Aim

The aim of the Department of Trade and Industry is to lead and facilitate access to sustainable economic activity and employment for all South Africans through higher levels of investment and increased access to international markets for South African products, and to create a fair, competitive and efficient market-place for domestic and foreign enterprises as well as for consumers. The Department’s vision is to increase competitiveness and equity in the context of a global economy.

Key objectives and programmes

The Department of Trade and Industry (DTI) has the following key strategic objectives:

- To provide an environment which is conducive to promoting higher levels of investment, for both foreign direct investment (FDI) and domestic investment
- To increase access for South African products to international markets
- To create a fair, competitive and efficient market-place in South Africa for domestic and foreign enterprises and consumers

These objectives are pursued through six programmes:

- **Administration**, consisting of the Executive Management Unit and Group Systems and Support Services, provides strategic management and logistical support for the Department.
- **International Trade Development** supports efforts to increase market access for South African exports by negotiating international trade agreements.
- **Enterprise and Industry Development** supports the development of policies and strategies for black economic empowerment, the development of small, medium, and micro-sized enterprises (SMMEs), and the development of economic sectors and geographical areas.
- **Consumer and Corporate Regulation** is responsible for administering the regulation of the liquor, gambling and lottery industries, as well as commercial, competition and consumer protection policies.
- **The Enterprise Organisation** promotes domestic and foreign fixed investments in the South African economy through allocating and administering a range of financial support instruments to various enterprises and investors.
- **Trade and Investment South Africa** encourages investment in South Africa and aims to develop South Africa’s capacity to export into various markets.

The following key performance areas guide the DTI in its pursuit of the above objectives:

- Increasing economic growth and the number of sustainable economic opportunities available to all South Africans
- Contributing to the competitiveness of South African enterprises
- Increasing the number of opportunities to grow and expand the SMME sector
• Providing opportunities for the economic empowerment of historically disadvantaged individuals  
• Contributing to the economic development of Africa and specifically the Southern African Development Community (SADC) 
• Reducing levels of inequality and poverty in South Africa  
• Improving the organisational efficiency and efficacy of the DTI

Strategic overview and key policy developments: 1998/99 – 2004/05

Performance review
Towards the end of 1999 a comprehensive review was undertaken of the Department’s performance in the previous five years. The review found that the DTI had not had the desired impact on the economy and concluded that it needed to be fundamentally reorganised and transformed to address the organisational weaknesses that had prevented it from being able to deliver more effectively.

The DTI embarked on a reorganisation and transformation project in 2000 with the overarching aim of modernising the Department and transforming it into a world class public sector institution capable of meeting the needs of South Africans. This required designing and implementing a new organisational structure. Significant steps in implementing transformation were taken in 2001, including the increased integration of the activities of the various divisions in the Department and the strengthening of management capacity.

The focus of the DTI in 2002/03 is organisational efficiency through using all resources efficiently to increase the proportion of funds available to directly support enterprises. The cornerstone of the medium-term strategy is to generate value for the Department’s clients by offering them relevant products and services in an accessible and user-friendly manner throughout South Africa. The drive is supported by two pillars: a people strategy and a corporate governance system. These will be embedded in the Department during 2002/03.

The longer-term objective is for the DTI to be an intelligent, performance driven and responsive public sector organisation that contributes significantly to promoting competitiveness, growth, employment and equity in the South African economy. The Department will support and build on recent positive developments in the economy, which include the accelerated growth of manufacturing exports, the increasing importance of manufactured goods in exports, and substantial increases in net company registrations.

Role in the economy
The President has determined that Government will increasingly focus on microeconomic reform to address burning economic and social issues. Microeconomic reform augments Government’s macroeconomic policy, which has focused on stabilising economic aggregates such as inflation, interest rates, and the budget deficit.

The microeconomic reform plan has several components that are approached through an integrated strategy, with a focus on growth and equity in terms of race, enterprise size, and geographical location. Cross-cutting issues, such as human resource development, technology, infrastructure and access to finance, need to be addressed to provide a platform for socio-economic development. A range of input sectors have been identified, particularly energy, telecommunications and transport, where costs need to be brought in line with global prices to enhance the competitiveness of enterprises. Priority sectors with high potential for growth and employment have been identified including agriculture, tourism, information and communication technologies (ICT), and cultural
industries. Also important are export sectors such as clothing and textiles, automotive and components, agro-processing, and metals and beneficiated minerals.

Given its broad policy approach, the DTI plays a leadership role in implementing Government’s microeconomic reform plan. The approach includes an international strategy to reintegrate South Africa into the world economy and improve market access for South Africans, and an industrial strategy that promotes the restructuring of enterprises to become globally competitive.

The DTI plays a strong integrating role and has made efforts at strengthening cooperative governance with all levels of Government. A review of mandates was undertaken and the various agencies that report to the Department were consolidated. The oversight of organisations was strengthened and objectives aligned, particularly through the Council for Trade and Industry Institutions (COTII).

### Expenditure estimates

**Table 31.1: Trade and Industry**

<table>
<thead>
<tr>
<th>Programme</th>
<th>Expenditure outcome</th>
<th>Medium-term expenditure estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Audited</td>
<td>Preliminary outcome</td>
</tr>
<tr>
<td>Administration</td>
<td>1 913 872</td>
<td>1 827 025</td>
</tr>
<tr>
<td>International Trade Development</td>
<td>20 033</td>
<td>17 895</td>
</tr>
<tr>
<td>Enterprise and Industry Development</td>
<td>876 088</td>
<td>857 049</td>
</tr>
<tr>
<td>Consumer and Corporate Regulation</td>
<td>61 016</td>
<td>113 659</td>
</tr>
<tr>
<td>The Enterprise Organisation</td>
<td>464 812</td>
<td>428 708</td>
</tr>
<tr>
<td>Trade and Investment South Africa</td>
<td>428 831</td>
<td>320 661</td>
</tr>
<tr>
<td>Total</td>
<td>1 913 872</td>
<td>1 827 025</td>
</tr>
</tbody>
</table>

**Change to 2001 Budget Estimate**

|                  |                   |                   |                   |                   |                   |                   |
|                  | 65 413            | (134 587)         | 3 463             | 1 007             |                   |                   |

**Economic classification**

|                  | 1 902 698         | 1 808 732         | 2 152 570         | 2 247 317         | 2 072 317         | 2 446 995         | 2 605 868         | 2 785 153         |
|                  | Personnel         | 145 418           | 161 219           | 174 403           | 282 486           | 217 469           | 287 437           | 225 722           | 200 820           |
|                  | Transfer payments | 1 648 950         | 1 514 333         | 1 824 782         | 1 758 390         | 1 689 390         | 2 014 430         | 2 209 563         | 2 384 075         |
|                  | Other current     | 108 330           | 133 180           | 153 385           | 206 461           | 166 461           | 145 128           | 170 583           | 180 458           |
| Capital          | 11 174            | 18 293            | 7 242             | 32 745            | 7 745             | 21 578            | 21 128            | 22 352            |                   |
|                  | Transfer payments | –                 | –                 | –                 | 1                 | 1                 | 1                 | 1                 |                   |
|                  | Acquisition of capital assets | 11 174 | 18 293 | 7 242 | 32 744 | 7 744 | 21 577 | 21 127 | 22 351 |
| Total            | 1 913 872         | 1 827 025         | 2 159 812         | 2 280 062         | 2 080 062         | 2 468 573         | 2 626 996         | 2 787 505         |

**Standard items of expenditure**

|                  | Personnel         | 145 418           | 161 219           | 174 403           | 282 486           | 217 469           | 287 437           | 225 722           | 200 820           |
|                  | Administrative    | 36 211            | 40 734            | 51 024            | 61 770            | 51 770            | 42 420            | 42 420            | 45 260            |
|                  | Inventories       | 13 118            | 12 473            | 15 543            | 15 744            | 15 744            | 8 508             | 8 509             | 7 877             |
|                  | Equipment         | 12 422            | 19 434            | 17 883            | 41 142            | 16 142            | 28 274            | 27 824            | 29 499            |
|                  | Land and buildings| 1 047             | 1 361             | 3 002             | 10 880            | 10 880            | 6 763             | 6 763             | 7 169             |
|                  | Professional and special services | 49 984 | 1 361 | 3 002 | 10 880 | 10 880 | 6 763 | 6 763 | 7 169 |
|                  | Transfer payments | 1 648 950         | 1 514 333         | 1 824 782         | 1 758 391         | 1 688 391         | 2 014 431         | 2 209 564         | 2 384 076         |
|                  | Miscellaneous     | 6 722             | 18 570            | 13 840            | 7 979             | 7 979             | 648               | 648               | 690               |
| Total            | 1 913 872         | 1 827 025         | 2 159 812         | 2 280 062         | 2 080 062         | 2 468 573         | 2 626 996         | 2 787 505         |
Expenditure trends

A core element of the stabilisation of the Department of Trade and Industry has been the development and implementation of a financial strategy. The strategy has four components: a balanced budget, better budgeting and planning, extracting greater value from transfer payments, and measuring impact.

Substantial progress has been made in improving the Department’s spending record in recent years. Spending as a proportion of budget has increased strongly, with unspent amounts of only 3.8 per cent of budget in 2000/01 compared to 34.2 per cent in 1998/99.

Transfer payments comprise around 85 per cent of the Department’s budget. These transfers fund a range of public entities reporting to the DTI as well as industrial and trade incentives.

