and investment into new economic infrastructure that facilitates trade within the African region are crucial to respond to the current challenges.

12. Performance Information by Programme

12.1. Programme 1: Administration

- a. Purpose:** Strategic leadership for the department and its agencies, to ensure the successful implementation of the department's mandate, through sustainable and integrated resource solutions and services that are customer-centric. This programme also provides support to **the dti**, with respect to finance resource allocation and the management thereof, to aid the fulfilment of the department's goals and objectives.
- b. Description of Sub-Programmes (as defined in the APP 2012-2015):**
- i. The Ministry** provides leadership and policy direction to **the dti**;
 - ii. The Office of the Director-General (ODG)** provides overall management of **the dti's** resources;
 - iii. Corporate Services** provides customer-centric and integrated resource solutions in human resource management, ICT, legal services and facilities management;
 - iv. Office Accommodation** is an allocation for accommodation services to **the dti** regional offices and ensures continued maintenance service;
 - v. Financial Management** provides support to **the dti**, with respect to financial resource allocation and the management thereof, to aid the fulfilment of the department's goals and objectives;
 - vi. Communication** facilitates greater awareness of the department's role and increases the uptake of its products and services through the improvement of customer touch points and strong customer relationship management; and creates consumer awareness and educational campaigns to ensure a meaningful understanding of the department's offerings; and
 - vii. Media and Public Relations** ensures that the department's image is visible by improving media relations management and public relations activities.

Goal: To create a professional, competitive and customer-focused environment that ensures effective and efficient service delivery

Output	Performance Measure/ Indicator	Baseline (2011/12)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Annual adjusted HR plan	Percentage (%) of vacancy rate	8,45%	5%	8%	(3%)	New positions were created late in the financial year. Year-on-year improvement evident.
	Percentage (%) of staff turnover	10,6%	9%	6%	3%	Achievement due to fewer employees that left the organisation. The real turnover calculated, excluding interns and contract workers.
	Percentage (%) of people with disability	2,64%	2,4%	2,8%	0,4%	Continued improvement and exceeded government targets.
	Percentage (%) of women employed in senior management positions	43,81%	43%	43%	None	None
Creditors' payments made in accordance with legislative requirements	Eligible creditors' payments processed within legal timeframes	All eligible creditors' payments made within 30 days	All eligible creditors' payments made within 30 days	All eligible creditors' payments made within 30 days	None	None
Service Delivery Improvement Plan (SDIP)	SDIP implemented	2009-2012 approved SDIP implemented and reviewed	SDIP 2012-15 approved and implemented	2012-15 SDIP finalised and approved by the Minister	None	None

Performance Information

for the year ended 31 March 2013

Goal: To create a professional, competitive and customer-focused environment that ensures effective and efficient service delivery						
Output	Performance Measure/ Indicator	Baseline (2011/12)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Public awareness platforms and events	Number of programme-focused publications	8	12	18	6	Increased requests by divisions.
	Number of multimedia awareness campaigns	6	6	16	10	Ad-hoc campaigns, requests by divisions for additional campaigns.
	Number of events and outreach initiatives	80	80	132	52	Ad hoc invites channelled through from DG's office and MPs, new communication platforms identified by the business unit, invitations by communities.

Strategy to overcome areas of under-performance

The under-performance on the target for the vacancy rate can be attributed to the creation and approval of positions late in the financial year, which impacted on the time required for these positions to be filled. A more structured approach going forward will be implemented. The real vacancy rate is 5,7%, excluding the newly created positions.

Changes to planned targets

No changes were made to the planned targets during the year.

Linking performance with budgets

Targets were achieved however the under-spending on Compensation of Employees is due to delays in filling of some posts. No other material variances.

Sub-programme expenditure

Sub- Programme Name	2012/13			2011/12		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	37 593	36 845	748	38 334	37 663	671
Office of the Director-General	61 615	59 578	2 037	67 365	66 918	447
Corporate Services	403 056	401 565	1 491	381 292	376 673	4 619
Financial Management	120 891	120 727	164	69 997	69 769	228
Communication	78 787	78 485	302	81 205	75 502	5 703
Media Relations and Public Relations	6 274	6 049	225	4 637	4 558	79
Office Accommodation	2 177	2 177	0	8 292	8 292	0
Total	710 393	705 426	4 967	651 122	639 375	11 747

12.2. Programme 2: International Trade and Economic Development (ITED)

a. Purpose: Build an equitable global trading system that facilitates development, by strengthening trade and investment links with key economies and fostering African development, including through regional and continental integration and development co-operation in line with the New Partnership for Africa's Development (NEPAD) initiative.

b. Description of Sub-Programmes (as defined in the APP 2012-2015)

i. International Trade Development facilitates bilateral and multilateral trade relations and agreements. The sub-programme makes transfers to: the Organisation for the Prohibition of Chemical Weapons (OPCW), as the South African contribution to the Chemical Weapons Convention; ProTechnik Laboratories, as the South African contribution to international non-proliferation treaties and regimes; and the WTO, as the South African membership fee to this global organisation dealing with rules of trade between countries.

ii. African Economic Development facilitates bilateral and multilateral African trade relations aimed at deepening regional and continental integration. The sub-programme makes a transfer payment to the Development Bank of Southern Africa (DBSA) for regional spatial development initiatives aimed at accelerating sustainable socio-economic development.

Performance Information

for the year ended 31 March 2013

Goal: Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development						
Output	Performance Measure/ Indicator	Baseline (2011/12)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Trade negotiations: concluded EPA with the EU, SACU India Preferential Trade Agreement (PTA) SADC-EAC-COMESA (T-FTA)	Status report on enhanced preferential market access	Progress reports prepared on EPA, SACU-India PTA and T-FTA negotiations	Report on progress	Report prepared on EPA, SACU-India PTA and T-FTA negotiations	None	None
Africa regional development programme implemented	Progress reports on: - five priority development areas in SACU - SADC FTA - SDI infrastructure projects	Progress reports prepared on implementation of five priority development areas in SACU, SADC FTA and SDI infrastructure projects	Report on implementation of agreed work programme and projects	Reports prepared on: - SACU five-point plan - SADC FTA - SDI infrastructure projects	None	None

Strategy to overcome areas of under-performance

No under-performance was recorded for this programme.

Changes to planned targets

No performance indicator was changed in the year.

Linking performance with budgets

Targets achieved with no material variances on expenditure.

Sub-programme expenditure

Sub- Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
International Trade Development	82 081	81 897	184	74 544	72 892	1 652
African Economic Development	51 035	50 808	227	64 694	60 028	4 666
Total	133 116	132 705	411	139 238	132 920	6 318

12.3. Programme 3: Broadening Participation Division (BPD)

a. **Purpose:** To lead the development of policies and strategies that create an enabling environment for SMMEs and enhance the competitiveness of local and provincial economies, to achieve inclusive shared equity, growth and job creation.

b. **Description of Sub-Programmes (as defined in the APP 2012-2015)**

i. **Enterprise Development** creates an enabling environment conducive to the development and growth of SMMEs and co-operative enterprises, and provides a broad range of business development support services. Provision is made for **seda**, which provides non-financial business development and support services for small enterprises.

ii. **Equity and Empowerment** promotes B-BBEE and women's economic empowerment. The sub-programme makes transfer payments to the National Empowerment Fund (NEF), which targets transactions that present the best and highest contribution to the entity's empowerment dividend measure; South African Women Entrepreneurs' Network (SAWEN), a networking platform administered by Khula Enterprise Finance¹, which supports and grows women's entrepreneurship; and to the IDC's IWF, which provides financial support to women entrepreneurs.

iii. **Regional Economic Development** promotes spatially balanced economic development and productivity improvements by crafting policies, strategies and programmes that focus on underdeveloped regions. The sub-programme makes transfers to: the National Research Foundation's THRIP, which support research and technology development by strengthening the number and skills of appropriately trained people; Productivity South Africa's Workplace Challenge programme (WCP), which finances and supports world-class manufacturing and value chain efficiency improvements in South African companies; the IDC's SPII, which enables private-sector enterprises to develop new products and services; **seda**'s Technology Programme, which finances and supports early, seed and start-up technology ventures aimed at increasing South Africa's competitiveness; and the Centre for Entrepreneurship, which combines technical graduate training and entrepreneurship in the higher education curricula, thus empowering emerging entrepreneurs and unemployed graduates.

1. Khula was transferred to EDD, established SEFA with effect from 1 April 2013. SAWEN is administered by **seda**

Performance Information

for the year ended 31 March 2013

Goal: Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth						
Output	Performance Measure/ Indicator	Baseline (2011/12)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
seda Technology Programme (stp)	Number of new incubators established	34 (total)	4	8	4	Availability of additional funding enabled seda to establish four more incubators
seda Technology Programme (stp)	Number of SMMEs supported (Incubation, Quality and Technology Transfer)	33	842	1 514	672	Availability of additional funding enabled seda to support more SMMEs
	Number of SMMEs approved for assistance	295	268	376	108	The portfolio and operations of TBCs has expanded and resulted in over achievement by centres
Recommendation for the SMME Review Report implemented	Approved Action Plan emanating from the SMME Review Report implemented	A final review report was presented to the Select Committee of International Relations and Co-ordination and Trade and Industry	Approved Action Plan emanating from the SMME Review Report	Draft Action Plan developed	Approval of Action Plan not obtained	Approval will be obtained in 2013/14, however, some of the actions in the Draft Action Plan such as the ISP are already being implemented
Implemented the Ten set-aside products	Agreed, implemented and monitored the Ten set-aside with National Treasury	New target	Agreement with NT on the implementation of the Ten set-aside products	Deliberations with NT took place.	Agreement not reached	An agreement was reached to review the proposed Ten set-aside measures in light of the designation of sectors as a way of increasing market access. The review will take place in 2013/14

Goal: Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth						
Output	Performance Measure/ Indicator	Baseline (2011/12)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Workplace Challenge Programme	Number of new contracts with new companies participating	396	30 new contracts	83 new contracts	53 new contracts	The new outreach strategy/ approach attracted more SMMEs and co-operatives
B-BBEE Act and Codes of Good Practice for B-BBEE	B-BBEE Amendment Bill submitted for approval to Parliament, implemented and monitored	Draft amendment B-BBEE Bill and submitted to Cabinet for approval	Release of the approved amended B-BBEE Act for implementation	The B-BBEE Bill was approved by Cabinet and introduced to Parliament Public hearings were conducted	The Amended B-BBEE Act was not released for implementation	Consultation process took longer than anticipated
	Codes of Good Practice for B-BBEE published for implementation and monitored	Refined Codes of Good Practice finalised and presented to the Minister for sign-off	Release of amended Codes of Good Practice for implementation	The Revised Codes of Good Practice were gazetted for 60 days to allow for the public commentary process, 550 comments were received and analysed. A total of 35 consultations with key stakeholders were conducted.	The amended B-BBEE Codes of Good Practice were not released for implementation	Consultation process took longer than anticipated
Developed and implemented the National Strategic Framework on Gender and Women Economic Empowerment	National Strategic Framework on Gender and Women Economic Empowerment submitted for approval to Cabinet, implemented and monitored	Final draft completed and to be presented to the Deputy Minister and thereafter to be presented to ExBo	National Strategic Framework on Gender and Women Economic Empowerment finalised and submitted to Cabinet for approval	The National Strategic Framework on Women's Economic Empowerment was endorsed by ExBo	Strategy not yet submitted to Cabinet	Consultation process took longer than anticipated
The Isivande Women's Fund (IWF) implemented	Number of new projects approved	9	18	22	4	Increased outreach improved performance of the fund

Performance Information

for the year ended 31 March 2013

Goal: Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth						
Output	Performance Measure/ Indicator	Baseline (2011/12)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Developed and implemented the Informal Sector Strategy	Approved Informal Sector Strategy implemented and monitored	New Target	Finalise informal Sector Strategy	Draft Informal Sector Strategy developed	Strategy not finalised	The modification of the development process to involve a reference group of stakeholders delayed the process. Key actions are, however, being implemented to support the sector such as the amendment of the Critical Infrastructure Programme to support infrastructure for the informal sector
Developed and implemented the Youth Enterprise Development Strategy (YEDS)	YEDS submitted for approval to Cabinet, implemented and monitored	New Target	Finalise YEDS and submit to Cabinet for approval	The YEDS finalised and supported by ExBo	Strategy has not been submitted to Cabinet for approval	The process was changed to focus on the development of a Programme of Action and its submission to the Minister
Support Programme for Industrial Innovation (SPII) implemented	Number of new approved projects	52 new projects approved	20 new projects approved	53 new projects approved	33 new projects	Funds released from cancelled projects were committed to new projects
	Value of new projects approved	Total value of support R153 million (R72 989 932.00 SPII contribution and R80 101 399.00 industry contribution)	Total value of R41 million	Total value of support R203.5 million	Total Value of R162.5 million	Funds released from cancelled projects committed to new projects

Goal: Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth						
Output	Performance Measure/ Indicator	Baseline (2011/12)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Technology and Human Resources for Industry Programme (THRIP) for development of technological competencies	Number of students approved for THRIP funding	1 399 students approved for support	1 350 students approved for support	1 506 students approved for support	156 additional students	The increase in student numbers is due to the nomination of additional students
	Number of researchers approved for THRIP funding in six sectors	850 researchers approved for financial support	700 researchers approved for financial support	1 135 researchers approved for financial support	435	More researchers involved per project

Strategy to overcome areas of under-performance

Targets were not achieved in areas that called for stakeholder engagement. Within a democracy, stakeholder engagement is a key principle. However, the process does impact on the achievement of targets as the timeframes around such engagements are ultimately out of the control of the department. Going forward, **the dti** planning will factor in targets and timeframes that are within its control.

Changes to planned targets

To reduce inconsistency of targets between the department and its entities as recommended in the audit process of the previous financial year 2011/12, **the dti** amended targets under Strategic Goal: Facilitate broad-based participation through targeted interventions to achieve more inclusive growth in the financial year 2012/13 for the Broadening Participation division to accurately reflect the targets for the entities responsible for **stp**, SPII, IWF and THRIP programmes.

Linking performance with budgets

Certain targets not achieved were due to external dependencies. On Compensation of Employees 10 vacant positions resulted in the low spending. Computer equipment ordered was less than anticipated.

Transfer payment of R7.6 million to CSIR: Fibre and Textile Centre of excellence was not made due to the late approval of the virement, which resulted in the payment not being processed. A rollover has been requested.

Performance Information

for the year ended 31 March 2013

Sub-programme expenditure

Sub-Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development	469 493	468 250	1 243	467 112	464 509	2 603
Equity and Empowerment	34 222	32 900	1 322	39 410	35 970	3 440
Regional Economic Development	436 604	428 543	8 061	389 723	387 034	2 689
Total	940 319	929 693	10 626	896 245	887 513	8 732

12.4. Programme 4: Industrial Development: Policy Development Division (IDPDD)

a. Purpose: Designs and implements policies, strategies and programmes for the development of manufacturing and related sectors of the economy; and contributes to the direct and indirect creation of decent jobs, value-addition and competitiveness, in both domestic and export markets. The division is actively engaged in the task of structural reform, which is multi-faceted in character and requires co-ordination with the economic sectors and employment clusters of departments as well as partnership with both business and organised labour.

b. Description of Sub-Programmes (as defined in the APP 2012-2015)

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

Goal: Facilitate transformation of the economy, to promote industrial development, investment, competitiveness and employment creation						
Output	Performance Measure/ Indicator	Baseline (2011/12)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Annual rolling IPAP	IPAP tabled at Cabinet annually	IPAP was approved by Cabinet in March and launched in April 2011	Annual Rolling IPAP Tabled in Cabinet by April 2012 and implemented	IPAP approved by Cabinet on 28 March 2012 and launched on 2 April 2012; Implementation progress monitored through regular internal implementation meetings led by Minister	IPAP approved by Cabinet by end March 2012 before the start of the new financial year and launched at the beginning of April 2012 for implementation	Cabinet approval secured earlier than anticipated in March for 2011/12 and 2012/13 respectively
Sectors/ sub-sectors for local procurement designated	Number of sectors/ sub-sectors to be designated and templates completed	Six sector designation templates completed and submitted to NT	Three sector/ sub-sectors designation templates completed and submitted to the NT	Four sector/ sub-sectors designation templates completed and submitted to the NT	One additional sector designation template submitted to NT	the dti prioritised necessary research and stakeholder engagement to enable designation ahead of targets

Strategy to overcome areas of under-performance

No under-performance was recorded under this programme.

Changes to planned targets

No performance indicator was changed in year.

Linking performance with budgets

Targets were achieved and the variance was not material. However, regarding payment for capital assets, the procurement of computers did not materialise as expected, as older computers are still functioning and replacement will be done during 2013/14 financial year. A Transfer Payment to IDC: CSP was not made due to the late approval of the virement. Request for a rollover was made.

Performance Information

for the year ended 31 March 2013

Sub-programme expenditure

Sub- Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Industrial Competitiveness	502 207	501 996	211	514 749	512 468	2 281
Customised Sector Programmes	1 006 018	1 003 094	2 924	818 380	809 203	9 177
Total	1 508 225	1 505 090	3 135	1 333 129	1 321 671	11 458

Programme 5: Consumer and Corporate Regulation Division (CCRD)

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

b. Description of Sub-Programmes (as defined in the APP 2012-2015)

- i. Policy and Legislative Development** develops regulatory solutions, including on-going legislative reviews. The 2012/13 financial year projects include the review the Estate Agency Affairs Act, 1976 (Act No. 112 of 1976)² and the review of intellectual property laws and policy.
- ii. Enforcement and Compliance** provides the public and private sector with policy reviews and briefings on trends analysis, impact assessments, market surveys and the effectiveness of regulatory agencies' voluntary compliance.
- iii. Regulatory Services** monitors and funds a number of regulatory entities: the National Gambling Board (NGB), which provides a regulatory framework for gambling practices; the National Consumer Tribunal (NCT), which ensures equity in the credit market and balances the rights and responsibilities of credit providers and consumers; the National Credit Regulator (NCR), which regulates the consumer credit industry to improve consumer protection in the end-user credit market; the National Consumer Commission (NCC), which ensures well-functioning markets that are fair, competitive and responsible to consumers; the Companies and Intellectual Property Commission (CIPC), which regulates the enforcement of intellectual property and company laws, including the registration of companies; the National Lotteries Board (NLB), which regulates the National Lottery and all other South African Lotteries; the Companies and Intellectual Property Tribunal (CIPT), which adjudicates matters arising in terms of the Companies Act, 2008 (Act No. 71 of 2008); the Take-over Regulation Panel and the Financial Reporting Standards Council, which will be established following the Companies Act, 2008 (Act No. 71 of 2008) and will regulate affected transactions and issue standards. In addition, a transfer payment is made to the World Intellectual Property Organisation (WIPO), which facilitates a South African contribution to an international regime for intellectual properties.

Goal: Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner						
Output	Performance Measure/ Indicator	Baseline (2011/12)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Policies, Bills and Regulations to enforce fair business practices	Number of policies developed	Two policies (Intellectual Property policy framework produced and Intellectual Property Amendment Bill for protection of traditional knowledge adopted by Cabinet and NCOP)	One policy on NCA	Five draft policies developed for approval (Intellectual Property, Licensing of Business Act, Lotteries Act, Business Reform Registration and National Credit Act)	Four additional draft policies developed instead of one	IP policy refined to incorporate Copyright Review Commission recommendations; Lotteries only adopted by Cabinet in 2012/13 and others prioritised as per Cabinet's request
	Number of draft Bills developed	Two Bills drafted for approval (EAAB Bill tabled in Cabinet and Lotteries Bill awaited conclusion of Gambling Review report process)	One draft Bill on IP	Three Bills developed for approval (Licensing of Businesses Act; Business Reform Registration and Lotteries)	IP Bill not developed. However, three additional draft Bills were developed	IP Bill not developed as it is awaiting adoption of Policy by Cabinet The other three Bills were prioritised as per Cabinet's request

Strategy to overcome areas of under-performance

The under-achievement was due to external dependencies beyond the control of the department and will in future, factor in its planning processes targets that are within its control.

Changes to planned targets

The target of three Research RIA reports submitted to Cabinet was moved to the 2013/14 financial year due to limited resources and the Consumer Protection Act and the Companies Act having only been promulgated in 2011.

The target on regulations on Intellectual Property Amendments for Protection of Indigenous Knowledge (IK) was moved to the 2013/14 financial year due to the Intellectual Property Bill having been deferred back to Parliament for consideration by the House of Traditional Leaders. Similarly, the National Lotteries Policy and Bill were moved to accommodate the

Performance Information

for the year ended 31 March 2013

Gambling Review process in Parliament.

Linking performance with budgets

Under-spending on the Compensation of Employees is due to seven vacant positions as well as newly created posts that are still under consultation for approval. On Goods and Services, funds were not utilised as projected due to process delays. As well as some delays in Parliamentary processes. Funds were earmarked for the case management system for the National Liquor Authority, but were not utilised as projected due to delays in the procurement processes by the State Information Technology Agency (SITA).

Payment for financial assets arose unexpectedly as a result of a court judgment not in favour of **the dti**.

Overspending on Payment for Capital Assets is due to the delay in submission of invoices by service providers. The variance on transfer payments is not material.

Sub-programme expenditure

Sub- Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Legislative Development	15 660	14 421	1 239	13 421	12 913	508
Enforcement and Compliance	15 967	14 458	1 509	17 599	16 117	1 482
Regulatory Services	199 214	194 689	4 525	194 427	189 534	4 893
Total	230 841	223 568	7 273	225 447	218 564	6 883

12.5. Programme 6: Industrial Development: Incentive Administration Division (IDIAD)

- a. **Purpose:** To stimulate and facilitate the development of sustainable, competitive enterprises, through the efficient provision of effective and accessible incentive measures that support national priorities.
- b. **Description of Sub-Programmes (as defined in the APP 2012-2015)**
- i. **Broadening Participation Incentives** promote broadened participation by historically disadvantaged communities and marginalised regions into the mainstream of the economy. The Black Business Supplier Development Programme (BBSDP) and Co-operatives Incentives Scheme (CIS) form part of this sub-programme.
 - ii. **Manufacturing Incentives** promote additional investment and include the Manufacturing Investment Programme (MIP) within the Enterprise Investment Programme (EIP); the Small and Medium Enterprise Development Programme (SMEDP); the Small and Medium Manufacturing Development Programme (SMMDP); and the Automotive Production and Development Programme (APDP).
 - iii. **Services Sector Incentives** promote increased investment and growth in the services sectors. Incentive programmes under this sub-programme include the Business Process Services Programme (BPSP), previously known as the business process outsourcing programme; the Film and Television Production Incentive; and the Tourism Support Programme (TSP) within the Enterprise Investment Programme (EIP).
 - iv. **Infrastructure Development Support** leverages investments to the South African economy by providing infrastructure critical to industrial development, thus increasing exports of value-added commodities and creating employment opportunities. Incentive programmes under this sub-programme include the Critical Infrastructure Programme (CIP) and the IDZ programme.
 - v. **Product and Systems Development** aims to develop, review, monitor and evaluate incentive programmes to support the NIPF and its action plan as well as sector strategies to address identified market failures.
 - vi. **Business Development and After Care** facilitates access to targeted enterprises through the dissemination of information on the dti's incentive programmes as well as the provision of business advisory services to potential and existing clients.

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for the year ended 31 March 2013

Goal: Facilitate transformation of the economy, to promote industrial development, investment, competitiveness and employment creation						
Output	Performance Measure/Indicator	Baseline (2011/12)	Actual Performance Against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Automotive Incentive Scheme (AIS) and 12I tax allowance	Number of enterprises approved for incentives	AIS: 92	AIS: 54	28	(26)	Although the relevant targets were not met, the incentive scheme supported high-value projects instead of the number of projects. No new models were introduced by OEMs in 2012/13.
		12 I: 14	12 I: 12	12	0	None.
	Value of projected investments from projects approved	AIS: R4.7bn	AIS: R2bn	R1.8bn	(R200m)	Initial research at the introduction of the AIS, based on information from industry, indicated higher numbers of applications to be submitted, investment and jobs to be facilitated, however, no new models were introduced by OEMs in 2012/13
		12 I: R22.4bn	12 I: R10bn	R10.2bn	R200m	Continuous interaction with potential investment projects contributed to receiving more applications
	Number of new jobs projected from projects approved	AIS: 2 000	AIS: 2 300	767	(1 533)	Initial research at the introduction of the AIS, based on information from industry, indicated higher numbers of applications to be submitted, investment and jobs to be facilitated, however, no new models were introduced by OEMs in 2012/13
		12 I: 1 969	12 I: 2 000	1 357	(643)	The objective of the scheme is investment hence the approved projects were more capital intensive not labour intensive
Critical infrastructure programme (CIP) implemented	Number and value of projects approved	Six	12 enterprises financially supported, worth R6bn	Six projects worth R9.8bn	(Six)	The majority of targeted projects were renewable energy projects, which could not be approved due to the bidding process managed by DoE. the dti is still awaiting clarity in terms of how CIP could support such projects
Business Process Services (BPS), Film and TV Production	Number of BPS projects approved for grants	23	15 BPS Projects approved	12	(Three)	The programme performance dropped in 2012/13 due to the global economic slowdown
	Number of productions approved for grants under the film and TV productions programme	72	63 film productions approved	70	Seven	Target was exceeded due to focused marketing efforts such as the Cannes and Durban Film festivals and interaction with industry stakeholders

Goal: Facilitate transformation of the economy, to promote industrial development, investment, competitiveness and employment creation

Output	Performance Measure/Indicator	Baseline (2011/12)	Actual Performance Against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Business Process Services (BPS), Film and TV Production	Value of offset investments leveraged through grants approved for BPS and Film	R4.1bn	BPS: R400m	R1.3bn	R900m	Overachieved due to high-value investments in the Shared Services projects such as Standard Bank Africa, ABSA Barclays Africa shared service and Ricoh
		R2bn	Film: R1.8bn	R2.5bn	R700m	Changes in the guidelines resulted in large productions aimed at the international markets to be diverted to South Africa
	Number of projected jobs from applications for BPS grants	15 149 over three-year period	6 000	3 936	(2 064)	The target of jobs was not achieved due to most of the jobs being realised in the year 2011/12 and sufficient skills pool being built to provide for BPS demand
Export Marketing and Investment Assistance (EMIA)	Number of enterprises approved to participate in the EMIA scheme	896	860	1 082	222	Higher volumes received as a result of the additional budget requested due to increased interest in the programme. Continuous improvement of rules to increase access by the emerging sector
Manufacturing Competitiveness Enhancement Programme (MCEP) implemented	Number of enterprises approved for incentives	0	140	189	49	The MCEP was launched in May 2012 and higher volumes of applications received due to engagements with key stakeholders and a focused marketing campaign
Implementation of the Enterprise Investment Programme (EIP)	Number of SMMEs approved for EIP (MIP and TSP) incentive	EIP-MIP: 648	EIP-MIP: 450	548	98	The conservative projected target was in anticipation of MCEP taking up a large proportion of expansion projects, which makes up 67% (365) of the total MIP portfolio
		EIP-TSP: 158	EIP-TSP: 300	122	(178)	The TSP product line was terminated mid-way in the financial year under review, hence fewer projects than anticipated

Performance Information

for the year ended 31 March 2013

Goal: Facilitate transformation of the economy, to promote industrial development, investment, competitiveness and employment creation						
Output	Performance Measure/Indicator	Baseline (2011/12)	Actual Performance Against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Implementation of the Enterprise Investment Programme (EIP)	Value of projected investments from projects approved	EIP-MIP: R10.65bn	EIP-MIP: R6.3bn	R10.8bn	R4.5bn	The conservative projected target was in anticipation of MCEP taking up a large proportion of expansion projects, which makes up 42% (R4.2 billion) of the total MIP portfolio
		EIP-TSP: R1.65bn	EIP-TSP: R4.2bn	R1.5bn	(R2.7bn)	The TSP product line was terminated mid-way of the financial year under review, hence the less investment than anticipated
	Number of new projected jobs from approved projects	EIP-MIP: 15 586	EIP-MIP: 9 240	12 269	3 029	The conservative projected target was in anticipation of MCEP taking up a large proportion of expansion projects which makes up 42% of the total MIP portfolio. Gauteng took up 40% (4 843) of the total jobs, with five projects accounting for 25% (1 209)
EIP-TSP: 1 744		EIP-TSP: 6 160	1 357	(4 803)	The TSP product line was terminated mid-way in the financial year under review, hence the fewer jobs than anticipated. The Department of Tourism will review this scheme going forward	
CIS and BBSDP programme	Number of enterprises approved for CIS and BBSDP grants	CIS: 183	490	314	(176)	The business model was improved to clear the applications backlog, but due to capacity constraints the target was not met
		BBSDP: 299	700	1 212	512	More uptake of applications as a result of the Network Facilitator workshops and marketing of the programme through print media by the Marketing Division

Strategy to overcome areas of under-performance

The soon to be passed SEZ Act will assist in attracting new investors to the IDZs through the new incentive packages and other support measures. The uptake at CIP will be assisted by embarking on more aggressive marketing campaigns.

Changes to planned targets

No performance indicator was changed in the year.

Linking performance with budgets

and software for the Integrated Electronic Management System (IEMS) could not be finalised due to the pending appointment of a service provider.

Five claims to the value of R16 million under EIP were not paid as planned due to the late approval of virements and the banking details could not be verified timeously.

Sub-programme expenditure

Sub- Programme Name	2012/13			2011/12		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Broadening Participation	210 426	209 853	573	118 789	112 054	6 735
Manufacturing Incentives	2 990 121	2 954 768	35 353	2 106 630	2 100 826	5 804
Sector Service Development	427 402	427 026	376	309 350	306 589	2 761
Infrastructure Development Support	896 788	896 376	412	743 367	742 582	785
Product and System Development	12 717	12 701	16	9 750	8 489	1 261
Business Development After Care	13 902	13 827	75	13 344	13 009	335
Total	4 551 356	4 514 551	36 805	3 301 230	3 283 549	17 681

12.6. Programme 7: Trade and Investment South Africa (TISA)

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

b. **Description of Sub-Programmes (as defined in the APP 2012-2015)**

i. **Investment Promotion and Facilitation** facilitates the increase in the quality and quantity of foreign and domestic direct investment by providing an investment recruitment, problem-solving and information service. The sub-programme is promoting South Africa as an investment destination, with a target of R115 billion over three years, ending 2012/13, and R50 billion for the 2013/14 financial year. It is also responsible for organising an annual international investment conference.

ii. **Export Development and Promotion** promotes South African value-added goods and services abroad by

Performance Information

for the year ended 31 March 2013

broadening the export base and increasing market share in targeted high-growth markets and sustaining market share in traditional markets.

The core functions of the Export Promotion Chief Directorate include:

- Developing and implementing regional export promotion strategies based on market research and identification of export opportunities;
- Reviewing the National Export Strategy by assimilating inputs from relevant stakeholders to ensure a targeted and focused approach;
- Rendering export support services such as providing export information and advice; and
- Administering an incentive scheme (EMIA) that partially compensates exporters for certain costs incurred in marketing their products and services in foreign markets.

TISA intends participating in South African Expos in China as well as rolling out the 2010 World Cup Legacy Project to future host countries of the FIFA Soccer World Cup (Brazil, Russia and Qatar).

Export Development, as a programme of TISA, is designed to contribute towards the positioning of South Africa as a reliable trade partner by expanding the exporter base of the country, thereby increasing the export supply and sales of South African products. The focus is on the creation of an export culture towards global participation, the provision of assistance, extensive capacity building, the creation of opportunities and serving as an industry interface for **the dti**. South African companies are assisted at all levels to ensure retention, expansion and diversification by company, product and market.

International Operations manages and administers **the dti's** foreign office network of 27 foreign economic representatives (FERs) covering a footprint of 45 countries.

Goal: Build mutually beneficial regional and global relations to advance South Africa's trade and industrial policy and economic development objectives.

