

Department of Trade, Industry & Competition (**the dtic**)

**Strategic Plan (SP) 2020/2025 and
Annual Performance Plan (APP) 2020/2021**

**Presentation to the Joint Portfolio Committee on Trade and Industry and
the Select Committee on Trade and Industry, Economic Development, Small Business Development,
Tourism, Employment and Labour**

11 MAY 2020



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

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PRESENTATION OUTLINE

- ❑ **Global Economic Overview**
- ❑ **Government interventions**
- ❑ **the dtic Strategic Imperatives**
- ❑ **the dtic Organisational Structure**
- ❑ **SP and APP Key Interventions**
- ❑ **Budget Allocation**

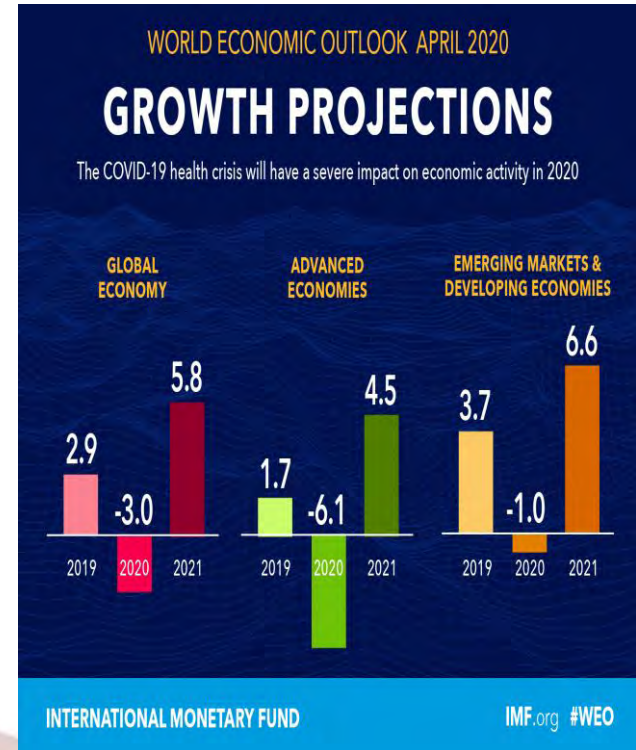
GLOBAL ECONOMIC OVERVIEW

Outlook

□ Global growth is projected at -3.0% in 2020 and to increase to 5.8% in 2021.

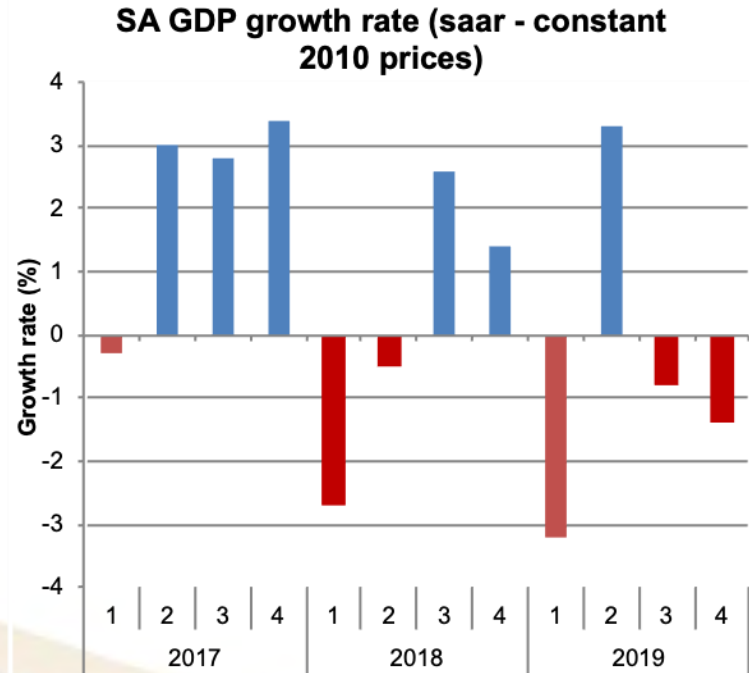
Risk to the Outlook

- The outbreak and rapid spread of the COVID-19 pandemic;
- South Africa (SA) is likely to feel the effects of COVID-19 from various facets – of both domestic and international;
- Rising geopolitical tensions, notably between the United States and Iran;
- Higher tariff barriers between the United States and China;
- Weather-related disasters such as tornados, tropical storms, floods, heat waves, droughts, and wild fires which have imposed severe humanitarian costs and livelihood loss across multiple regions in recent years; and
- Constrained fiscal space in the Emerging Market and Developing Economies (EMDEs).



GLOBAL ECONOMIC OVERVIEW

- ❑ Real Gross Domestic Product (GDP) contracted by 0.6 % in 2019Q3 and further contracted by 1.4% in 2019Q4 pushing the economy into a technical recession;
- ❑ The 2019 annual GDP growth was just 0.2%;
- ❑ Sharp dips in manufacturing, electricity, transport and construction were the contributors to the negative growth in the fourth quarter;
- ❑ It seems even the “black Friday” phenomena did not help the trade sector as it declined by 3.8% in 2019Q4; and
- ❑ Although mining had made slight positive contribution, this did not outweigh negative contractions recorded by other sectors such as manufacturing, construction and electricity.