The decline in the departmental allocation since the mid-1990s is due to the phasing out of the General Export Incentive Scheme and Tax Holiday Incentive schemes. The total number of staff in the Department was also gradually reduced over the same period. Increasing personnel expenditure over the period to 2001/02 relates to an important element of reorganisation and transformation – the acquisition of the required skills and the resultant upgrading of posts.

Over the medium term, the growth in the budget resumes with anticipated average annual growth of 6.9 per cent. This is driven primarily by strong growth on transfer payments and professional and special services. Personnel expenditure is anticipated to decline as a range of functions are transferred to public entities.

Departmental receipts

Departmental receipts consist of property income, chiefly dividends from the Industrial Development Corporation (IDC), and the recovery of loans and advances. Both components are projected to grow somewhat over the medium term.

Table 31.2: Departmental receipts

<table>
<thead>
<tr>
<th></th>
<th>Revenue outcome</th>
<th></th>
<th>Medium-term revenue estimate</th>
<th></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Audited</td>
<td>Audited</td>
<td>Preliminary</td>
<td>Adjusted</td>
</tr>
<tr>
<td></td>
<td>Appropriation</td>
<td>outcome</td>
<td></td>
<td>Appropriation</td>
</tr>
<tr>
<td></td>
<td>1998/99</td>
<td>1999/00</td>
<td>2000/01</td>
<td>2001/02</td>
</tr>
<tr>
<td>Non-tax revenue</td>
<td>73</td>
<td>58</td>
<td>107</td>
<td>64</td>
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<tr>
<td>Property income</td>
<td>72</td>
<td>57</td>
<td>106</td>
<td>63</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Financial transactions (recovery of loans and advances)</td>
<td>194</td>
<td>55</td>
<td>25</td>
<td>37</td>
</tr>
<tr>
<td>Total departmental receipts</td>
<td>267</td>
<td>113</td>
<td>132</td>
<td>101</td>
</tr>
</tbody>
</table>

Programme 1: Administration

Administration provides for two units in the Department: Executive Management and Group Systems and Support Services Division. The latter encompasses corporate governance and administrative and support functions for the Department. The Executive Management unit consists of: the offices of the Minister, the Deputy Minister, and the Director-General; the office of the Chief Economist; the office of the Chief Operating Officer; and the Chief Directorate: External Relations and Policy Coordination. The Executive Management Unit is also responsible for measuring organisational performance in terms of finances, outputs and impact.

Programme objectives include: providing strategic and logistical support to the executive management; managing the departmental corporate governance system; providing analysis to
support strategic and executive decision making; providing policy advice and coordination at the inter-governmental level; managing the reorganisation and transformation of the Department; and managing human resource development.

**Expenditure estimates**

**Table 31.3: Administration**

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Expenditure outcome</th>
<th>Medium-term expenditure estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Audited</td>
<td>Audited</td>
</tr>
<tr>
<td></td>
<td>1998/99</td>
<td>1999/00</td>
</tr>
<tr>
<td></td>
<td>2000/01</td>
<td>2001/02</td>
</tr>
<tr>
<td></td>
<td>2002/03</td>
<td>2003/04</td>
</tr>
<tr>
<td></td>
<td>2004/05</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Preliminary outcome</td>
<td>Adjusted</td>
</tr>
<tr>
<td></td>
<td>63 092</td>
<td>179 465</td>
</tr>
<tr>
<td></td>
<td>89 053</td>
<td>169 555</td>
</tr>
<tr>
<td></td>
<td>106 706</td>
<td>197 609</td>
</tr>
<tr>
<td></td>
<td>Change to 2001 Budget Estimate</td>
<td>209 466</td>
</tr>
<tr>
<td>Minister¹</td>
<td>567</td>
<td>646</td>
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<tr>
<td>Deputy Minister²</td>
<td>400</td>
<td>477</td>
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<td>Management</td>
<td>9 284</td>
<td>51 316</td>
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<td>Corporate Services</td>
<td>52 841</td>
<td>126 826</td>
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<tr>
<td>Government Motor Transport</td>
<td>–</td>
<td>200</td>
</tr>
<tr>
<td>Total</td>
<td>63 092</td>
<td>179 465</td>
</tr>
<tr>
<td>Change to 2001 Budget Estimate</td>
<td>26 733</td>
<td>20 891</td>
</tr>
<tr>
<td>Economic classification</td>
<td></td>
<td>24 030</td>
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<tr>
<td>Current</td>
<td>59 795</td>
<td>153 317</td>
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<tr>
<td>Personnel</td>
<td>21 069</td>
<td>181 821</td>
</tr>
<tr>
<td>Transfer payments</td>
<td>1 500</td>
<td>197 609</td>
</tr>
<tr>
<td>Other current</td>
<td>36 626</td>
<td>209 466</td>
</tr>
<tr>
<td>Capital</td>
<td>3 297</td>
<td>16 735</td>
</tr>
<tr>
<td>Transfer payments</td>
<td>–</td>
<td>15 788</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>3 297</td>
<td>15 734</td>
</tr>
<tr>
<td>Total</td>
<td>63 092</td>
<td>169 555</td>
</tr>
<tr>
<td>Standard items of expenditure</td>
<td></td>
<td>197 609</td>
</tr>
<tr>
<td>Personnel</td>
<td>21 069</td>
<td>169 555</td>
</tr>
<tr>
<td>Administrative</td>
<td>11 560</td>
<td>169 555</td>
</tr>
<tr>
<td>Inventories</td>
<td>3 911</td>
<td>169 555</td>
</tr>
<tr>
<td>Equipment</td>
<td>3 613</td>
<td>169 555</td>
</tr>
<tr>
<td>Land and buildings</td>
<td>982</td>
<td>169 555</td>
</tr>
<tr>
<td>Professional and special services</td>
<td>14 563</td>
<td>169 555</td>
</tr>
<tr>
<td>Transfer payments</td>
<td>1 500</td>
<td>169 555</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>5 294</td>
<td>169 555</td>
</tr>
<tr>
<td>Total</td>
<td>63 092</td>
<td>169 555</td>
</tr>
</tbody>
</table>


Policy developments

Strengthening various aspects of management is a key focus of the restructuring process and has been driven under the Administration programme. In addition, there has been an increased focus on liaison with stakeholders and strengthening cooperative governance through new structures for working with provincial counterparts, interaction with Executive Mayors of metropolitan councils, and bilateral agreements with other national departments. Regular meetings of the COTII are leading to greater alignment of policies within the 15 associated institutions, including the South African Bureau of Standards (SABS), the Industrial Development Corporation (IDC), the Council for Scientific and Industrial Research (CSIR), Khula Enterprise Finance Ltd, the National Empowerment Fund (NEF), and the Competition Authorities.
A policy management framework has been implemented, a strong corporate governance system has become operational, a world class human development strategy has been formulated, and branding and communication initiatives have been successfully implemented. In 2002, attention will be focused on further consolidating the organisational structure and on assessing the range of products and services offered.

**Expenditure trends**

Expenditure on *Administration* has grown substantially over the period to 2000/01, but stabilises over the medium term. Past growth derived from a strengthening of management through increasing personnel numbers. The growth in expenditure on professional and special services relates to renovations of the building which currently houses the Department, preparatory work for a new building, and improvements to the working and business environment.

**Programme 2: International Trade Development**

*International Trade Development* supports efforts to increase market access for South African exports within the context of a global trading environment by negotiating international trade agreements. Subprogrammes have been restructured away from their geographical focus, to focus, partly, on types of international relationships.

- Bilateral Agreements focuses on concluding trade agreements with other countries to increase penetration of those markets, emphasising the advancing of trade on the African continent.
- Regional Trade Block Agreements focuses on concluding trade agreements with regional trading blocks, such as the European Union.
- Multilateral Agreements focuses on participation in multilateral trade organisations, like the World Trade Organisation (WTO), and on concluding multilateral trade agreements with a view to influencing the global trading system in favour of developing countries.
- The two subprogrammes International Trade Development and Trade Policy and Analysis provide for: the administration of tariffs; the development of an appropriate policy framework for the administration of the tariff regime; and the establishment of a new regulatory system for trade agreements.

**Expenditure estimates**

**Table 31.4: International Trade Development**

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Expenditure outcome</th>
<th>Medium-term expenditure estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Audited</td>
<td>Audited</td>
</tr>
<tr>
<td>Bilateral Agreements</td>
<td>8 789</td>
<td>11 265</td>
</tr>
<tr>
<td>Regional Trade Block Agreements</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Multilateral Agreements</td>
<td>4 934</td>
<td>1 978</td>
</tr>
<tr>
<td>International Trade Development</td>
<td>6 310</td>
<td>4 652</td>
</tr>
<tr>
<td>Trade Policy and Analysis</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20 033</strong></td>
<td><strong>17 895</strong></td>
</tr>
</tbody>
</table>

*Change to 2001 Budget Estimate*  
37 483 37 915 40 539
Policy developments

Policy and programme developments in *International Trade Development* are:

- Continued negotiations with India, Brazil, and Nigeria
- Continued negotiations with Mercosur, a trading block of six Latin American countries, which pursues an economic and social justice agenda. The countries are Argentina, Bolivia, Brazil, Chile, Paraguay and Uruguay
- The administration of various bi-national commissions with other governments
- The implementation of the new Southern African Customs Union (SACU) agreement
- Strengthening the trade capacity of SADC
- Preparing for and participating in a new trade round under the auspices of the WTO
- The establishment of the Commission for International Trade Administration
- The ongoing analysis of trade threats and opportunities
- Replacing the Board of Tariffs and Trade (BTT), currently under *International Trade Development*, with the new Commission for International Trade Administration, an independent regulatory agency, taking over BTT’s function of administering the tariff regime.