Output	Performance Measure/ Indicator	Baseline (2011/12)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Increased value-added exports to and inward investment from key developing countries of the South	Increased trade and investment by 15%	South Africa's exports to key developing countries of the South increased by more than 5%	South Africa's trade and investment with key developing countries of the South increased by 5%	Exports sales facilitated as a result of promotional activities undertaken amounted to R3.88bn In terms of exports sales facilitated per region, Africa and Middle East contributed 13%, Asia 61%, Latin America 2%	The actual achieved was more than the target due to the diversification strategy to focus on emerging high-growth markets	The actual achieved was more than the target due to the diversification strategy to focus on emerging high-growth markets
Increased manufactured exports under EMIA	Value of increase in exports	R6.42bn	R850m	R 3.88bn	R3.03bn more than target	The increase is attributed to growth in emerging markets – exports to most countries in Asia increased due to targeted interventions
Investment facilitation in targeted sectors	Value of investment pipeline	R40.91bn	R45bn	R53.5bn	R 8.5bn more than target	Greater uptake on investment projects particularly by multi-nationals

Strategy to overcome areas of under-performance

No under-performance was recorded for this programme.

Changes to planned targets

The targets for the outer years (2013/14 and 2014/15) in the APP 2012-2015 were revised against projected performance. South Africa's exports to key developing countries of the south increased by more than 5% and in 2011/12 47% of the R6.2 billion export sales facilitated by **the dti** were from Africa and the Middle East and 15% from Asia. The department had increased its activities in emerging high-growth markets over the last three years and it became evident that the performance target needed to be upwardly adjusted from R950 million to R3 billion in 2014/15 and R3.5 billion in 2015/16 to ensure a more realistic planned target. Changes were made to the outputs on increased manufactured exports under EMIA and investment facilitation in targeted sectors where the investment target for 2013/14 was rounded off from R49.9 billion to R50 billion.

Performance Information

for the year ended 31 March 2013

Linking performance with budgets

Targets achieved with no material variance on expenditure.

Sub-programme expenditure

Sub- Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Investment Promotion and Facilitation	55 466	55 100	366	36 388	34 984	1 404
Export Development and Promotion	86 794	85 961	833	169 116	167 082	2 034
International Operations	134 576	134 334	242	124 598	115 322	9 276
Total	276 836	275 395	1 441	330 102	317 388	12 714

13. Summary of Financial Information

13.1. Departmental Receipts

Departmental receipts	2012/2013			2011/2012		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	5 000	3 719	1 281	3 805	3 280	525
Casino taxes	n/a	n/a	n/a	n/a	n/a	n/a
Horse racing taxes	n/a	n/a	n/a	n/a	n/a	n/a
Liquor licences	n/a	n/a	n/a	n/a	n/a	n/a
Motor vehicle licences	n/a	n/a	n/a	n/a	n/a	n/a
Sale of goods and services other than capital assets	321	444	(123)	255	350	(95)
Transfers received	n/a	n/a	n/a	n/a	n/a	n/a

Departmental receipts	2012/2013			2011/2012		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Fines, penalties and forfeits	0	19	(19)	0	189	(189)
Interest, dividends and rent on land	25 000	39 349	(14 349)	23 596	20 470	3 126
Sale of capital assets	0	0	0	0	10	(10)
Financial transactions in assets and liabilities	17 000	91 792	(74 792)	87 355	54 408	32 947
Total	47 321	135 323	(88 002)	115 011	78 707	36 304

Programme expenditure

Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	710 393	705 426	4 967	651 122	639 375	11 747
ITED	133 116	132 705	411	139 238	132 920	6 318
BPD	940 319	929 693	10 626	896 245	887 513	8 732
IDPD	1 508 225	1 505 090	3 135	1 333 129	1 321 671	11 458
CCRD	230 841	223 568	7 273	225 447	218 564	6 883
IDIAD	4 551 356	4 514 551	36 805	3 301 230	3 283 549	17 681
TISA	276 836	275 395	1 441	330 102	317 388	12 714
Total	8 351 086	8 286 428	64 658	6 876 513	6 800 980	75 533

13.2. Transfer Payments, Excluding Public Entities

No transfer payments were made to provinces and municipalities according to the Annual Reporting Guidelines issued by NT for the period 1 April 2012 to 31 March 2013.

13.3. Public Entities

The amount spent by the entity and the achievements of the public entity will be provided in the Annual Report to be tabled by the respective entity.

Performance Information




for the year ended 31 March 2013

Name of Entity	Purpose of Entity	Type of Institution	Transfers 12/13 (11/12) R'000	Enabling Legislation/ Type of Listing
Development Finance and Small Business Development Institutions				
Small Enterprise Development Agency (seda) 	Implement small enterprise development support service and products through a national integrated service delivery network, to improve the contribution of small enterprises to the economy, employment and equity	Development Finance	594,570 (561,514)	Small Business Act, 2004 (Act 29 of 2004), as amended Schedule 3A
National Empowerment Fund (NEF) 	Promote savings and investments among Historically Disadvantaged Persons (HDPs) through its retail activities, and fund economic empowerment and black business through its investments division	Development Finance	Nil (Nil)	National Empowerment Fund, 1998 (Act 105 of 1998) Schedule 3A
Export Credit Insurance Corporation of South Africa (ECIC) 	Facilitate and encourage South African export trade, by underwriting export credit loans and investments outside South Africa to enable South African contractors to win capital goods and services in other countries	Specialist services	24,307 (121,517)	Export Credit and Foreign Investments Insurance Act, 2001 (Act No. 9 of 2001), as amended Schedule 3B
Regulatory Institutions				
National Gambling Board (NGB) 	Provide advice on the national gambling industry, and promote uniform norms and standards across provinces	Regulatory	26,057 (37,605)	Gambling Act, 2004 (Act No. 7 of 2004) Schedule 3A
National Lotteries Board (NLB) 	Exercise national control over lottery activities	Regulatory	Nil (Nil)	Lottery Act, 1997 (Act 57 of 1997) Schedule 3A
National Credit Regulator 	Regulate the South African credit industry	Regulatory	57,931 (53,042)	National Credit Act, 2005 (Act 34 of 2005) Schedule 3A

Name of Entity	Purpose of Entity	Type of Institution	Transfers 12/13 (11/12) R'000	Enabling Legislation/ Type of Listing
Companies and Intellectual Property Commission (CIPC) 	Registration of companies, co-operatives and Intellectual Property rights (trademarks, patents, designs and copyright) and maintenance thereof	Regulatory	Nil (13,990)	Companies Act, 2008 (Act 71 of 2008) Schedule 3A
National Consumer Tribunal 	Adjudicate a variety of applications, and hear cases against credit providers that contravene the Act	Regulatory	33,165 (28,833)	National Credit Act, 2005 (Act 34 of 2005) Schedule 3A
National Regulator for Compulsory Specifications (NRCS) 	Administer compulsory specifications, otherwise known as technical regulations	Regulatory	79,684 (37,173)	National Regulator for Compulsory Specifications Act, 2008 (Act 5 of 2008) Schedule 3A
National Consumer Commission (NCC) 	The NCC is charged with the responsibility to enforce and carry out the functions assigned to it in terms of the Act, which aims to promote, protect and advance the social and economic welfare of consumers in South Africa by providing leadership, advocacy and a system of rapid redress thereby creating a fair and accessible consumer marketplace	Regulatory	46,842 (32,988)	Section 85 of the Consumer Protection Act, 2008 (Act 68 of 2008) Schedule 3A
Companies Tribunal 	The Companies Tribunal may adjudicate in relation to any application that may be made to it and make any order as provided for in the Companies Act in respect of such an application, and in addition serve as a forum for voluntary alternative dispute resolution	Regulatory	10,137 (10,000)	Companies Act, 2008 (Act 71 of 2008) Schedule 3A

Performance Information

for the year ended 31 March 2013

Name of Entity	Purpose of Entity	Type of Institution	Transfers 12/13 (11/12) R'000	Enabling Legislation/ Type of Listing
Standardisation, Quality Assurance, Accreditation and Metrology Institutions (SQAM)				
South African National Accreditation System (SANAS) 	Provide an accreditation system for laboratories, certification, inspection and Good Laboratory Practice (GLP). Establish laboratory, personnel and certification body in South Africa, as well as mutual recognition agreements with international accreditation organisations	Specialist Services	30,676 (30,623)	Accreditation for Conformity Assessment Calibration and Good Laboratory Practice Act, 2006 (Act 19 of 2006) Schedule 3A
South African Bureau of Standards (SABS) 	Promote the standardisation and quality management in industry and commerce, and supervise trade metrology and units of measure	Specialist services	235,133 (282,810)	Standards Act, 2008 (Act No. 8 of 2008) 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	82,233 (87,581)	Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006) Schedule 3A

13.4. Conditional Grants and Earmarked Funds Paid

No conditional grants and earmarked funds were paid by the department.

13.5. Donor Funds

	Sector-Wide Enterprise Employment and Equity Programme (SWEEEP)	Employment Creation Fund (ECF)	
Name of donor	European Commission (EC)	European Commission (EC)	Department of International Development (DFID)
Full amount of the funding	R450m	€100m	£18m
Period of the commitment	2004-2008	March 2009 - December 2014	January 2009 - October 2014
Purpose of the funding	Sector budget to support outcome for decent employment through inclusive growth. This includes funding innovative projects that are not likely to be funded through Government's normal budget processes.		
Expected outputs	To provide a flexible and comprehensive funding instrument as a catalyst for economic development projects to create jobs.		
Actual outputs achieved	The ECF approved more than 27 projects worth more than R450m.		
Amount received in current period (R'000)	R473 336		
Amount spent by the department (R'000)	R80 265		
Amount committed and not disbursed (R'000)	R324 557		
Reasons for the funds unspent	Funds are disbursed in tranches after approval. Total approved as at 31 March 2013 is R404 822. Other projects are in the evaluation process.		
Monitoring mechanism by the donor	Quarterly reports and performance audits.		

13.6. Capital Investment, Maintenance and Asset Management Plan

No capital investments were made directly by the dti.

13.7. Maintenance

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

13.8. Asset Management

As part of the Public-Private Partnership (PPP) agreement, the concessionaire will for the duration of the contract period, own and maintain assets such as the land, buildings and the majority of furniture items. Departmental assets excluded from this agreement include departmental vehicles, computer equipment and certain furniture items. Departmental assets are managed in accordance with the policies issued by the NT 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 NT. An accession register separate to LOGIS is used to record and monitor all library material





PART C: GOVERNANCE



1. Introduction

Good corporate governance underpins the effectiveness of the leadership of **the dti** and although the department is a national department, effort has been made to ensure compliance with the spirit and code of the King Report on Corporate Governance (known as King III).

The department has a dedicated corporate governance unit that manages risk, ethics awareness, business continuity, compliance, contracts management, environmental management and the corporate secretariat function. The secretariat function ensures that the decision-making leadership structures are properly constituted, defined and administered.

The highest management committee is known as the Executive Board (ExBo). It has various sub-committees such as the Operations Committee (Opscom), the Bid Evaluation Committee and Bid Adjudication Committee to ensure proper compliance with the Supply Chain Management Framework in tender applications, and the ICT Committee to ensure both compliance with Cobit and give effect to Chapter 5 of King III, which relates to the governance of information technology. The Audit Committee (AC) and Risk Management Committee (RMC) ensures transparency and objectivity in the discharge of oversight responsibilities and have effectively discharged their respective responsibilities during the year under review as evidenced by the records of meetings.

2. Risk Management

Effective risk management is key to the achievement of identified objectives for any business. At **the dti**, the Chief Risk Officer is at chief director level, and reporting to the Group Chief Operations Officer (Group COO) to the Director-General, ensuring that risk management is properly positioned to influence leadership and decision-making at the highest level to protect **the dti** against the materialising of high risks and to optimise opportunities presented by identified risks.

Risk management at **the dti** is conducted in accordance with an approved Risk Management Policy and Strategy, which has been developed in line with the Public Sector National Risk Management Framework, of which the NT is the custodian, as well as with international standards such as Coso Framework, ISO 31000, Sarbanes-Oxley Act, and the Turnbull Report.

Risk assessments are conducted annually, which includes operational and strategic risks, and this is conducted in such a manner as to ensure alignment with the strategic objectives and priorities of the department. Thereafter, quarterly reviews are conducted during the year to track progress and ensure relevance. ExBo reviews progress on actions to mitigate risks quarterly, and the Group COO reports to the RMC on behalf of ExBo in this regard. Divisional managers are required to report to the RMC on a quarterly basis on progress in addressing their identified risks. Divisional management also addresses matters of risk at business unit management meetings.

3. Fraud and Corruption

In ensuring that fraud is prevented and corruption is combated, **the dti** has adopted and continuously maintains a “zero-tolerance” approach to fraud and corruption. The departmental Fraud Prevention Policy, Strategy and Plan ensures that an anti-fraud environment and culture is promoted internally (to all staff) and externally (to the public at large). Implementation is conducted in terms of an implementation matrix, and the Risk Management Committee oversees progress on implementation and effectiveness.

The department approaches fraud and corruption both proactively and reactively. Proactively, the Corporate Governance Directorate is responsible for providing an enabling environment for the disclosure of information relating to possible fraud, corruption or maladministration. This is achieved by promoting a Protection of Whistle-blowers Policy. Promotion of this message is done throughout the year, both internally to staff and publicly, during road shows promoting the work of **the dti**, as part of its “be silent no more” campaign.

Reactively, the department has a fully functional forensic Directorate under the Office of the Chief Audit Executive, whose function is to investigate all reported cases of potential fraud or corruption.

The Corporate Governance Directorate also provides an e-mail-based ethics helpdesk, Ethics@thedti.gov.za, which is a further mechanism available to both employees and the public at large to obtain advice and raise the alarm to any suspicious activity.

The forensics unit receives cases from the National Anti-Corruption Hotline, as well as directly from staff or from management. All cases are referenced, and treated formally and with utmost confidentiality. Progress on forensic cases is overseen by the Pre-Risk Management Committee, which includes two external members of the Audit Committee, as well as the Audit Committee itself to ensure fairness and objectivity. In instances where investigations lead to recommendations for management action, these are provided to management and actions are taken. Management is held to account by the Audit Committee, in line with governance best practice.

4. Minimising Conflict of Interest

There is a departmental policy on conflict of interest, awareness on potential conflicts and how to deal with conflict is part of the training provided by the Corporate Governance Directorate to all staff. It is standard meeting protocol at all formal departmental meetings for attendees to disclose any conflicts of interest relating to any items on the meeting agendas.

On an annual basis, all SMS members are required to submit their financial disclosure forms, which are required by the Public Service Commission (PSC) annually on or before 31 May. For three consecutive years, **the dti** has been one of the departments that fully complied with this prescript by ensuring that 100% of SMS members submitted their disclosure forms.

the dti also requires that all employees disclose their financial interests. Staff members are regularly reminded to obtain approval for any remunerative work conducted outside the public service. There is a Conflicts of Interest Committee constituted to assess all applications for approval to conduct remunerative work outside the public service, as well as the receipt of gifts, to maintain constant vigilance against any real or potential conflicts of interest.

5. Code of Conduct

the dti has in place an approved Code of Conduct for all employees on which frequent training interventions have been undertaken throughout the year.

6. Health, Safety and Environmental Issues

All identified Occupational Health and Safety (OH&S) representatives and other safety team members within internal divisions of **the dti** were trained during 2012/13. The term of appointment of some OHS representatives is coming to an end and new representatives will be nominated by divisions for training in 2013/14. Section 16(2) appointments, as contemplated in the OH&S Act, have been completed.

Generally there has been good attendance of OH&S representatives at the statutory safety meetings, however, in the latter part of the year challenges were experienced that will be addressed in 2013. The Emergency Reaction Plan has been updated and is for review at the City of Tshwane Metropolitan Council (fire department).

Four statutory meetings were completed. The situation with regards to capacity has been addressed by the filling of a position dedicated to this function and the new incumbent will assume duties in July 2013. OH&S inspections were executed in all regional offices and reports sent to the respective landlords to action findings.

In terms of office accommodation, **the dti** undertook the following environment-related actions:

- **the dti** Campus continued to address its impact on the environment by the efficient use of energy and water, landscaping and efficient waste management, such as recycling and the re-use of equipment.
- **the dti** also continued with its energy-saving programme to alleviate electricity consumption. Consumption was monitored for deviation on a monthly basis. Light sensors were installed in all lifts and the Building Management System (BMS) is used to manage the switching on/off of utilities.
- A plan has been put together to commence with key activities to reduce campus waste and improve on the management thereof.

7. Internal Control Unit

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

Report of the Audit Committee

for the year ended 31 March 2013

In line with the PFMA and the King III Report requirements relating to the public sector, internal audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. A separate Risk Management Committee monitors and oversees the control of Risk Areas throughout **the dti**.

8. Audit Committee Report

We are pleased to present our Audit Committee report for the financial year ended 31 March 2013.

Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and is required to meet four times per annum in terms of 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 – retired July 2012)	2
Mr D Braithwaite (Chairperson – from July 2012 to retirement July 2013)	4
Ms P Ndumo (retired July 2013)	4
Ms V du Preez	4
Mr D Dharmalingam (Chairperson from July 2013)	3

Executive Member

Mr L October (Director-General)	3
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Report of the Audit Committee

for the year ended 31 March 2013

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, regulated its affairs in compliance with this charter and 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 liabilities and working capital are efficiently managed.

In line with the PFMA and King III Report requirements relating to the public sector, internal audit provides the Audit Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. A separate Risk Management Committee monitors and oversees the control of risk identification within **the dti**.

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

Based on the audits conducted and presented at the Audit Committee meeting for 2012/13, the Committee concluded that the controls evaluated during those audits were adequate and materially effective for most of the areas tested. We do, however, emphasise that in certain instances controls were found to be partially effective and needed further improvements.

Quality of Management Reports

The Committee is satisfied with the content and quality of the quarterly reports prepared and issued by the Accounting Officer and the department during the year under review. Certain improvements to the draft AFS, however, had been recommended to the Office of the Chief Financial Officer.

Evaluation of Financial Statements

The Audit Committee has:

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

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

A handwritten signature in black ink, appearing to read 'D Dharmalingam', is written over a horizontal line that has been drawn twice, creating a double-line effect.

Mr D Dharmalingam

Chairperson of the Audit Committee

31 July 2013

Report of the Auditor-General

for the year ended 31 March 2013

9. Report of the Auditor-General to Parliament on Vote 36: Department of Trade and Industry

Report on the Financial Statements

Introduction

1. I have audited the financial statements of **the dti** as set out on pages 108 to 176, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's Responsibility for the Financial Statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Reporting Framework and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as 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.

Auditor-General's Responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of **the dti** as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with Departmental

Financial Reporting Framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Emphasis of Matter

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

Significant Uncertainties

8. With reference to note 20 to the financial statements, the department has disclosed contingent liabilities in respect of lawsuits and incentive grants approved by the department but not paid. The department is opposing the lawsuits while the incentive grants are subject to the applicant meeting certain obligations. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Material Impairments and Losses

9. As disclosed in note 7 to the financial statements, material losses to the amount of R82 million were incurred as a result of a write-off of irrecoverable debtors, of which R79 million related to the General Export Incentive Scheme (GEIS) debtors.

10. As disclosed in note 30 to the financial statements, material impairment to the amount of R121 million was incurred as a result of debtors outstanding for longer than 12 months. R71 million of this relates to GEIS debtors.

Additional Matter Paragraphs

11. I draw attention to the matter(s) below. My opinion is not modified in respect of these matters.

Unaudited Supplementary Information

12. The supplementary information set out on pages 177 to 207 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

Financial Reporting Framework

13. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they “present fairly”. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion, therefore, reflects this requirement.

Report of the Auditor-General

for the year ended 31 March 2013

Report on other Legal and Regulatory Requirements

14. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined Objectives

15. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 44 to 71 of the annual report.

16. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well-defined, verifiable, specific, measurable and time-bound) and relevant as required by the National Treasury Framework for Managing Programme Performance Information (FMPPi).

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

17. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional Matter

18. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the matter below:

Achievement of Planned Targets

19. Of the total number of 56 targets planned for the year, 20 were not achieved during the year under review. This represents 36% of total planned targets that were not achieved during the year under review. For further details on the extent and reasons for deviations between planned targets and actual performance refer to Part B, page 44 - 71 of the annual performance report.

Compliance with Laws and Regulations

20. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Procurement and Contract Management

21. Certain goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation (TR) 16A6.1.

Expenditure Management

22. The accounting officer did not take reasonable steps to prevent irregular expenditure, as required by sections 38(1)(c) (ii) of the PFMA and TR 9.1.1.

Internal Control

23. I considered internal control relevant to my audit of the financial statements and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

24. The accounting officer did not exercise sufficient oversight to ensure compliance with applicable laws and regulations with regards to supply chain management.

Financial and Performance Management

25. Management did not have adequate preventative and detective controls in place to ensure compliance with laws and regulations relating to supply chain management.

OTHER REPORTS

Investigations

26. An investigation was conducted by the public protector in the prior year to probe certain allegations against the accounting officer of the department. This investigation was concluded in the current year. The report did not have any findings that related to or impacts the financial statements of the department.

Auditor-General

Pretoria
31 July 2013



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



The background of the slide features a photograph of industrial towers, likely distillation columns, silhouetted against a bright, hazy sky at sunset or sunrise. The towers are dark, with some structural details like ladders and railings visible. The overall color palette is dominated by warm tones of orange, yellow, and brown. A prominent vertical bar on the right side of the slide is composed of three distinct color segments: a dark orange at the top, a lighter yellow-orange in the middle, and a dark brown at the bottom. A horizontal orange band spans the width of the slide, containing the main title text.

PART D: FINANCIAL PERFORMANCE

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. Policy Decisions and Strategic Issues

the dti contributes to Government's economic policy objectives by deepening and widening industrial development, broadening participation across the economy, advancing developmental trade relations and regulating the business environment to facilitate economic development and protect vulnerable consumers. The outcome of these activities is an inclusive, modern economy that contributes to job creation, poverty alleviation and reduction of inequalities in South African society.

Industrial development is the cornerstone of the work of **the dti**, with investment and competitiveness enhancement as key policy levers. The IPAP – now in its fourth iteration – provides a time-bound frame for a set of sectoral and transversal interventions that cuts across the work of divisions and agencies within **the dti** as well as other government departments at both national and provincial level. IPAP, therefore, plays an important role in enhancing policy co-ordination and sequencing across a number of departments in the economic policy arena.

A key intervention identified and implemented through IPAP was the amendment of the Preferential Procurement Policy Framework Act (PPPFA) of 2000, which has allowed Government to designate sectors and products where it is obliged to procure from local suppliers that meet specified local content levels. This is to reduce the “import leakage” associated with government procurement and enhance the long-term sustainability of the private sector through leveraging government purchases to the benefit of local business. National Treasury published instruction notes in the 2012/13 financial year following the designation of key sectors and products such as school and hospital furniture, solar water heaters and a variety of pharmaceutical products.

The introduction of customised incentives such as the MCEP and the SEZ Bill are important pillars of **the dti**'s industrial development programme and it is anticipated that additional capacity will be required in the department to deal with the expected substantial demand for SEZs in each province. In its first year of operation, the MCEP has received applications from more than 200 companies and private-sector feedback on the scheme has been very positive. The SEZ Bill was announced in Parliament at the beginning of March 2013. A draft SEZ Strategy was consolidated after initial consultations and SEZ Tax Incentives have been approved by the National Treasury and were announced during the Budget Speech in February 2013. SEZs and a number of other programmes of the department contribute to broadening participation in the South African economy. The anticipated approval of the B-BBEE Amendment Bill and the Co-operatives Amendment Bill by Parliament, as well as the anticipated approval by the Cabinet of the National Strategic Framework on Gender and Women Economic Empowerment will have a significant impact on Government's imperative to create a more inclusive economy. These interventions will also have an impact on the regulatory environment as the relevant legislative amendments seek to establish new institutions, which will require adequate resources both within **the dti** and the institutions themselves.

To realise a developmental trade policy, **the dti** has prioritised participation in BRICS and the Tripartite-Free Trade Area (T-FTA) negotiations. South Africa's participation in BRICS and the successful hosting of the third BRICS Trade Ministers Meeting ahead of the fifth BRICS Heads of State Summit have cemented South Africa's place in this important grouping. It is important to acknowledge that BRICS members have generally weathered the Global Financial Crisis well, and that the grouping is a potentially important partner in supporting Africa's development agenda. A key outcome of the summit was the BRICS Trade and Investment Co-operation Framework, which will focus the work programme on trade and investment co-operation within a longer-term strategic perspective. **the dti** also led the process of co-ordinating a unified SACU position in participation in the T-FTA negotiations by helping to define the principles and modalities for the negotiations, laying the basis for the next phase of negotiations on tariff concessions and legal texts. The complementary work on infrastructure development under the T-FTA and particularly the North-South Corridor was co-ordinated by **the dti** and is intended to facilitate the efficient movement of goods and services within the continent.

the dti developed and implemented a range of interventions to provide a predictable and supportive regulatory environment for economic development. To regularise and improve the consistency of business regulation across Provinces and Municipalities, **the dti** developed the Policy Framework and Licensing of Businesses Bill, which were presented to Cabinet prior to the public consultation phase. In addition, **the dti** developed a policy on Intellectual Property that was presented to the Economic Sectors and Employment Cluster and is currently in the public consultation phase. It is expected that the policy will be tabled before Cabinet in the 2013/14 financial year. To improve the framework for the distribution of funds, enhance accountability and provide for both application-based and proactive funding, the Lotteries Policy and Amendment Bill were presented to Cabinet in this financial year. Public consultations have commenced and **the dti** expects the Policy and Bill to be finalised in the 2013/14 financial year.

To protect vulnerable consumers, **the dti** tabled the National Credit Amendment Bill and Policy on the review of the National Credit Act. The Policy and Bill deal with empowering the Chief Executive Officer to delegate certain functions and for the National Credit Regulator (NCR) to deregister registrants if they contravene conditions. In addition, a Notice on the labelling of products was issued in line with the provisions of the Consumer Protection Act, requiring that consumers be informed about the country of origin of products offered for sale in South Africa. In a similar vein, **the dti** issued a Notice that the National Consumer Commission (NCC) should investigate business conduct in the labelling of meat products that were alleged to have contained the DNA of animals that were not disclosed in the ingredient list of these products.

1.2. Spending trends

The budget allocation for the 2012/13 financial year was R8.3 billion as compared to R6.8 billion in 2011/12. The expenditure for 2012/13 was R8.2 billion or 99,2% of the budget, while in the 2011/12 financial year expenditure was R6.8 billion or 99% of that year's budget. This spending pattern should be considered in the context of the departmental cost drivers, comprising mainly incentive schemes and transfer payments. Approximately 68,4% of the expenditure consisted of incentives and 13,6% of transfers to the departmental agencies. The remaining funds were utilised for operational expenses.

Report of the Accounting Officer

for the year ended 31 March 2013

The majority of the dti's transfer payments to business incentive schemes, as well as the infrastructure and investment support programmes, reside within the following divisions: Broadening Participation, Industrial Development: Policy Development and Industrial Development: Incentive Administration.

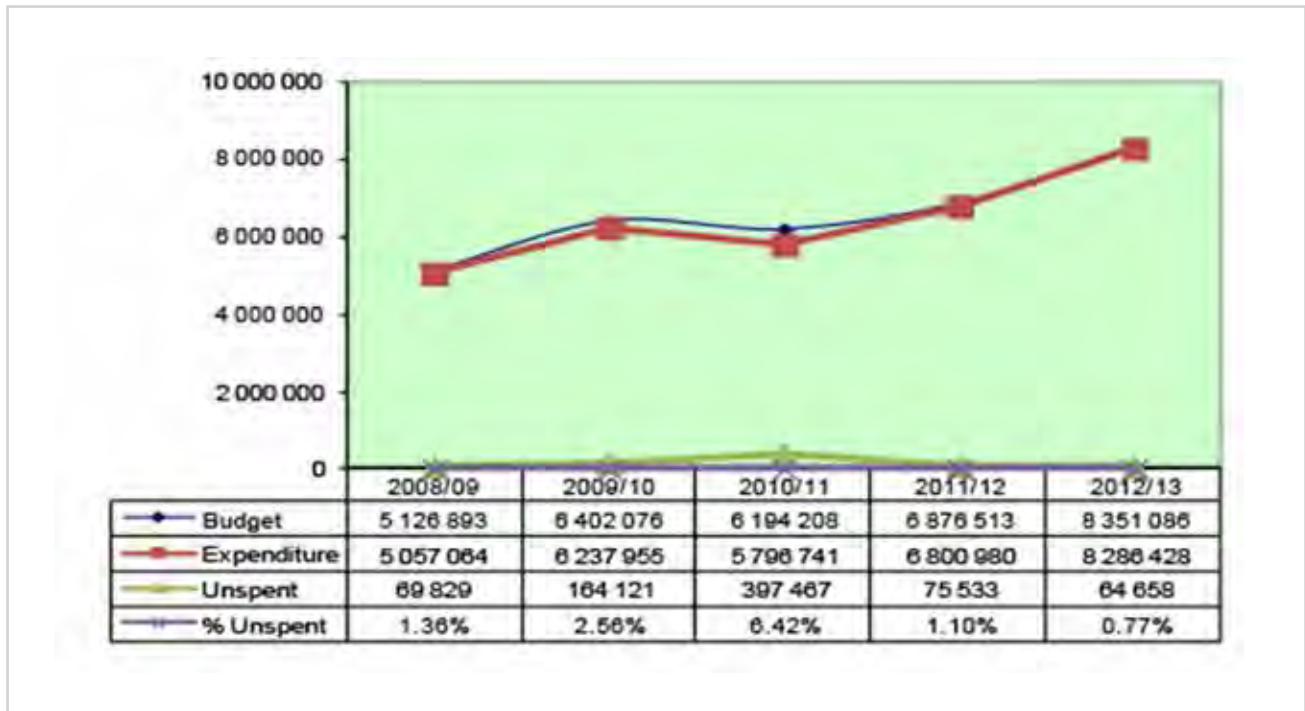
The under-spending of R64,658 million must be read in the context of four roll-over requests, amounting to R44 million.

The requests for roll-over are in respect of the following:

Programme	Item/Project	Amount R'000
Programme: 6	Machinery and Equipment: Software and Intangible Assets	18,000
Programme: 6	Manufacturing Development Incentives: Enterprise Investment Programme	16,000
Programme: 3	Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence	7,607
Programme: 4	Industrial Development Corporation: Customised Sector Programme	2,400
TOTAL		44,007

The expenditure pattern over the past five years, in relation to the budget allocations, is reflected in the graph below:

Figure 1: Five-Year Comparison of Budget vs Actual Expenditure – R'000



As can be seen in Figure 1, the budget versus the actual expenditure for the 2012/13 financial year shows a substantial improvement in the dti's ability to plan, budget and execute spending in line with the approved budget.

The table below reflects the categories against which the department's expenditure had been incurred.

Description	2012/13		2011/12	
	R'000	%	R'000	%
Payments to agencies	1,127,995	13.6%	1,058,599	15.6%
Compensation	671,550	8.1%	566,988	8.3%
Incentives	5,671,754	68.4%	4,440,568	65.3%
Incentives: Capital	950,873	11.4%	910,410	13.4%
Other Incentives	4,720,881	57.0%	3,530,158	51.9%
Goods and Services	592,838	7.2%	593,730	8.7%
Other Payments	181,796	2.2%	104,605	1.5%
Capital	40,495	0.5%	36,490	0.5%
Total Expenditure	8,286,428	100%	6,800,980	100%

Report of the Accounting Officer

for the year ended 31 March 2013

Programme 1: Administration

This programme provides strategic leadership to **the dti** and its agencies. It comprises support for the offices of the Minister, Deputy Ministers and Director-General. The Director-General's office consists of the Agency Management Unit, Strategy Unit, Internal Audit, Financial Management, Group Chief Operations Officer, Chief Economist, Corporate Governance, Communication and Marketing, and 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, legal services, accommodation management and information systems.

Expenditure increased by 10,3%, from R639 million in 2011/12 to R705 million in 2012/13. This is largely as a result of debts written off in respect of the General Export Incentive Scheme for an amount of R79 million, which is reflected under note 7.2 of the Annual Financial Statements.

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

This programme is responsible for building an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and fostering African development, including regional and continental integration and development co-operation in line with the New Partnership for Africa's Development (NEPAD).

The division's expenditure remained at R133 million during the 2011/12 and 2012/13 financial years.