Expenditure trends

Real growth of the programme over the previous three years, and personnel expenditure increases in particular, is due to the costs associated with foreign representatives becoming the Department’s responsibility and to establishing the additional managerial capacity required to effectively conclude trade agreements. There is also increased provision for the Commission for International Trade Administration, although there is some uncertainty around the timeframes for the legislative process and therefore the timing of the transfer of functions to the Commission. As a result, its budget is split into operational and transfer payment components.
## Key outputs, indicators and targets

### International Trade Development

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Output</th>
<th>Output measure/indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bilateral Agreements</strong></td>
<td>Management of existing trade agreements</td>
<td>Maintenance of market share where agreements are in place</td>
<td>Maintenance or growth in volume of South African exports to relevant markets</td>
</tr>
<tr>
<td></td>
<td>Trade agreements with targeted countries</td>
<td>Increased South African share of global export market, with particular emphasis on Africa</td>
<td>Trade agreements with India, Brazil and Nigeria</td>
</tr>
<tr>
<td></td>
<td>Bi-national commissions</td>
<td>Increased South African share of global export market</td>
<td>Negotiations initiated with Germany, China and Sweden</td>
</tr>
<tr>
<td><strong>Regional Trade Block Agreements</strong></td>
<td>Regional trading blocks and multilateral bodies, including the European Union, SACU, the SADC and the New Partnership for Africa’s Development</td>
<td>Agreement on outstanding issues</td>
<td>Implementation by third quarter of 2002</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Implementation SACU strategy</td>
<td>By third quarter of 2002</td>
</tr>
<tr>
<td><strong>Multilateral Agreements</strong></td>
<td>Building investment linkages internationally with emphasis on growth in Africa</td>
<td>Investment linkages established, modalities negotiated</td>
<td>50 modalities to be negotiated at World Trade Organisation</td>
</tr>
<tr>
<td><strong>International Trade Development</strong></td>
<td>Establishment of Commission for International Trade Administration (CITA)</td>
<td>Cabinet and Parliament approval of CITA Bill</td>
<td>Nedlac report on CITA concluded</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CITA Bill passed by Parliament in second quarter of 2002</td>
</tr>
<tr>
<td></td>
<td>Investigations, reviews, rebate permits and credit certificates</td>
<td>Number of investigations, reviews, permits and certificates</td>
<td>CITA functional</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10 dumping, and 10 review, investigations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10 countervailing investigations concluded</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5 safeguard, and 150 tariff, investigations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2 000 rebate certificates and 28 000 import and export control permits</td>
</tr>
<tr>
<td></td>
<td>Import and export and tariff policies</td>
<td>Number of policy documents</td>
<td>2 import and export policy documents and 1 tariff policy document</td>
</tr>
</tbody>
</table>

---

**Programme 3: Enterprise and Industry Development**

*Enterprise and Industry Development* supports the development of policies and strategies for black economic empowerment and SMME development, and for the development of economic sectors and geographical areas. The programme seeks to promote the level of competitiveness of South African enterprises and the South African economy.

- **Competitiveness Strategy** focuses on enhancing the competitiveness of South African enterprises by developing their capacity and capabilities to penetrate domestic and global markets through industrial and sectoral strategies. It provides support to, among others, the SABS, the National Metrology Laboratory at the SABS, and the CSIR.

- **Enterprise Development** focuses on developing enterprises by increasing the rates at which sustainable SMMEs are created, grow and contribute to the gross domestic product and employment. It includes transfers to a number of institutions which specialise in financing SMMEs, such as Khula Enterprise Finance and the Ntsika Enterprise Promotion Agency, which focuses on non-financial support to SMMEs.

- **Black Economic Empowerment** focuses on creating new opportunities for, and broadening the participation of, historically disadvantaged individuals and enterprises in the management, ownership and control of economic activities.
Expenditure estimates

Table 31.5: Enterprise and Industry Development

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Expenditure outcome</th>
<th>Medium-term expenditure estimate</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Audited Preliminary outcome</td>
</tr>
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<td>Competitiveness Strategy</td>
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<td>597 998</td>
</tr>
<tr>
<td>Enterprise Development</td>
<td>288 755</td>
<td>256 354</td>
</tr>
<tr>
<td>Black Economic Empowerment</td>
<td>4 853</td>
<td>6 697</td>
</tr>
<tr>
<td>Total</td>
<td>876 088</td>
<td>857 049</td>
</tr>
<tr>
<td>Change to 2001 Budget Estimate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Economic classification

| Current                          | 874 966             | 856 137                          | 864 655               | 850 923 | 812 027 | 826 017 | 878 027 |
|                                  | 23 971              | 22 353                           | 19 079                | 19 000  | 23 065  | 24 228  | 25 682  |
| Transfer payments                | 834 308             | 820 221                          | 839 116               | 807 902 | 772 006 | 784 232 | 833 736 |
| Other current                    | 16 717              | 13 563                           | 7 460                 | 24 019  | 17 556  | 17 557  | 18 609  |
| Capital                          | 1 092               | 912                              | 407                   | 3 421   | 2 504   | 2 504   | 2 654   |
| Transfer payments                |                     |                                  |                      |         |         |         |         |
| Acquisition of capital assets    | 1 092               | 912                              | 407                   | 3 421   | 2 504   | 2 504   | 2 654   |
| Total                            | 876 088             | 857 049                          | 865 062               | 854 342 | 815 131 | 828 521 | 880 681 |

Standard items of expenditure

| Personnel                        | 23 971              | 22 353                           | 19 079                | 19 000  | 23 065  | 24 228  | 25 682  |
| Administrative                    | 4 791               | 4 945                            | 3 571                 | 7 367   | 8 051   | 8 051   | 8 534   |
| Inventories                      | 1 175               | 362                              | 620                   | 324     | 1 044   | 1 045   | 1 107   |
| Equipment                        | 1 264               | 1 112                            | 746                   | 4 004   | 2 604   | 2 604   | 2 760   |
| Land and buildings               | 23                  | 27                               | 27                    | –       | –       | –       | –       |
| Professional and special services| 10 165              | 7 675                            | 2 716                 | 15 235  | 8 033   | 8 033   | 8 515   |
| Transfer payments                | 834 308             | 820 221                          | 839 116               | 807 902 | 772 006 | 784 232 | 833 736 |
| Miscellaneous                    | 391                 | 354                              | 187                   | 510     | 328     | 328     | 347     |
| Total                            | 876 088             | 857 049                          | 865 062               | 854 342 | 815 131 | 828 521 | 880 681 |

Policy developments

Key developments include:

- A sharpening of the methodology for the sectoral and geographical economic analysis that will be used to inform sectoral and regional strategies
- A review of systems regulating standards, quality assurance, accreditation and metrology, an increasingly important aspect of competitiveness, and the drafting of appropriate legislation
- A review of the effectiveness of current SMME policies and a renewal of the policy in this area, as well as amendments to the relevant legislation
- The development of an overarching policy and strategies on black economic empowerment and the development of specific policy instruments actively to promote empowerment
- The continuation of dialogue with key stakeholders, including trade unions and business, in order to develop an industrial strategy for South Africa
- Contributing to the Proudly South African campaign, an initiative to promote quality South African products and services in partnership with key stakeholders
- Enhancing the industrial participation programme (mandating providers of large contracts to Government to participate in the South African economy) to create investment opportunities
- Developing policies and strategies to raise competitiveness through technology and innovation
Considerable attention is being paid to getting better value for money from the transfer payments to institutions which support Enterprise and Industry Development through focusing on memoranda of understanding between the institutions and the Department. COTII has been established so that the institutions are aligned with departmental objectives. The Council meets quarterly and is chaired by the Minister of Trade and Industry.

**Expenditure trends**

Approximately 5 per cent of expenditure is of an operational nature, with the remainder being transferred to various entities which implement or support the programme’s policies. These include the IDC, the SABS, the National Metrology Laboratory, the South African National Accreditation System, the Proudly South African campaign, the CSIR, the National Empowerment Fund, Ntsika Enterprise Promotion Agency, and Khula Enterprise Finance Ltd.

Between 1998/99 and 2001/02 Enterprise and Industry Development expenditure has declined. This reflects the normalisation of expenditure, after significant once-off transfers to public entities, such as a payment to Khula for its recapitalisation and an initial start-up contribution to the National Empowerment Fund. Going forward, allocations for Competitiveness Strategy and Enterprise Development have stabilised, with the allocation for Black Economic Empowerment increasing substantially.

**Key outputs, indicators and targets**

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Output</th>
<th>Output measure/ indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitiveness Strategy</td>
<td>Support for Programme for Industrial Innovation</td>
<td>Increase in high-tech exports</td>
<td>Increase of at least R250 million</td>
</tr>
<tr>
<td>Financial assistance</td>
<td>Number of SMMEs supported</td>
<td>Venture Capital Fund established in first quarter of 2002</td>
<td></td>
</tr>
<tr>
<td>Increased technology transfer</td>
<td>Establish Technology Transfer Centre</td>
<td>Established at end of fourth quarter 2002</td>
<td></td>
</tr>
<tr>
<td>Human resource development</td>
<td>Investment in research and development</td>
<td>R350 million</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of students supported</td>
<td>2 100 students</td>
<td></td>
</tr>
<tr>
<td>South African Bureau of Standards</td>
<td>Number of voluntary South African National Standards prepared and maintained</td>
<td>150 new standards</td>
<td></td>
</tr>
<tr>
<td>South African National Accreditation System</td>
<td>Number of test and calibration laboratories</td>
<td>250 revised standards</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>25 medical and forensic laboratories</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>25 test laboratories</td>
<td></td>
</tr>
<tr>
<td>National Metrology Laboratory</td>
<td>Inspection bodies accredited</td>
<td>20 inspection bodies accredited</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of national standards and units established</td>
<td>Standards in chemical, electromagnetic and mechanical metrology</td>
<td></td>
</tr>
<tr>
<td>Small Business Technical Funding</td>
<td>Number of SMME Business Excellence facilitators trained</td>
<td>10 facilitators</td>
<td></td>
</tr>
<tr>
<td>Proudly South African campaign</td>
<td>Awareness created</td>
<td>25 per cent population awareness</td>
<td></td>
</tr>
<tr>
<td>Funding for research into industrial development, growth and equity</td>
<td>Number of research projects completed</td>
<td>12 research projects</td>
<td></td>
</tr>
</tbody>
</table>
### Programme 4: Consumer and Corporate Regulation

*Consumer and Corporate Regulation* is responsible for administering the regulation of the liquor, gambling and lottery industries, as well as for commercial, competition and consumer protection policies. The South African Company Registration Office and the South African Patents and Trademarks Office, funded from this programme, have been merged into the Companies and Intellectual Property Registration Office (CIPRO). The overall objective of the programme is to ensure that the market is fair, efficient and transparent. There are three subprogrammes:

- Consumer and Corporate Policy Development is responsible for policy and strategy development related to consumer and corporate regulation, as well as for various public interest issues such as gambling and liquor.
- Commerce Legislation, Regulation and Enforcement deals with the formulation and administration of legislation and regulation in the areas of corporate law, intellectual property rights, competition, and consumer protection.
- Consumer and Corporate Monitoring Regulatory Agencies is responsible for funding and monitoring the work of various regulatory agencies established in terms of consumer and corporate legislation, including the National Gambling Board, the National Lotteries Board, the Competition Authorities, the Micro Finance Regulatory Council and the Estate Agents Board.

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Output</th>
<th>Output measure/ indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Development</td>
<td>Enabling regulatory environment for SMMEs</td>
<td>Policy, strategies and research on the</td>
<td>Report on regulatory burden on SMMEs at end of 2002</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SMME sector with subsequent amendments to legislation</td>
<td>Amend the National Small Business Act (102 of 1996) by second quarter of 2002</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Strategy document on promoting entrepreneurship by July 2002</td>
</tr>
<tr>
<td></td>
<td>Support and monitoring of</td>
<td>Extent and value of support</td>
<td>R200 million worth of credit guarantees</td>
</tr>
<tr>
<td></td>
<td>effectiveness of SMME</td>
<td></td>
<td>provided by Khula</td>
</tr>
<tr>
<td></td>
<td>institutions</td>
<td></td>
<td>6 retail finance institutions created and sustained by Khula</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>R100 million worth of business loans granted by retail finance institutions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Business linkages programme created by Ntsika by July 2002</td>
</tr>
<tr>
<td></td>
<td>Advice and support on</td>
<td>Number of Manufacturing Advisory</td>
<td>2 (Free State and Northern Cape)</td>
</tr>
<tr>
<td></td>
<td>manufacturing</td>
<td>Centres</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of one-stop support centres</td>
<td>4 launched by July 2002</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Establishment of a franchising support scheme</td>
<td>By second quarter 2002</td>
</tr>
<tr>
<td>Black Economic</td>
<td>Increased black economic</td>
<td>Strategy, legislative framework and</td>
<td>Legislation, Black Economic Empowerment</td>
</tr>
<tr>
<td>Empowerment</td>
<td>empowerment</td>
<td>support finalised</td>
<td>Council, and database by second quarter 2002</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tighter and more effective implementation of industrial</td>
<td>Programmes and agreements to provide</td>
</tr>
<tr>
<td></td>
<td></td>
<td>participation projects</td>
<td>institutional and financial support by July 2002</td>
</tr>
<tr>
<td></td>
<td>Taxi recapitalisation</td>
<td>Identify preferred bidders for</td>
<td>Milestone target of US$3.9 billion</td>
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<tr>
<td></td>
<td></td>
<td>manufacture of replacement vehicles and electronic system</td>
<td>10% of participation obligation benefiting</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SMME and black economic empowerment companies</td>
</tr>
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</table>

731
Expenditure estimates

Table 31.6: Consumer and Corporate Regulation

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Expenditure outcome</th>
<th>Medium-term expenditure estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>R thousand</td>
<td>Audited</td>
<td>Audited</td>
</tr>
<tr>
<td>Consumer and Corporate Policy Development</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Commerce Legislation, Regulation and Enforcement</td>
<td>37 910</td>
<td>50 468</td>
</tr>
<tr>
<td>Consumer and Corporate Monitoring Regulatory Agencies</td>
<td>23 106</td>
<td>63 191</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>61 016</td>
<td>113 659</td>
</tr>
</tbody>
</table>

Change to 2001 Budget Estimate

| R thousand | 5 932 | 46 822 | 31 971 |

Economic classification

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<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>57 642</td>
<td>109 039</td>
<td>78 850</td>
<td>91 754</td>
<td>133 198</td>
<td>118 287</td>
<td>125 674</td>
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<td>Current</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>22 865</td>
<td>29 272</td>
<td>31 421</td>
<td>37 220</td>
<td>52 927</td>
<td>12 614</td>
<td>13 371</td>
</tr>
<tr>
<td>Transfer payments</td>
<td>15 511</td>
<td>46 472</td>
<td>16 600</td>
<td>27 102</td>
<td>65 613</td>
<td>91 010</td>
<td>96 759</td>
</tr>
<tr>
<td>Other current</td>
<td>19 466</td>
<td>33 295</td>
<td>30 829</td>
<td>27 432</td>
<td>14 663</td>
<td>13 371</td>
<td>15 544</td>
</tr>
<tr>
<td>Capital</td>
<td>3 374</td>
<td>4 620</td>
<td>2 203</td>
<td>5 052</td>
<td>947</td>
<td>947</td>
<td>1 003</td>
</tr>
<tr>
<td>Transfer payments</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>3 374</td>
<td>4 620</td>
<td>2 203</td>
<td>5 052</td>
<td>947</td>
<td>947</td>
<td>1 003</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>61 016</td>
<td>113 659</td>
<td>81 053</td>
<td>96 806</td>
<td>134 145</td>
<td>119 234</td>
<td>126 677</td>
</tr>
</tbody>
</table>

Standard items of expenditure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>22 865</td>
<td>29 272</td>
<td>31 421</td>
<td>37 220</td>
<td>52 927</td>
<td>12 614</td>
<td>13 371</td>
</tr>
<tr>
<td>Administrative</td>
<td>1 444</td>
<td>3 208</td>
<td>5 241</td>
<td>7 609</td>
<td>5 544</td>
<td>5 547</td>
<td>5 879</td>
</tr>
<tr>
<td>Inventories</td>
<td>2 947</td>
<td>3 275</td>
<td>6 755</td>
<td>4 993</td>
<td>837</td>
<td>837</td>
<td>887</td>
</tr>
<tr>
<td>Equipment</td>
<td>3 733</td>
<td>4 896</td>
<td>4 662</td>
<td>5 849</td>
<td>1 256</td>
<td>1 256</td>
<td>1 331</td>
</tr>
<tr>
<td>Land and buildings</td>
<td>7</td>
<td>3</td>
<td>47</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Professional and special services</td>
<td>14 296</td>
<td>26 097</td>
<td>16 116</td>
<td>13 978</td>
<td>7 913</td>
<td>7 915</td>
<td>8 392</td>
</tr>
<tr>
<td>Transfer payments</td>
<td>15 511</td>
<td>46 472</td>
<td>16 600</td>
<td>27 102</td>
<td>65 613</td>
<td>91 010</td>
<td>96 759</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>413</td>
<td>436</td>
<td>211</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>58</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>61 016</td>
<td>113 659</td>
<td>81 053</td>
<td>96 806</td>
<td>134 145</td>
<td>119 234</td>
<td>126 677</td>
</tr>
</tbody>
</table>

Policy developments

In the new DTI, corporate and consumer regulation has become a creative endeavour that seeks to serve the interests of both business and consumers, and to create a modern, globally competitive national economy.

A corporate law reform project and making amendments to the intellectual property rights regime are ongoing activities. In 2002, CIPRO will be established as a separate trading entity. Legal experts are in the process of being appointed to support the drafting and revision of legislation. Legislation on gambling and liquor will be submitted to Parliament. Various public interest issues will receive attention, including consumer protection, the impact of gambling, and the disbursement of lottery funds.

It is envisaged that CIPRO will function as a trading entity from 1 April 2002 and will be self-financing within the shortest possible time through income generated from services provided. This will allow for the most efficient work processes and systems to be designed and put into place to ensure efficient service delivery.