Programme 3: Broadening Participation

This programme is responsible for developing policies and strategies that create an enabling environment for small, medium and micro enterprises, and enhance the competitiveness of local and provincial economies, to achieve equity, growth and job creation.

The division's expenditure increased by 4,6%, from R887 million in 2011/12 to R930 million in 2012/13. This is largely as a result of an increase in the spending under compensation of employees and transfer payments to **seda**.

Programme 4: Industrial Development: Policy Development

This programme is responsible for the design and implementation of policies, strategies and programmes to develop manufacturing and related sectors of the economy; contribute to the creation of decent jobs, value addition and competitiveness in both domestic and export markets.

The division's expenditure increased by 14% from R1,322 billion in 2011/12 to R1,505 billion in 2012/13. This is largely as a result of an increase in the transfer payments to the National Regulator for Compulsory Specifications and IDC: Clothing and Textile Production Incentive.

National Industrial Participation Programme (NIPP)

the dti has been mandated with the management and monitoring of the NIPP. The programme's 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 leveraging of government procurement. Participation in the programme becomes obligatory when the imported content of any public sector purchase or lease of goods or services equals to or exceeds US\$10 million.

As reported for the year ending 31 March 2012, all seven obligors completed their NIPP obligations to date. The NIPP database is now operational and all the documents relating to NIPP business concepts, business plans, credit claims and the like have been loaded onto the database.

In December 2012, the Cabinet approved the new NIPP policy aimed at strengthening the application of NIPP to better support industrial development and align it with other procurement levers, such as the designation of sectors per the amended regulations of the PPPFA and the Competitive Supplier Development Programme managed by the Department of Public Enterprises.

Programme 5: Consumer and Corporate Regulation Division (CCRD)

The purpose of CCRD is to develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

The division's expenditure increased by 2,2%, from R219 million in 2011/12 to R224 million in 2012/13. This is as a result of an increase in the transfer payment to the NCC.

Programme 6: Industrial Development: Incentive Administration Division (IDIAD)

The purpose of IDIAD is to stimulate and facilitate the development of sustainable, competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities.

The division's expenditure increased by 37,4%, from R3.284 million in 2011/12 to R4.515 million in 2012/13. This is largely a result of increased incentive payments through the APDP, EIP, MCEP and the Film and TV Production Incentive.

Programme 7: Trade and Investment South Africa (TISA)

The purpose of TISA is to increase export capacity and support direct investment flows through targeted strategies and an effectively managed network of foreign trade offices.

The division's expenditure decreased by 13,2% from R317 million in 2011/12 to R275 million in 2012/13. This decrease is mainly due to the redirecting of R73 million from Export Credit Insurance Corporation to the Department of International Relations and Corporation (DIRCO) for the Cuba Economic Package.

Report of the Accounting Officer

for the year ended 31 March 2013

1.3. Virements

A total amount of R31 million was re-directed between main divisions of the vote by means of virement transactions approved by National Treasury, to address various changes in operational requirements. The most important operations, for which redirected funds were utilised are reflected in the table below.

Virements between Programmes

VIREMENTS FROM THE FOLLOWING PROGRAMME	VIREMENTS TO THE FOLLOWING PROGRAMME	R'000	REASONS
	Programme 1: Administration	13,214	Moved from different programme to write off GEIS debts
Programme 2: International Trade and Economic Development		(1,547)	R1.5 million moved to Programme 1: Administration to write off GEIS debts
Programme 3: Broadening Participation		339	R339 000 moved to Programme 1: Administration to write off GEIS debts
Programme 5: Consumer and Corporate Regulation		(17,302)	Savings from current payments to Programme 4: Industrial Development: Policy Administration to fund to the Centres of Excellence
Programme 6: Incentive Administration: Incentive Administration		(9,514)	Savings from current payments to Programme 1: Administration for the write-off of GEIS debts
	Programme 4: Industrial Development: Policy Administration	15,480	Savings from Programme 5: Consumer and Corporate Regulation to fund the Centres of Excellence
	Programme 7: Trade and Investment South Africa	(670)	Savings from current payments to Programme 1: Administration for the write-off of GEIS debts
Total		-	

1.4. Other material matters

Fruitless and wasteful expenditure of R11,000, as per Disclosure note 26 of the Annual Financial Statements, relates to “no-show” charges and cancellation fees.

Irregular expenditure incurred during the financial year totalled R33 million and R4 million was condoned by the Accounting Officer as disclosed in Disclosure note 25.3 to the Annual Financial Statements. Most of this expenditure related to deviation from procurement procedures, which should have been approved by the Accounting Officer (e.g. advertising in newspapers and television, training, memberships, etc). Controls have been implemented to minimise such occurrences in future. Controls include regular refresher sessions for staff on the requirements for procurement, including communication via financial circulars.

2. Services Rendered by the Department

2.1. Tariffs and fees charged by the department

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

- Application fee: Between R500 and R25 000
- Initial registration fee: Between R2 000 and R15 000
- Annual renewal fee: Between R2 000 and R15 000
- Fee for transfer: Between R1 500 and R15 000
- Fee for notice of change in location or activities: Between R1 500 and R15 000
- Fee for request of variation of conditions: Between R1 500 and R15 000

2.2. Free services

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

3. Capacity constraints

the dti's efforts to 'grow our own trees' by developing internal capacity are progressing well.

The Economic Development and Industrial Policy Development Programme that supports IPAP is the department's flagship programme. Since inception of the programme in 2011, 105 students enrolled for the certificate programme, 51 for the Honours programme and 31 for the Master's programme. In 2013, 38 students had enrolled for the certificate, 15 for the Honours and 18 for the Master's programme.

the dti's internship programme is another source of internal capacity building. Apart from the 58 interns that were appointed in 2012/13, a further 70 interns were recruited in 2013/14 to contribute to the development of youth and provide much-needed on-the-job training and temporary employment. The department is pleased to report that most of the interns have found permanent employment in **the dti** and other departments, an important testimony to the value of internships as a contributor to skills development.

The succession planning framework and the retention and job rotation strategies also form part of the department's multi-pronged approach to investing in human capital.

Report of the Accounting Officer

for the year ended 31 March 2013

4. Utilisation of Donor Funds

There are three main agreements that support **the dti**'s objectives, of which two are with the EC and one with the US.

The two agreements with the EC include the Sector-Wide Enterprise, Employment and Equity Programme (SWEEEP) and Risk Capital Facility (RCF).

SWEEEP is a sector-wide programme between South Africa and the EC to provide budget support to **the dti** for the implementation of various initiatives.

Utilisation of this funding commenced during 2004. The fourth and final tranche was paid by the EC into the Reconstruction and Development Programme (RDP) account on 24 December 2008. Although the EC has already done a final report on the programme, not all the committed funds have been paid out.

The RCF2 is managed by the IDC. Phase two of the RCF was approved and an amount of R182 million was paid into the RDP account by the EC on 23 December 2008.

The RCF2 is playing a critical role in job creation and economic development, principally within under-developed and under-funded communities, where its impact will be most felt. Due to the programme meeting all requirements of the Finance Agreement with the EC, an amount of R32 million was disbursed during the 2010/11 financial year and R98 million during 2011/12.

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

the dti also participated in new funding support from the Employment Creation Fund agreement between the Government and the EC. The programme was developed as a sector support to the Economic Sectors and Employment Cluster's Programme of Action. The Fund was established to create long-term sustainable employment and contribute to the national target of halving unemployment and poverty by the year 2014.

The EC has made an amount of R339 million available for the fund during this financial year. The Department of International Development United Kingdom has also made funds available as part of the Employment Creation Fund.

5. Trading Entities and Public Entities




The public entities listed below were funded from the department's vote during the 2012/13 financial year:

Name of Entity	Purpose of Entity	Type of Institution	Transfers 12/13 (11/12) R'000	Enabling Legislation/ Type of Listing
Development Finance and Small Business Development Institutions				
Small Enterprise Development Agency (seda) 	Implement small enterprise development support service and products through a national integrated service delivery network, to improve the contribution of small enterprises to the economy, employment and equity	Development Finance	594,570 (561,514)	Small Business Act, 2004 (Act 29 of 2004), as amended Schedule 3A
National Empowerment Fund (NEF) 	Promote savings and investments among Historically Disadvantaged Persons (HDPs) through its retail activities, and fund economic empowerment and black business through its investments division	Development Finance	Nil (Nil)	National Empowerment Fund, 1998 (Act 105 of 1998) Schedule 3A
Export Credit Insurance Corporation of South Africa (ECIC) 	Facilitate and encourage South African export trade, by underwriting export credit loans and investments outside South Africa to enable South African contractors to win capital goods and services in other countries	Specialist services	24,307 (121,517)	Export Credit and Foreign Investments Insurance Act, 2001 (Act No. 9 of 2001), as amended Schedule 3B
Regulatory Institutions				
National Gambling Board (NGB) 	Provide advice on the national gambling industry, and promote uniform norms and standards across provinces	Regulatory	26,057 (37,605)	Gambling Act, 2004 (Act No. 7 of 2004) Schedule 3A
National Lotteries Board (NLB) 	Exercise national control over lottery activities	Regulatory	Nil (Nil)	Lottery Act, 1997 (Act 57 of 1997) Schedule 3A
National Credit Regulator 	Regulate the South African credit industry	Regulatory	57,931 (53,042)	National Credit Act, 2005 (Act 34 of 2005) Schedule 3A

Report of the Accounting Officer

for the year ended 31 March 2013

Name of Entity	Purpose of Entity	Type of Institution	Transfers 12/13 (11/12) R'000	Enabling Legislation/ Type of Listing
Companies and Intellectual Property Commission (CIPC) 	Registration of companies, co-operatives and Intellectual Property rights (trademarks, patents, designs and copyright) and maintenance thereof	Regulatory	Nil (13,990)	Companies Act, 2008 (Act 71 of 2008) Schedule 3A
National Consumer Tribunal 	Adjudicate a variety of applications, and hear cases against credit providers that contravene the Act	Regulatory	33,165 (28,833)	National Credit Act, 2005 (Act 34 of 2005) Schedule 3A
National Regulator for Compulsory Specifications (NRCS) 	Administer compulsory specifications, otherwise known as technical regulations	Regulatory	79,684 (37,173)	National Regulator for Compulsory Specifications Act, 2008 (Act 5 of 2008) Schedule 3A
National Consumer Commission (NCC) 	The NCC is charged with the responsibility to enforce and carry out the functions assigned to it in terms of the Act, which aims to promote, protect and advance the social and economic welfare of consumers in South Africa by providing leadership, advocacy and a system of rapid redress thereby creating a fair and accessible consumer marketplace	Regulatory	46,842 (32,988)	Section 85 of the Consumer Protection Act, 2008 (Act 68 of 2008) Schedule 3A
Companies Tribunal 	The Companies Tribunal may adjudicate in relation to any application that may be made to it and make any order as provided for in the Companies Act in respect of such an application, and in addition serve as a forum for voluntary alternative dispute resolution	Regulatory	10,137 (10,000)	Companies Act, 2008 (Act 71 of 2008) Schedule 3A

Name of Entity	Purpose of Entity	Type of Institution	Transfers 12/13 (11/12) R'000	Enabling Legislation/ Type of Listing
Standardisation, Quality Assurance, Accreditation and Metrology Institutions (SQAM)				
South African National Accreditation System (SANAS) 	Provide an accreditation system for laboratories, certification, inspection and Good Laboratory Practice (GLP). Establish laboratory, personnel and certification body in South Africa, as well as mutual recognition agreements with international accreditation organisations	Specialist Services	30,676 (30,623)	Accreditation for Conformity Assessment Calibration and Good Laboratory Practice Act, 2006 (Act 19 of 2006) Schedule 3A
South African Bureau of Standards (SABS) 	Promote the standardisation and quality management in industry and commerce, and supervise trade metrology and units of measure	Specialist services	235,133 (282,810)	Standards Act, 2008 (Act No. 8 of 2008) 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	82,233 (87,581)	Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006) Schedule 3A

6. Organisations to which transfer payments have been made

Transfer payments made to entities are reflected in the above summary, as well as in Annexure 1A and 1C of the Financial Statements. The entities to which transfer payments were made are dependent on the fiscus for the funding of their operations and programmes and are aligned to the objectives of **the dti**.

7. Public-Private Partnerships (PPP)

7.1. Office Accommodation

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

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

Report of the Accounting Officer

for the year ended 31 March 2013

Variation orders proceeded though particular challenges around project management resulting in frustration to clients.

Unitary payments are based on a baseline amount of R108.6 million (2004) per annum, which appreciates at CPI on 1 July of each year. Cash flows in the form of unitary payments and payments to Rainprop (Pty) Ltd towards pass-through costs commenced during April 2004. In 2012/13, such payments totalled R196.2 million, compared to the R180.2 million for the 2011/12 reporting period.

Payments made regarding variation orders amounted to R6.2 million in 2012/13, which is slightly more than the R6.1 million for the previous year. This is due to some works that are still in progress.

Variation orders relate to changes and additions to the design of the building, and changes to accommodate increased numbers of staff, more so since **the dti** is providing accommodation for the Economic Development Department and some of its agencies. This has expanded the staffing complement that must be supported on campus.

Payments of R2.2 million were made during the reporting period for small works, compared to the R1.8 million for the previous year.

Cash flows in the form of pass-through costs to Rainprop (Pty) Ltd for services such as rates, electricity, water and consumables amounted to R21.4 million. Performance deductions of R19 000 were charged and recovered from Rainprop (Pty) Ltd.

the dti paid interest of R486 000 for security-related under-delivery relating to an arbitration award on a dispute between the department and concessionaire around the execution of the security function. The result of the arbitration was not in favour of the department at the time and, though a portion of interest was settled in the 2011/12 reporting period, a legal opinion had to be acquired to establish **the dti's** obligation before this amount could be paid. Details of the agreement and associated costs are reflected in Note 29 of the Financial Statements.

A variation order to investigate options for the procurement of Block G, the so-called "Future Expansion Building" as provided for in the PPP agreement, was initiated after consulting with the National Treasury. The necessary processes for Treasury approval will be undertaken during 2013/14.

7.2. Fleet Management

the dti participates in the Department of Transport's Fleet Management contract for the use of its pool vehicles. This agreement is a full maintenance lease transversal contract regulated by the National Treasury PPP and Supply Chain Management regulations. **the dti** leases short-term, long-term, chauffeur and point-to-point driven services. The contract term, which is for five years and commenced on 1 December 2006, was extended by the Department of Transport for a further two years. In the 2012/13 financial year, an amount of R4.8 million was paid towards this agreement.

8. Corporate Governance Arrangements

Good corporate governance underpins the effectiveness of the leadership of **the dti**. Although **the dti** is a national department,

effort has been made to ensure compliance with the spirit and code of the King Report on Corporate Governance, 2009 (known as King III).

The department has a dedicated Directorate for Corporate Governance, and this Directorate is responsible for risk management, ethics awareness, business continuity, compliance, contracts management, environmental management and corporate secretariat. The secretariat function ensures that the decision-making leadership structures are properly constituted, defined and administered.

The highest management committee is known as the Executive Board (ExBo). It has various sub-committees such as the Operations Committee (Opscom), the Bid Evaluation Committee and Bid Adjudication Committee to ensure proper compliance with the Supply Chain Management Framework in tender applications, and the ICT Committee to ensure both compliance with Cobit and give effect to Chapter 5 of King III, which relates to the governance of information technology. The Audit Committee (AC) and Risk Management Committee (RMC) ensures transparency and objectivity in the discharge of oversight responsibilities and have effectively discharged their respective responsibilities during the year under review as evidenced by the records of meetings.

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

8.1. Executive Board (ExBo)

ExBo comprises the Heads of Divisions, i.e. Deputy Directors-General, Group Chief Financial Officer (GCFO), Chief Financial Officer (CFO), Group Chief Operations Officer (GCOO), Head of Ministry, and Head of Communications and Marketing, and is chaired by the Director-General. The Chief Information Officer (CIO) and Chief Economist also serve as standing attendees. The position of a Chief Risk and Compliance Officer has been established to further enhance capacity in this area of work and it is intended that the incumbent would also serve as a member of ExBo.

The primary role of ExBo is to provide strategic direction towards the achievement of departmental objectives. This is done in consultation with the Minister. As part of the annual strategic planning process, ExBo conducts a risk assessment to identify strategic risks that could impede the department from achieving set targets. ExBo provides oversight of the actions identified and implemented to minimise these risks. **the dti's** performance monitoring system provides for quarterly reviews of the implementation of the departmental business plan by ExBo. The purpose of such reviews is to evaluate progress reports against set targets and take corrective action where necessary. Furthermore, ExBo considers and approves policy recommendations of strategic importance.

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

8.2. Fraud Prevention

the dti adopted and continuously maintains a “zero-tolerance” approach to fraud and corruption. The departmental

Report of the Accounting Officer

for the year ended 31 March 2013

Fraud Prevention Policy, Strategy and Plan ensures that an anti-fraud environment and culture is promoted internally (to all staff) and externally (to the public at large). Implementation is conducted in terms of an implementation matrix and the RMC oversees progress on implementation and effectiveness.

The department approaches fraud and corruption both proactively and reactively. Proactively, the Corporate Governance Directorate is responsible for providing an enabling environment for the disclosure of information relating to possible fraud, corruption or maladministration. This is achieved by putting in place and promoting a Protection of Whistle-Blowers Policy.

Promotion of this message is done throughout the year, both internally to staff and publicly, during roadshows promoting the work of **the dti**, as part of its “be silent no more” campaign.

Reactively, the department has a fully functional forensic directorate under the Office of the Chief Audit Executive that investigates all reported cases of potential fraud or corruption.

The Corporate Governance Directorate also provides an e-mail-based ethics helpdesk, Ethics@thedti.gov.za, which is available to both employees and the public at large to obtain advice and raise an alarm to any suspicious activity.

Management continued to report to the RMC according to the Fraud Prevention Plan Implementation Matrix, which is based on identified fraud risks. The Matrix is revised annually and aligned to the risk assessment process.

8.3. Risk Management Committee (RMC)

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

Risk assessment is conducted annually, which includes operational and strategic risks, and this is conducted in such a manner as to ensure alignment with the strategic objectives and priorities of the department. Thereafter, quarterly reviews are conducted during the year to track progress and ensure relevance. Divisional managers are required to report to the RMC on a quarterly basis on progress in addressing the identified risks. Divisional management also addresses matters of risk at business unit management meetings.

The Pre-Risk Management Committee consists of the Chairperson of the RMC, a second external risk management committee member, the Chief Financial Officer, the Director: Legal Services, the Director: Employee Relations, the Director: Compliance and Forensic Audit, and the Chief Audit Executive.

The Committee is responsible for the oversight of forensic investigations in **the dti** and met on a quarterly basis during the past financial year. During these meetings, progress on forensic investigations was tracked and feedback provided on the status of the implementation of recommendations made in forensic investigation reports.

8.4. Disclosure of Financial Interests by Senior Managers

For the 2011/12 disclosure period, all senior managers (100%) disclosed their financial interests, which were noted

by the Minister and submitted to the Public Service Commission (PSC) ahead of the deadline of 31 May 2012.

An audit was conducted by **the dti** Internal Audit to compare the information disclosed by members with the information on the CIPC database.

Disclosures for the 2012/13 period have been received by the Corporate Governance Directorate and are en route to the Minister for signature. It is anticipated that **the dti** will again submit to the PSC ahead of the deadline. Also, for the third year in a row, there is compliance by 100% of SMS. Again, these forms will be audited internally. It is the policy of the department to take disciplinary action in any instance of wilful non-compliance.

This indicates the continuous improvement by the department in this area.

8.5. Health and Safety

All identified Occupational Health and Safety (OH&S) representatives and other safety team members within internal divisions of **the dti** were trained during the second quarter of 2012/13. The terms of some OH&S representative are coming to an end and new representatives will be nominated by divisions for training in 2013/14. Section 16(2) appointments, as contemplated in the OH&S Act, have been completed.

There has been generally good attendance of OH&S representatives at the statutory safety meetings, however, in the latter part of the year, challenges were experienced and will be addressed in 2013. The Emergency Reaction Plan has been updated and is presently for review at the City Council of Tshwane (fire department).

Four statutory meetings were completed. The situation with regards to capacity has been addressed by the filling of a position dedicated to this function and the new incumbent will assume duty in July 2013.

OH&S inspections were also executed in all regional offices and reports sent to the respective landlords to action findings.

8.6. Operations Committee (Opscom)

As already indicated, Opscom is a sub-committee of ExBo tasked with the role of ensuring operational effectiveness of the department. The members of Opscom are representatives from the various divisions, and the committee is chaired by the GCOO in relation to divisional business plans, as well as divisional progress reporting against such plans.

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

As part of assisting ExBo in cascading the planning and organisational performance review process, Opscom evaluated and provided inputs into 2013/14 divisional plans.

8.7. Operational Policies

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for the year ended 31 March 2013

Opscom continues to play a pivotal role in ensuring an effective operational environment in **the dti**.

A total of 15 policy frameworks, strategies and plans covering human resources, finance, ICT, governance, monitoring and evaluation, service delivery, accommodation and security were considered and recommended for approval during the year under review. A total of nine meetings were held during the year.

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, IT and corporate governance audits. The Internal Audit Unit and appointed consultants are monitoring identified risks in the Fraud Prevention and Risk Assessment plans and in respect of general corporate governance concerns at **the dti**.

The Internal Audit Unit has been 100% capacitated for 2012/13.

Forensic audit services continued to be co-sourced to Grant Thornton Business Advisory Services. The forensic audit capacity, along with the Internal Audit capacity, enabled **the dti** to improve its internal and risk management controls and corporate governance processes.

An amount of R1.5 million was paid to KPMG for co-sourced audit services during the 2012/13 financial year, while R1.8 million was paid to the forensic consultants for conducting co-sourced forensic investigations.

For the reporting period, the Internal Audit Unit spent an estimated 17 200 hours on audit work at **the dti**. A total of 47 internal audit reports were issued to management and presented to the Audit Committee. This amounts to 82% completion of the Internal Audit Coverage plan as at 31 March 2013. The remaining 10 audits were still in progress at the time of reporting. These reports included audits on compliance, performance, IT and governance-related areas. The Internal Audit Charter was also subject to its annual review.

8.9. Audit Committee

The Audit Committee for the 2012/13 financial year comprised five independent, external members until July 2012, whereafter the committee consisted of four independent external members as well as the Director-General of **the dti**, who is the only internal member.

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

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 waste management, such as recycling and the re-use of equipment.

Vote 36: Department of Trade and Industry

- **the dti** also continued with its energy-saving programme to alleviate electricity consumption. Consumption was monitored for deviation on a monthly basis. Light sensors were installed in all lifts and the Building Management System (BMS) is used to manage the switching on/off of utilities.
- A plan has been put together to commence with key activities to reduce campus waste and improve the management thereof.

the dti reported on progress against its Environmental Implementation Plan (EIP), which was adopted by the Committee on Environmental Co-ordination (CEC) of the Department of Environmental Affairs.

Specific actions include controls to ensure that recipients of grants adhere to environmental requirements, while specific grants for waste minimisation projects are allocated.

the dti has compiled its 2010-2014 EIP, which was approved and adopted by the CEC on 25 February 2011. This will now be gazetted, in terms of Section 15(2) (b) of the National Environmental Management Act (Act No. 107 of 1998).

8.11. Departmental Bid Adjudication Committee (BAC)

The BAC continues to ensure that the awarding and adjudication of bids is done in a fair, transparent and competitive manner in accordance with the Treasury Regulations on Supply Chain Management. BAC meetings are held on a weekly basis and a total of 12 bids were awarded during the 2012/13 financial year.

No concerns around irregularity or corruption were raised during this period, which is indicative of adherence to PFMA requirements regarding fairness, equitability, transparency, competitiveness and cost-effectiveness.

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

In broadening participation in the decision-making process and to improve on the turnaround times, additional members were appointed to the BAC and the processes and procedures reviewed. The Committee is representative of six Divisions within **the dti** and comprised the following members with extensive knowledge and experience in public finance, legal and economic research and policy matters:

- Sarah Choane Deputy Director-General: GSSSD (retired Chair)
- Shabeer Khan Chief Financial Officer: ODG (new Chair)
- Analize Jooste Chief Operating Officer: GSSSD
- Riaan Le Roux Chief Operating Officer: TISA (new member)
- Lizell Reinecke Chief Operating Officer: ITED (new member)
- Tumelo Baleni Chief Operating Officer: CCRD (new member)
- Susan Mangole Chief Operating Officer: IDIAD (new member)
- Caroline Kongwa Chief Director: Legal Services
- Nthabiseng Ngozwana Director: ERPC (new member)
- Deon Fourie Director: SCM

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9. New Activities/Activities to be Discontinued

During the period under review, no activities were discontinued.

10. New and Proposed Activities

No new activities were introduced during the 2012/13 financial year.

11. Asset Management

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

12. Inventories

All inventory opening and closing balances, together with movements for the year will be reflected in the Annexure 5 on Inventory.

13. Events After the Reporting Date

No events took place after the reporting date of 31 March 2013, which would impact on the financial position of **the dti** at that date.

14. Pre-determined Objectives

During the reporting period, few changes were made to the Annual Performance Plan in relation to the performance targets that were dependent on external parties. The department has since revised and phrased them in a way that is easy to repeat and provide documentary evidence. The department also approved the Standard Operating Procedures for planning and reporting, which have been developed to effect the implementation of the Policy on managing organisational performance. This document aims to address shortcomings in the area of compliance with the National Treasury requirements for developing performance indicators and targets that adhere to certain standards and criteria.

This was identified as a weakness by the Auditor-General during the audit of the Annual Report for the 2010/11 financial year. **the dti** implemented various interventions to ensure there are no repeated findings.

During the audit of the Annual Report for 2011/12, no finding was reported by the Auditor-General apart from misstatement and changes that were made on the performance information, which was not particularly significant. As part of enhancing the performance information, a profile for each of the performance indicators contained in the Annual Performance Plan was developed. This will assist in providing a detailed description and make the information more reader-friendly.

15. SCOPA Resolutions

No Finance Act resolutions were taken by SCOPA on unauthorised expenditure during the reporting period.

16. Prior Modifications to Audit Reports

Actions were taken to resolve all substantial matters reported by the Auditor-General during the audit of the 2011/12 financial year:

Nature of disclaimer, adverse opinion and matters of non-compliance	Progress made in resolving the matter
Material misstatements in Financial Statements that were subsequently corrected	To improve the quality, Financial Statements are being produced more regularly. Quarterly Financial Statements are now being produced; however, processes are currently being implemented to produce monthly Financial Statements. The June, September and December Interim Financial Statements were completed and submitted to National Treasury. The third quarter Financial Statements were audited by Internal Audit with no material misstatements being identified.
Goods and services with a transaction value below R500k procured without obtaining the required price quotations The Accounting Officer did not take steps to prevent irregular and fruitless and wasteful expenditure	These relate to transactions where three quotations could not be obtained and the delegations of authority did not specifically provide for these deviations. The delegations have since been amended to include the deviations. Regular refresher sessions on the requirements for procurement for the staff have been implemented, including communication via financial circulars. Quarterly memoranda to be issued to the DDGs to take appropriate disciplinary action against any official who incurs or permits irregular expenditure.
Employees performed remunerative work without the relevant approvals	A circular on remunerative work was circulated to all staff. Staff members were required to obtain approval for remunerative work by 15 December 2012. Awareness-raising presentations are being given to all divisions, to ensure a proper understanding and compliance.
Proper control systems to safeguard and maintain assets not implemented	Findings raised in this area were due to the exact locations of assets not being reflected in the asset register. There are limitations in this regard with the current transversal system being used, however, the department has since implemented an asset management system parallel to LOGIS that is able to record the location of the assets. Divisions are now requested to conduct monthly asset verifications with total verifications being conducted on a bi-annual basis.
A written policy on overtime was not in place	The Overtime Policy was approved and is being implemented.

Report of the Accounting Officer

for the year ended 31 March 2013

17. Exemptions and Deviations Received from the National Treasury

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

18. Interim Financial Statements

All Interim Financial Statements were completed and submitted to the National Treasury. The third quarter financial statements were audited by Internal Audit with no material misstatements being identified.

19. Other

No other circumstances or events took place during the reporting period that may have an effect on the understanding of the financial state of affairs.

Approval

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



Mr Lionel October
Director-General



Appropriation Statement

for the year ended 31 March 2013

Appropriation per programme										
APPROPRIATION STATEMENT	2012/13					2011/12				
	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	R'000
1. Administration										
Current payment	659,846	(44,871)	(22,106)	592,869	589,873	2,996	99.5%	582,689	571,617	
Transfers and subsidies	3,471	628	-	4,099	4,021	78	98.1%	7,022	7,010	
Payment for capital assets	33,862	3,612	(4,500)	32,974	31,106	1,868	94.3%	26,636	25,973	
Payment for financial assets	-	40,631	39,820	80,451	80,426	25	99.9%	34,775	34,775	
	697,179	-	13,214	710,393	705,426	4,967	99.3%	651,122	639,375	
2. International Trade and Economic Development										
Current payment	99,179	(789)	(1,547)	96,843	96,652	191	99.8%	104,764	98,903	
Transfers and subsidies	34,904	789	-	35,693	35,571	122	99.7%	33,674	33,310	
Payment for capital assets	580	-	-	580	482	98	83.1%	800	707	
	134,663	-	(1,547)	133,116	132,705	411	99.7%	139,238	132,920	
3. Broadening Participation										
Current payment	99,115	(587)	(7,518)	91,010	89,362	1,648	98.2%	86,212	77,933	
Transfers and subsidies	839,903	265	7,857	848,025	839,589	8,436	99.0%	808,819	808,740	
Payment for capital assets	962	322	-	1,284	742	542	57.8%	1,214	840	
	939,980	-	339	940,319	929,693	10,626	98.9%	896,245	887,513	

Appropriation per programme										
APPROPRIATION STATEMENT	2012/13					2011/12				
	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. Industrial Development: Policy Development										
Current payment	102,305	(4,224)	(3,120)	94,961	94,914	47	99.9%	95,721	85,692	
Transfers and subsidies	1,389,293	4,163	18,600	1,412,056	1,409,543	2,513	99.8%	1,235,293	1,234,109	
Payment for capital assets	1,147	61	-	1,208	633	575	52.4%	1,315	1,070	
Payment for financial assets	-	-	-	-	-	-	-	800	800	
	1,492,745	-	15,480	1,508,225	1,505,090	3,135	99.8%	1,333,129	1,321,671	
5. Consumer and Corporate Regulation										
Current payment	71,025	(4,545)	(17,302)	49,178	43,050	6,128	87.5%	45,031	38,521	
Transfers and subsidies	175,632	2,545	-	178,177	177,536	641	99.6%	179,612	179,610	
Payment for capital assets	1,486	-	-	1,486	1,278	208	86.0%	800	429	
Payment for financial assets	-	2,000	-	2,000	1,704	296	85.2%	4	4	
	248,143	-	(17,302)	230,841	223,568	7,273	96.8%	225,447	218,564	
6. Industrial Development: Incentive Administration										
Current payment	162,524	(20,072)	(9,568)	132,884	132,750	134	99.9%	121,799	114,036	
Transfers and subsidies	4,372,706	25,026	-	4,397,732	4,379,381	18,351	99.6%	3,174,545	3,164,898	
Payment for capital assets	25,640	(4,954)	54	20,740	2,420	18,320	11.7%	4,886	4,615	
	4,560,870	-	(9,514)	4,551,356	4,514,551	36,805	99.2%	3,301,230	3,283,549	

Appropriation Statement

for the year ended 31 March 2013

Appropriation per programme										
APPROPRIATION STATEMENT	2012/13					2011/12				
	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	R'000
7. Trade and Investment South Africa										
Current payment	228,238	(2,846)	(6,670)	218,722	218,274	448	99,8%	186,641	174,092	
Transfers and subsidies	46,954	644	6,000	53,598	53,287	311	99,4%	140,441	140,435	
Payment for capital assets	2,314	2,200	-	4,514	3,833	681	84,9%	3,011	2,854	
Payment for financial assets	-	2	-	2	1	1	50,0%	9	7	
	277,506	-	(670)	276,836	275,395	1,441	99,5%	330,102	317,388	
Total	8,351,086	-	-	8,351,086	8,286,428	64,658	99,2%	6,876,513	6,800,980	

Programme three's name has been changed to Broadening Participation from Empowerment and Enterprise Development as a result of programme structure change during the Medium Term Expenditure Framework for 2011-2014.