Amendments to the Companies Act (35 of 2001) were made to allow electronic lodging of new companies. The result is dramatically reduced costs and time for registering a company with the Department – a key contribution to lowering the costs of doing business with South Africa.
Expenditure trends
Over the medium term, transfer payments comprise about 67 per cent of programme expenditure. Its relative share, however, increases over time as transfers to CIPRO increase and personnel expenditure declines. The transfers to CIPRO are seen as transitional, but the need to finance its establishment explains the significant real growth in the allocation to this programme.

Key outputs, indicators and targets

### Consumer and Corporate Regulation

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Output</th>
<th>Output measure/indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerce Legislation, Regulation and Enforcement</td>
<td>Amendments to commercial legislation</td>
<td>Legislation tabled and accepted</td>
<td>12 pieces of legislation submitted in 2002/03</td>
</tr>
<tr>
<td>Consumer and Corporate Monitoring Regulatory Agencies</td>
<td>Regulation and coordination of certain matters relating to casinos, gambling and wagering</td>
<td>Uniform regulatory standards in all the provinces</td>
<td>All gambling outlets regulated by 2005</td>
</tr>
<tr>
<td>National Lotteries Board: Supervision of the application of uniform regulatory procedures</td>
<td>Compliant measures in all provinces</td>
<td>Uniform regulation in all provinces</td>
<td>Registration within 72 hours</td>
</tr>
<tr>
<td>New company and closed corporations registrations and amendments</td>
<td>Turnaround times on registrations, quality of information</td>
<td>Registration within 72 hours</td>
<td></td>
</tr>
<tr>
<td>Electronic disclosure of information</td>
<td>Number of electronic disclosures and the availability of information</td>
<td>24 hour service centre</td>
<td></td>
</tr>
<tr>
<td>Registration of trademarks, patents and designs and copyright applications</td>
<td>Number of registration opportunities, quality of information</td>
<td>Registration within 72 hours</td>
<td></td>
</tr>
<tr>
<td>Advice about registration and protection of trademarks and copyright</td>
<td>Roadshows, workshops and web service</td>
<td>Web service implemented</td>
<td></td>
</tr>
</tbody>
</table>

Programme 5: The Enterprise Organisation

*The Enterprise Organisation* programme promotes domestic and foreign fixed investments in the South African economy through allocating and administering a range of financial support instruments to various enterprises. It also aims to promote investment in infrastructure, human development, and development in the manufacturing sector and related industries, and to assist with exports. The programme also underpins the promotion of SMMEs.

The programme is organised into three subprogrammes:

- Promotion of Infrastructure and Strategic Investments promotes investment through a variety of strategies including the provision of grants and subsidies.
- Promotion of Investment to Support Competitiveness and Productivity promotes accelerated productivity growth through various programmes such as the provision of grants and subsidies.
- Promotion of Manufacturing Investment provides incentives to help develop South Africa’s manufacturing base, including providing a scrapping allowance to the taxi industry.
## Expenditure estimates

**Table 31.7: The Enterprise Organisation**

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Expenditure outcome</th>
<th>Medium-term expenditure estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Audited 1998/99</td>
<td>1999/00</td>
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<tr>
<td></td>
<td>Audited 2000/01</td>
<td>2001/02</td>
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<tr>
<td></td>
<td>Preliminary outcome</td>
<td>Adjusted outcome</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Audited 2002/03</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Preliminary 2003/04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Adjusted 2004/05</td>
</tr>
<tr>
<td>R thousand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion of Infrastructure and Strategic Investments</td>
<td>15 465</td>
<td>14 762</td>
</tr>
<tr>
<td></td>
<td>20 267</td>
<td>109 001</td>
</tr>
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<td></td>
<td>177 382</td>
<td>228 331</td>
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<td></td>
<td>242 032</td>
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<tr>
<td>Promotion of Investment to Support Competitiveness and Productivity</td>
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<td>15 731</td>
</tr>
<tr>
<td></td>
<td>31 394</td>
<td>185 694</td>
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<td></td>
<td>284 463</td>
<td>383 399</td>
</tr>
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<td></td>
<td>406 403</td>
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<tr>
<td>Promotion of Manufacturing Investment</td>
<td>448 614</td>
<td>398 215</td>
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<td></td>
<td>334 397</td>
<td>333 224</td>
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<td></td>
<td>378 314</td>
<td>352 049</td>
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<td></td>
<td>373 172</td>
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<td>Total</td>
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<td>428 708</td>
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<tr>
<td></td>
<td>386 058</td>
<td>628 119</td>
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<tr>
<td></td>
<td>840 159</td>
<td>963 779</td>
</tr>
<tr>
<td></td>
<td>1 021 607</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>(159 103)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(136 126)</td>
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<td></td>
<td></td>
<td>(130 161)</td>
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<td>Economic classification</td>
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<tr>
<td>Current</td>
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<td>386 058</td>
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<td>840 059</td>
<td>963 679</td>
</tr>
<tr>
<td></td>
<td>1 021 501</td>
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<td></td>
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<td></td>
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<td>365 790</td>
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<td></td>
<td>990 517</td>
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<td>Total</td>
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<td>Professional and special services</td>
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<td>10 295</td>
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<td></td>
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<td></td>
<td>840 159</td>
<td>963 779</td>
</tr>
<tr>
<td></td>
<td>1 021 607</td>
<td></td>
</tr>
</tbody>
</table>

### Policy developments

The Enterprise Organisation provides incentives and support for sustainable enterprises in South Africa. Recent developments include:

- A review of the efficiency of incentives in terms of whether they create sustainable jobs, promote growth and improve equity; what the quality of investments is; and what the sectoral and geographic spread of investments is
- The improvement of access to incentive schemes and the delivery of these schemes to investors
- A review and consolidation of all support to investors
- The streamlining of application and adjudication procedures
- The improvement of information flows to stakeholders

Old manufacturing support schemes, such as the Tax Holiday Scheme, the Small-Medium Manufacturing Development Programme (SMMDP), the Regional Industrial Development Programme, and the Simplified Regional Industrial Development Programme, are being replaced with a suite of six incentives, some of which are still being finalised. The components of the proposed suite are:

- Small Medium Manufacturing Enterprise Development Programme
• Skills Support Programme
• Critical Infrastructure Facility
• Industrial Development Zones
• Foreign Investment Grant
• Strategic Investment Programme

Support is now seen as involving more than just financial support and includes providing information, access to markets and advice. Focal areas include the promotion of capital investment in medium and micro-enterprises, and skills development. A broader definition of target industries is being introduced to include aquaculture, tourism, agro-processing, ICT, cultural industries, high value agricultural projects, and biotechnology.

The SMME sector is still targeted specifically, and existing schemes such as the SMMDP are also being reshaped to include more industries. The concern with SMME development is being integrated with black economic empowerment and the involvement of women entrepreneurs.

A Critical Infrastructure Centre will complement Government’s initiatives to maintain and extend infrastructure spending to important sectors, with local government being targeted for infrastructure improvement in areas such as electrification, water reticulation, sanitation and road and rail transport.

Expenditure trends
Transfer payments make up 97 per cent of outlays on The Enterprise Organisation programme over the medium term. After decreasing between 1998/99 and 2000/01 as a number of incentive schemes were being phased out, transfers again grow strongly to 2004/05 by an average annual 18,6 per cent. Personnel expenditure also escalated sharply in 2001/02 and continues to grow strongly over the following years. Personnel growth relates to establishing adequate capacity to manage the large disbursements of the programme and to decentralise support services.

The take up of new incentive schemes is uncertain because it depends on market conditions and the response of enterprises. These uncertainties make budgeting for transfers difficult.

Key outputs, indicators and targets
The Enterprise Organisation

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Output</th>
<th>Output measure/indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of Infrastructure and</td>
<td>Industrial Development Zones (IDZ)</td>
<td>Number of IDZs designated by the Minister of Trade and Industry and number of operator</td>
<td>4 IDZs designated</td>
</tr>
<tr>
<td>Strategic Investments</td>
<td></td>
<td>permits issued</td>
<td>5 provisional permits issued</td>
</tr>
<tr>
<td>Increased private investment</td>
<td></td>
<td>Rand value of investment enabled by Critical Infrastructure Facility support</td>
<td>2 permanent operator permits issued</td>
</tr>
<tr>
<td>Promote strategic investments</td>
<td></td>
<td>Rand value of infrastructure investment</td>
<td>R1,5 billion of new investment in manufacturing tourism and ICT projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Support to critical infrastructure projects</td>
<td>Investment of R500 million via Critical Infrastructure Facility</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of projects approved</td>
<td>6 projects approved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Value of fixed private investment supported</td>
<td>4 projects approved</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>R1,4 billion new investment in manufacturing, research and development and IT industries</td>
</tr>
</tbody>
</table>
### Programme 6: Trade and Investment South Africa

*Trade and Investment South Africa* encourages investment in South Africa and aims to develop South Africa’s capacity to export goods to various markets. It works closely with investors and other government departments to overcome any blockages to investment.

- Investment Promotion focuses on increasing FDI through targeting investors and enhancing government policies and processes that impact South Africa’s appeal for investors.
- Export Promotion focuses on increasing exports by increasing the number of exporters. Through specific export development programmes and through enhancing national supply-chain processes it makes selected export industries more competitive.

*Trade and Investment South Africa* seeks to meet these objectives by providing various products and services to the export sector, including financial and technical support. It also works closely with the rest of Government on logistics, and on improving the infrastructure and regulatory environment for investors. *Trade and Investment South Africa* also engages in promotional activities, including investment missions, to establish South Africa as an investment destination.