Prior year figure of R4.9 million under the Statutory Appropriation in respect of the National Skills Fund was restated to a zero in line with Practice Note 9 of 2008/09.

Appropriation per programme					
	2012/13			2011/12	
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000
TOTAL (brought forward)	8,351,086	8,286,428		6,876,513	6,800,980
Reconciliation with statement of financial performance					
ADD					
Departmental receipts	135,323			78,707	
Aid assistance	509,379			617,503	
Actual amounts per statement of financial performance (total revenue)	8,995,788			7,572,723	
ADD					
Aid assistance		80,265			195,844
Actual amounts per statement of financial performance (total expenditure)		8,366,693			6,996,824

Appropriation Statement

for the year ended 31 March 2013

Economic Classification	Appropriation per economic classification									
	2012/13					2011/12				
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments										
Compensation of employees	735,953	(38,253)	(22,381)	675,319	3,769	99.4%	588,389	566,988	588,389	566,988
Goods and services	686,279	(40,143)	(45,480)	600,656	7,818	98.7%	634,395	593,730	634,395	593,730
Interest and rent on land	-	492	-	492	487	99.0%	73	73	73	73
Transfers and subsidies										
Departmental agencies and accounts	1,126,195	2,500	-	1,128,695	700	99.9%	1,058,599	1,058,599	1,058,599	1,058,599
Universities and technicians	10,004	4,000	18,600	32,604	4	99.9%	14,804	14,800	14,804	14,800
Foreign governments and international organisations	36,438	1,602	-	38,040	696	98.2%	41,683	40,172	41,683	40,172
Public corporations and private enterprises	5,668,674	24,120	7,607	5,700,401	28,647	99.5%	4,450,245	4,440,568	4,450,245	4,440,568
Non-profit institutions	17,900	-	6,000	23,900	-	100%	10,200	10,125	10,200	10,125
Households	3,652	1,838	250	5,740	406	92.9%	3,875	3,849	3,875	3,849
Payment for capital assets										
Machinery and equipment	38,824	6,403	(4,416)	40,811	4,179	89.8%	22,095	20,137	22,095	20,137
Software and other intangible assets	27,167	(5,192)	-	21,975	18,112	17.6%	16,567	16,353	16,567	16,353
Payment for financial assets	-	42,633	39,820	82,453	322	99.6%	35,588	35,586	35,588	35,586
Total	8,351,086	-	-	8,351,086	64,658	99.2%	6,876,513	6,800,980	6,876,513	6,800,980

Prior year figure of R4.9 million under the Statutory Appropriation in respect of the National Skills Fund was restated to a zero in line with Practice Note 9 of 2008/09.

		2012/13							2011/12	
Programme 1 – Administration	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1.1 Ministry										
Current Payment	35,974	194	-	36,168	36,167	1	99.9%	36,792	36,424	
Transfers and subsidies	-	41	-	41	40	1	97.6%	294	293	
Payment for capital assets	1,384	-	-	1,384	638	746	46.1%	1,248	946	
1.2 Office of the Director-General										
Current payment	83,132	(11,800)	(11,365)	59,967	58,346	1,621	97.3%	62,057	61,681	
Transfers and subsidies	650	139	-	789	781	8	99.0%	4,708	4,706	
Payment for capital assets	765	94	-	859	451	408	52.5%	600	531	
1.3 Corporate Services										
Current payment	376,384	(3,315)	(1,741)	371,328	369,957	1,371	99.6%	356,150	351,750	
Transfers and subsidies	2,721	239	-	2,960	2,951	9	99.7%	1,657	1,652	
Payment for capital assets	30,497	2,752	(4,500)	28,749	28,639	110	99.6%	23,481	23,267	
Payment for financial assets	-	19	-	19	18	1	94.7%	4	4	
1.4 Office Accommodation										
Current payment	5,177	-	(3,000)	2,177	2,177	-	100%	8,292	8,292	
1.5 Financial Management										
Current payment	48,661	(9,329)	-	39,332	39,329	3	100%	34,759	34,580	
Transfers and subsidies	-	36	-	36	35	1	97.2%	105	102	
Payment for capital assets	536	555	-	1,091	955	136	87.5%	362	316	

Appropriation Statement

for the year ended 31 March 2013

Programme 1 – Administration	2012/13							2011/12	
	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
Payment for financial assets	-	40,612	39,820	80,432	80,408	24	100%	34,771	34,771
1.6 Media and Public Relations									
Current payment	10,904	(4,910)	-	5,994	5,994	-	100%	4,573	4,525
Transfers and subsidies	-	-	-	-	-	-	-	14	14
Payment for capital assets	80	200	-	280	55	225	19.6%	50	19
1.7 Communications									
Current payment	99,614	(15,711)	(6,000)	77,903	77,903	-	100%	80,066	74,365
Transfers and subsidies	100	173	-	273	214	59	78.4%	244	243
Payment for capital assets	600	11	-	611	368	243	60.2%	895	894
Total	697,179	-	13,214	710,393	705,426	4,967	99.3%	651,122	639,375

1.7 Communications sub-programme moved altogether from Programme 8, Marketing and Communication, to Programme 1, Administration as a result of programme structure change during the Medium Term Expenditure Framework for 2011-2014.

Programme 1 – Economic Classification	2012/13							2011/12	
	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	222,342	(17,943)	-	204,399	203,099	1,300	99.4%	179,639	178,055
Goods and services	437,504	(27,418)	(22,106)	387,980	386,288	1,692	99.6%	402,977	393,488
Interest and rent on land	-	490	-	490	486	4	99.2%	73	73
Transfers and subsidies									
Public corporations and private enterprises	650	-	-	650	650	-	100%	4,630	4,630
Households	2,821	628	-	3,449	3,371	78	97.7%	2,392	2,380
Payment for capital assets									
Machinery and equipment	30,805	3,908	(4,500)	30,213	28,495	1,718	94.3%	13,998	13,522
Software and other intangible assets	3,057	(296)	-	2,761	2,611	150	94.6%	12,638	12,452
Payment for financial assets									
	-	40,631	39,820	80,451	80,426	25	99.9%	34,775	34,775
Total	697,179	-	13,214	710,393	705,426	4,967	99.3%	651,122	639,375

Appropriation Statement

for the year ended 31 March 2013

	2012/13										2011/12	
	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	R'000	R'000	
Programme 2 – International Trade and Economic Development												
2.1 International Trade Development												
Current payment	67,015	(1,483)	(1,103)	64,429	64,428	1	99.9%	57,596	56,401			
Transfers and subsidies	16,314	758	-	17,072	16,987	85	99.5%	16,148	15,784			
Payment for capital assets	580	-	-	580	482	98	83.1%	800	707			
2.2 African Economic Development												
Current payment	32,164	694	(444)	32,414	32,224	190	99.4%	47,168	42,502			
Transfers and subsidies	18,590	31	-	18,621	18,584	37	99.8%	17,526	17,526			
Total	134,663	-	(1,547)	133,116	132,705	411	99.7%	139,238	132,920			

Programme 2 – Economic Classification	2012/13							2011/12	
	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	72,990	(43)	(951)	71,996	71,842	154	99.8%	64,622	63,539
Goods and services	26,189	(746)	(596)	24,847	24,810	37	99.9%	40,142	35,364
Transfers and subsidies									
Foreign governments and international organisations	12,900	292	-	13,192	13,145	47	99.6%	12,713	12,360
Public corporations and private enterprises	21,900	430	-	22,330	22,297	33	99.9%	20,850	20,840
Households	104	67	-	171	129	42	75.4%	111	110
Payment for capital assets									
Machinery and equipment	580	-	-	580	482	98	83.1%	800	707
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Total	134,663	-	(1,547)	133,116	132,705	411	99.7%	139,238	132,920

Appropriation Statement

for the year ended 31 March 2013

Programme 3 – Broadening Participation	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
3.1 Enterprise Development									
Current payment	27,389	(2)	(697)	26,690	26,284	406	98.5%	25,086	22,559
Transfers and subsidies	442,295	152	100	442,547	441,846	701	99.8%	441,669	441,667
Payment for capital assets	256	-	-	256	120	136	46.9%	357	283
3.2 Equity and Empowerment									
Current payment	28,830	(1,000)	(3,553)	24,277	23,147	1,130	95.3%	24,364	21,109
Transfers and subsidies	9,500	112	50	9,662	9,547	115	98.8%	14,765	14,690
Payment for capital assets	145	138	-	283	206	77	72.8%	281	171
3.3 Regional Economic Development									
Current payment	42,896	415	(3,268)	40,043	39,931	112	99.7%	36,762	34,265
Transfers and subsidies	388,108	1	7,707	395,816	388,196	7,620	98.1%	352,385	352,383
Payment for capital assets	561	184	-	745	416	329	55.8%	576	386
Total	939,980	-	339	940,319	929,693	10,626	98.9%	896,245	887,513

Programme 3 – Economic Classification	2012/13							2011/12	
	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	60,694	-	(2,086)	58,608	57,502	1,106	98.1%	52,738	49,504
Goods and services	38,421	(587)	(5,432)	32,402	31,859	543	98.3%	33,474	28,429
Transfers and subsidies to:									
Departmental agencies and accounts	761,970	-	-	761,970	761,270	700	99.9%	726,764	726,764
Universities and technikons	10,001	-	-	10,001	10,000	1	99.9%	1	-
Public corporations and private enterprises	59,742	-	7,607	67,349	59,740	7,609	88.7%	78,491	78,490
Non-profit institutions	7,900	-	-	7,900	7,900	-	100%	3,200	3,125
Households	290	265	250	805	679	126	84.3%	363	361
Payment for capital assets									
Machinery and equipment	962	218	-	1,180	641	539	54.3%	1,189	840
Software and other intangible assets	-	104	-	104	102	2	98.1%	25	-
Total	939,980	-	339	940,319	929,693	10,626	98.9%	896,245	887,513

Appropriation Statement

for the year ended 31 March 2013

	2012/13							2011/12	
	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
Programme 4 – Industrial Development: Policy Development									
4.1 Industrial Competitiveness									
Current payment	31,648	(2,557)	(1,033)	28,058	28,045	13	99.9%	28,028	27,037
Transfers and subsidies	476,248	(2,367)	-	473,881	473,773	108	99.9%	485,477	484,296
Payment for capital assets	222	46	-	268	178	90	66.4%	444	335
Payment for financial assets	-	-	-	-	-	-	-	800	800
4.2 Customised Sector Programmes									
Current payment	70,657	(1,667)	(2,087)	66,903	66,869	34	99.9%	67,693	58,655
Transfers and subsidies	913,045	6,530	18,600	938,175	935,770	2,405	99.7%	749,816	749,813
Payment for capital assets	925	15	-	940	455	485	48.4%	871	735
Total	1,492,745	-	15,480	1,508,225	1,505,090	3,135	99.8%	1,333,129	1,321,671

Programme 4 – Economic Classification	2012/13							2011/12	
	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	77,537	-	(2,809)	74,728	74,726	2	99.9%	66,105	62,140
Goods and services	24,768	(4,224)	(311)	20,233	20,189	44	99.8%	29,616	23,553
Transfers and subsidies to:									
Departmental agencies and accounts	192,593	-	-	192,593	192,593	-	100%	155,377	155,377
Universities and technicons	3	4,000	18,600	22,603	22,600	3	99.9%	14,803	14,800
Foreign governments and international organisations	7,200	(2,400)	-	4,800	4,789	11	99.8%	14,152	12,996
Public corporations and private enterprises	1,189,447	2,400	-	1,191,847	1,189,349	2,498	99.8%	1,050,694	1,050,669
Households	50	163	-	213	211	2	99.1%	267	266
Payment for capital assets									
Machinery and equipment	1,147	61	-	1,208	633	575	52.4%	1,315	1,070
Payments for financial assets									
	-	-	-	-	-	-	-	800	800
Total	1,492,745	-	15,480	1,508,225	1,505,090	3,135	99.8%	1,333,129	1,321,671

Appropriation Statement

for the year ended 31 March 2013

	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Programme 5 – Consumer and Corporate Regulation									
5.1 Policy and Legislative Development									
Current payment	26,967	(2,654)	(8,677)	15,636	14,398	1,238	92.1%	13,382	12,874
Transfers and subsidies	-	24	-	24	23	1	95.8%	35	35
Payment for financial assets	-	-	-	-	-	-	-	4	4
5.2 Enforcement and Compliance									
Current payment	20,270	494	(4,803)	15,961	14,453	1,508	90.6%	17,548	16,066
Transfers and subsidies	-	6	-	6	5	1	83.3%	51	51
5.3 Regulatory Services									
Current payment	23,788	(2,385)	(3,822)	17,581	14,199	3,382	80.8%	14,101	9,581
Transfers and subsidies	175,632	2,515	-	178,147	177,508	639	99.6%	179,526	179,524
Payment for capital assets	1,486	-	-	1,486	1,278	208	86.0%	800	429
Payment for financial assets	-	2,000	-	2,000	1,704	296	85.2%	-	-
Total	248,143	-	(17,302)	230,841	223,568	7,273	96.8%	225,447	218,564

Programme 5 – Economic Classification	2012/13							2011/12	
	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	40,167	-	(9,000)	31,167	30,021	1,146	96.3%	26,802	26,482
Goods and services	30,858	(4,545)	(8,302)	18,011	13,029	4,982	72.3%	18,229	12,039
Transfers and subsidies to:									
Departmental agencies and accounts	171,632	2,500	-	174,132	174,132	-	100%	176,458	176,458
Foreign governments and international organisations	4,000	-	-	4,000	3,362	638	84.1%	3,068	3,066
Households	-	45	-	45	42	3	93.3%	86	86
Payment for capital assets									
Machinery and equipment	1,486	-	-	1,486	1,278	208	86.0%	800	429
Payment for financial assets									
	-	2,000	-	2,000	1,704	296	85.2%	4	4
Total	248,143	-	(17,302)	230,841	223,568	7,273	96.8%	225,447	218,564

Appropriation Statement

for the year ended 31 March 2013

	2012/13							2011/12	
	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
Programme 6 – Industrial Development: Incentive Administration									
6.1 Broadening Participation Incentives									
Current payment	14,733	679	(37)	15,375	15,372	3	99.9%	10,317	10,314
Transfers and subsidies	165,000	30,021	-	195,021	194,452	569	99.7%	108,472	101,740
Payment for capital assets	-	30	-	30	29	1	96.7%	-	-
6.2 Manufacturing Incentives									
Current payment	96,172	(19,934)	(3,587)	72,651	72,613	38	99.9%	70,531	66,123
Transfers and subsidies	2,756,830	140,000	-	2,896,830	2,879,824	17,006	99.4%	2,031,213	2,030,088
Payment for capital assets	25,640	(5,000)	-	20,640	2,331	18,309	11.3%	4,886	4,615
6.3 Service Investment Incentives									
Current payment	9,054	(156)	(548)	8,348	8,344	4	99.9%	8,866	7,824
Transfers and subsidies	499,000	(80,000)	-	419,000	418,628	372	99.9%	300,484	298,765
Payment for capital assets	-	-	54	54	54	-	100%	-	-
6.4 Infrastructure Development Support									
Current payment	11,986	(800)	(1,274)	9,912	9,903	9	99.9%	9,110	8,394
Transfers and subsidies	951,876	(65,000)	-	886,876	886,473	403	99.9%	734,257	734,188

	2012/13						2011/12		
	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
Programme 6 – Industrial Development: Incentive Administration									
6.5 Product and System Development									
Current payment	13,334	(5)	(628)	12,701	12,695	6	99.9%	9,748	8,488
Transfers and subsidies	-	-	-	-	-	-	-	2	1
Payment for capital assets	-	16	-	16	6	10	37.5%	-	-
6.6 Business Development and After Care									
Current payment	17,245	146	(3,494)	13,897	13,823	74	99.5%	13,227	12,893
Transfers and subsidies	-	5	-	5	4	1	80.0%	117	116
Total	4,560,370	-	(9,514)	4,551,356	4,514,551	36,805	99.2%	3,301,230	3,283,549

Sub-programme Competitiveness and Export Incentives, is merged with sub-programme 6.2, Manufacturing Incentives, as a result of programme structure change during the Medium Term Expenditure Framework for 2011-2014.

Appropriation Statement

for the year ended 31 March 2013

Programme 6 – Economic Classification	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	127,300	(20,267)	(5,404)	101,629	101,569	60	99.9%	87,133	83,063
Goods and services	35,224	225	(4,194)	31,255	31,180	75	99.8%	34,666	30,971
Transfers and subsidies									
Foreign governments and international organisations	-	3,710	-	3,710	3,710	-	100%	-	-
Public corporations and private enterprises	4,372,319	21,290	-	4,393,609	4,375,411	18,198	99.6%	3,174,063	3,164,422
Household	387	26	-	413	261	152	63.2%	482	478
Payment for capital assets									
Machinery and equipment	1,530	16	84	1,630	1,270	360	77.9%	1,000	731
Software and other intangible assets	24,110	(5,000)	-	19,110	1,150	17,960	6.0%	3,886	3,884
Total	4,560,870	-	(9,514)	4,551,356	4,514,551	36,805	99.2%	3,301,230	3,283,549

	2012/13							2011/12	
	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
Programme 7 – Trade and Investment South Africa									
7.1 Investment Promotion and Facilitation									
Current payment	50,431	(7,074)	(4,539)	38,818	38,689	129	99.7%	29,161	27,778
Transfers and subsidies	10,000	3	6,000	16,003	16,003	-	100%	7,004	7,004
Payment for capital assets	605	40	-	645	408	237	63.3%	220	200
Payment for financial assets	-	-	-	-	-	-	-	3	2
7.2 Export Development and Promotion									
Current payment	62,860	(11,983)	(2,131)	48,746	48,652	94	99.8%	35,079	33,185
Transfers and subsidies	36,954	325	-	37,279	36,969	310	99.2%	133,435	133,430
Payment for capital assets	809	(40)	-	769	340	429	44.2%	599	465
Payment for financial assets	-	-	-	-	-	-	-	3	2
7.3 International Operations									
Current payment	114,947	16,211	-	131,158	130,933	225	99.8%	122,401	113,129
Transfers and subsidies	-	316	-	316	315	1	99.7%	2	1
Payment for capital assets	900	2,200	-	3,100	3,085	15	99.5%	2,192	2,189
Payment for financial assets	-	2	-	2	1	1	50.0%	3	3
Total	277,506	-	(670)	276,836	275,395	1,441	99.5%	330,102	317,388

Appropriation Statement

for the year ended 31 March 2013

Programme 7 – Economic Classification	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	134,923	-	(2,131)	132,792	132,791	1	99.9%	111,350	104,205
Goods and services	93,315	(2,848)	(4,539)	85,928	85,483	445	99.5%	75,291	69,886
Interest and rent on land	-	2	-	2	1	1	50.0%	-	-
Transfers and subsidies									
Foreign governments and international organisations	12,338	-	-	12,338	12,338	-	100%	11,750	11,750
Public corporations and private enterprises	24,616	-	-	24,616	24,307	309	98.7%	121,517	121,517
Non Profit institutions	10,000	-	6,000	16,000	16,000	-	100%	7,000	7,000
Household	-	644	-	644	641	3	99.5%	174	168
Payment for Capital assets									
Machinery and equipment	2,314	2,200	-	4,514	3,833	681	84.9%	2,993	2,838
Software and other intangible assets	-	-	-	-	-	-	-	18	17
Payment for financial assets									
	-	2	-	2	1	1	50.0%	9	7
Total	277,506	-	(670)	276,836	275,395	1,441	99.5%	330,102	317,388

Notes to the Appropriation Statement

for the year ended 31 March 2013

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

Detail of these transactions can be viewed in note 8 (Transfers and subsidies) and Annexure 1 (A-F) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in note 7 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. Explanations of 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	710,393	705,426	4,967	0.7%
The under-spending is below 1%.				
International Trade and Economic Development	133,116	132,705	411	0.3%
The under-spending is below 1%.				
Broadening Participation	940,319	929,693	10,626	1.1%
Payment in respect of CSIR: Fibre and Textile Centre of excellence was not made due to the late approval of the virement, which resulted in the payment not being processed.				
Industrial Development	1,508,225	1,505,090	3,135	0.2%
The under-spending is below 1%.				
Consumer and Corporate Regulations	230,841	223,568	7,273	3.2%
Under-spending due to six vacant positions out of 67 posts, as well as the additional posts that are still at DPSA for approval. Under-spending under goods and services is as a result of delays in the procurement processes for the NLA Case Management System.				
Industrial Development: Incentive Administration	4,551,356	4,514,551	36,805	0.8%
The under-spending is below 1%.				
Trade and Investment South Africa	276,836	275,395	1,441	0.5%
The under-spending is below 1%.				
Total	8,351,086	8,286,428	64,658	0.8%

Notes to the Appropriation Statement

for the year ended 31 March 2013

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	675,319	671,550	3,769	0.6%
Goods and services	600,656	592,838	7,818	¹ 1.3%
Interest and rent on land	492	487	5	1%
Transfers and subsidies:				
Departmental agencies and accounts	1,128,695	1,127,995	700	0.1%
Universities and Technikons	32,604	32,600	4	0.1%
Public corporations and private enterprises	5,700,401	5,671,754	28,647	0.5%
Foreign governments and international organisations	38,040	37,344	696	² 1.8%
Non-profit institutions	23,900	23,900	-	0%
Households	5,740	5,334	406	³ 7.1%
Payment for capital assets:				
Machinery and equipment	40,811	36,632	4,179	⁴ 10.2%
Software and other intangible assets	21,975	3,863	18,112	⁵ 82.4%
Payments for financial assets	82,453	82,131	322	0.4%
Total	8,351,086	8,286,428	64,658	0.8%

Explanation of variances:

¹ **Goods and Services:** The under-spending is due to the late approval of virement requests by National Treasury with the resultant impact that payments could not be effected by the end of financial year.

² **Foreign Governments and International Organisations:** The under-spending is due to the late approval of virement requests by National Treasury with the resultant impact that payments could not be effected by the end of financial year.

³ **Households:** Under-spending is due to projected expenditure for employee social benefits that did not realise.

⁴ **Machinery and equipment:** Earmarked funds to procure computer equipment for new posts, which were pending approval by DPSA.

⁵ **Software and other intangibles:** Under-spending is due to delay in the supply chain processes for the procurement of an Electronic Management Information system.

Statement of Financial Performance

for the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
REVENUE			
Annual appropriation	<u>1</u>	8,351,086	6,876,513
Departmental revenue	<u>2</u>	135,323	78,707
Aid assistance	<u>3</u>	509,379	617,503
Total Revenue		8,995,788	7,572,723
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	671,550	566,988
Goods and services	<u>5</u>	592,838	593,730
Interest and rent on land	<u>6</u>	487	73
Aid assistance	<u>3</u>	8,323	10,719
Total current expenditure		1,273,198	1,171,510
Transfers and subsidies			
Transfers and subsidies	<u>8</u>	6,898,927	5,568,113
Aid assistance	<u>3</u>	71,942	184,595
Total transfers and subsidies		6,970,869	5,752,708
Expenditure for capital assets			
Tangible capital assets	<u>9</u>	36,632	20,667
Software and other intangible assets	<u>9</u>	3,863	16,353
Total expenditure for capital assets		40,495	37,020
Payments for financial assets	<u>7</u>	82,131	35,586
Total Expenditure		8,366,693	6,996,824
SURPLUS FOR THE YEAR		629,095	575,899
Reconciliation of surplus for the year			
Voted funds	<u>15</u>	64,658	75,533
Departmental revenue	<u>16</u>	135,323	78,707
Aid assistance	<u>3</u>	429,114	421,659
Surplus for the Year		629,095	575,899

Prior year figure of R4.9 million under the Statutory Appropriation in respect of the National Skills Fund was restated to a zero in line with Practice Note 9 of 2008/09.

Statement of Financial Position

for the year ended 31 March 2013

	<i>Note</i>	2012/13 R'000	2011/12 R'000
ASSETS			
Current assets		679,208	648,047
Unauthorised expenditure	<u>10</u>	37,380	37,380
Cash and cash equivalents	<u>11</u>	484,422	399,136
Pre-payments and advances	<u>13</u>	33,550	32,624
Receivables	<u>14</u>	123,856	178,907
Non-current assets		2,935	1,506
Other financial assets	<u>12</u>	2,935	1,506
Total Assets		682,143	649,553
LIABILITIES			
Current liabilities		562,289	476,041
Voted funds to be surrendered to the Revenue Fund	<u>15</u>	24,751	40,245
Departmental revenue to be surrendered to the Revenue Fund	<u>16</u>	94,198	12,514
Payables	<u>17</u>	14,226	1,625
Aid assistance repayable	<u>3</u>	429,114	421,657
Total Liabilities		562,289	476,041
NET ASSETS		119,854	173,512
Represented by:			
Recoverable revenue		119,854	173,512
Total		119,854	173,512

Statement of Changes in Net Assets

for the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
NET ASSETS			
Recoverable revenue			
Opening balance		173,512	213,366
Transfers:		(53,658)	(39,854)
Irrecoverable amounts written off	<u>7.2</u>	(80,172)	(32,081)
Receivables revised		(644)	(5,252)
Receivables recovered (included in departmental receipts)		(39,238)	(34,013)
Receivables raised		66,396	31,492
Closing balance		119,854	173,512
Total		119,854	173,512

Cash Flow Statement

for the year ended 31 March 2013

CASH FLOW	Note	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		8,955,892	7,537,425
Annual appropriated funds received	<u>1</u>	8,311,190	6,841,225
Departmental revenue received	<u>2</u>	135,323	78,697
Aid assistance received	<u>3</u>	509,379	617,503
Net increase in working capital		66,726	17,071
Surrendered to Revenue Fund		(93,895)	(167,798)
Surrendered to RDP Fund/Donor		(421,657)	(234,367)
Current payments		(1,273,198)	(1,171,510)
Payments for financial assets		(82,131)	(35,586)
Transfers and subsidies paid		(6,970,869)	(5,752,708)
Net cash flow available from operating activities	<u>18</u>	180,868	192,527
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for capital assets	<u>9</u>	(40,495)	(37,020)
Proceeds from sale of capital assets	<u>2.5</u>	-	10
Decrease in other financial assets		(1,429)	(377)
Net cash flows from investing activities		(41,924)	(37,387)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in net assets		(53,658)	(39,854)
Net cash flows from financing activities		(53,658)	(39,854)
Net increase in cash and cash equivalents		85,286	115,286
Cash and cash equivalents at the beginning of the period		399,136	283,850
Cash and cash equivalents at end of period	<u>19</u>	484,422	399,136

Prior year figure of R4.9 million under the Statutory Appropriation in respect of the National Skills Fund was restated to a zero in line with Practice Note 9 of 2008/09.

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Where appropriate, 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 1 of 2010.

1. Presentation of the Financial Statements

1.1. Basis of Preparation

The Financial Statements are 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. 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 no later than 31 March of each year.

The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting.

1.2. Presentation Currency

All amounts are presented in South African Rand (R), which is the functional currency of the department.

1.3. Rounding

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

1.4. Comparative Figures

Prior year comparative information is 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 comprise departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

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.

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for the year ended 31 March 2013

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

2.2. Departmental Revenue

All departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the National Revenue Fund, unless stated otherwise. 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. No accrual is made for amounts receivable from the last receipt to the end of the reporting period.

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). In the case of the department this relates to liquor licence fees.

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 that are imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4. Interest, Dividends and Rent on Land

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

2.2.5. Sale of Capital Assets

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

2.2.6. Transactions in Financial Assets and Liabilities

Repayments of loans and advances previously extended to employees and public corporations

are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are indicated in the disclosure notes to the Financial Statements.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued, the payment is made from revenue.

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

2.2.7. Transfers Received (including gifts, donations and sponsorships)

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

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

2.3. Direct Exchequer Receipts and Payments

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and subsequently paid into the National Revenue Fund, unless stated otherwise.

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system by no later than 31 March of each year.

2.4. Aid Assistance

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

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

Cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payment is effected in the accounting records by no later than 31 March of each year. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the statement of financial position.

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for the year ended 31 March 2013

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

3. Expenditure

3.1. Compensation of Employees

3.1.1. Salaries and Wages

Salaries and wages comprise payments to employees, including leave entitlements, 13th 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 by no later than 31 March of each year. All other payments are classified as current expenses.

3.1.2. Social Contributions

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.

3.1.3. Short-Term Employee Benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the Financial Statements and are not to be recognised in the statement of financial performance or position.

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

3.1.4. 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 unfunded retirement benefits in the Financial Statements of the department. Any potential liabilities are disclosed in the Financial Statements of the National Revenue Fund and not in the Financial Statements of the employer department.

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

3.1.5. 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.

3.1.6. Other Long-Term Employee Benefits

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

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

3.2. Goods and Services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system. The expense is classified as capital if the goods and services were used on a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 are classified and presented as current expenditure. Goods and Services are also recorded in an inventory register.

3.3. Interest and Rent on Land

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

3.4. Payment for Financial Assets

Receivables are written off when identified as irrecoverable. Receivables written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but an estimate of the amount to be impaired is 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 South African Rand.

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

3.5. Transfers and Subsidies

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

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for the year ended 31 March 2013

accounting system by no later than 31 March of each year.

3.6. Unauthorised Expenditure

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

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

3.7. Fruitless and Wasteful Expenditure

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

3.8. Irregular Expenditure

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

3.9. Expenditure for Capital Assets

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

4. Assets

4.1. Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

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

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 and subsequently expensed when the goods and services are received.

4.4. Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party and are derecognised upon recovery or write-off.

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. Inventory

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

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

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

4.6. Capital Assets

4.6.1. Movable Assets

Initial recognition

A movable asset is recorded on payment 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.

All assets acquired prior to 1 April 2002 and where fair value cannot be determined are included in the asset register at R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as

“expenditure for capital assets” and is capitalised in the asset register on completion of the project.

Repairs and maintenance are expensed as current “goods and services” in the statement of financial performance.

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

4.6.2. Intangible Assets

Initial recognition

An intangible asset is recorded on receipt of the item at cost. The cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible capital asset is stated at fair value. Where fair value cannot be determined, the intangible 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.

All intangible assets acquired before 1 April 2002 and where fair value cannot be determined are included in the asset register at R1.

Subsequent recognition

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.

Maintenance is expensed as current “goods and services” in the statement of financial performance.

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

5. Liabilities

5.1. Voted Funds to be Surrendered to the Revenue Fund

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

5.2. Departmental Revenue to be Surrendered to the Revenue Fund

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

5.3. Direct Exchequer Receipts to be Surrendered to the Revenue Fund

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

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

5.4. Payables

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

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

5.5. Contingent liabilities

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

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes to the Financial Statements.

5.6. Contingent Assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

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 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

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for the year ended 31 March 2013

not been effected on the accounting system.

Accruals also include transfers and subsidies relating to incentive grants where an approval has been granted and payment has not been effected on the accounting system as at end of financial year.

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.

Performance bonuses are recognised as an employee benefit once approved for payment as at 31 March of each year, even if there is no outflow of cash.

5.10. Lease Commitments

Finance leases

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

Operating leases

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

5.11. Provisions

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

5.12. Impairment

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date.

An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and present value of the expected future cash flows/service potential flowing from the instrument.

6. Receivables for Departmental Revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the Financial Statements. These receivables are written off as irrecoverable and disclosed separately.

7. Net Assets

7.1. Capitalisation Reserve

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

7.2. Recoverable Revenue

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

8. Related Party Transactions

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 (PPP)

A 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;
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property;
- receives a benefit for performing the institutional function or from utilising the state property, either by way of:

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- 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, including the contract fees and current and capital expenditure relating to the PPP arrangement, is included in the disclosures notes to the Financial Statements.