### Expenditure estimates

#### Table 31.8: Trade and Investment South Africa

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Expenditure outcome</th>
<th>Medium-term expenditure estimate</th>
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<td></td>
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<td>Audited 2000/01</td>
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<tr>
<td>R thousand</td>
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<td>Investment Promotion</td>
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<tr>
<td>Export Promotion</td>
<td>198 065</td>
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<td>Total</td>
<td>428 831</td>
<td>320 661</td>
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</table>

**Change to 2001 Budget Estimate**

| R thousand | 41 006 | 15 980 | 14 024 |

**Economic classification**

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<th>319 301</th>
<th>691 549</th>
<th>455 803</th>
<th>443 641</th>
<th>449 302</th>
<th>476 260</th>
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<tbody>
<tr>
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<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Capital</td>
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<td>–</td>
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<td>–</td>
<td>–</td>
<td>–</td>
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<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>2 471</td>
<td>1 360</td>
<td>–</td>
<td>639</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>428 831</td>
<td>320 661</td>
<td>691 549</td>
<td>455 803</td>
<td>443 641</td>
<td>449 302</td>
<td>476 260</td>
</tr>
</tbody>
</table>
### Policy developments

The process of integrating export and investment promotion activities in *Trade and Investment South Africa* has continued and there has been a review of the efficiency and effectiveness of its programmes and structures to do this. There has also been a shift away from financial assistance towards knowledge sharing and technical support. Efforts have continued to strengthen and expand the export councils in South Africa.

The costs associated with foreign offices will be reduced by improving regional coordination and, where appropriate, using Pretoria as the base for foreign promotional activities. This is an attempt to reduce budget volatility by limiting expenditure that is affected by exchange rate fluctuations.

### Expenditure trends

Transfers make up 81 per cent of the allocation to *Trade and Investment South Africa* and consist largely of transfers in terms of the Export Market Investment Assistance scheme (reimbursement of costs of market research, inward and outward trade, investment missions, and exhibitions) and the Export Credit Reinsurance Scheme (interest subsidies on medium- and long-term loans).

A once-off transfer of R288 million to the Export Credit Reinsurance Fund in 2000/01 explains the decline in the budget in 2001/02. Budget growth over the medium terms is moderate, based on expectations of even slower growth with regard to the export credit reinsurance.

### Key outputs, indicators and targets

**Trade and Investment South Africa**

<table>
<thead>
<tr>
<th>Subprogramme</th>
<th>Output</th>
<th>Output measure/indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Promotion</td>
<td>Increased FDI in priority sectors</td>
<td>Increased value of FDI</td>
<td>R3.5 billion FDI in selected sectors</td>
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<tr>
<td>Export Promotion</td>
<td>Increased South African export growth rate in major countries</td>
<td>Number of international exhibitions participated in</td>
<td>R10.1 billion export sales</td>
</tr>
<tr>
<td></td>
<td>Enhanced black economic participation in export sectors</td>
<td>Establish Black Economic Empowerment Councils</td>
<td>1 council per sector</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Black economic empowerment targets for export councils</td>
<td>20% of programme support to black economic empowerment</td>
</tr>
<tr>
<td></td>
<td>Marketing the IDZs</td>
<td>Number of marketing activities</td>
<td>1 marketing activity per IDZ</td>
</tr>
</tbody>
</table>

With South African exports performing well, Trade and Investment South Africa (Tisa), a public entity which reports to the Minister of Trade and Industry, has been gaining momentum in spite of only being launched in August 2000. Promotional activities and market intelligence gathering continue, and aftercare and facilitation activities have been expanded. Tisa has a one-stop export call centre for exporters, and a full client service relationship management system. Large
investments from a range of countries and new exports to all corners of the globe are testimony to the increasing impact of the Department of Trade and Industry and Tisa.

Public entities reporting to the Minister

**Competition Commission and Competition Tribunal**
The Competition Commission and the Competition Tribunal promote a competitive environment, investigate and address anti-competitive activities, and increase economic concentration in related markets in terms of the Competition Act (89 of 1998). The DTI subsidised the establishment and initial operations of both. They are now fully self-financing and do not receive transfers. However, the DTI will supplement these budgets when the fee structures cannot cover all costs.

**Commission for International Trade Administration**
The Commission for International Trade Administration (CITA) was established in 2001. It consists of the Board of Tariffs and Trade, and departmental components dealing with anti-dumping, import and export control, and certain specific sectors. An amount of R10 million was transferred in 2001/02 and will be transferred annually to the Commission over the medium term.

**Council for Scientific and Industrial Research**
Established in 1945 and currently regulated through the Scientific Research Council Act of 1988, the Council for Scientific and Industrial Research (CSIR) is the premier industrial research organisation in Africa. The CSIR is committed to innovation, supporting sustainable development and economic growth, and creating value for clients, partners and stakeholders. The CSIR is committed to providing technological solutions and information to contribute towards realising national socio-economic priorities. Its objectives are to build appropriate competencies that will provide South Africa with the required technological capabilities, and to promote and develop a culture of science and technology. The CSIR strives to lead technology awareness and to build strong linkages between labour and technology. Transfers to the CSIR increase from R334 million for 2001/02 to R359 million 2004/05.

**Fund for Research into Industrial Development, Growth and Equity**
The Fund for Research into Industrial Development, Growth and Equity is administered by the Industrial Development Corporation and received transfers of R7,0 million in 2001/02, which rise to R10,6 million 2004/05. The fund provides financial assistance for research into:
- Improving South Africa’s global economic competitiveness
- Injecting international and local expertise into industry
- Building individual and institutional capacity among stakeholders
- Contributing to collaboration on policy and development issues

**Industrial Development Corporation**
The Industrial Development Corporation (IDC) is a state owned development finance institution that promotes entrepreneurship through building competitive industries and enterprises based on sound business principles. The IDC is subject to the provisions of the Industrial Development Act (22 of 1940), as amended, and certain sections of the Companies Act.
Trade and Investment South Africa
Trade and Investment South Africa (Tisa) aims to provide professional support to foreign investors to enhance foreign direct investment in South Africa. Tisa, together with the nine provinces, has conducted extensive analyses in each province, identifying key investment opportunities for foreign investors in industries in which South Africa has a global comparative and competitive advantage. Tisa also provides valuable information about investment procedures and regulatory requirements, and can direct investors to the well developed service sector that supports the investment process. As a result of its facilitation and strategic advice on linkages to South African corporations and SMMEs, over R9 billion of direct and indirect investment has been committed to be disbursed over the next two years.

Khula Enterprise Finance Ltd
Khula Enterprise Finance was founded in 1996, and specialises in ensuring the enhanced availability of loan and equity capital to SMMEs. Finance is made available by:
- Offering loans, guarantees and seed funds to retail funding intermediaries in need of capital, risk sharing and capacity
- Offering guarantees and equity capital directly and indirectly to SMMEs
- Providing assistance and guidance on financing and opportunities

Khula is registered as an insurer under the Insurance Act (27 of 1943) and is governed by the regulations of the Financial Services Board. Its credit guarantee arm undergoes an annual actuarial valuation as required by the Board to determine the appropriate maximum gearing. The programmes financed by Khula have developed much faster than expected owing to the demand on its services. Transfers reach R21,2 million in 2004/05.

National Manufacturing Advisory Centre Coordinating Body
The National Manufacturing Advisory Centre Coordinating Body provides manufacturing, information and related business development services to SMMEs through a range of support programmes. After receiving R28 million in 2001/02, the organisation receives about R18 million per year over the medium term.

National Empowerment Fund
The National Empowerment Fund empowers historically disadvantaged people through promoting the wider ownership, control and management of certain income-generating assets in terms of the National Empowerment Fund Act (105 of 1998). The Fund received a once-off allocation of R174 million in 1998/99.

National Gambling Board
The National Gambling Board was established in terms of the National Gambling Board Act (33 of 1996) to exercise control over gambling, provide advice on the national gambling industry, and promote uniform norms and standards across the provinces. The Board received R7,0 million in 2001/02, increasing to R7,4 million in 2004/05.

National Lotteries Board
The National Lotteries Board exercises national control over lottery activities in terms of the National Lotteries Act (57 of 1997). It implemented the national lottery programme over the past year. Distribution agencies and a central application office for the disbursement of funds are being established. The Board will receive R3,5 million per year over the medium term.
National Liquor Advisory Authority
The new Liquor Bill was passed by the National Assembly during 1998, but was referred to the Constitutional Court by the President. The Bill aims to restructure the liquor industry by:

- Introducing a three-tier licensing structure
- Creating a National Liquor Advisory Committee, a National Liquor Authority, and a National Appeal Tribunal; nine provincial liquor authorities and nine provincial panels of appeal
- Providing for a regulatory framework for easy access and empowerment
- Addressing socio-economic and health issues

The National Liquor Authority will receive R1 million a year over the medium term.

Ntsika Enterprise Promotion Agency
Ntsika Enterprise Promotion Agency was established under the National Small Business Act (102 of 1996) as a Section 21 company to provide non-financial support services to SMMEs. Ntsika provides access to training, information, capacity-building, counselling, markets and technology. The transfers to Ntsika increase from R35 million in 2001/02 to R53 million in 2004/05.

National Measuring Standards
National Measuring Standards promotes South Africa’s competitiveness through the provision of internationally acceptable measuring standards and measurements in terms of the Measuring Units and National Measuring Standards Act (76 of 1973). It received R31 million in 2001/02, and is allocated R31 million a year over the medium term.