Notes to the Annual Financial Statements

for the year ended 31 March 2013

1. Annual Appropriation

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:

Programmes	Final Appropriation 2012/13	Actual Funds Received 2012/13	Funds not requested/ not received 2012/13	Actual Funds Received 2011/12
	R'000	R'000	R'000	R'000
1. Administration	710,393	707,082	3,311	646,291
2. International Trade and Economic Development	133,116	133,116	-	136,238
3. Broadening Participation	940,319	938,874	1,445	893,245
4. Industrial Development: Policy Development	1,508,225	1,508,225	-	1,327,129
5. Consumer and Corporate Regulation	230,841	225,001	5,840	219,090
6. Industrial Development: Incentive Administration	4,551,356	4,522,056	29,300	3,298,130
7. Trade and Investment South Africa	276,836	276,836	-	321,102
Total	8,351,086	8,311,190	39,896	6,841,225

Communications sub-programme moved altogether from Programme 8, Marketing and Communication, to Programme 1, Administration as a result of programme structure change during the Medium Term Expenditure Framework for 2011-2014.

The Annual Appropriation as at 31 March 2012 is R6.9 billion, which is reflected in the Statement of Financial Performance, while the amount of R6.8 billion reflected in the above table is the actual funds received for the 2011/12 financial year.

Explanation of funds not requested/not received:

Refer to the Notes to the Appropriation Statement on pages 129 and 130 for the reasons why funds were not requested/not received.

Notes to the Annual Financial Statements

for the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
2. Departmental Revenue			
Tax revenue		3,719	3,280
Sales of goods and services other than capital assets	<u>2.1</u>	444	350
Fines, penalties and forfeits	<u>2.2</u>	19	189
Interest and rent on land	<u>2.3</u>	39,349	20,470
Transactions in financial assets and liabilities	<u>2.4</u>	91,792	54,408
Departmental revenue received		135,323	78,697
Sales of capital assets	<u>2.5</u>	-	10
Departmental revenue collected		135,323	78,707

Tax revenue relates to liquor licence fees received.

2.1. Sales of Goods and Services Other than Capital Assets

Sales of goods and services produced by the department	444	350
Sales by market establishment	260	185
Other sales	184	165
Total	444	350

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

Other sales comprise commission on insurance and exam fees paid by Patents Examination Board students.

2.2. Penalties and Forfeits

Penalties	19	144
Forfeits	-	45
Total	19	189

Penalties are fines imposed on liquor licences.

2.3. Interest and Rent on Land

Interest	39,349	20,470
Total	39,349	20,470

The amount relates to interest received on bank accounts and receivables recovered and written off.

	<i>Note</i>	2012/13 R'000	2011/12 R'000
2.4. Transactions in Financial Assets and Liabilities			
Receivables		80,102	45,662
Forex gain		3	4
Stale cheques written back		9	-
Other Receipts		11,678	8,742
Total		91,792	54,408

Receivables consist of amounts paid over to the National Revenue Fund in respect of Receivables recovered and written off. Other receipts comprise surplus funds on the budget to the entities.

2.5. Sale of Capital Assets

Tangible capital assets

Machinery and equipment	-	10
Total	-	10

3. Aid Assistance

3.1. Aid Assistance Received in Cash from Reconstruction and Development Programme (RDP)

Foreign

Opening Balance		421,657	234,365
Revenue		473,336	617,503
Expenditure		(80,265)	(195,844)
Current		(8,323)	(10,719)
Capital		-	(530)
Transfers		(71,942)	(184,595)
Current year surplus		393,071	421,659
Surrendered to the RDP	<i>Ann1H</i>	(421,657)	(234,367)
Closing Balance		393,071	421,657

3.2. Aid Assistance Received in Cash from Other Sources

Local

Opening Balance		-	-
Revenue		36,043	-
Expenditure		-	-
Current year surplus	<i>Ann1H</i>	36,043	-
Surrendered to the donor		-	-
Closing Balance		36,043	-

Notes to the Annual Financial Statements

for the year ended 31 March 2013

	<i>Note</i>	2012/13 R'000	2011/12 R'000
3.3. Analysis of Balance			
Aid assistance repayable			
RDP		393,071	421,657
Other sources		36,043	-
Closing Balance		429,114	421,657

4. Compensation of Employees

4.1. Salaries and Wages

Basic salary	439,974	372,295
Performance award	10,372	9,230
Service Based	1,029	661
Compensative/circumstantial	6,077	5,739
Service Bonus	25,942	21,554
Home Owners allowance	6,798	5,245
Other non-pensionable allowances	75,411	68,875
Foreign allowance	30,862	19,850
Total	596,465	503,449

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

4.2. Social Contributions

Employer Contributions

Pension	55,325	46,390
Medical	19,687	17,083
Bargaining council	73	66
Total	75,085	63,539

Total compensation of employees

	671,550	566,988
Average number of employees	1,384	1,256

	<i>Note</i>	2012/13 R'000	2011/12 R'000
5. Goods and Services			
Administrative fees		4,395	6,588
Advertising		29,269	32,688
Assets less than R5,000	<u>5.1</u>	677	509
Bursaries (employees)		2,326	2,398
Catering		4,451	4,620
Communication		11,317	10,919
Computer services	<u>5.2</u>	17,155	17,544
Consultants, contractors and special services	<u>5.3</u>	75,753	88,323
Entertainment		1,307	1,106
Audit cost-external	<u>5.4</u>	9,099	8,590
Fleet services		448	364
Inventory	<u>5.5</u>	11,946	16,247
Operating leases		218,717	199,939
Property payments	<u>5.6</u>	12,781	20,597
Travel and subsistence	<u>5.7</u>	117,478	110,395
Venues and facilities		38,650	31,184
Training and staff development		16,436	16,243
Other operating expenditure	<u>5.8</u>	20,633	25,476
		592,838	593,730

5.1. Assets Less than R5,000

Tangible assets

669

509

Machinery and equipment

669

509

Intangible assets

8

-

Total

677

509

5.2. Computer Services

SITA computer services

9,094

9,949

External computer service providers

8,061

7,595

Total

17,155

17,544

Notes to the Annual Financial Statements

for the year ended 31 March 2013

<i>Note</i>	2012/13 R'000	2011/12 R'000
5.3. Consultants, Contractors and Agency/Outsourced Services		
Business and advisory services	37,007	47,338
Legal costs	9,754	16,482
Contractors	28,774	19,448
Agency and support/outsourced services	218	5,055
Total	75,753	88,323
5.4. Audit cost – External		
Regularity audits	7,039	6,174
Forensic audits	2,060	2,416
Total	9,099	8,590
5.5. Inventory		
Materials and supplies	421	422
Medical supplies	-	34
Stationery and printing	10,744	15,380
Other consumable materials	781	411
Total	11,946	16,247
5.6. Property Payments		
Municipal services	1,128	816
Property management fees	-	8,292
Property maintenance and repairs	10,913	11,028
Other	740	461
Total	12,781	20,597
5.7. Travel and Subsistence		
Local	54,515	55,418
Foreign	62,963	54,977
Total	117,478	110,395

	<i>Note</i>	2012/13 R'000	2011/12 R'000
5.8. Other Operating Expenditure			
Courier, delivery and freight services		1,400	1,242
Membership and subscription fees		4,524	5,479
Printing and publications services		6,534	8,130
Resettlement costs		2,719	5,722
School boarding/tuition cost		4,219	3,511
Storage of files		946	1,215
Other		291	177
Total		20,633	25,476

6. Interest and Rent on Land

Interest Paid		487	73
Total		487	73

An amount R486 000 relates to interest paid to Rainprop (Pty) Ltd as per the outcome of Arbitration proceedings against **the dti**.

7. Payments for Financial Assets

Other material losses written off	<u>7.1</u>	1,704	2,251
Receivables written off	<u>7.2</u>	80,426	33,328
Forex losses	<u>7.3</u>	1	7
Total		82,131	35,586

7.1. Other Material Losses Written Off

Nature of losses

Cheque fraud		-	1,443
Court settlement		1,704	800
Claims for losses by staff		-	8
Total		1,704	2,251

Notes to the Annual Financial Statements

for the year ended 31 March 2013

	<i>Note</i>	2012/13 R'000	2011/12 R'000
7.2. Receivables Written Off			
Recoverable Revenue Written Off:			
General Export Incentive Scheme		79,925	30,683
Salary overpayment out of service		82	765
Small and Medium Enterprise Development Programme		83	82
Suppliers		10	-
Other		72	551
Total		80,172	32,081
Other Receivables Written Off:			
Salary overpayment out of service		69	862
Suppliers		11	-
Other		174	385
Total		254	1,247
Total receivables written off		80,426	33,328
7.3 Forex Losses			
Nature of losses			
Expenditure at foreign offices		1	7
Total		1	7

	<i>Note</i>	2012/13 R'000	2011/12 R'000
8. Transfers and Subsidies			
Departmental agencies and accounts	<i>Annex1A</i>	1,127,995	1,058,599
Universities and technikons	<i>Annex1B</i>	32,600	14,800
Public corporations and private enterprises	<i>Annex1C</i>	5,671,754	4,440,568 ¹
Foreign governments and international organisations	<i>Annex1D</i>	37,344	40,172
Non-profit institutions	<i>Annex1E</i>	23,900	10,125
Households	<i>Annex1F</i>	5,334	3,849
Total		6,898,927	5,568,113

¹Prior year figure was restated by R4.9 million under the Statutory Appropriation in respect of the National Skills Fund in line with Practice Note 9 of 2008/09.

9. Expenditure for Capital Assets

Tangible assets		36,632	20,667
Machinery and equipment	<u>32.1</u>	36,632	20,667
Software and other intangible assets		3,863	16,353
Computer software	<u>33.1</u>	3,863	16,353
Total		40,495	37,020

9.1. Analysis of Funds Utilised to Acquire Capital Assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Machinery and equipment	36,632	-	36,632
Software and other intangible assets			
Computer software	3,863	-	3,863
Total assets acquired	40,495	-	40,495

Notes to the Annual Financial Statements

for the year ended 31 March 2013

9.2. Analysis of Funds Utilised to Acquire Capital Assets – 2011/12

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	20,137	530	20,667
Machinery and equipment	20,137	530	20,667
Software and other intangible assets	16,353	-	16,353
Computer software	16,353	-	16,353
Total assets acquired	36,490	530	37,020

10. Unauthorised Expenditure

10.1. Reconciliation of Unauthorised Expenditure

	2012/13	2011/12
	R'000	R'000
Opening balance	37,380	37,380
Less: Amounts approved by Parliament/Legislature (with funding)	-	-
Current	-	-
Unauthorised expenditure awaiting authorisation	37,380	37,380
Analysis of awaiting authorisation per economic classification		
Current	37,380	37,380
Total	37,380	37,380

10.2. Details of Unauthorised Expenditure Incurred in the 2004/05 Financial Year:

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

	<i>Note</i>	2012/13 R'000	2011/12 R'000
11. Cash and Cash Equivalents			
Consolidated Paymaster General Account		482,411	398,577
Cash Receipts		27	1
Disbursements		-	(1)
Cash on hand		33	97
Cash with commercial banks (Local)		1,951	462
Total		484,422	399,136
12. Other Financial Assets			
Non-current			
Local			
Staff Receivables (fraud)		76	21
Other (bursary/ leased property deposit)		1,241	33
Sub-total		1,317	54
Foreign			
Other (Rental deposits for employees based abroad)		1,618	1,452
Total Non-current other financial assets		2,935	1,506
13. Prepayments and Advances			
Staff advances		11	17
Travel and subsistence		553	1,127
Advances paid	<u>13.1</u>	32,986	31,480
Total		33,550	32,624
13.1. Advances paid			
National departments	<u>Annex 6</u>	32,986	31,397
Other institutions	<u>Annex 6</u>	-	83
Total		32,986	31,480

Amount for advances paid substantially relate to advance payments to the Department of International Relations and Cooperation for costs incurred by the foreign mission offices of **the dti**.

Notes to the Annual Financial Statements

for the year ended 31 March 2013

14. Receivables

		2012/13 R'000				2011/12 R'000
	Note	Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	<u>14.1</u>	886	26,265	86,767	113,918	170,399
Staff debt	<u>14.2</u>	656	905	169	1,729	2,104
Other debtors	<u>14.3</u>	573	2,110	5,525	8,209	6,404
Total		2,115	29,280	92,461	123,856	178,907

	Note	2012/13 R'000	2011/12 R'000
14.1. Claims Recoverable			
National departments	<u>Annex 3</u>	264	1,709
Provincial departments	<u>Annex 3</u>	39	15
Public entities	<u>Annex 3</u>	1,288	2,337
Private enterprises		112,327	166,338
Total		113,918	170,399

The amount of R71 million (R150.9 million – 2011/12) included in private enterprises relates to General Export Incentives Scheme debts, which are potentially irrecoverable and are included in disclosure note 30 (Impairments).

14.2. Staff Debt

Bursary	282	735
LWP (Leave without pay)	39	73
School fees	23	23
SOVRIS (Salary overpayment in service)	861	864
Telephone	7	15
Travel and Subsistence	264	66
Cellular phone	9	11
Medical claims	134	275
Petty Cash	9	5
Other	101	37
Total	1,729	2,104

	<i>Note</i>	2012/13 R'000	2011/12 R'000
14.3. Other Debtors			
Bursary		285	211
SOVROS (Salary Overpayment Out of Service)		2,108	533
Tax		82	70
Fraud		4,691	4,567
Theft		356	348
Travel and subsistence		171	96
Telephone/Cellphone		23	41
State Guarantee		245	228
Leave with payment		57	123
Other		191	187
Total		8,209	6,404

R162 000 was disclosed under damages to property in the prior financial year and were reclassified during 2012/13 to other debtors (theft category) to represent the correct nature of the debt

15. Voted Funds to be Surrendered to the Revenue Fund

Opening balance		40,245	98,405
Transfer from statement of financial performance		64,658	75,533
Voted funds not requested/not received	<u>1</u>	(39,896)	(35,288)
Paid during the year		(40,256)	(98,405)
Closing balance		24,751	40,245

16. Departmental Revenue to be Surrendered to the Revenue Fund

Opening balance		12,514	3,200
Transfer from Statement of Financial Performance		135,323	78,707
Paid during the year		(53,639)	(69,393)
Closing balance		94,198	12,514

17. Payables – Current

Amounts owing to other entities	<u>Annex 4</u>	701	11
Clearing accounts	<u>17.1</u>	37	347
Other payables	<u>17.2</u>	13,488	1,267
Total		14,226	1,625

Notes to the Annual Financial Statements

for the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
17.1. Clearing Accounts			
PAYE		31	345
Pension fund		-	2
Medical aid		6	-
Total		37	347

17.2. Other Payables

Automotive Incentive		1,000	-
Critical Infrastructure Programme		7,719	-
Employees (pension and leave payouts)		162	80
Liquor licence deposits		1,531	1,039
National Pavilions (EMIA)		30	13
National Skills Fund		1,461	-
Rainprop (PPP)		722	-
Suppliers		447	135
Other		416	-
Total		13,488	1,267

18. Net Cash Flow Available from Operating Activities

Net surplus as per Statement of Financial Performance		629,095	575,899
Add back non cash/cash movements not deemed operating activities		(448,227)	(383,372)
Decrease in receivables – current		55,051	43,405
(Increase) in prepayments and advances		(926)	(25,180)
Increase/(decrease) in payables – current		12,601	(1,154)
Proceeds from sale of capital assets		-	(10)
Expenditure on capital assets		40,495	37,020
Surrenders to Revenue Fund		(93,895)	(167,798)
Surrenders to RDP Fund/Donor		(421,657)	(234,367)
Voted funds not requested/not received		(39,896)	(35,288)
Net cash flow generated by operating activities		180,868	192, 527

	<i>Note</i>	2012/13 R'000	2011/12 R'000
19. Reconciliation of Cash and Cash Equivalents for Cash-Flow Purposes			
Consolidated Paymaster General account		482,411	398,577
Cash Receipts		27	1
Disbursements		-	(1)
Cash on hand		33	97
Cash with commercial banks		1,951	462
Total		484,422	399,136

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

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

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
20. Contingent Liabilities and Contingent Assets			
20.1. Contingent Liabilities			
Liable to			
Housing loan guarantees	Annex 2A	80	-
Claims against the department	Annex 2B	18,231	10,518
Incentive grants	Annex 2B	7,769,863	6,465,826
Other departments (interdepartmental unconfirmed balances)	Annex 4	701	11
Total		7,788,875	6,476,355

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

In addition to the claims against the department above, a claim has been instituted against the Lotteries Board Licence Operator, the National Lotteries Board and the Minister for an amount of R80 million. The legal proceedings are still in progress and at this stage it is difficult to determine the possible outflow of funds, if any by the department.

Prior year figures for potential legal fees has been restated to zero as the legal costs could not be determined with accuracy given legal cases still in progress, and related expenses being unknown. Furthermore, claims against the department were restated to provide a breakdown between legal claims, claims against the department, and incentive grants; Incentive grants were restated by R6.9 million as a result of a decrease of R2.9 million on a project and understated accruals of R4 million relating to CPFP.

20.2. Contingent Assets

Nature of contingent asset

Forensic investigation on EIP claims	3,990	-
Alleged mismanagement of ECF funds	14,800	-
Total	18,790	-

A further investigation is currently under way in respect of an alleged mismanagement of ECF funds. No contingent asset has been raised in that regard.

	<i>Note</i>	2012/13 R'000	2011/12 R'000
21. Commitments			
Current expenditure		53,698	66,009
Approved and contracted		53,698	66,009
Capital expenditure		1,790	4,400
Approved and contracted		1,790	4,400
Total Commitments		55,488	70,409

22. Accruals

Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	35,980	-	35,980	32,089
Machinery and equipment	311	-	311	301
Transfers and subsidies	-	-	-	29,646
Other	10,447	-	10,447	15,394
Total	46,738	-	46,738	77,430

Listed by programme level

Administration	31,188	22,474
International Trade and Economic Development	1,082	203
Broadening Participation	449	1,851
Industrial Development: Policy Development	732	189
Consumer and Corporate Regulation	1,144	119
Industrial Development: Incentive Administration	997	34,808
Trade and Investment South Africa	11,146	17,786
Total	46,738	77,430

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

The prior year figures were restated by R8.5 million as a result of invoices received and paid after the financial statements were issued.

23. Employee Benefits

Leave entitlement	22,046	19,730
Thirteenth cheque	14,906	12,798
Performance awards	10,130	9,564
Capped leave commitments	10,917	10,843
Total	57,999	52,935

Performance award figure for the prior year was restated by R9.6 million in line with the Financial Statements preparation guide as issued by the National Treasury.

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

24. Lease Commitments

24.1. Operating Leases Expenditure

2012/13	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than one year	185,224	2,000	187,224
Later than one year and not later than 5 years	856,817	-	856,817
Later than five years	3,674,187	-	3,674,187
Total lease commitments	4,716,228	2,000	4,718,228

2011/12	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than one year	174,852	2,914	177,766
Later than one year and not later than five years	810,803	1,942	812,745
Later than five years	3,947,411	-	3,947,411
Total lease commitments	4,933,066	4,856	4,937,922

The amounts reflected under building and other fixed structures relate to payments that will be made with respect to a PPP agreement as detailed in note 29.1.

These amounts are based on the assumption that the final unitary payment will be made in April 2029.

The unitary payment is adjusted annually with CPI, which for the 2012/13 financial year was 5,9%. The unitary payments are exclusive of pass-through costs (i.e. electricity, water, beverages) which are variable and paid monthly.

In addition to the PPP agreement, **the dti** has regional offices in Cape Town, Durban and Port Elizabeth that are maintained by the Department of Public Works. **the dti** paid R2.2 million during 2012/13 to the Department of Public Works.

24.2. Finance Leases Expenditure

2012/13	Machinery and equipment	Total
	R'000	R'000
Not later than one year	1,064	1,064
Later than one year and not later than five years	323	323
Total lease commitments	1,387	1,387

2011/12	Machinery and equipment	Total
	R'000	R'000
Not later than one year	654	654
Later than one year and not later than five years	239	239
Total lease commitments	893	893

	Note	2012/13 R'000	2011/12 R'000
25. Irregular Expenditure			
25.1. Reconciliation of Irregular Expenditure			
Opening balance		94,006	34,774
Add: Irregular expenditure – relating to current year		32,966	59,509
Less: Amounts condoned		(4,340)	(277)
Irregular expenditure awaiting condonation		122,632	94,006

25.2. Details of Irregular Expenditure – Current Year

Incident	Disciplinary steps taken/criminal proceedings	2012/13 R'000
Performance bonus	Under investigation	295
Procurement deviation	Under investigation	32,671
Total		32,966

25.3. Details of Irregular Expenditure Condoned – Current Year

Incident	Condoned by (condoning authority)	2012/13 R'000
Procurement deviation	Accounting Officer	4,340
Total		4,340

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

25.4. Details of Irregular Expenditure Under Investigation

Incident	2012/13 R'000
Performance bonus	295
Procurement deviation	113,106
Appointment of foreign national	391
Acting allowance	462
Overtime policy	8,378
Total	122,632

	2012/13 R'000	2011/12 R'000
26. Fruitless and Wasteful Expenditure		
26.1. Reconciliation of Fruitless and Wasteful Expenditure		
Opening balance	17	15
Add: fruitless and wasteful expenditure – relating to current year	11	162
Less: Amounts condoned	(28)	(160)
Less: Amounts transferred to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting condonation	-	17

Analysis of Awaiting Condonation per Economic Classification

Current	-	17
Total	-	17

26.2. Analysis of Current Year's Fruitless and Wasteful Expenditure

Incident	Disciplinary steps taken/criminal proceedings	2012/13 R'000
Cancellation fee for hotel	Condoned	7
No show cancellation fee	Condoned	4
Total		11

	<i>Note</i>	2012/13 R'000	2011/12 R'000
27. Related-Party Transactions			
Revenue received			
Rent on land	<u>27.1</u>	25,462	24,205 ¹
Total		25,462	24,205
Year End Balances Arising from Revenue/Payments			
Receivables from related parties	<u>Annex 3</u>	1,075	2,071 ²
Payables to related parties	<u>Annex 4</u>	(696)	-
Total		379	2,071
27.1. Rent on Land			
Name of Department/Entity			
Competition Commission		8,637	8,110
Companies and Intellectual Property Commission		10,922	9,915
Economic Development Department		3,011	2,330
International Trade Administration Commission SA		2,836	2,664
National Consumer Commission		-	288
South African Micro-Finance Apex Fund		56	898
Total		25,462	24,205

¹Prior year figure of R10.4 million was restated to R24.2 million as a correction to include other related party transactions reflected under 27.1.

the dti is providing accommodation on the dti campus to the abovementioned department and entities at a reduced rental.

²Prior year figure of R2.3 million was restated to R2.1 million to exclude non-related party transactions.

The amount previously reflected as payments made to related parties was restated to zero as the Department of International Relations Co-operation provides administrative and financial services at foreign offices for which there is no charge. The disclosures exclude transfers and subsidies paid to public entities where these have been included in the annexures to the Financial Statements.

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

		2012/13 R'000	2011/12 R'000
28. Key Management Personnel			
	No. of Individuals		
Political office bearers (provide detail below)	3	5,313	5,034
Officials:			
Level 15 to 16	13	14,813	13,095
Level 14	65	57,839	48,243
Total		77,965	66,372

Political office bearers consist of:

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

Prior year figures were restated by R2.6 million from R63.8 million to R66.4 million as a certain category of staff was excluded.

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29. Public-Private Partnership

29.1. Buildings and Other Fixed Structures

Nature of the arrangement

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

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

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

Unitary payments are based on a baseline amount of R108.6 million [2004] per annum, which appreciates at

CPI on 1 July of each year. Cash flows in the form of unitary payments and payments to Rainprop (Pty) Ltd towards pass-through costs commenced during April 2004. In 2012/13 such payments totalled R196.2 million compared to the R180.2 million for the 2011/12 reporting period.

Payments made regarding variation orders amounted to R6.2 million in 2012/13 which is slightly more than R6.1 million for the previous year. This is due to some works that are still in progress.

Variation orders relate to changes and additions to the design of the building, and changes to accommodate increased numbers of staff, more so since **the dti** is also now providing accommodation for the Economic Development Department (EDD) and some of its agencies. This has expanded the staffing complement that must be supported on campus.

Payments of R2.2 million were made during the reporting period for small works compared to the R1.8 million for the previous year.

Cash flows in the form of pass-through cost to Rainprop (Pty) Ltd for services such as rates, electricity, water and consumables amounted to R21.4 million. Performance deductions of R19 thousand were charged and recovered from Rainprop (Pty) Ltd.

the dti paid interest of R486 thousand for security-related under-delivery relating to an arbitration award on a dispute between the department and the concessionaire related to the execution of the security function. The result of the arbitration was not in favour of the department at the time and though a portion of interest was settled in the 2011/12 reporting period, a legal opinion had to be acquired to establish **the dti's** obligation before this amount could be paid. Details of the agreement and associated costs are reflected in Note 24.1 of the Financial Statements.

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.

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

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 programme for the project, will at the end of the agreement become assets of the City. **the dti** will have rights against the City to compel the transfer of the rights of use of those assets on behalf of **the dti**, to a successor or the Concessionaire for successive periods, number of successions not less than one.

The moveable assets 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, which lifecycle maintenance obligations are clearly specified in the Maintenance Reserve Account (MRA), as an integral part of the concession agreement.

Changes in the arrangement occurred during the period.

A variation order for the procurement of Block G/Future Expansion building (portion of the campus) has been initiated with the support of the National Treasury due to severe space shortages on the main campus. The process will be further pursued/investigated during 2013/14 in conjunction with Treasury.

<i>Note</i>	2012/13 R'000	2011/12 R'000
Contract fee paid		
Indexed component	174,852	165,919
Pass – through costs	21,384	14,260
Total	196,236	180,179

29.2. Motor Vehicles

Contract fee paid		
Indexed component	2,999	2,551
Pass – through costs	1,781	1,316
Total	4,780	3,867

the dti participates in the Department of Transport's Fleet Management contract for the use of its pool vehicles. This agreement is a full maintenance lease transversal contract regulated by the National Treasury PPP-unit and Supply Chain Management regulations. **the dti** leases short-term, long-term, chauffeur and point-to-point driven services. The contract term is for five years, which commenced on 1 December 2006 and was extended during 2011 for an additional two years.

30. Impairment

Receivables	121,740	175,062
Total	121,740	175,062

31. Provisions

Export Marketing and Investment Assistance	91,323	46,459
Co-operative Incentive Scheme	35,881	20,577
Black Business Supplier Development Programme	353,065	68,217
Department of International Relations and Co-operation	27,952	12,725
Philip Knight	604	-
Total	508,825	147,978

Prior year figure was restated by R174 000 as a result of a calculation error.

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

32. Movable Tangible Capital Assets

Movement in Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2013

	Opening balance	Current- Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Machinery and Equipment	105,257	(2,801)	37,022	(19,445)	120,033
Transport assets	8,594	-	2,322	(2,541)	8,375
Computer equipment	60,323	(2,128)	31,609	(8,325)	81,479
Furniture and office equipment	30,789	(332)	2,520	(8,001)	24,976
Other machinery and equipment	5,551	(341)	571	(578)	5,203
Total Movable Tangible Capital Assets	105,257	(2,801)	37,022	(19,445)	120,033

32.1. Additions

Additions to Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2013

	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	36,632	390	-	-	37,022
Transport assets	2,322	-	-	-	2,322
Computer equipment	31,335	274	-	-	31,609
Furniture and office equipment	2,423	97	-	-	2,520
Other machinery and equipment	552	19	-	-	571
Total Additions to Movable Tangible Capital Assets	36,632	390	-	-	37,022

32.2. Disposals

Disposals of Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2013

	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		(19,445)	(19,445)	
Transport assets	-	(2,541)	(2,541)	-
Computer equipment	-	(8,325)	(8,325)	-
Furniture and office equipment		(8,001)	(8,001)	-
Other machinery and equipment	-	(578)	(578)	-
Total Disposal Of Movable Tangible Capital Assets	-	(19,445)	(19,445)	-

32.3. Movement for 2011/12

Movement in Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2012

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Machinery and Equipment	95,492	25,157	(15,392)	105,257
Transport assets	8,210	1,174	(790)	8,594
Computer equipment	55,238	14,172	(9,087)	60,323
Furniture and office equipment	26,272	9,074	(4,557)	30,789
Other machinery and equipment	5,772	737	(958)	5,551
Total Movable Tangible Assets	95,492	25,157	(15,392)	105,257

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

32.4. Minor Assets

Minor Assets of The Department for the year ended 31 March 2013

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	670	5,448	6,118
Current year-adjustments to prior-year balances	-	(208)	(208)
Additions	8	726	734
Disposals	(64)	(1,554)	(1,618)
TOTAL	614	4,412	5,026

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	1	79	80
Number of minor-assets at cost	1,326	2,772	4,098
TOTAL	1,327	2,851	4,178

Minor Assets of The Department for the year ended 31 March 2012

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	648	5,971	6,619
Additions	22	1,283	1,305
Disposals	-	(1,806)	(1,806)
TOTAL	670	5,448	6,118

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	1	237	238
Number of minor-assets at cost	1,379	6,588	7,967
TOTAL	1,380	6,825	8,205

33. Intangible Capital Assets

Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2013

	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	39,437	-	3,926	39	43,324
Total Intangible Capital Assets	39,437	-	3,926	39	43,324

33.1. Additions

Additions to Intangible Capital Assets per Asset Register for the year ended 31 March 2013

	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	3,863	63	-	-	3,926
Total Additions To Intangible Capital Assets	3,863	63	-	-	3,926

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

33.2. Disposals

Disposals of Intangible Capital Assets per Asset Register for the year ended 31 March 2013

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
Intangible Capital Assets		(39)	(39)	
Computer software	-	(39)	(39)	-
Total Disposal of Intangible Capital Assets	-	(39)	(39)	-

33.3. Movement for March 2011/12

Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2012

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Intangible Capital Assets				
Computer software	23,084	16,353	-	39,437
Total	23,084	16,353	-	39,437

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1A STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
DEPARTMENT/ AGENCY/ ACCOUNT							
Companies and Intellectual Property Commission	-	-	-	-	-	-	13,990
Companies and Intellectual Property Tribunal	10,137	-	-	10,137	10,137	100%	10,000
National Consumer Commission	46,842	-	-	46,842	46,842	100%	32,988
National Consumer Tribunal	33,165	-	-	33,165	33,165	100%	28,833
National Credit Regulator	55,431	-	2,500	57,931	57,931	100%	53,042
National Gambling Board	26,057	-	-	26,057	26,057	100%	37,605
National Metrology Institute of South Africa	82,233	-	-	82,233	82,233	100%	62,581
National Productivity Institute: Workplace Challenge	8,200	-	-	8,200	8,200	100%	9,500
National Regulator for Compulsory Specifications	79,684	-	-	79,684	79,684	100%	37,173
National Research Foundation: Technology and Human Resources for Industry Programme	157,000	-	-	157,000	157,000	100%	155,000
South African National Accreditation System	30,676	-	-	30,676	30,676	100%	30,623
Small Enterprise Development Agency	442,270	-	-	442,270	441,570	99.8%	441,514
Small Enterprise Development Agency: Technology Programme	153,000	-	-	153,000	153,000	100%	120,000
National Metrology Institute of South Africa: Infrastructure	-	-	-	-	-	-	25,000
Independent Regulatory Board of Auditors	1,500	-	-	1,500	1,500	100%	750
Total	1,126,195	-	2,500	1,128,695	1,127,995	99.9%	1,058,599

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1B STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/ TECHNIKON	TRANSFER ALLOCATION						TRANSFER		2011/12 Actual Transfer R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount not transferred R'000	% of Available funds Transferred		
Witwatersrand Business School: Centre for Entrepreneurship	1	-	-	1	-	1	-	-	
North-West University: Advanced Manufacturing Skills Sector Support Centre	1	-	10,200	10,201	10,200	1	100%	8,500	
University of Witwatersrand: National Aerospace Skills Sector Support Centre	1	-	12,400	12,401	12,400	1	100%	6,300	
University of Pretoria: Advanced Engineering Centre of Excellence	1	-	-	1	-	1	-	-	
University of Johannesburg: CAPA	10,000	-	-	10,000	10,000	-	100%	-	
Total	10,004	-	22,600	32,604	32,600	4	100%	14,800	

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

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE				2011/12 Actual Transfer R'000
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Public Corporations Transfers										
Centurion Aerospace Village	15,000	-	-	15,000	15,000	100%	15,000	-	-	10,000
Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence	2,001	-	7,607	9,608	2,000	21%	-	2,000	2,000	3,000
Council for Scientific and Industrial Research: Aerospace Industry	21,352	-	-	21,352	21,352	100%	-	21,352	-	17,291
Council for Scientific and Industrial Research: Maritime Industry Project	1	-	-	1	-	-	-	-	-	-
Council for Scientific and Industrial Research: National Cleaner Production Centre	41,225	-	-	41,225	41,225	100%	-	41,225	-	40,141

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2011/12
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Capital R'000	Current R'000	
Development Bank of Southern Africa: Regional Spatial Development Initiatives	18,500	-	-	18,500	18,500	100%	-	18,500	17,500
Export Credit Insurance Corporation	24,616	-	-	24,616	24,307	99%	-	24,307	121,517
Industrial Development Corporation: Clothing and Textile Production Incentive	750,000	-	-	750,000	750,000	100%	-	750,000	600,000
Industrial Development Corporation: Customised Sector Programmes	56,471	-	2,400	58,871	56,470	96%	-	56,470	57,427
Industrial Development Corporation: Funds for Research into Industrial Development Growth and Equity	650	-	-	650	650	100%	-	650	4,630

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE				2011/12
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Industrial Development Corporation: Isivande Women's Fund	-	-	-	-	-		-	-	10,700	
Industrial Development Corporation: Support Programme for Industrial Development	52,740	-	-	52,740	52,740	100%	-	52,740	59,789	
Industrial Development Corporation: Technology Venture Capital	5,001	-	-	5,001	5,000	100%	-	5,000	5,001	
INTSIMBI: National Tooling Initiative	49,168	-	-	49,168	49,168	100%	-	49,168	36,000	
National Foundry Technology Network: Metals	21,000	-	-	21,000	21,000	100%	-	21,000	7,000	
ProTechnik Laboratories (Capital)	1,000	-	430	1,430	1,400	98%	1,400	-	994	
ProTechnik Laboratories (Current)	2,400	-	-	2,400	2,398	100%	-	2,398	2,346	
South African Bureau of Standards: Plant Infrastructure	48,000	-	-	48,000	48,000	100%	48,000	-	93,180	

Annexures to the Annual Financial Statements

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NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE				2011/12
	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	R'000
South African Bureau of Standards: Research Contribution	185,930	-	-	185,930	185,930	100%	-	185,930	-	181,496
South African Bureau of Standards: Small Business Technical Consulting	1,300	-	-	1,300	1,203	93%	-	1,203	-	1,134
South African Bureau of Standards: Upgrading of Vehicle Testing Facility	-	-	-	-	-	-	-	-	-	7,000
Subsidies										
Business Process Service Incentive	209,000	-	(45,030)	163,970	163,969	100%	-	163,969	-	82,226
Enterprise Investment Programme	847,079	-	91,721	938,800	921,947	98%	-	921,947	-	682,545
Film and Television Production Incentives	290,000	-	(34,970)	255,030	254,660	100%	-	254,660	-	216,534
Manufacturing Competitiveness Enhancement Programme	924,000	-	(9,089)	914,911	914,911	100%	-	914,911	-	914

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE				2011/12
	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	
Small and Medium Enterprise Development Programme(SMEDP)	50,000	-	(16,647)	33,353	33,352	100%	-	33,352	226,243	
Sub-total	3,616,434	-	(3,578)	3,612,856	3,585,182	99%	64,400	3,520,783	2,484,608	
Private Enterprises Transfers										
Export Market and Investment Assistance	232,000	-	(50,000)	182,000	182,000	100%	-	182,000	168,608	
Automotive Production and Development Programme: Production Allowance	703,364	-	120,305	823,669	823,668	100%	-	823,668	951,457	
Black Business Supplier Development Programme	105,000	-	25,000	130,000	129,452	100%	-	129,452	52,627	
Co-Operatives Incentive Scheme	60,000	-	5,000	65,000	64,979	100%	-	64,979	49,113	
Other Critical Infrastructure Programme Project	182,000	-	(50,000)	132,000	131,597	100%	131,597	-	118,473	

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2011/12 R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000	Current R'000	
Subsidies									
Coega Development Corporation	417,858	-	-	417,858	417,858	100%	417,858	-	383,718
East London Industrial Development- Zone Company	150,000	-	-	150,000	150,000	100%	150,000	-	171,282
Industrial Development Zones: Other	-	-	-	-	-	-	-	-	60,682
Richards Bay Industrial Development Zone (Pty) Ltd	182,018	-	-	182,018	182,018	100%	182,018	-	-
Special Economic Zones: Investment Incentives	20,000	-	(15,000)	5,000	5,000	100%	5,000	-	-
Sub-total	2,052,240	-	35,305	2,087,545	2,086,572	99%	886,473	1,200,099	1,955,960
Total	5,668,674	-	31,727	5,700,401	5,671,754	99%	950,873	4,720,882	4,440,568

**ANNEXURE 1D
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2011/12 R '000
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R '000	R '000	R '000	R '000	R '000	%	
Transfers							
World Trade Organisation	9,500	-	721	10,221	10,221	100%	9,713
Organisation for the Prohibition of Chemical Weapons	3,400	-	(429)	2,971	2,924	98%	2,647
United Nations Industrial Development Organisation	5,000	-	(200)	4,800	4,789	100%	3,644
International Bank for Reconstruction and Development	6,169	-	-	6,169	6,169	100%	5,875
International Finance Corporation	6,169	-	-	6,169	6,169	100%	5,875
World Intellectual Property Organisation	4,000	-	-	4,000	3,362	84%	3,066
UNIDO: Automotive Component Supplier Development Programme	-	-	-	-	-	-	7,152

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION							
French Institute of South Africa:							
African Programme on Rethinking Development Economics	2,200	-	-	2,200	-	-	2,200
United Nations Industrial Development Organisation: Incentive Monitoring Framework	-	-	3,710	3,710	3,710	100%	-
Total	36,438	-	3,802	40,240	37,344	93%	40,172

ANNEXURE 1E
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2011/12 Actual Transfer R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
South African Women Entrepreneurs' Network	7,900	-	-	7,900	7,900	100%	3,125
Proudly South African Campaign	10,000	-	6,000	16,000	16,000	100%	7,000
TOTAL	17,900	-	6,000	23,900	23,900	100%	10,125

Annexures to the Annual Financial Statements

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ANNEXURE 1F STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act R'000	Roll-overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	
Transfers							
Employee social benefits	985	-	925	1,910	1,787	94%	1,594
Donations and gifts	240	-	669	909	697	77%	582
Social Assistance	-	-	266	266	266	100%	650
Bursaries	2,577	-	-	2,577	2,584	100%	1,023
Total	3,802	-	1,860	5,662	5,334	94%	3,849

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

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
Received in kind			
Australian Agency for International Development	Attend a three month course "Short Intensive Professional programme in HIV" – travel cost, accommodation and living allowance	-	252
Organisation for the Prohibition of Chemical Weapons [OPCW]	Attend Ninth Regional meeting of the National Authorities of State Parties – air ticket, accommodation and S&T	-	9
Organisation for the Prohibition of Chemical Weapons [OPCW]	Attend the fourth Regional Basic Training Course – air ticket, accommodation and S&T	-	13
Trade Policy and Strategy Framework [TPSF]	Attend and presentation of the Trade Policy and Strategy Framework – Flights and accommodation	-	6
USA Government	Attend OPCW Sub-Regional Training course – Flights and accommodation	-	74
Trade Law Centre for Southern Africa [TRALAC]	Participation in the Annual TRALAC Conference – Flights and accommodation	-	8
Netherlands Fellowship programme [NFP]	Attend market access for sustainable development training – Accommodation, meals and training costs	-	67
United States of America	Attend the BTWC review conference – Travel and accommodation cost	-	59
WTO Secretariat	Attend Regional Seminar on Market Access – Flights, meals and airport-hotel transport	-	16
Singapore Ministry of Foreign Affairs	Participate in the Singapore Co-operation Programme training award on enabling private sector growth – Accommodation and training cost	-	33
SAB Miller	Sponsor weekend of game conservation – airfare, accommodation and meals	-	23
Japan International Co-operation Agency [JICA]	Participation training programme – cost of training programme	-	5
Economic and Commercial Counsellors of the Embassy of the People's Republic of China	Participate at the Seminar of Technology and Export Policy for Developing Countries – Flights and accommodation	-	50

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13		2011/12	
		R'000		R'000	
Indian Ministry of External Affairs	Attend a course in Industrial & Infrastructure project – Flights, tuition, accommodation etc.	-		30	
SAB Miller	Sponsor weekend of game conservation – airfare, accommodation and meals	-		27	
European Patent Office [EPO]	Attend training at the European Patent Office on South African Business case – Accommodation, flight ticket and transport	-		24	
National Lotteries Board	Attend the National Lotteries Commission UK – Airfare, accommodation, daily allowance, transport and travel insurance	-		75	
Royal Thai Embassy	Participate in the Eyes on Africa Trade and Investment Forum – Air ticket and accommodation	-		36	
Paris Chamber of Commerce and Industry and National Empowerment Fund	Attend an international six week exchange programme: 2011 JIPSA Junior Management Development programme – Air ticket, accommodation and daily allowance	-		25	
Singapore Ministry of Foreign Affairs	Approval to attend an Information on Knowledge Management course – Accommodation etc.	-		18	
International Marketing Council	Attendance of the South African Airways launch – Air ticket and accommodation	-		90	
Ndalo Media	Celebration of International Men's day – magazines	6		-	
Media 24	Celebration of International Men's day – magazines	10		-	
United Nations Conference on Trade Development [UNCTAD]	Approval to accompany Minister to Geneva – Air tickets	47		-	
Alpha Consulting	Gifts as gesture for active participation in Contract Centre seminar – notebooks	8		-	
United Nations Conference on Trade Development [UNCTAD]	Approval to participate and present in the Global Services Forum – Travel, accommodation etc.	14		-	
Friedrich Ebert Stiftung	Attend ICTS Ministers and DG meeting – Flight and accommodation	10		-	
Organisation for the Prohibition of Chemical Weapons [OPCW]	Attend tenth regional meeting of National Authorities of States Parties – Flights, accommodation, allowance and incidental cost	24		-	
Australia Awards in Africa	Attend International Diplomacy course – Flights, accommodation and tuition	279		-	
Trade Policy Training Centre	Attend COMESA-EAC-SADC tripartite training – Flights, accommodation and allowance	12		-	

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
Australia Awards in Africa	Attend trade policy design analysis and negotiations – Flights, accommodation and tuition	832	-
World Trade Organisation [WTO]	Attend and participate in the WTO Intermediate level training for English-speaking African countries – Flights, accommodation etc.	77	-
International Development Law Organisation [IDLO]	Accept scholarship and attend the Technology Licensing for Development Countries course – tuition cost, maintenance cost and accommodation	45	-
Federation of Multimedia Associations	Attend and participate in the World Summit on Internet and Multimedia 2012 – air ticket, accommodation etc.	51	-
Swedish International Development Cooperation Agency	Swedish training programme: Rules of Origin and Trade Facilitation for one year – accommodation, training cost, training material for six officials	1,110	-
International Economic Association [IEA] and World bank	Present a paper at the International Economic Association (IEA) World Bank Roundtable on “New Thinking in Industry Policy” – travel cost and accommodation	57	-
United Nations Environment Programme [UNEP]	Attend the Food and Agriculture Organisation/United Nations Environment Programme Agri Food Task Force on sustainable consumption and production meeting – travel cost and accommodation	25	-
Gesellschaft für International Zusammenarbeit [GIZ]	Participate in the GIZ SAGEN study tour, to assist South African wind energy stakeholders - sponsored study tour	17	-
International Atomic Energy Agency [IAEA]	Attend a training course on Technical Aspects on the Feasibility, Contracting and Construction of Nuclear Power Plants – sponsored training course	23	-
Korean Government	Approval to attend a training course – Air ticket and accommodation	22	-
Gesellschaft für International Zusammenarbeit [GIZ]	Participate in the training course on Inter-departmental Coordination of Renewable Energy Project Permitting Processes – sponsored study tour	14	-
Johannesburg Centre for Software Engineering [JCSE]	Attend the Team Software Process Symposium – symposium registration fees	7	-
Florida State University, Tallahassee, USA	Attend and participate in the conference “Emerging markets and the world patent order” – air ticket and accommodation	26	-
North West University	Payment of registration fee for Extru Africa 2012 – registration fee, accommodation and transport	9	-
Italian Trade Commission	To partake in the Italian Trade Commission study tour – study tour expenses	80	-
CBI Electric	Attend a training course offered by CBI Electric – transport cost	5	-

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for the year ended 31 March 2013

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
World Intellectual Property Organisation [WIPO]	Part payment for T J Production for interpretation and transcription for Patents Flexibilities Conference – interpretation and transcription	48	-
SAB Ltd	Attend SAB Ltd Heritage tour	17	-
Academy for International Business Officials	Participate in the Trade and Investment for African English-speaking countries – flights, accommodation etc.	40	-
Academy for International Business Officials	Participate in the AIBO training seminar on processing Trade for Developing countries – flights, accommodation etc.	100	-
Academy for International Business Officials	Participate in the AIBO training seminar on International Business Negotiation ability improvement for developing countries – flights, accommodation etc.	50	-
Italian Trade Commission	Participate in study tour as phase two of the Small and Medium Enterprise Development in Science, Technology and Renewable Energy Training course – study tour expenses	95	-
Academy for International Business Officials	Attend seminar for International Economic Trade Professionals of Developing Countries – air ticket, accommodation etc.	120	-
Academy for International Business Officials	Participate in the Academy for International Business Officials training seminar on Business Investment and Risk Management – air tickets, accommodation etc.	40	-
Academy for International Business Officials	Attend seminar on Foreign Investment Utilisation and Industry Safety for Developing countries – air ticket, accommodation etc.	80	-
Academy for International Business Officials	Attend a seminar on Business Investment and Risk Management for Developing countries – air tickets, accommodation etc.	80	
Academy for International Business Officials	Participate in the seminar on Import and Export Trade and Developing Countries – air tickets, accommodation etc.	80	
Academy for International Business Officials	Attend seminar for the promotion of Trade and Investment of Inland Region for Developing Countries – air ticket, accommodation and transport	40	
Australian Awards in Africa	Study towards Master Degree in International Trade and Development – tuition fees, accommodation etc.	50	

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
Indian Technical and Economic Co-operation [ITEC]	Approval to participate in the Cluster Development Executives Programme – air tickets, accommodation etc.	160	
Indian Technical and Economic Co-operation [ITEC]	Approval to participate in Industrial and Infrastructure Project Preparation and Appraisal – air tickets, accommodation etc.	80	
Singapore Co-operation Programme	Attend a Strategic IT Planning course – training cost	40	
Xinfei Textiles	Acceptance of gifts during site visit during China Expo - 2 x IPAD: 16 GB Wifi	10	
Louis Morgan	Acceptance of gifts – 2 x IPAD	18	
Miscellaneous		9	9
TOTAL		3,967	949

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for the year ended 31 March 2013

ANNEXURE 1H STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING		REVENUE		EXPENDITURE		CLOSING	
		BALANCE	R '000	REVENUE	R '000	EXPENDITURE	R '000	BALANCE	R '000
Received in cash									
Economic Creation/ Sector	To create long-term sustainable employment.	352,594	(352,594)	404,272	(65,001)			339,271	
Sector Wide Enterprise Employment and Equity Programme (SWEEEP)	To increase employment and greater social and economic equity and integration.	69,063	(69,063)	69,064	(15,264)			53,800	
Development Bank of Southern Africa Ltd	To promote employer-led skills development that leads to employment in the Business Process Services sector.	-	-	36,043	-			36,043	
Total		421,657	(421,657)	509,379	(80,265)			429,114	

ANNEXURE 11

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

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items, including name of organisation)	2012/13	2011/12
	R'000	R'000
Fuphoria Logistics CC: [sponsor Mandela Day event]	-	80
Africagrowth Institute: Sponsor the Africa SMME awards [sponsor the 2011 Africa SMME Conference]	-	50
South African National Apex Co-operatives: Contribution for the National Co-operative Conference [catering expenses]	-	100
Cape Chamber of Commerce: Regional Chamber of Commerce and Industry hosting Annual International Women Entrepreneurship Challenge [sponsor the event]	-	100
Stephen Timm [support for the research project]	-	12
International Centre of Trade and Sustainable Development [venue and conference package for two-day symposium]	-	85
Sipo Agnes Sebati [Bereavement benefits]	-	4
Thobanjalo CC [sponsor Mandela Day event]	-	151
Stephen Timm [support for the research project]	13	-
Dichrimo Trading and projects [food parcels for Mandela Day]	28	-
Kit Kat Cash and Carry [blankets for Mandela Day]	16	-
Atteridgeville Association for people with Disabilities [Assistance to purchase equipment]	25	-
Cape Chamber of Commerce and Industry: Cape Town Chamber of Commerce and Industry hosting the Annual International Women Entrepreneurial Challenge [sponsor the event]	100	-
Black Business Council [sponsor Ambassadors lunch]	100	-
South African Small and Medium Enterprise Federation [sponsor roll out MDEF business incubators and testing of Tswelela model to develop agri-value chains]	100	-
SMME Credit Support Programme [sponsor the case study of the Small and Medium Enterprise Rating Agency of India]	50	-
Western Cape SA Students Congress [sponsor catering services for 150 students]	20	-
Saldanha Hotel Properties (Pty) Ltd [sponsor of launch]	41	-
Alexandra Chamber of Commerce [co-ordination of a database of local enterprises and strengthening of the chambers administrative capacity]	100	-
University of South Africa [sponsor of conference]	100	-
Normalizo Constance Mbele [contribution to the choir]	5	-
Sub-total	698	582

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for the year ended 31 March 2013

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items, including name of organisation)	2012/13	2011/12
	R'000	R'000
Made in kind		
Talking Beads: SACU Summit [packing cost for corporate gifts]	-	7
Kura – Bahati Consulting Services: Chinese delegation – BRICS [corporate gifts]	-	17
Talking Beads: Study tour to Taiwan and Singapore [corporate gifts]	-	16
Talking Beads: Corporate gifts during the 3 rd SACU Heads of the State and Governments summit [corporate gifts]	-	48
Bathopele Marketing (Pty) Ltd: SACSA exhibition stand during IAC 2011 [USB pen]	-	14
the dti : Sponsorship for TWIB awards and Techno-girl [laptops and desktop computers]	-	80
the dti : National Liquor Regulation Conference [transport]	-	42
the dti : Attend NPRC meeting and Council meeting [accommodation and travel]	12	-
the dti : Speaker in the Dispute Settlement Workshop [accommodation and travel]	8	-
the dti : ICASA official to attend WTO Trade in Service Cluster meeting [flight, accommodation etc.]	32	-
the dti : Attend the second expert meeting on incapacitation chemical agents [flights, accommodation etc.]	42	-
the dti : Attend NPRC meeting and NMDUC meeting [accommodation and travel]	9	-
Orlando East Arts and Craft Co-operative: Strategic retreat and team-building workshop [gifts as token of appreciation to employees]	11	-
Kea-Nthabi's African Design [gifts for trade initiative missions]	10	-
the dti : Ambassador to attend and chair the council meeting [travel and accommodation]	122	-
the dti : TWIB awards and Gauteng Technogirl Entrepreneurship programme [desktop and laptops]	77	-
the dti : Attend meeting with DDG relating Arts & Culture Distribution Agency [flight & chauffeur services]	7	-
the dti : External stakeholders to attend National Liquor Authority Youth Campaign [transport]	97	-
Kea-Nthabi's African Design [gifts for foreign visitors]	10	-
Kura – Bahati Consulting Services: Gifts for counterparts [corporate gifts]	118	-
Ezesimanje Events: TWIB awards [trophies]	67	-
the dti : External stakeholders to attend the Liquor Regulators Conference [transport and accommodation]	18	-

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items, including name of organisation)	2012/13	2011/12
	R'000	R'000
the dti: Foreign delegates attend Seminar for Certain African Countries on Patents [transport]	12	-
the dti: External stakeholders as panel members at the African IP Forum [transport and accommodation]	140	-
the dti: External stakeholders to present at the African IP Forum [transport and accommodation]	12	-
the dti: External stakeholders to attend the African IP Forum [transport]	134	-
the dti: External stakeholders for speakers at the Company Law Symposium [transport and accommodation]	38	-
the dti: External stakeholders to present at the African IP Forum [transport]	10	-
Pitco Busby (Pty) Ltd: First Assistance and Protection course for Instructors for African States Parties [backpacks and cooler bags]	10	-
Miscellaneous [Exchange gifts with counterparts and business executive etc.]	29	45
Sub-total	1,025	269
Total	1,723	851

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 2A STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2013 – LOCAL

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2012	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	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
Standard Bank		80	-	80	-	-	80	-	-
Total		80	-	80	-	-	80	-	-

**ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2013**

Nature of Liability	Opening Balance 1 April 2012	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2013
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Legal claims:					
Witwatersrand Investment CC t/a Olympic Plastics	3,080	-	-	-	3,080
Frey's Foods	1,627	-	-	-	1,627
Porcor SMEDP	2,326	-	-	-	2,326
TEO: Porcor	710	-	-	-	710
TEO: CTM International	1,536	-	-	-	1,536
Phil Knight	920	784	(1,704)	-	-
Winterton Processors (Pty) Ltd	-	1,857	-	-	1,857
TEO: Hochtreyter	319	-	(319)	-	-
Mr A Poinsteau	-	1,524	-	-	1,524
Primolitos CC	-	2,119	-	-	2,119
Portion Control packers CC	-	1,707	-	-	1,707
Signature Branding Trading CC	-	1,311	-	-	1,311
Tayfin financial Accountants Pty LTD	-	434	-	-	434
Incentive grant claims:					
Automotive Incentive Scheme (AIS)	2,099,706	406,996	(902,373)	-	1,604,329
Business Process Services (BPS)	178,136	312,559	(232,544)	-	258,151
Film and Television Production	387,717	382,132	(353,637)	-	416,212
Enterprise Investment Programme (EIP)	3,356,652	2,279,355	(1,543,699)	-	4,092,308
Critical Infrastructure Programme (CIP)	340,209	118,468	(220,885)	-	237,792
Small Medium and Micro Enterprises Development Programme (SMEDP)	72,901	31,020	(81,828)	-	22,093
Capital Project Feasibility Programme (CPFP)	23,484	40,590	(39,833)	-	24,241

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

Nature of Liability	Opening Balance 1 April 2012	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2013
	R'000	R'000	R'000	R'000	R'000
Manufacturing Competitive Enhancement Programme (MCEP)	-	1,009,491	(65,678)	-	943,813
Incubator Support Program (ISP)	-	168,632	-	-	168,632
Other claims:					
Rainprop	7,021	1,723	(6,452)	-	2,292
Sub-total	6,476,344	4,760,702	(3,448,952)	-	7,788,094
Other					
Potential legal fees	-	-	-	-	-
Total	6,476,344	4,760,702	(3,448,952)	-	7,788,094

The opening balance was restated by R2.9 million as a result of an adjustment, in the prior year, of an incentive grant approved. Further R4 million restatement was as a result of an incentive grant approved in March 2012.

Prior year figures for potential legal fees has been restated to zero as the legal costs could not be determined with accuracy given legal cases still in progress, and related expenses being unknown.

In addition to the claims above, a claim has been instituted against the Lotteries Operator, the National Lotteries Board and the Minister for an amount of R80 million. The legal proceedings are still in progress and at this stage it is difficult to determine the possible outflow of funds, if any by the department.

**ANNEXURE 3
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Agriculture Forestry and Fisheries	-	-	11	28	11	28
Department of Environmental Affairs	4	-	-	-	4	-
Department of Economic Development	-	1,180	153	-	153	1,180
Department of Justice and Constitutional Development	-	-	-	360	-	360
Department of Health	-	-	47	-	47	-
Department of International Relations and Co-operation	-	-	36	-	36	-
Department of National Treasury: GEPP	-	-	-	9	-	9
Department of Public Works	-	-	1	86	1	86

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
Department of Rural Development and Land Reform	-	-	-	25	-	25
Department of Tourism	-	-	3	-	3	-
Department of Water Affairs	-	-	-	21	-	21
Gauteng Economic Development	-	-	31	-	31	-
Department of Public Works KZN	-	-	-	15	-	15
Government Pension Administration Agency	-	-	8	-	8	-
Provincial Government: Limpopo	-	-	8	-	8	-
The Presidency	-	-	1	-	1	-
Sub-total	4	1,180	299	544	303	1,724

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER GOVERNMENT ENTITIES						
Companies and Intellectual Property Commission	-	-	-	949	-	949
Competition Commission	-	-	409	63	409	63
Companies Tribunal	-	-	147	-	147	-
Competition Tribunal	-	-	-	14	-	14
Export Credit Insurance Corporation	-	-	3	90	3	90
Gauteng Liquor Board	-	-	-	1	-	1
International Trade Administration Commission SA	-	-	-	32	-	32
Khula Enterprise Finance Ltd	-	-	52	266	52	266
National Consumer Commission	-	-	-	18	-	18
National Gambling Board	-	-	12	-	12	-

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
National Lotteries Board	-	-	51	265	51	265
SAMAF	-	-	17	41	17	41
South African Quality Institution	-	-	584	583	584	583
United Nations Industrial Development	-	-	10	15	10	15
Small Enterprise Development Agency	-	-	3	-	3	-
Sub-total	-	-	1,288	2,337	1,288	2,337
Total	4	1,180	1,587	2,881	1,591	4,061

**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	
	R'000	R'000	R'000	R'000	
DEPARTMENTS					
Department of Tourism	-	-	1	-	1
Sub-total	-	-	1	-	1
OTHER GOVERNMENT ENTITIES					
Current					
Companies and Intellectual Property Commission	-	-	676	-	676
International Trade Administration Commission SA			20	-	20
National Gambling Board	-	-	-	5	5
South African National Accreditation System	-	-	4	6	6
Sub-total	-	-	700	11	700
Total	-	-	701	11	701

**ANNEXURE 5
INVENTORY**

Inventory	2012/13		2011/12	
	Quantity	R'000	Quantity	R'000
Opening balance	37,963	3,849	43,961	3,182
Add/(Less): Adjustments to prior year balance	14,778	-	10	105
Add: Additions/Purchases – Cash	229,046	9,351	208,199	16,725
Add: Additions - Non-cash	20	1	-	-
(Less): Disposals	(570)	(1,842)	-	-
(Less): Issues	(233,876)	(8,294)	(214,302)	(16,288)
Add/(Less): Adjustments	(133)	(1)	95	125
Closing balance	47,228	3,064	37,963	3,849

**ANNEXURE 6
INTER-ENTITY ADVANCES PAID (note 13)**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Co-operation	-	-	31,606	31,397	31,606	31,397
Department of Justice and Constitutional Development	-	-	1,380	-	1,380	-
Sub-total	-	-	32,986	31,397	32,986	31,397
OTHER INSTITUTIONS						
Ricoh Business Solutions (New York mission office)	-	-	-	83	-	83
Sub-total	-	-	-	83	-	83
Total	-	-	32,986	31,480	32,986	31,480





PART E: HR OVERSIGHT



HR Oversight

for the year ended 31 March 2013

TABLE 2.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	705 426	203 099	15 530	19 338	28,7	147	1384
International Trade & Economic Development	132 706	71 842	35	105	54,2	52	1384
Broadening Participation	929 693	57 502	812	1 103	6,2	42	1384
Industrial Development: Policy Development	1 505 090	74 726	0	10	5	54	1384
Consumer & Corporate Regulation	223 568	30 021	0	690	13,4	22	1384
Industrial Development: Incentive Administration	4 514 552	101 570	0	46	2,2	73	1384
Trade and Investment South Africa	275 396	132 792	59	7 682	48,2	96	1384
Total as on Financial Systems (BAS)	8 286 431	671 552	16 436	28 974	8,1	485	1384

TABLE 2.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	320	0,0	106 667	671 552	3
Skilled (Levels 3-5)	7 636	1,1	159 083	671 552	48
Highly skilled production (Levels 6-8)	110 172	16,4	291 460	671 552	378
Highly skilled supervision (Levels 9-12)	292 810	43,6	536 282	671 552	546
Senior management (Levels 13-16)	213 128	31,7	1 039 649	671 552	205
Contract (Levels 1-2)	3 338	0,5	208 625	671 552	16
Contract (Levels 3-5)	1 465	0,2	23 254	671 552	63
Contract (Levels 6-8)	9 173	1,4	218 405	671 552	42
Contract (Levels 9-12)	12 685	1,9	218 707	671 552	58
Contract (Levels 13-16)	20 825	3,1	833 000	671 552	25
TOTAL	671 552	100	485 225	671 552	1 384

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	137 297	68	1 252	1	2 702	1	6 513	3	203 099
International Trade and Economic Development	48 887	68	350	1	731	1	2 040	3	71 842
Broadening Participation	38 235	67	290	1	334	1	1 545	3	57 502
Industrial Development: Policy Development	50 477	68	20	0	498	1	1 762	2	74 726
Consumer and Corporate Regulation	19 829	66	0	0	363	1	899	3	30 021
Industrial Development: Incentive Administration	70 696	70	0	0	1 552	2	3 450	3	101 570
Trade and Investment South Africa	74 877	56	47	0	617	1	1 927	2	132 792
Total	440 298	66	1 959	0	6 797	1	18 136	3	671 552

Trade and Investment South Africa: Personnel cost per programme is inclusive of foreign allowances

International Trade and Economic Development: Inclusive is overtime paid to SAPS for protection services (not on the dti's establishment)

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)	106	34	0	0	17	5	20	6	314
Skilled (Levels 3-5)	4 182	56	38	1	410	6	586	8	7 484
Highly skilled production (Levels 6-8)	65 314	60	1 117	1	3 401	3	5 746	5	108 917
Highly skilled supervision (Levels 9-12)	188 888	65	594	0	2 178	1	8 114	3	292 712
Senior management (Levels 13-16)	145 456	68	0	0	747	0	3 349	2	214 729
Contract (Levels 1-2)	2 718	81	0	0	0	0	0	0	3 362
Contract (Levels 3-5)	1 081	75	75	5	0	0	0	0	1 444
Contract (Levels 6-8)	7 285	81	135	2	10	0	8	0	9 010
Contract (Levels 9-12)	9 604	76	0	0	28	0	55	0	12 634
Contract (Levels 13-16)	15 664	75	0	0	6	0	258	1	20 947
Total	440 298	66	1 959	0	6 797	1	18 136	3	671 552

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	469	426	9,2	110
Broadening Participation	116	106	8,6	17
Consumer and Corporate Regulation	67	60	10,4	4
Industrial Development Policy Development	147	139	5,4	17
Industrial Development Incentive Administration	254	246	3,1	26
International Trade and Economic Development	150	141	6	2
Trade and Investment South Africa	166	141	15,1	9
Total	1369	1259	8	185

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	3	3	0	0
Skilled (Levels 3-5), Permanent	56	49	12,5	0
Highly skilled production (Levels 6-8), Permanent	446	403	9,6	0
Highly skilled supervision (Levels 9-12), Permanent	623	573	8	0
Senior management (Levels 13-16), Permanent	222	212	4,5	0
Contract (Levels 1-2), Permanent	0	0	0	10
Contract (Levels 3-5), Permanent	1	1	0	66
Contract (Levels 6-8), Permanent	2	2	0	41
Contract (Levels 9-12), Permanent	3	3	0	55
Contract (Levels 13-16), Permanent	13	13	0	13
Total	1369	1259	8	185