National Research Foundation
The National Research Foundation was established in terms of the Research Development Act (75 of 1990) to support research development through providing financial support and bursaries, and to liaise with the International Council of Scientific Unions. In terms of the legislation which governs it, the National Research Foundation may make grants to universities, technikons and similar institutions to achieve its objectives. The National Research Foundation receives funding from the Department of Trade and Industry for the Technology and Human Research for Industry Programme. Transfers increase from R135 million in 2002/03 to R145 million in 2004/05.

South African Bureau of Standards
The South African Bureau of Standards (SABS) administers the Standards Act (29 of 1993), promoting standardisation and quality control in industry and commerce, and supervising trade metrology and units of measure. The SABS targets assistance at SMMEs through the South African Quality Institute, building awareness of quality principles and the methodologies available in South Africa. Transfer payments total R85 million in 2002/03, and increase to R94 million in 2004/05.

South African Bureau of Standards Trade Metrology
The Trade Metrology unit of the South African Bureau of Standards is a statutory body that aims to: approve instrumentation to ensure proper replication; to verify measuring instruments; and to adjudicate in disputes; to control the accreditation of laboratories that do verifications of instruments, the calibrating of verification standards, and similar activities. It receives R6,0 million in transfers in 2002/03, which decreases to R4,2 million in 2004/05.
South African National Accreditation System

The South African National Accreditation System establishes laboratory, personnel and certification body accreditation, and facilitates mutual recognition agreements with international accreditation organisations. It receives R8.0 million in 2002/03 which declines to R5.3 million in 2004/05.
Annexure

Vote 31: Trade and Industry
Table 31.9: Summary of expenditure trends and estimates per programme
Table 31.10: Summary of expenditure trends and estimates per economic classification
Table 31.11: Summary of expenditure trends and estimates per standard item
Table 31.12: Summary of transfers and subsidies per programme
Table 31.13: Summary of personnel numbers and costs
Table 31.14: Summary of expenditure on training
Table 31.15: Summary of information and communications technology expenditure
<table>
<thead>
<tr>
<th>Table 31.9: Summary of expenditure trends and estimates per programme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditure outcome</strong></td>
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<tr>
<td>-------------------------</td>
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</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1  Administration</td>
</tr>
<tr>
<td>2  International Trade Development</td>
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<td>3  Enterprise and Industry Development</td>
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<tr>
<td>4  Consumer and Corporate Regulation</td>
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<tr>
<td>5  The Enterprise Organisation</td>
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<tr>
<td>6  Trade and Investment South Africa</td>
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<tr>
<td><strong>Total</strong></td>
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<td>Change to 2001 Budget Estimate</td>
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<td>Land</td>
</tr>
<tr>
<td>Buildings</td>
</tr>
<tr>
<td>Infrastructure</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
### Table 31.11: Summary of expenditure trends and estimates per standard item

<table>
<thead>
<tr>
<th>Expenditure outcome</th>
<th>Main appropriation</th>
<th>Adjustments appropriation</th>
<th>Revised estimate</th>
<th>Medium-term expenditure estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>145 418</td>
<td>161 219</td>
<td>174 403</td>
<td>258 191</td>
</tr>
<tr>
<td>Administrative</td>
<td>36 211</td>
<td>40 734</td>
<td>51 024</td>
<td>35 041</td>
</tr>
<tr>
<td>Inventories</td>
<td>13 118</td>
<td>12 473</td>
<td>15 543</td>
<td>22 000</td>
</tr>
<tr>
<td>Equipment</td>
<td>12 422</td>
<td>19 434</td>
<td>17 883</td>
<td>41 152</td>
</tr>
<tr>
<td>Land and buildings</td>
<td>1 047</td>
<td>1 361</td>
<td>3 002</td>
<td>10 367</td>
</tr>
<tr>
<td>Professional and special services</td>
<td>49 984</td>
<td>58 901</td>
<td>59 335</td>
<td>62 669</td>
</tr>
<tr>
<td>Transfer payments</td>
<td>1 648 950</td>
<td>1 514 333</td>
<td>1 824 782</td>
<td>1 783 161</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>6 722</td>
<td>18 570</td>
<td>13 840</td>
<td>2 068</td>
</tr>
<tr>
<td>Total</td>
<td>1 913 872</td>
<td>1 827 025</td>
<td>2 159 812</td>
<td>2 214 649</td>
</tr>
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</table>

### Table 31.12: Summary of transfers and subsidies per programme

<table>
<thead>
<tr>
<th>Expenditure outcome</th>
<th>Medium-term expenditure estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>---------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Administration</td>
<td>1 600</td>
</tr>
<tr>
<td>Corporate Services</td>
<td></td>
</tr>
<tr>
<td>Sector Education and Training Authority</td>
<td>–</td>
</tr>
<tr>
<td>Council for Scientific and Industrial Research – Delight Project</td>
<td>–</td>
</tr>
<tr>
<td>National Supplies Procurement Fund</td>
<td>1 500</td>
</tr>
<tr>
<td>Government Motor Transport</td>
<td>–</td>
</tr>
</tbody>
</table>
### Expenditure outcome

<table>
<thead>
<tr>
<th>Medium-term expenditure estimate</th>
<th>Audited</th>
<th>Audited</th>
<th>Preliminary outcome</th>
<th>Adjusted appropriation</th>
<th>Current</th>
<th>Capital</th>
<th>Total</th>
</tr>
</thead>
</table>

#### 2 International Trade Development

- **Multilateral Agreements**
  - **World Trade Organisation**
    - 3 038
  - **International Trade Development**
    - 3 916
  - **Commission for International Trade Administration**
    - 3 069
  - **Board on Tariffs and Trade**
    - 3 069

#### 3 Enterprise and Industry Development

- **Competitiveness Strategy**
  - **South African Bureau of Standards - Research contribution**
    - 80 335
  - **South African National Accreditation System**
    - 4 000
  - **CSIR - Research contribution**
    - 325 469
  - **CSIR - National Measuring Standards**
    - 28 000
  - **Small Business Technical Consulting**
    - 1 476
  - **Proudly South Africa Campaign**
    - 10 000
  - **Technology and Human Research for Industry Programme**
    - 98 688
    - **Support Programme for Industrial Innovation – contribution to IDC**
      - 12 000
  - **Fund for Research into Industrial Development, Growth and Equity**
    - 10 000
    - **Technology Incubator Development**
      - 3 642

- **Ad-hoc Economic Investigations**
  - 3 642

---

The table provides a detailed breakdown of expenditure outcomes for International Trade Development and Enterprise and Industry Development, including specific programs and their respective budget allocations for various fiscal years.
## Expenditure outcome

| Organisation for the Prevention of Chemical Warfare | 1 498 | – | 1 858 | 3 100 | 2 500 | – | 2 500 | 2 500 | 2 650 |
| Enterprise Development | 5 000 | 120 000 | 141 000 | 64 000 | 20 000 | – | 20 000 | 20 000 | 21 200 |
| Ntsika Enterprise Promotion Agency | 50 676 | 57 500 | 50 000 | 35 000 | 40 000 | – | 40 000 | 50 000 | 53 000 |
| Franchise Support | – | 7 000 | – | 14 000 | – | – | – | – | – |
| NAMAC | – | – | 11 300 | 28 000 | 18 000 | – | 18 000 | 18 000 | 19 080 |
| SA Women’s Empowerment Foundation | – | – | – | 6 000 | 1 | – | 1 | 1 | 1 |
| Black Economic Empowerment | 174 000 | – | – | 1 | 1 | – | 1 | 1 | 1 |
| Spatial Development Initiatives - DBSA | 53 000 | 68 098 | 36 400 | 1 000 | 35 000 | – | 35 000 | 21 000 | 22 260 |