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TABLE 3.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	212	191	9,9	98
Communication and information related, Permanent	2	2	0	0
Economists, Permanent	7	7	0	0
Finance and economics related, Permanent	53	41	22,6	6
Financial and related professionals, Permanent	6	6	0	1
Financial clerks and credit controllers, Permanent	1	1	0	1
Food services aids and waiters, Permanent	8	8	0	2
General legal administration and related professionals, Permanent	2	2	0	0
Head of Department/Chief Executive Officer, Permanent	1	1	0	0
Human Resources and Organisational Development and related professionals, Permanent	1	1	0	1
Human resources clerks, Permanent	5	5	0	0
Human resources related, Permanent	34	33	2,9	6
Information technology related, Permanent	5	5	0	10
Legal related, Permanent	7	7	0	0
Librarians and related professionals, Permanent	1	1	0	0
Library mail and related clerks, Permanent	24	22	8,3	0
Light vehicle drivers, Permanent	4	4	0	0
Logistical support personnel, Permanent	22	18	18,2	3
Messengers porters and deliverers, Permanent	11	10	9,1	0
Motor Vehicle Drivers	0	0	0	1
Other administrative and related clerks and organisers, Permanent	5	5	0	2
Other information technology personnel., Permanent	3	3	0	0
Other occupations, Permanent	5	5	0	0
Secretaries and other keyboard operating clerks, Permanent	150	139	7,3	4
Security officers, Permanent	16	15	6,3	0
Senior managers, Permanent	231	221	4,3	13
Trade and Industry advisers and other related professionals, Permanent	553	506	8,5	37
Total	1369	1259	8	185

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)	3	0	0	0	0	0	0
Skilled (Levels 3-5)	56	15	26,8	0	0	0	0
Highly skilled production (Levels 6-8)	446	29	6,5	0	0	0	0
Highly skilled supervision (Levels 9-12)	623	101	16,2	0	0	0	0
Senior Management Service Band A	159	61	38,4	0	0	0	0
Senior Management Service Band B	53	15	28,3	0	0	0	0
Senior Management Service Band C	10	1	10	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
Contract (Levels 1-2)	0	0	0	0	0	0	0
Contract (Levels 3-5)	1	0	0	0	0	0	0
Contract (Levels 6-8)	2	0	0	0	0	0	0
Contract (Levels 9-12)	3	0	0	0	0	0	0
Contract (Band A)	8	0	0	0	0	0	0
Contract (Band B)	3	0	0	0	0	0	0
Contract (Band C)	1	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Total	1369	222	16,2	0	0	0	0

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

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	1	0	1
Male	3	0	0	0	3
Total	3	0	1	0	4
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
Trade and Industry Advisers and Other Related Professionals	1	9 - 10	11	Retention	1444
Trade and Industry Advisers and Other Related Professionals	1	12	13	Retention	1444
Finance and Economics Related	1	9 - 10	11	Retention	1444
Senior Manager	1	13	14	Retention	1444
Total	4				1444
Percentage of Total Employment	0,28%				

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	1	0	0	0	1
Male	3	0	0	0	3
Total	4	0	0	0	4
Employees with a Disability	0	0	0	0	0

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TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2012)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	3	0	0	0
Skilled (Levels 3-5), Permanent	50	6	5	10
Highly skilled production (Levels 6-8), Permanent	392	41	19	4,8
Highly skilled supervision (Levels 9-12), Permanent	553	56	47	8,5
Senior Management Service Band A, Permanent	141	16	11	7,8
Senior Management Service Band B, Permanent	49	3	1	2
Senior Management Service Band C, Permanent	7	1	0	0
Senior Management Service Band D, Permanent	0	0	0	0
Contract (Levels 1-2), Permanent	0	10	0	0
Contract (Levels 3-5), Permanent	45	71	12	26,7
Contract (Levels 6-8), Permanent	25	27	4	16
Contract (Levels 9-12), Permanent	36	27	2	5,6
Contract (Band A), Permanent	13	2	0	0
Contract (Band B), Permanent	6	0	0	0
Contract (Band C), Permanent	2	0	0	0
Contract (Band D), Permanent	1	0	0	0
Total	1323	260	101	7,6

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2012)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	318	115	38	11,9
Communication and information related, Permanent	1	1	0	0
Economists, Permanent	6	2	0	0
Finance and economics related, Permanent	42	12	0	0
Financial and related professionals, Permanent	6	0	3	50
Financial clerks and credit controllers, Permanent	3	0	0	0
Food services aids and waiters, Permanent	8	3	0	0
General legal administration and related professionals, Permanent	2	0	0	0
Head of Department/Chief Executive Officer, Permanent	1	0	0	0
Human resources and organisational development and related professionals Permanent	1	0	0	0
Human resources clerks, Permanent	5	0	0	0
Human resources related, Permanent	37	4	4	10,8
Information technology related, Permanent	5	11	0	0
Legal related, Permanent	8	0	0	0
Librarians and related professionals, Permanent	1	1	0	0
Library mail and related clerks, Permanent	23	0	3	13
Light vehicle drivers, Permanent	4	0	0	0
Logistical support personnel, Permanent	23	2	2	8,7
Messengers porters and deliverers, Permanent	12	0	1	8,3
Motor vehicle drivers, Permanent	1	0	0	0
Other administrative and related clerks and organisers, Permanent	5	1	0	0
Other information technology personnel, Permanent	3	0	1	33,3
Other occupations, Permanent	2	0	0	0
Secretaries and other keyboard operating clerks, Permanent	73	9	5	6,8
Security officers, Permanent	15	1	1	6,7
Senior managers, Permanent	211	22	12	5,7
Trade and Industry advisers and other related professionals, Permanent	507	76	31	6,1
Total	1323	260	101	7,6

TABLE 5.3 - Reasons staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	4	4	0,3	101	1444
Resignation, Permanent	51	50,5	3,5	101	1444
Expiry of contract, Permanent	10	9,9	0,7	101	1444
Dismissal-misconduct, Permanent	2	2	0,1	101	1444
Retirement, Permanent	8	7,9	0,6	101	1444
Transfers out of Department	26	25,7	1,8	101	1444
Total	101	100	7	101	1444

Resignations as % of Employment
3,5
TABLE 5.4 - Granting of Employee Initiated Severance Packages

Category	No of applications received	No of applications referred to the MPSA	No of applications supported by MPSA	No of Packages approved by department
Lower Skilled (Salary Level 1-2)	0	0	0	0
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled Production (Salary Level 6-8)	0	0	0	0
Highly Skilled Production (Salary Level 9-12)	0	0	0	0
Senior Management (Salary Level 13 and higher)	0	0	0	0
Total	0	0	0	0

TABLE 5.5 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2012)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related, Permanent	318	9	2,8	88	27,7
Communication and Information Related, Permanent	1	0	0	0	0
Economists, Permanent	6	0	0	5	83,3
Finance and Economics Related, Permanent	42	2	4,8	24	57,1
Financial and Related Professionals, Permanent	6	0	0	4	66,7
Financial Clerks and Credit Controllers, Permanent	3	0	0	0	0
Food Services Aids and Waiters, Permanent	8	0	0	5	62,5
General Legal Administration and Related Professionals, Permanent	2	0	0	1	50
Head of Department/Chief Executive Officer, Permanent	1	0	0	0	0
Human Resources and Organisational Development and Related Professionals, Permanent	1	0	0	0	0
Human Resources Clerks, Permanent	5	0	0	0	0
Human Resources Related, Permanent	37	2	5,4	25	67,6
Information Technology Related, Permanent	5	1	20	2	40
Legal Related, Permanent	8	0	0	0	0
Librarians and Related Professionals, Permanent	1	0	0	0	0
Library Mail and Related Clerks, Permanent	23	2	8,7	9	39,1
Light Vehicle Drivers, Permanent	4	0	0	3	75
Logistical Support Personnel, Permanent	23	0	0	8	34,8
Messengers, Porters and Deliverers, Permanent	12	0	0	8	66,7
Motor Vehicle Drivers, Permanent	1	0	0	0	0
Other Administration and Related Clerks and Organisers, Permanent	5	1	20	1	20
Other Information Technology Personnel, Permanent	3	1	33,3	0	0
Other Occupations, Permanent	2	0	0	1	50
Secretaries and Other Keyboard Operating Clerks, Permanent	73	12	16,4	93	127,4
Security Officers, Permanent	15	0	0	7	46,7
Senior Managers, Permanent	211	14	6,6	133	63
Trade and Industry Advisers and Other Related Professionals, Permanent	507	51	10,1	219	43,2
Total	1323	95	7,2	636	48,1

TABLE 5.6 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2012)	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	3	0	0	0	0
Skilled (Levels 3-5), Permanent	50	0	0	23	46
Highly skilled production (Levels 6-8), Permanent	392	20	5,1	217	55,4
Highly skilled supervision (Levels 9-12), Permanent	553	54	9,8	252	45,6
Senior management (Levels 13-16), Permanent	197	13	6,6	124	62,9
Contract (Levels 1-2), Permanent	0	0	0	0	0
Contract (Levels 3-5), Permanent	45	1	2,2	2	4,4
Contract (Levels 6-8), Permanent	25	2	8	7	28
Contract (Levels 9-12), Permanent	36	4	11,1	2	5,6
Contract (Levels 13-16), Permanent	22	1	4,5	9	40,9
Total	1323	95	7,2	636	48,1

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 Black	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Black	Female, White	Total
Legislators, senior officials and managers	87	16	13	116	20	58	10	13	81	16	233
Professionals	277	11	10	298	27	284	13	25	322	32	679
Technicians and associate professionals	103	5	1	109	1	164	10	2	176	20	306
Clerks	20	0	0	20	0	136	7	2	145	16	181
Service shop and market sales workers	3	0	3	6	1	7	0	0	7	1	15
Plant and machine operators and assemblers	4	1	0	5	0	0	0	0	0	0	5
Labourers and related workers	9	0	0	9	0	15	1	0	16	0	25
Total	503	33	27	563	49	664	41	42	747	85	1444

	Male, African	Male, Coloured	Male, Indian	Male, Total Black	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Black	Female, White	Total
Employees with disabilities	18	0	0	18	2	15	1	1	17	3	40

TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Black	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Black	Female, White	Total
Top Management, Permanent	2	2	2	6	0	2	1	0	3	0	9
Senior Management, Permanent	85	12	8	105	24	59	8	17	84	16	229
Professionally qualified and experienced specialists and mid-management, Permanent	152	8	12	172	15	181	14	14	209	29	425
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	172	6	2	180	6	308	15	8	331	38	555
Semi-skilled and discretionary decision making, Permanent	22	0	0	22	0	24	1	0	25	0	47
Unskilled and defined decision making, Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Top Management), Permanent	0	1	1	2	1	1	0	0	1	0	4
Contract (Senior Management), Permanent	9	1	0	10	2	1	2	1	4	1	17
Contract (Professionally qualified), Permanent	12	2	1	15	0	11	0	1	12	0	27
Contract (Skilled technical), Permanent	22	0	1	23	1	27	0	1	28	1	53
Contract (Semi-skilled), Permanent	22	1	0	23	0	44	0	0	44	0	67
Contract (Unskilled), Permanent	5	0	0	5	0	5	0	0	5	0	10
Total	503	33	27	563	49	664	41	42	747	85	1444

TABLE 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Black	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Black	Female, White	Total
Senior Management, Permanent	5	2	1	8	0	7	1	3	11	1	20
Professionally qualified and experienced specialists and mid-management, Permanent	23	3	3	29	1	23	1	2	26	0	56
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	19	3	0	22	0	14	4	0	18	1	41
Semi-skilled and discretionary decision making, Permanent	3	0	0	3	0	3	0	0	3	0	6
Contract (Senior Management), Permanent	0	1	0	1	1	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	12	1	0	13	1	13	0	0	13	0	27
Contract (Skilled technical), Permanent	14	0	0	14	0	13	0	0	13	0	27
Contract (Semi-skilled), Permanent	25	0	0	25	0	46	0	0	46	0	71
Contract (Unskilled), Permanent	5	0	0	5	0	5	0	0	5	0	10
Total	106	10	4	120	3	124	6	5	135	2	260

	Male, African	Male, Coloured	Male, Indian	Male, Total Black	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Black	Female, White	Total
Employees with disabilities	2	0	0	2	0	1	0	0	1	0	3

TABLE 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Black	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Black	Female, White	Total
Top Management, Permanent	0	1	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	7	2	0	9	1	2	0	0	2	0	12
Professionally qualified and experienced specialists and mid-management, Permanent	23	3	0	26	0	21	1	1	23	5	54
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	5	0	0	5	0	15	0	0	15	0	20
Semi-skilled and discretionary 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	1	0	1	0	1
Contract (Professionally qualified), Permanent	3	0	0	3	0	1	0	0	1	0	4
Contract (Skilled technical), Permanent	1	0	0	1	0	1	0	0	1	0	2
Contract (Semi-skilled), Permanent	0	0	0	0	0	1	0	0	1	0	1
Total	39	6	0	45	1	41	2	1	44	5	95

	Male, African	Male, Coloured	Male, Indian	Male, Total Black	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Black	Female, White	Total
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1

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TABLE 6.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Black	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Black	Female, White	Total
Senior Management, Permanent	5	0	0	5	3	3	1	0	4	0	12
Professionally qualified and experienced specialists and mid-management, Permanent	15	3	1	19	4	18	1	0	19	5	47
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	5	0	0	5	1	7	1	1	9	4	19
Semi-skilled and discretionary decision making, Permanent	2	0	0	2	0	3	0	0	3	0	5
Contract (Senior Management), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Skilled technical), Permanent	1	0	0	1	0	2	0	0	2	1	4
Contract (Semi-skilled), Permanent	9	0	0	9	0	3	0	0	3	0	12
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
Total	39	3	1	43	8	36	3	1	40	10	101

	Male, African	Male, Coloured	Male, Indian	Male, Total Black	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Black	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

TABLE 6.6 - Disciplinary Action

	Male, African	Male, Coloured	Male, Indian	Male, Total Black	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Black	Female, White	Total	Not Available
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Black	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Black	Female, White	Total
Legislators, Senior Officials and Managers	181	31	4	216	4	49	4	12	65	8	293
Professionals	362	9	22	393	78	449	23	28	500	24	995
Technicians and Associate Professionals	92	9	2	103	0	203	9	8	220	11	334
Clerks	113	0	0	113	0	225	0	0	225	0	338
Service and Sales Workers	8	0	0	8	0	10	0	0	10	0	18
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	1	0	1	0	6	0	0	6	0	7
Total	756	50	28	834	82	942	36	48	1026	43	1985
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

TABLE 7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
African, Female	156	649	24	3 761	24
African, Male	92	485	19	2 732	30
Indian, Female	7	41	17	254	36
Indian, Male	6	27	22	212	35
Coloured, Female	12	40	30	368	31
Coloured, Male	4	33	12	221	55
Total Black, Female	175	730	24	4 383	25
Total Black, Male	102	545	19	3 165	31
White, Female	42	82	51	1 220	29
White, Male	10	47	21	588	59
Employees with disabilities	5	40	13	159	32
Total	334	1444	23	9515	28

TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
Lower skilled (Levels 1-2)	1	3	33	6	6
Skilled (Levels 3-5)	29	49	59	211	7
Highly skilled production (Levels 6-8)	119	403	30	1 704	14
Highly skilled supervision (Levels 9-12)	135	573	24	4 388	33
Contract (Levels 1-2)	0	10	0	0	0
Contract (Levels 3-5)	2	67	3	18	9
Contract (Levels 6-8)	5	43	12	52	10
Contract (Levels 9-12)	0	58	0	0	0
Total	291	1206	24	6379	22

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TABLE 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
Administrative related	55	289	19	1 305	24
Communication and information related	1	2	50	19	19
Economists	1	7	14	76	76
Finance and economics related	23	47	49	760	33
Financial and related professionals	1	7	14	39	39
Financial clerks and credit controllers	1	2	50	13	13
Food services aids and waiters	6	10	60	39	7
General legal administrative and related professionals	0	2	0	0	0
Head of Department/Chief Executive Officer	0	1	0	0	0
Human resources and organisational development and related professionals	0	2	0	0	0
Human resources clerks	5	5	100	53	11
Human resources related	5	39	13	102	20
Information technology related	0	15	0	0	0
Legal related	0	7	0	0	0
Librarians and related professionals	0	1	0	0	0
Library mail and related clerks	13	22	59	128	10
Light vehicle drivers	2	4	50	13	7
Logistical support personnel	7	21	33	129	18
Messengers porters and deliverers	12	10	120	79	7
Motor vehicle drivers	1	1	100	9	9
Other administrative and related clerks and organisers	2	7	29	22	11
Other information technology personnel	0	3	0	0	0
Other occupations	2	5	40	14	7
Secretaries and other keyboard operating clerks	49	143	34	726	15
Security officers	2	15	13	32	16
Senior managers	43	234	18	3 072	71
Trade and Industry advisers and other related professionals	103	543	19	2 885	28
Total	334	1444	23	9515	28

TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	24	168	14	1 508	63	1,37	110 224
Band B	15	58	26	1 217	81	3,00	40 579
Band C	4	11	36	411	103	4,51	9 117
Band D	0	1	0	0	0	0,00	1 275
Total	43	238	18	3136	73	1,95	161 195

7.5 Signed PM Agreements by SMS Members as at 31 July 2012				
SMS Levels	Total Number of Funded SMS Post per Level	Total Number of SMS Members per Level	Total Number of Signed PM Agreements per Level	Signed PM Agreements as % of total number of post
DG/HOD	1	1	1	100%
Salary level 16 but not HOD	0	0	0	0%
Salary Level 15	12	9	8	89%
Salary Level 14	61	56	47	84%
Salary 13	186	163	147	90%
Total	260	229	203	89%

7.6 Reasons for not having concluded Performance Agreements for all SMS members as at 31 July 2012	
DG/HOD	N/a
Salary level 16 but not HOD	N/a
Salary Level 15	One employee (Employee based at a mission abroad) - Finalised but late - The agreement was signed on time and submitted to the DG's office. The agreement was first sent to the Strategy Unit for Quality Assurance before the DG signed the agreement.
Salary Level 14	Eight employees. Finalised but late. The DDG had a busy travel schedule in relation to MCEP workshops and as a result did not finalise discussions and revisions with the affected Senior Managers in time One employee. Submitted, but not finalised. Employee submitted his agreement on 14 September 2012 without the manager's signature. The transfer of the employee to the Tribunal was not completed.
Salary 13	16 employees. Finalised but late. One employee submitted to COO by 31 May 2013, however, the Ambassador did not sign on time. One employee submitted her agreement to manager on 25 May 2012 with the amendments made as per the discussion with manager on 21 May 2012 One employee has been out of the country most of the first quarter due to the nature and character of the employee's work that is not office bound. One matter escalated to manager for action. No response from employee. Three employees on maternity leave. Eight extensions granted. DDG was out of the country for work, leave resulting from emergency circumstances and the unavailability of management due to work commitments. The agreements were submitted on 8 June 2012. One employee on sick leave.

Table 7.7 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as at 31 May 2012
The Director-General sent letters to all the Senior Managers who did not submit their performance agreements to HR by 31 May 2012. The employees had to respond in writing to the DG's letter indicating the reasons for non-compliance and had to submit the agreements by a date set by the DG in his letter. No formal disciplinary action was taken against Senior Managers for non-compliance, however, if no valid reasons were provided, the employee will not qualify for a cash award and notch increase.

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TABLE 8.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	3	43	3	43
Senior management (Levels 13-16)	0	0	1	14	1	14
Contract (Levels 6-8)	1	20	1	14	0	0
Contract (Levels 9-12)	2	40	1	14	-1	-14
Contract (Levels 13-16)	2	40	1	14	-1	-14
Total	5	100	7	100	2	29

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	Total Change in Employment
Senior Management	2	40	2	29	29
Professionals and Managers	2	40	4	57	57
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	20	1	14	14
Total	5	100	7	100	100

TABLE 9.1 - Sick Leave for Jan 2012 to Dec 2012

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
Skilled (Levels 3-5)	228	78,1	40	3,7	6	82	1089	178
Highly skilled production (Levels 6-8)	2522	73,8	356	32,7	7	1	1089	1861
Highly skilled supervision (Levels 9-12)	3049	74,2	450	41,3	7	3	1089	2263
Senior management (Levels 13-16)	739	75,5	141	12,9	5	1	1089	558
Contract (Levels 1-2)	12	75	6	0,6	2	2	1089	9
Contract (Levels 3-5)	108	52,8	45	4,1	2	22	1089	57
Contract (Levels 6-8)	159	76,1	28	2,6	6	92	1089	121
Contract (Levels 9-12)	67	85,1	13	1,2	5	79	1089	57
Contract (Levels 13-16)	73	72,6	10	0,9	7	142	1089	53
Total	6957	74,1	1089	100	6	424	1089	5157

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2012 to Dec 2012

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
Lower skilled (Levels 1-2)	64	100	2	100	32	25	64	2
Highly skilled production (Levels 6-8)	285	100	18	100	16	252	285	18
Highly skilled supervision (Levels 9-12)	96	100	7	100	14	181	96	7
Senior management (Levels 13-16)	78	100	3	100	26	236	78	3
Contract (Levels 9-12)	0	0	0	0	0	0	0	0
Total	523	100	30	100	17	694	523	30

TABLE 9.3 - Annual Leave for Jan 2012 to Dec 2012

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	36	12	3
Skilled (Levels 3-5)	990	20	50
Highly skilled production (Levels 6-8)	8917	21	425
Highly skilled supervision (Levels 9-12)	11751,84	20	580
Senior management (Levels 13-16)	5568,09	21	260
Contract (Levels 1-2)	707	8	91
Contract (Levels 3-5)	111	14	8
Contract (Levels 6-8)	572	16	36
Contract (Levels 9-12)	412	12	34
Contract (Levels 13-16)	411	18	23
Not Available	0	0	0
Total	29475,93	20	1510

TABLE 9.4 - Capped Leave for Jan 2012 to Dec 2012

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2012	Number of Employees who took Capped leave	Total number of capped leave available as at 31 December 2012	Number of Employees as at 31 December 2012
Skilled (Levels 3-5)	0	0	0	0	0,03	1
Highly skilled production (Levels 6-8)	4,08	2	53	2	1057,65	20
Highly skilled supervision (Levels 9-12)	24,68	3	18	8	870,71	49
Senior management (Levels 13-16)	42,66	4	33	10	3318,72	102
	67,68	6	32	11	2518,51	79
Total	139,1	15	136	31	7765,62	251

TABLE 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2012/13 due to non-utilisation of leave for the previous cycle	861	51	17
Capped leave payouts on termination of service for 2012/13	863	10	86
Current leave payout on termination of service for 2012/13	920	82	11
Total	2 644	143	18

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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 and related diseases (if any)	Key steps taken to reduce the risk
Occupational Health Practitioner	Awareness
First Aiders	Providing access to Post-Exposure Prophylaxis

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes

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		D: OD&T
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		Quality of Worklife
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		ICAS
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		Health and Wellness Committee and Transformation Committee
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		EE Plan and EE Policy
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		HIV/AIDS Policy
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Monthly Health Screenings
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	X		Health assessment reports

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	Total
Final written warning	4	10	4
Written warning	16	39	16
Verbal warning	15	37	15
Pending	1	2	1
Not guilty	1	2	1
Withdrawn	1	2	1
Charges dismissed	1	2	1
Counselling	2	5	2
Total	41	100	41

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings			
Type of misconduct	Number	Percentage of Total	Total
Fraud/corruption	2	5	2
Victimisation of staff	1	2	1
Insubordination/poor performance	7	17	7
Non-compliance	11	27	11
Irregular/wasteful expenditure	2	5	2
Improper conduct/alcohol/absenteeism	5	12	5
Prejudice on the administration of government	1	2	1
Failure to report lost property/loss of records	2	5	2
Failure to follow lawful instruction	8	20	8
Failure to co-ordinate work/obligation	2	5	2
Total	41	100	41

TABLE 11.4 - Grievances Lodged			
Number of grievances addressed	Number	Percentage of Total	Total
Resolved	19	91	19
Pending	2	10	2
Total	21	100	21

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TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	0	0%
Pending	13	68%
Dismissed	6	32%
Total	19	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	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

TABLE 12.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	97	0	146	0	146
	Male	136	0	129	0	129
Professionals	Female	354	0	536	0	536
	Male	325	0	433	0	433
Technicians and associate professionals	Female	196	5	277	0	282
	Male	110	5	194	0	199
Clerks	Female	161	0	238	0	238
	Male	20	0	113	0	113
Service and sales workers	Female	8	0	0	0	0
	Male	7	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	5	0	0	0	0
Craft and related trades workers	Female	16	0	0	0	0
	Male	9	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	3	0	3
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub-totals	Female	832	5	1197	0	1202
	Male	612	5	872	0	877
Total		1444	10	2069	0	2079

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	97	0	73	0	73
	Male	136	0	220	0	220
Professionals	Female	354	0	524	0	524
	Male	325	0	471	0	471
Technicians and associate professionals	Female	196	5	231	0	236
	Male	110	5	103	0	108
Clerks	Female	161	0	225	0	225
	Male	20	0	113	0	113
Service and sales workers	Female	8	0	10	0	10
	Male	7	0	8	0	8
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	5	0	0	0	0
Elementary occupations	Female	16	0	6	0	6
	Male	9	0	1	0	1
Gender sub-totals	Female	832	5	1069	0	1074
	Male	612	5	916	0	921
Total		1444	10	1985	0	1995

**HR OVERSIGHT - April 2012 to March 2013 - Trade and Industry
TABLE 13.1 - Injury on Duty**

Nature of injury on duty	Number	% of total
Required basic medical attention only	7	100
Total	7	100

HR Oversight

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TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Study on SMEDP tourism beneficiaries	1	60	R 243 529.00
Regulatory impact assessment (RIA) on the review of the Business Act 71 of 1991	7	80	R 880 861.24
Analyse and develop a policy to effect amendments to the National Credit Act 34 of 2005	4	120	R 491 796.00
Quantity surveyor for the seda relocation project	2	240	R 181 418.32
Professional engineering services for the AIS and EIP	1	90	R 500 000.00
Project manager for the integrated Incentive Management System	1	160	R 427 653.85
Research into growing SA's competitiveness and net exports within the global Africa region	4	90	R 432 060.00
Expert witness	1	7	R 95 236.40
Design a micro-organisational structure for CCRD	1	80	R 495 082.00
Maintenance on the SMEDP incentive scheme	2	80	R 380 160.00
Health risk consultant	1	280	R 125 646.00
Research to fund the certification of national organic retailers	2	180	R 131 328.00
Functional design specialist for the IEMS project	1	280	R 1 167 724.80
Senior project manager for the IEMS project	1	420	R 2 147 212.80
Functional design specialist for the IEMS project	2	280	R 1 017 792.00
Consultant to support particular facility management projects	3	280	R 751 095.00
Chairperson for the GPSSBC	1	10	R 35 445.00
Conduct a study of the quantitative and qualitative analysis of SMME cosmetic sector	5	100	R 475 380.00
Market trends analysis for SA plastics sector	1	20	R 151 098.00
Strategic industrial project (SIP) programme	1	80	R 397 768.80
Appointment of a detailed rail infrastructure industry analyst	3	120	R 386 574.00

TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Business analyst for the IEMS project	1	240	R 1 211 520.00
Conduct a study analysing employment, investment, trade, income inequality and poverty alleviation	5	15	R 67 030.97
Consulting service for the procurement of project management services in OCIO	1	240	R 1 422 720.00
Development resources for the IEMS project	2	240	R 1 116 288.00
Appointment of a functional analyst for the IEMS project	1	160	R 278 554.37
Study to determine the extent and impact of importation of timber on the SA milling industry	2	120	R 407 578.00
Implementation of the Technogirl programme	1	80	R 309 030.00
Conduct independent forensic audit services	12	240	R 3 028 565.00
Development and maintenance resources for the IEMS project	2	240	R 2 363 904.00
Develop a marketing and enterprise development strategy for the African Vintners Alliance	1	120	R 457 000.00
Conduct the dti employee survey	10	160	R 1 337 790.00
Conduct an all-encompassing study of the BEE deals for designated groups and black women as defined in the Codes of Good Practice For B-BBEE	2	120	R 983 880.44
Appointment of a functional design specialist for the IEMS project	1	240	R 1 017 792.00
Produce a quarterly economic trends report for the dti	1	240	R 788 960.00
Conduct an impact assessment on the effectiveness of the liquor Act No 59 of 2003	3	120	R 1 080 502.00
Study to determine the extent and impact of importation of timber on the SA milling industry	2	100	R 307 578.00
Draft strategic framework on gender and empowerment	1	20	R 68 400.00
Conduct a technology study on consumer energy-saving devices	2	120	R 997 500.00
Conduct an all-encompassing study on the impact of B-BBEE in terms of the overall transformation and implementation within the public and private sector	10	120	R 1 959 220.00
Investigate and mediate a grievance	1	40	R 24 725.68
Accounting support services for the Companies Tribunal	11	480	R 3 750 000.00
Consultancy to mediate industrial action	1	2	R 48 000.00

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TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Editorial services	1	40	R 114 000.00
Conduct a feasibility study and develop a business plan for commercial aquaculture on certain parts of the Orange River	6	120	R 398 500.00
Support to particular facility management projects	1	240	R 1 000 000.00
Conduct a feasibility study on the establishment of economically viable secondary marketing co-operatives	8	100	R 750 000.00
<i>The Big Break Legacy</i> show	10	240	R 5 000 000.00
Consultant to assist with productive asset allowance applications and claims adjudication	2	40	R 500 000.00
Analysis of optimal economics of scale to support and optimise localisation	1	80	R 423 500.00
Trailer manufacturing value chain study	6	120	R 783 851.00
Conduct a study of Uthungulu Essential Oils Cluster Development Project	1	80	R 499 787.40
Conduct a study on the Co-op Incentive Scheme (CIS)	3	100	R 496 000.00
Conduct a joint study on economic co-operation between SA and Japan	1	86	R 209 014.49
Appointment of an external mediator	3	1	R 48 016.80
Conduct a study to review the current national export strategy on the grounds of a quality-based selection	2	120	R 1 698 951.00
Appointment of an external mediator	1	1	R 189 582.00
To conduct a joint study on economic co-operation between SA and Japan	2	120	R 261 500.00
Drafting of verification procedures to compile a factual findings report for the MCEP	3	2	R 37 300.00
Appointment of a CRM developer	1	120	R 984 960.00
Facilitate assessment for incentive schemes in IDIAD	1	30	R 480 208.00
Appointment of a specialist developer for maintenance work on the EIP incentive system	1	100	R 49 200.00

TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Study on industrial and economic challenges faced by the poultry industry in the Limpopo Province	7	120	R 49 951.00
Report on possible rationalisation of agencies	1	2	R 487 200.00
Leading the review of the Regional Industrial Development Plan and the consolidation of inputs from the review process	1	40	R 89 262.00
Appointment of a quantity surveying company for Block G alterations and reconfiguration project	4	46	R 470 723.00
External mediator	1	1	R 14 000.00
Conduct a feasibility study and develop a business plan	1	30	R 433 200.00
Conduct a baseline study for the advanced materials sector in SA	2	100	R 994 194.00
External mediator	3	7	R 98 811.36
Support on implementation and guidance of ISO 9001:2008	1	24	R 54 720.00
Pre-screening services for advertised positions	1	30	R 188 100.00

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
72	194	8654	R 50 745 931.72

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Study on SMEDP tourism beneficiaries	60	60	1
Regulatory Impact Assessment (RIA) on the review of the Business Act 71 of 1991	55	55	7
Analyse and develop a policy to effect the necessary amendments to the National Credit Act 34 of 2005	0	0	4
Quantity surveyor for the seda relocation project	100	100	2
Professional engineering services for the AIS and EIP	41	41	1
Project manager for the Intergrated Incentive Management System	61	42	1
Research into growing SA's competitiveness and net exports within the global Africa region	64	64	4
Expert witness	72	72	1
Design a micro-organisational structure for CCRD	100	100	1
Maintenance on the SMEDP incentive scheme	51	51	2
Health risk consultant	40	40	1
Functional design specialist for the IEMS project	44	44	1
Senior project manager for the IEMS project	100	100	1
Functional design specialist for the IEMS project	51	51	0
Consultant to support particular facility management projects	49	49	0
Chairperson for the GPSSBC	0	0	1
Conduct a study of the quantitative and qualitative analysis of SMME cosmetic sector	20	20	5
Market trends analysis of SA plastics sector	0	0	1
Strategic Industrial Projects (SIP) programme	0	0	1
Appointment of a detailed rail infrastructure industry analyst	30	30	3
Business analysts for the IEMS project	30	30	1