### Consumer and Corporate Regulation

| National Gambling Board | 2 500 | 12 000 | 12 500 | 7 000 | 9 500 | – | 9 500 | 7 000 | 7 420 |
| National Lotteries Board | 3 000 | 3 500 | 2 500 | 1 500 | 3 500 | – | 3 500 | 3 500 | 3 710 |
| National Liquor Advisory Authority | – | – | – | 1 | 1 000 | – | 1 000 | 1 000 | 1 060 |
| Competition Commission | 7 000 | 29 600 | – | 8 599 | 2 001 | – | 2 001 | 2 001 | 2 121 |
| SABS Trade Metrology | 750 | – | 1 600 | 6 000 | 6 000 | – | 6 000 | 4 000 | 4 240 |
| Consumer Council / Investigations | 600 | – | – | 2 000 | – | – | – | – | – |
| Micro-Finance Regulatory Agency | – | – | – | 1 | 14 500 | – | 14 500 | 18 507 | 19 907 |
| World Intellectual Property Organisation | 1 661 | 1 372 | – | 2 000 | 2 500 | – | 2 500 | 2 500 | 2 650 |
| Companies and Intellectual Property Registration Office | – | – | – | 1 | 26 612 | – | 26 612 | 52 502 | 55 651 |
|------------|---------|---------|---------|---------|---------|---------|---------|
| **Expenditure outcome** | Audited | Preliminary | Adjusted appropriation | Current | Capital | Total |
| **Medium-term expenditure estimate** | | | | | | |
| **5 The Enterprise Organisation** | 449 346 | 413 947 | 365 790 | 593 118 | 811 779 | 811 779 | 934 450 | 990 517 |
| Promotion of Infrastructure and Strategic Investments | | | | | | | | |
| Industrial Development Zones | – | 1 793 | 7 000 | 14 000 | 5 000 | 5 000 | 5 000 | 5 000 |
| Foreign Investment Grant | – | – | – | 1 | – | 1 | 1 | 1 |
| Critical Infrastructure | – | – | – | 60 000 | 119 000 | – | 119 000 | 169 000 | 179 140 |
| Strategic Investment Programme | – | – | – | – | 30 000 | – | 30 000 | 30 000 | 31 800 |
| Promotion of Investment to Support Competitiveness and Productivity | | | | | | | | |
| Tax Holiday Scheme | – | 1 1793 | 7 000 | 14 000 | 5 000 | – | 5 000 | 5 000 | 5 000 |
| Skills Support Programme | – | – | – | – | 1 | – | 1 | 2 | 2 |
| Competitiveness Fund | – | 1 7801 | 20 053 | 40 000 | 30 000 | – | 30 000 | 40 000 | 42 400 |
| Sector Partnership Fund | 733 | 2 137 | 4 341 | 11 748 | 11 748 | – | 11 748 | 11 748 | 12 453 |
| Micro Investors Fund | – | – | – | 10 001 | 7 001 | – | 7 001 | 7 001 | 7 421 |
| Enterprise Development | – | – | – | 110 145 | 230 713 | – | 230 713 | 319 648 | 338 827 |
| Promotion of Manufacturing Investment | | | | | | | | |
| MDP Incentives | 413 257 | 292 893 | 159 924 | 136 223 | 90 000 | – | 90 000 | 50 000 | 53 000 |
| Taxi Recapitalisation Allowance | – | – | – | 11 001 | 50 000 | – | 50 000 | 50 000 | 53 000 |
| Small, Medium Manufacturing Development Programme | 35 356 | 105 323 | 174 472 | 200 000 | 238 314 | – | 238 314 | 252 049 | 267 172 |
| **6 Trade and Investment South Africa** | 345 247 | 233 693 | 592 200 | 317 499 | 344 463 | – | 344 463 | 379 302 | 441 260 |
| Investment Promotion | | | | | | | | |
| Trade and Investment South Africa | 71 062 | 119 690 | 139 593 | 156 000 | 208 462 | – | 208 462 | 243 301 | 297 099 |
| Export Promotion | | | | | | | | |
| Export Credit and Foreign Investment Reinsurance Fund | – | – | 288 000 | – | 1 | – | 1 | 1 | 1 |
| Export Credit and Foreign Investment Reinsurance Scheme | 164 273 | 112 401 | 164 209 | 157 498 | 135 000 | – | 135 000 | 135 000 | 143 100 |
| GEIS | 109 912 | 1 602 | 398 | 1 000 | 999 | – | 999 | 999 | 1 059 |
| Export Credit Agency | – | – | – | 1 001 | 1 | – | 1 | 1 | 1 |
| **Total** | 1 648 950 | 1 514 333 | 1 824 782 | 1 758 391 | 2 014 430 | 1 | 2 014 431 | 2 209 564 | 2 384 076 |
### Table 31.13: Summary of personnel numbers and costs

<table>
<thead>
<tr>
<th>Personnel numbers</th>
<th>1998/99</th>
<th>1999/00</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Administration</td>
<td>235</td>
<td>254</td>
<td>355</td>
<td>280</td>
<td>280</td>
</tr>
<tr>
<td>2 International Trade Development</td>
<td>50</td>
<td>79</td>
<td>79</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>3 Enterprise and Industry Development</td>
<td>175</td>
<td>197</td>
<td>216</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>4 Consumer and Corporate Regulation</td>
<td>299</td>
<td>330</td>
<td>393</td>
<td>365</td>
<td>365</td>
</tr>
<tr>
<td>5 The Enterprise Organisation</td>
<td>62</td>
<td>50</td>
<td>80</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>6 Trade and Investment South Africa</td>
<td>134</td>
<td>82</td>
<td>82</td>
<td>180</td>
<td>180</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>955</strong></td>
<td><strong>992</strong></td>
<td><strong>1 205</strong></td>
<td><strong>1 205</strong></td>
<td><strong>1 205</strong></td>
</tr>
<tr>
<td><strong>Total personnel cost (R thousand)</strong></td>
<td>145 418</td>
<td>161 219</td>
<td>174 403</td>
<td>282 466</td>
<td>287 437</td>
</tr>
</tbody>
</table>

Unit cost (R thousand)

<table>
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<tr>
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<th>1999/00</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Full-time equivalent</td>
<td></td>
<td></td>
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</table>

### Table 31.14: Summary of expenditure on training

<table>
<thead>
<tr>
<th>Expenditure outcome</th>
<th>Audited</th>
<th>Preliminary</th>
<th>Adjusted</th>
<th>Medium-term expenditure estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R thousand</strong></td>
<td>1999/00</td>
<td>2000/01</td>
<td>2001/02</td>
<td>2002/03</td>
</tr>
<tr>
<td>1 Administration</td>
<td>1 796</td>
<td>1 149</td>
<td>3 908</td>
<td>1 715</td>
</tr>
<tr>
<td>2 International Trade Development</td>
<td>633</td>
<td>585</td>
<td>898</td>
<td>408</td>
</tr>
<tr>
<td>3 Enterprise and Industry Development</td>
<td>241</td>
<td>578</td>
<td>1 321</td>
<td>500</td>
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<tr>
<td>4 Consumer and Corporate Regulation</td>
<td>279</td>
<td>2 136</td>
<td>709</td>
<td>290</td>
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<tr>
<td>5 The Enterprise Organisation</td>
<td>44</td>
<td>40</td>
<td>414</td>
<td>165</td>
</tr>
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<td>6 Trade and Investment South Africa</td>
<td>313</td>
<td>601</td>
<td>1 000</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3 306</strong></td>
<td><strong>5 089</strong></td>
<td><strong>8 310</strong></td>
<td><strong>3 078</strong></td>
</tr>
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</table>

1 Full-time equivalent
<table>
<thead>
<tr>
<th>R thousand</th>
<th>Adjusted appropriation</th>
<th>Medium-term expenditure estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001/02</td>
<td>2002/03</td>
</tr>
<tr>
<td><strong>1 Administration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>17 262</td>
<td>11 500</td>
</tr>
<tr>
<td>Hardware</td>
<td>17 262</td>
<td>11 500</td>
</tr>
<tr>
<td>Software and licences</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Audio-visual equipment</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Systems</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>IT services</td>
<td>–</td>
<td>2 850</td>
</tr>
<tr>
<td>Consulting</td>
<td>–</td>
<td>2 500</td>
</tr>
<tr>
<td>Outsourcing</td>
<td>–</td>
<td>350</td>
</tr>
<tr>
<td><strong>2 International Trade Development</strong></td>
<td>493</td>
<td>500</td>
</tr>
<tr>
<td>Technology</td>
<td>493</td>
<td>500</td>
</tr>
<tr>
<td>Hardware</td>
<td>493</td>
<td>500</td>
</tr>
<tr>
<td>Software and licences</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Audio-visual equipment</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Systems</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>IT services</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Consulting</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Outsourcing</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>3 Enterprise and Industry Development</strong></td>
<td>4 466</td>
<td>2 000</td>
</tr>
<tr>
<td>Technology</td>
<td>4 466</td>
<td>2 000</td>
</tr>
<tr>
<td>Hardware</td>
<td>4 466</td>
<td>2 000</td>
</tr>
<tr>
<td>Software and licences</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Audio-visual equipment</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Systems</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>IT services</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Consulting</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Outsourcing</td>
<td>–</td>
<td>–</td>
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</table>
### Adjusted appropriation

<table>
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<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>22 760</td>
<td>19 550</td>
<td>21 080</td>
<td>20 402</td>
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</tbody>
</table>

### Medium-term expenditure estimate

<table>
<thead>
<tr>
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<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Consumer and Corporate Regulation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>200</td>
<td>400</td>
<td>400</td>
<td>424</td>
</tr>
<tr>
<td>Hardware</td>
<td>200</td>
<td>400</td>
<td>400</td>
<td>424</td>
</tr>
<tr>
<td>Software and licences</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Audio-visual equipment</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Systems</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>IT services</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Consulting</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Outsourcing</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

| 5 The Enterprise Organisation |         |         |         |         |
| Technology                  | –       | 300     | 300     | 318     |
| Hardware                    | –       | 300     | 300     | 318     |
| Software and licences       | –       | –       | –       | –       |
| Audio-visual equipment      | –       | –       | –       | –       |
| Systems                     | –       | –       | –       | –       |
| IT services                 | –       | –       | –       | –       |
| Consulting                  | –       | –       | –       | –       |
| Outsourcing                 | –       | –       | –       | –       |

| 6 Trade and Investment South Africa | 339   | 2 000  | 2 000  | 2 120  |
| Technology                    | 339   | 2 000  | 2 000  | 2 120  |
| Hardware                      | 339   | 2 000  | 2 000  | 2 120  |
| Software and licences         | –     | –       | –       | –       |
| Audio-visual equipment        | –     | –       | –       | –       |
| Systems                       | –     | –       | –       | –       |
| IT services                   | –     | –       | –       | –       |
| Consulting                    | –     | –       | –       | –       |
| Outsourcing                   | –     | –       | –       | –       |