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Conduct a study analysing employment, investment, trade, income inequality and poverty alleviation	55	55	5
Consulting service for the procurement of project management services in OCIO	25	25	1
Development resources for the IEMS project	38	38	2
Appointment of a functional analyst for the IEMS project	20	20	1
Study to determine the extent and impact of importation of timber on the SA milling industry	96	96	2
Implementation of the Technogirl programme	51	51	1
Conduct independent forensic audit service	6	50	12
Development and maintenance resources for the IEMS project	25	25	2
Develop a marketing and enterprise development strategy for the African Vintners Alliance	0	0	1
Conduct the dti employee survey	50	50	5
To conduct an all-encompassing study of the BEE deals for designated groups and black women as defined in the Codes Of Good Practice For B-BBEE	0	0	2
Appointment of a functional design specialist for the IEMS project	50	50	1
Produce a quarterly economic trends report for the dti	50	50	1
Conduct an impact assessment on the effectiveness of the Liquor Act No. 59 of 2003	41	41	2
Study to determine the extent and impact of importation of timber on the SA saw milling industry	96	96	2
Draft strategic framework on gender and empowerment	100	100	1
Conduct a technology study on consumer energy-saving devices	0	0	2
Conduct an all-encompassing study on the impact of B-BBEE in terms of the overall transformation and implementation within the public and private sector	0	0	10
Investigate and mediate a grievance	68	68	1
Accounting support services for the Companies Tribunal	35	35	11

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Consultancy to mediate industrial action	100	100	1
Editorial services	30	30	1
Conduct a feasibility study and develop a business plan for commercial aquaculture on certain parts of the Orange River	70	70	6
Support particular facility management projects	80	80	1
Conduct a feasibility study on the establishment of economically viable secondary marketing co-operatives	36	36	8
<i>The Big Break Legacy</i> show	100	100	10
Consultant to assist with productive asset allowance applications and claims adjudication	80	80	2
Analysis of optimal economics of scale to support and optimise localisation	35	35	1
Trailer manufacturing value chain study	40	40	6
Conduct a study of Uthungulu Essential Oils Cluster Development Project	100	100	1
Conduct a study on the Co-Op Incentive Scheme (CIS)	100	100	3
Conduct a joint study on economic co-operation between SA and Japan	55	55	1
Appointment of an external mediator	68	68	3
Conduct a study to review the current national export strategy on the grounds of a quality-based selection	60	60	2
Appointment of an external mediator	68	68	1
To conduct a joint study on economic co-operation between SA and Japan	100	100	1
Drafting of verification procedures to compile a factual findings report for the MCEP	25	8	2
Appointment of CRM developer	100	100	1
Facilitate assessment for incentive schemes in IDIAD	28	28	1
Appointment of a specialist developer for maintenance work on the EIP incentive system	60	60	1
Study on industrial and economic challenges faced by the poultry industry in the Limpopo Province	10	10	7

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Report on possible rationalisation of agencies	100	100	1
Leading the review of the Regional Industrial Development Plan and the consolidation of inputs from the review process	0	0	1
Appointment of a quantity surveying company for Block G alterations and reconfiguration project	100	100	4
External mediator	60	60	1
Conduct a feasibility study and develop a business plan	100	100	1
Conduct a baseline study for the advanced materials sector in SA	0	0	2
External mediator	60	60	3
Support on implementation and guidance of ISO 9001:2008	0	0	1
Pre-screening services for advertised positions	0	0	1

TABLE 14.3 - Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Conduct the dti employee survey	10	160	R 1 337 790.00
Conduct an impact assessment on the effectiveness of the Liquor Act No. 59 of 2003	3	120	R 1 080 502.00
Accounting support services for the Companies Tribunal	11	480	R 3 750 000.00
Total number of projects	24	760	R 6 168 292.00

TABLE 14.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Conduct the dti employee survey	50	50	5
Conduct an impact assessment on the effectiveness of the Liquor Act No. 59 of 2003	41	41	2
Accounting support services for the Companies Tribunal	35	35	11

HR Oversight

for the year ended 31 March 2013

Table 15.1 SMS Post Information as on 31 March 2013

SMS Levels	Total Number of Funded SMS Posts per Level	Total Number of SMS Posts per Level	% of SMS Posts Filled per Level	Total Number of SMS Posts Vacant per Level	% of SMS Posts Vacant per Level
DG/HOD	1	1	100%	0	0%
Salary Level 16 but not HOD	0	0	0%	0	0%
Salary Level 15	11	11	91%	1	9%
Salary Level 14	56	56	95%	3	5%
Salary 13	167	167	96%	6	4%
Total	235	235	96%	10	4%

Table 15.2 SMS Post Information as on 30 September 2012

SMS Levels	Total Number of Funded SMS Posts per Level	Total Number of SMS Posts per Level	% of SMS Posts Filled per Level	Total Number of SMS Posts Vacant per Level	% of SMS Posts Vacant per Level
DG/HOD	1	1	100%	0	0%
Salary Level 16 but not HOD	0	0	0%	0	0%
Salary Level 15	11	11	82%	2	18%
Salary Level 14	57	57	98%	1	2%
Salary 13	167	167	90%	17	10%
Total	236	236	92%	20	8%

Table 15.3 Advertising and Filling of SMS posts as on 31 March 2013

SMS Level	Advertising		Filling of Posts	
	Number of Vacancies per Level Advertised in Six Months of Becoming Vacant	Number of Vacancies per Level Filled in Six Months after Becoming Vacant	Number of Vacancies per Level Filled in Six Months after Becoming Vacant	Number of Vacancies per Level not Filled in Six Months but Filled in 12 Months
DG/HOD	0	0	0	0
Salary Level 16 but not HOD	0	0	0	0
Salary Level 15	1	0	0	0
Salary Level 14	5	1	1	4
Salary 13	28	13	13	14
Total	34	14	14	18

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

Reasons for vacancies not advertised within six months
One post was not advertised within the six-month period as the post was occupied by a seconded official.
Reasons for vacancies not filled within 12 months
Seven posts were not filled within the 12-month period, mainly as a result of: - Unavailability of skills required within the market. - Head-hunting processes followed to recruitment suitable candidates in line with EE requirements. - Candidates declining offers, resulting in recruitment and selection processes having to be restarted. - Awaiting DPISA approval for approved establishment.
Reasons for vacancies not advertised within 12 months
Not applicable. All vacancies advertised within 12 months

Table 15.5 Disciplinary steps taken not complying with the prescribed timeframes from filling of SMS posts within 12 months

None



PART F: FOREIGN OFFICES



Address list of Foreign Economic Offices

for the year ended 31 March 2013

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	Vacant Counsellor (Economic)	T 00251 11 371 3034 / 3683
<u>Postal address</u> P.O. Box 1091 Addis Ababa, ETHIOPIA	Mr Tatek W/Micheal Marketing Officer	M 00251 911 25 2728 (Noncedo) 00251 911 51 3627 (Metasebya)
+1 HOUR		F 00251 11 371 3682/1330 E econ.saemb@ethionet.et nmviko@thedti.gov.za
Harare		
S A High Commission, 7 Elcombe Road, Belgravia, Harare, ZIMBABWE	Vacant Counsellor (Economic)	T 00263 4 753 147-9 222/253 00263 4 251 843-52 00263 4 251 850
<u>Postal Address:</u> P.O. Box A1654 Avondale, Harare, ZIMBABWE	Vacant Marketing Officer	M 00263 772 128 292 00263 772 135 344
0 HOURS		F 00263 4 757 908 00263 4 749 657 E trade@saembassy.co.zw trademarketing@saembassy.co.zw

EAST AFRICA AND SADC		
Mission	Economic Office Staff	Telephone / Facsimile / E-mail
<p>Kampala</p> <p>S A High Commission, 15A Nakasero Road, Kampala, UGANDA</p> <p><u>Postal Address:</u> P.O. Box 22667 KAMPALA</p> <p>+1 HOURS</p>	<p>Mr Melvin Mkhize Counsellor (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00256 41 770 2100</p> <p>M 00256 7 7274 3557</p> <p>F 00256 41 434 8216</p> <p>E mmkhize@thedti.gov.za</p>
<p>Kinshasa</p> <p>S A Embassy, 77 Avenue Ngongo Lutete, Gombe, Kinshasa, DEMOCRATIC REPUBLIC OF THE CONGO (DRC)</p> <p><u>Postal Address:</u> Boite Postale 7829, Kinshasa 1, DRC</p> <p>-1 HOURS</p>	<p>Ms Louisa Buthelezi Counsellor (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00243 81 508 4477</p> <p>M 00243 81 001 7980</p> <p>F 00243</p> <p>E rsatradeindrc@stelecom.cd todyroxell@yahoo.com trade.za_drc@yahoo.com</p>
<p>Luanda</p> <p>SA Embassy, Rua Manuel Fernandes Caldeira 6B, Luanda, ANGOLA</p> <p>-1 HOURS</p>	<p>Mr Madileke Liks Ramushu Counsellor (Economic)</p> <p>Mr Antonio Coutinho Dos Santos Marketing Officer</p>	<p>T 00244 22 33 9126</p> <p>M 00244 93 808 1925</p> <p>F 00244 222 39 8730</p> <p>E mramushu@thedti.gov.za</p>

Address list of Foreign Economic Offices

for the year ended 31 March 2013

EAST AFRICA AND SADC		
Mission	Economic Office Staff	Telephone / Facsimile / E-mail
Maputo		
SA High Commission Avenida Eduardo Mondlane 41 Caixa Postal 1120 Maputo, MOZAMBIQUE	Vacant	T 00258 21 243000 x 264
	Counsellor (Economic)	M 00258 84 38 94941
0 HOURS	Mr Luis Labo	00258 84 398 7120 (Luis)
	Marketing Officer	F 00258 21 488896
		E saeconomic@tropical.co.mz satrade@tropical.co.mz
Nairobi		
SA High Commission, 5 th Floor Roshmaer Building, Lenana Road, Kilimani, Nairobi, KENYA	Vacant	T 00254 20 282 7000/7218 Direct
	Counsellor (Economic)	M 00254 71 460 6812
<u>Postal Address:</u>	Mr Gerald Ockotch	
P.O. Box 42441 Nairobi, KENYA.	Marketing Officer	F 00254 20 282 7219/7236
+1 HOUR	Ms Verydiana Selebwa	E gockotch@thedti.gov.za
	Secretary	selebwa@dirco.gov.za

WEST AFRICA & MIDDLE EAST REGION

Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Abuja</p> <p>South African High Commission, 71 Usuma Street, Maitama, Abuja, Nigeria</p> <p>- 1 HOURS</p>	<p>Mr Calvin Phume Counsellor (Economic)</p> <p>Mr Abdul-Muizz Momodu Marketing Officer</p> <p>Ms Nse Johnson Trade Secretary</p>	<p>T 00234 9 782 2852</p> <p>M 00234 70 6410 7878 00234 70 3408 9962 (Abdul) 00234 80 5775 8062 (Nse)</p> <p>F 00234 9 413 3829</p> <p>E cphume@thedti.gov.za muizzmomodu@gmail.com johnsonnse@gmail.com</p>
<p>Accra</p> <p>SA High Commission, 10 Klotey Crescent, North Labone, Accra, GHANA</p> <p><u>Postal Address</u></p> <p>P O Box 298, Trade Fair Accra, GHANA</p> <p>-2 HOURS</p>	<p>Ms Ledile Bambo Counsellor (Economic)</p> <p>George Bruce Marketing Officer</p>	<p>T 00233 21 768 477</p> <p>M 00233 244 340200 (Ledile) 00233 544 330168</p> <p>F 00233 21 764 484</p> <p>E trade@infinet.com.gh ledile@infinet.com.gh</p>

Address list of Foreign Economic Offices

for the year ended 31 March 2013

WEST AFRICA & MIDDLE EAST REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Cairo</p> <p>S A Embassy, Building 11, Intersection Road 200 & 203, Digla-Maadi, Cairo, EGYPT</p> <p>+1 HOURS</p> <p>Working week is from Sunday - Thursday</p>	<p>Vacant</p> <p>Counsellor (Economic)</p> <p>Ms Abeer Aboul Enein</p> <p>Marketing Officer</p>	<p>T 00 202 2521 53000</p> <p>M 00 201 014 53018 (Abeer)</p> <p>F 00 202 2521 3261</p> <p>E essaemb@idsc.net.eg southafr@idsc.net.eg</p>
<p>Dakar</p> <p>SA Embassy, Mermoz Sud, Lotissement Ecole de Police. Lot no. 5 Dakar, Senegal</p> <p>Postal Address: BP 21010, Dakar-Ponty, Dakar Senegal no. 5, Dakar, Senegal</p> <p>-2 HOURS</p>	<p>Vacant</p> <p>Counsellor (Economic)</p> <p>Mr Macoumba Dieng</p> <p>Marketing Officer</p>	<p>T 00221 33 864 6055 (direct) 00221 33 865 1959</p> <p>M 00221 77 819 6113</p> <p>F 00221 33 824 2125</p> <p>E tradeafsud@orange.sn investafsud@orange.sn</p> <p>W www.saesenegal.info</p>
<p>Dubai</p> <p>South African Consulate, Khalid Bin Waleed Street, Al Karama, Bur Dubai, UNITED ARAB EMIRATES</p> <p>Postal Address P O Box 34800, Dubai, UNITED ARAB EMIRATES</p> <p>+ 2 HOURS</p> <p>Working week is from Sunday - Thursday</p>	<p>Mr Sudhir Mannie</p> <p>Consul (Economic)</p> <p>Mr Sidharth Mehta</p> <p>Marketing Officer</p>	<p>T 00971 4 397 5222</p> <p>M 00971 50 443 6733</p> <p>F 00971 4 397 9602</p> <p>E satrade@thedti.ae tradeassistant@thedti.ae marketingofficer@thedti.ae</p>

WEST AFRICA & MIDDLE EAST REGION

Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Riyadh</p> <p>South African Embassy, 150 King Kalid Street, Um Al-Hammam District East, Riyadh, SAUDI ARABIA</p> <p><u>Postal Address:</u></p> <p>P O Box 94006 Riyadh 11693</p> <p>+1 HOURS</p> <p>Working week is from Saturday - Wednesday</p>	<p>Mr Rirhandzu Mahlale Counsellor(Economic)</p> <p>Mr Raza Ali Humayun Marketing Officer</p>	<p>T 00 966 1 442 9716</p> <p>M 00 966 5 5882 6556 (Rirhandzu) 00 966 5 0565 8611 (Raza)</p> <p>F 00 966 1 442 9708</p> <p>E rmahlale@thedti.gov.za rahumayun@thedti.gov.za</p>
<p>Tehran</p> <p>SA Embassy, No 5 Yekta Street, Vali-e-Asr Avenue, Tajrish, Tehran, ISLAMIC REPUBLIC OF IRAN</p> <p><u>Postal Address:</u></p> <p>P O Box 11365-7476, Tehran, Iran</p> <p>+2½ HOURS</p> <p>Working week is from Sunday - Thursday</p>	<p>Mr Fariborz Farzaneh Marketing Officer</p> <p>Ms Maryam Samari, Secretary</p>	<p>T 0098 21 2270 2866 – 9 x 304</p> <p>M 0098 912 823 8405</p> <p>F 0098 21 2271 6192</p> <p>E ffarzaneh@satrade.ir msamari@satrade.ir</p>

Address list of Foreign Economic Offices

for the year ended 31 March 2013

ASIA WEST REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Bangkok (also: Vietnam, Cambodia, Myanmar and Laos)</p> <p>SA Embassy, 12th A Floor, M-Thai Tower, All Seasons Place, 87 Wireless Road, Pathumwan, Bangkok 10330, THAILAND</p> <p>+5 HOURS</p>	<p>Ms Phaopha-nga Auyyanon Marketing Officer</p>	<p>T 0066 2 659 2900 0066 2 659 2906 (Direct)</p> <p>M 0066 81 808 5400</p> <p>F 0066 2 250 1065</p> <p>E satrade@loxinfo.co.th</p>
<p>Canberra (also: New Zealand)</p> <p>SA High Commission, Rhodes Place, State Circle, Yarralumla, Canberra, A.C.T 2600, AUSTRALIA</p> <p>+8 HOURS</p>	<p>Mr Syed M H Jaffry Marketing Officer</p>	<p>T 0061 2 6272 7300 (Switchboard) 0061 2 6272 7328 (Direct)</p> <p>M 0061 416 197 460</p> <p>F 0061 2 6273 4995</p> <p>E samarket@optusnet.com.au</p>
<p>Jakarta</p> <p>SA Embassy, 7th floor, Wisma GKBI, Site 705, JL Jend. Sudiman No 28 Jakarta 10210, INDONESIA</p> <p>+5 HOURS</p>	<p>Vacant Marketing Officer</p>	<p>T 0062 21 574 0660</p> <p>M 0062 861 137 7339</p> <p>F 0062 21 572 2206 0062 21 574 0661/0655</p> <p>E satrade2@indo.net.id</p>

ASIA WEST REGION

Mission	Economic Office Staff	Telephone / Facsimile / e-mail	
<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</p> <p>+6 HOURS</p>	<p>Vacant</p> <p>Marketing Officer</p>	<p>T</p> <p>M</p> <p>F</p> <p>E</p>	<p>0060 3 2170 2400</p> <p>0060 3 2161 1563 (Direct)</p> <p>0060 19 2713 224</p> <p>0060 3 2162 7767</p> <p>saecon3@tm.net.my</p>
<p>Mumbai</p> <p>SA Consulate General, Gandhi Mansion, 20 Altamount Road, Cumballa Hill, Mumbai 400026, INDIA</p> <p>+3½ HOURS</p>	<p>Mr Phillip Mtsweni</p> <p>Consul (Economic)</p> <p>Mr Rajan Kumar</p> <p>Marketing Officer</p>	<p>T</p> <p>M</p> <p>F</p> <p>E</p>	<p>0091 22 2351 3725</p> <p>0091 22 2352 3726</p> <p>0091 998 7346 622 ()</p> <p>0091 998 7345 599 (Rajan)</p> <p>0091 22 2352 1158</p> <p>rajan@dtimumbai.com</p> <p>nilofer@dtimumbai.com</p>

Address list of Foreign Economic Offices

for the year ended 31 March 2013

ASIA WEST REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
New Delhi		
South African High Commission, B-18 Vasant Marg, Vasant Vihar, New Delhi - 110045, INDIA	Mr Stefanus Botes Minister Counsellor (Economic)	T 0091 11 2614 8607 – 10 0091 11 2614 9411 - 20
+3½ HOURS	Mr Sarat C Pradhan Marketing Officer (Senior)	M 0091 9818 1755 05 (Stefanus) 0091 9818 1755 06 (Sarat) 0091 9818 1755 07 (Ravi)
	Mr Ravi Issar Marketing Officer	F 0091 11 2614 8605 0091 11 2614 3605
		E dtidelhi@thedti.gov.za sbotes@thedti.gov.za spradhan@thedti.gov.za rissar@thedti.gov.za
Singapore		
SA High Commission, 15 Floor, Odeon Towers, 331 North Bridge Road, SINGAPORE 188720	Mr Gimson Chong Marketing Officer	T 0065 6 339 3319
+6 HOURS		M 0065 9 615 0433
		F 0065 6 337 0196
		E satrade2@singnet.com.sg

ASIA EAST REGION

Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Beijing</p> <p>South African Embassy, 5 Dongzhimenwai Dajie, Sanlitun, Chaoyang District, Beijing, PEOPLE'S REPUBLIC OF CHINA</p> <p>+6 HOURS</p>	<p>Mr Greg Munyai Minister (Economic)</p> <p>Ms Carol Chang Marketing Officer</p> <p>Ms Michelle Liu Mo Secretary</p>	<p>T 0086 10 6532 0171 – 5 0086 10 6532 7320/1/3 0086 10 8532 0054 Direct 0086 10 6532 7315 Direct</p> <p>M 0086 136 0116 9744</p> <p>F 0086 10 6532 0182</p> <p>E Greg@saembassy.org.cn gmunyai@thedti.gov.za mmliu@thedti.gov.za</p>
<p>Hong Kong (also Macau)</p> <p>SA Consulate -General, 2706-2710 Great Eagle Centre, 23 Harbour Road, Wanchai, HONG KONG</p> <p>+6 HOURS</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>

Address list of Foreign Economic Offices

for the year ended 31 March 2013

ASIA EAST REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
Seoul		
SA Embassy, 1-37 Hannam-dong, Yongsan - ku, Seoul, SOUTH KOREA	Mr Harold Manamela Counsellor (Economic)	T 0082 2 795 0948/792 4855
+7 HOURS	Mr Kwangsu Jin Marketing Officer	M 0082 11 9038 0948 0082 10 3467 9668 (Kwangsu)
		F 0082 2 795 0949
		E satrade@korea.com paulp@southafrica-embassy.or.kr
Shanghai		
South African Consulate-General 222 Yan An Road East 27 th Floor, Room 2705/6 Shanghai, PEOPLES REPUBLIC OF CHINA	Mr Sylvan Montshonyane Consul (Economic)	T 0086 21 5359 4977 (x114)
+6 HOURS	Mr Jonathan Ni Wen Xiang Marketing Officer (x103)	M 0086 136 7183 3084 (Sylvan) 0086 139 0189 2719 (Jonathan)
		F 0086 21 6335 2820
		E dtishanghai@rsaconsulate.com Jonathan.ni@rsaconsulate.com sacg_marketing@yahoo.com

ASIA EAST REGION

Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Tokyo</p> <p>SA Embassy, 4 Floor Hanzomon first Building, 1-4 Kojimachi, Chiyoda-ku, Tokyo 102-0093, JAPAN</p> <p>+7 HOURS</p>	<p>Mr Manley Barnard Counsellor (Economic)</p> <p>Vacant</p> <p>Marketing Officer</p> <p>Vacant</p> <p>Driver/Admin Officer</p>	<p>T 0081 3 3265 2121/3366</p> <p>M 0081 90 1429 3880</p> <p>F 0081 3 3261 6445</p> <p>E counsellor@sajapan.org</p>

Address list of Foreign Economic Offices

for the year ended 31 March 2013

EUROPE 1 REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
Brussels (also: Luxembourg) SA Embassy to Belgium and Luxembourg and the SA Mission to the EU, Rue Montoyer 17-19 (B-1000), 1040 Brussels, BELGIUM -1 HOURS	Mr Wilhelm Smalberger Minister (Economic) Vacant Marketing Officer	T 0032 2 285 4439 0032 2 285 4442 0032 2 285 4441 Secretary M 0032 47 906 7961 0032 47 921 6681 F 0032 2 285 4430 E wsmalberger@thedti.be
London SA High Commission, South Africa House, Trafalgar Square, London WC2N 5DP, UNITED KINGDOM -2 HOURS	Mr Yusuf Timol Minister (Economic) Mr James Baillie Marketing Officer Mr Jacob Mothopeng Marketing Officer	T 0044 20 7451 7236 M 0044 77 1448 7143 F 0044 20 7839 0634 E ytimol@sadti.co.uk jacob@sadti.co.uk james@sadti.co.uk W www.southafricahouse.com

EUROPE 1 REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Milan</p> <p>South African Consulate -General, Vicolo San Giovanni, Sul Muro 4, 20121, Milano, ITALY</p> <p><u>Postal Address:</u></p> <p>Casella Postale 1468, 20101 Milano, ITALY</p> <p>-1 HOURS</p>	<p>Ms Marcella Uttaro</p> <p>Marketing Officer</p> <p>Ms Faldiela Collins</p> <p>Secretary</p>	<p>T 0039 02 885 8581</p> <p>M 0039 3483 333043</p> <p>F 0039 02 7200 2834</p> <p>E muttaro@thedti.gov.za fcollins@thedti.gov.za dtimilan@thedti.gov.za</p>
<p>Moscow (also: Belarus, Ukraine, Georgia, Armenia and Kazakhstan)</p> <p>South African Embassy, Granatny Per1, Building 9, Moscow 123001, RUSSIA</p> <p>+1 HOURS</p>	<p>Mr Vusi Mveli</p> <p>Minister (Economic)</p> <p>Mr Vladislav Krivosheev</p> <p>Marketing Officer</p>	<p>T 007 495 926 1177 ext 111 007 495 789 9960 Direct</p> <p>M 007 985 768 0309</p> <p>F 007 495 789 9957</p> <p>E vmveli@econsa.ru vladislav@econsa.ru tradesa@econsa.ru chebourkovair@dirco.gov.za</p> <p>W www.econsa.ru</p>

Address list of Foreign Economic Offices

for the year ended 31 March 2013

EUROPE 1 REGION (continued)		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
Stockholm (also: Denmark, Norway, Finland, Iceland and Baltic States)		
SA Embassy, Flemmegatan 20, 11226 Stockholm, SWEDEN	Vacant	T 0046 8 783 7743 (Trade)
	Marketing Officer	0046 8 243950 (Switchboard)
-1 HOURS		M 0046 736635801
	Ms Alyce Frisk	F 0046 8 660 2837
		E satrade@telia.com
		alyce-frisk@telia.com
The Hague		
SA Embassy, Wassenaarseweg 40, 2596 CJ The Hague, THE NETHERLANDS	Mr Herman van der Kroef	T 0031 70 750 7643 Herman Direct
	Marketing Officer	M 0031 614600714
-1 HOURS		F 0031 70 361 7862
		E hvdkroef@thedti.nl

EUROPE 2 REGION

Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Berlin</p> <p>SA Embassy, Economic Section, Tiergartenstrasse 18, 10785 Berlin, GERMANY</p> <p>-1 HOUR</p>	<p>Mr Hans-Friedrich Schmeding Marketing Officer</p>	<p>T 0049 30 22073152</p> <p>F 0049 30 22073207</p> <p>E hfschmeding@suedafrika.org schmedingf@dirco.gov.za</p>
<p>Berne</p> <p>South African Embassy, Alpenstrasse 29, 3006 Berne, SWITZERLAND</p> <p><u>Postal Address</u> Postfach, 3000 Berne 6, SWITZERLAND</p> <p>-1 HOUR</p>	<p>Vacant Marketing Officer</p>	<p>T 0041 31 350 1313</p> <p>M 0041 79 822 8371</p> <p>F 0041 31 368 1750</p>
<p>Madrid (also: Portugal)</p> <p>SA Embassy, Calle Claudio Coello 91, 6th Floor, Madrid, 28006, SPAIN</p> <p>-1 HOUR</p>	<p>Ms Alicia Segura Marketing Officer</p>	<p>T 0034 91 436 3780 / 3783</p> <p>M 0034 60 765 0952 (Alicia)</p> <p>F 0034 91 575 5389</p> <p>E alicia_segura@sudafrica.com econ@sudafrica.com</p>

Address list of Foreign Economic Offices

for the year ended 31 March 2013

EUROPE 2 REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
Munich		
SA Consulate-General, Sendlinger-Tor-Platz 5, 80336 Munich, GERMANY	Ms Karin Liebenberg Consul (Economic)	T 0049 89 2311 6351
-1 HOUR	Mr Marc Mueller Marketing Officer	M 0049 17 0463 0157 F 0049 89 2311 639
		E kliebenberg@thedti.gov.za liebenberg@suedafrika.org mueller@suedafrika.org mmueller@thedti.gov.za
Paris		
SA Embassy, 59 Quai d'Orsay, 75343 Paris, FRANCE	Vacant Counsellor (Economic)	T 0033 1 5359 2323
-1 HOUR	Ms Charlotte Yzerman Marketing Officer	M 0033 6 1820 0114 F 0033 1 4555 4867
	Mr Mustapha Adams Marketing Officer	E satrade@wanadoo.fr mustapha.adams@orange.fr
Vienna		
SA Embassy, Sandgasse 33, A-1190 Vienna, AUSTRIA	Ms Andrijana Ruzic Marketing Officer	T 0043 1 320 649333
-1 HOUR		M 0043 664 4204 999 F 0043 132 0649 351
		E vienna.trade@dirco.gov.za ruzic-terglava@dirco.gov.za

AMERICAS REGION

Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Buenos Aires (also: other Latin American Countries except Brazil)</p> <p>SA Embassy, Marcelo T de Alvear 590, 8th Floor Capital Federal, 1058 Buenos Aires, ARGENTINA</p> <p>-5 HOURS</p>	<p>Ms Florencia Achcar Marketing Officer</p>	<p>T 0054 11 43172900 0054 11 43172923 (Direct)</p> <p>M 0054 911 4171 5685</p> <p>F 0054 114 3172 962</p> <p>E achcarf@dirco.gov.za</p>
<p>Chicago</p> <p>SA Consulate-General, 200 South Michigan Ave, Suite 600, Chicago, Illinois 60604, USA</p> <p>-7/8 HOURS</p>	<p>Ms Donna Maluleke Consul (Economic)</p> <p>Ms Sahr Sweiss Marketing Officer</p> <p>Vacant Trade and Investment Promotion</p>	<p>T 001 312 939 6530 001 312 939 6529</p> <p>M 001 312 659 2442</p> <p>F 001 312 939 2588</p> <p>E vtomov@thedti.gov.za donnadelliahm@gmail.com satradechicago@gmail.com</p>

Address list of Foreign Economic Offices

for the year ended 31 March 2013

AMERICAS REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
New York		
SA Consulate-General, 333 East 38 th Street, 9 th Floor, New York, NY 10016, USA	Mr Jeffrey Govan Marketing Officer	T 001 212 692 2428/27 (x2430/2455)
-7/8 HOURS	Ms Bing Alo-Villareal Marketing Officer	M 001 917 496 5007 (Jeff) 001 917 496 4006 (Bing)
		F 001 212 856 1576
		E govanj@dirco.gov.za alo-villarealb@dirco.gov.za peraltam@dirco.gov.za nwes@dirco.gov.za
Sao Paulo		
SA Consulate-General, Avenida Paulista 1754, 17 th Floor, 01310-920, São Paulo, SP, BRAZIL	Mr Willem vd Spuy Consul (Economic)	T 0055 11 3265 0441/2/3
-5 HOURS	Mr Mark T Rabbitts Marketing Officer	M 0055 11 8579 1964(Willem) 0055 11 7140 7741 (Mark)
		F 0055 11 3288 3742
		E willemvds@terra.com.br safrica@terra.com.br

AMERICAS REGION

Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Toronto</p> <p>South African Consulate General Toronto, 110 Sheppard Avenue East, Suite 600, Toronto, Ontario, CANADA M2N 6Y8</p> <p>-6/7 HOURS</p>	<p>Catherine Ioannou Marketing Officer</p> <p>Ms Sybil Miller Assistant: Trade Section (x23)</p>	<p>T 001 416 944 8825 (Switchboard)</p> <p>001 416 730 7283</p> <p>001 416 730 7284 (Sybil)</p> <p>F 001 416 944 2761</p> <p>E satrade@thedti.org smiller@thedti.org</p>
<p>Washington</p> <p>SA Embassy, 3400 International drive, NW, Washington, DC 20008, U S A</p> <p>-6/7 HOURS</p>	<p>Mr Sandile Tyini Minister (Economic)</p> <p>Ms Jennifer Cheong Marketing Officer</p>	<p>T 001 202 232 4400</p> <p>001 202 274 7973 (Sandile)</p> <p>001 202 274 7975 (Cheong)</p> <p>M 001 202 445 0268(Sandile)</p> <p>F 001 202 966 5919</p> <p>E styini@saembassy.org ssimon@saembassy.org jcheong@saembassy.org</p>

Address list of Foreign Economic Offices

for the year ended 31 March 2013

INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT DIVISION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
Geneva		
SA Permanent Mission, 65 rue du Rhone, 1204 Geneva, SWITZERLAND	Mr Faizel Ismail Ambaasador to WTO (Economic)	T 0041 22 849 5401/2 0041 22 849 5404 (Wamkele) 00411 22 849 5405 (Kim)
-1 HOUR	Mr Wamkele Mene Counsellor (Economic)	0041 22 849 5403 (Miguel)
	Ms Kim Kappel Counsellor (Economic)	M 0041 79786 6024 (Faizel) F 0041 22 735 7365
	Mr Ephraim Mogashoa Counsellor (Economic)	E Faizel.Ismail51@gmail.com wamkele@bluewin.ch wtomission.southafrica@gmail.com KKappel@bluewin.ch emogashoa@bluewin.ch



The Department of Trade and Industry
Customer Contract Centre
Local: 086 1 843 384
Int:27 394 9500

the dti Campus
77 Meintjies Street
Sunnyside
Pretoria, Gauteng
0002



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