Source: Data-Stats SA, Graph-the dtic

SA'S GDP GROWTH PROJECTIONS REVISED DOWNWARD

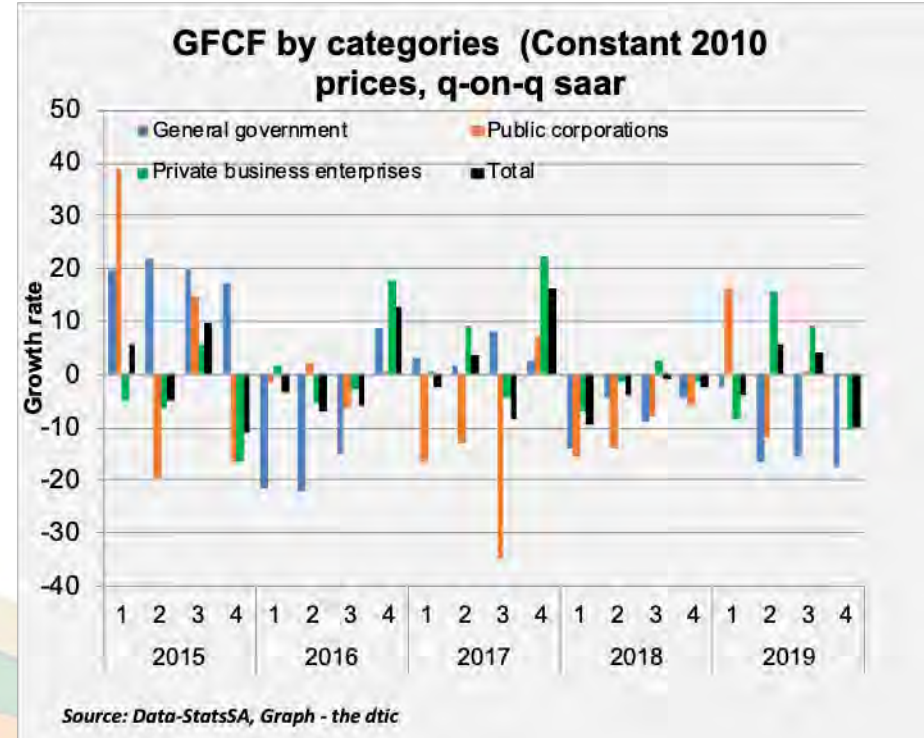
Risks to Domestic Growth

- ❑ International Monetary Fund (IMF) and World Bank (WB) (April 2020 publications), reduced South Africa's GDP growth prospects for 2020 to -5.8% and to 4.0% in 2021;
- ❑ The South African Reserve Bank (SARB) in its Monetary Policy Statement released in April 2020 also revised its growth projections down to -6.1% in 2020 and 2.2% in 2021;
- ❑ Against the backdrop of weaker global growth fundamentals and significant domestic constraints such as the outbreak of the Coronavirus [COVID-19]; constrained fiscal outlook; and higher tariff increases, South Africa's real GDP growth is set to remain under pressure for the foreseeable future; and
- ❑ Also, the return of load shedding in early December 2019 to March 2020 did not bode well for a strong economic recovery.



GROSS FIXED CAPITAL FORMATION DIPPED

- ❑ Despite dismal GDP data, the gross fixed capital formation rose by 4.1% in 2019Q3 only to record a decline of 10% in 2019Q4;
- ❑ The main contributors to the decrease in 2019 Q4 are all the three organisations - private business enterprises (-10.3%), public corporations (-0.3%) and general government (-17.6%);
- ❑ The private business enterprises recorded 10.8 % growth in 2019Q4 and 10.3% decline in 2019 Q4;
- ❑ Real capital expenditure by general government receded by 17.6% 2019Q4 marking the seventh consecutive quarterly contraction; and
- ❑ From the asset front, all components declined with the exception of Transfer costs, which increased by 4.6% in the Q4.



EMPLOYMENT

Employment Gain Drivers

- ❑ 45 000 (q-o-q) jobs created in 2019 Q4 – resulting in total employment of 16.4million;
- ❑ Of the 10 sectors, six registered q-on-q employment growth in 2019Q4;
- ❑ The private household sector remained unchanged; and
- ❑ However, on a year-on-year (y-on-y) basis, the South African economy lost 108 000 jobs.

Employment Loss Drivers

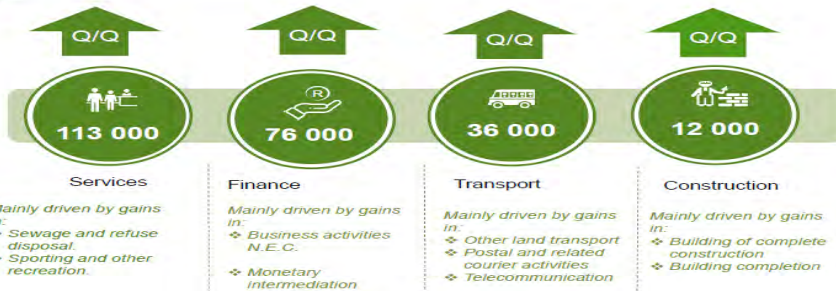
- ❑ Only three sectors experienced employment losses.
- ❑ Trade sector suffered the biggest loss, shrinking by 159 000 jobs.

Employment losses were mainly driven by Trade, Manufacturing and Utilities.

Quarter-on-quarter employment changes: Losses

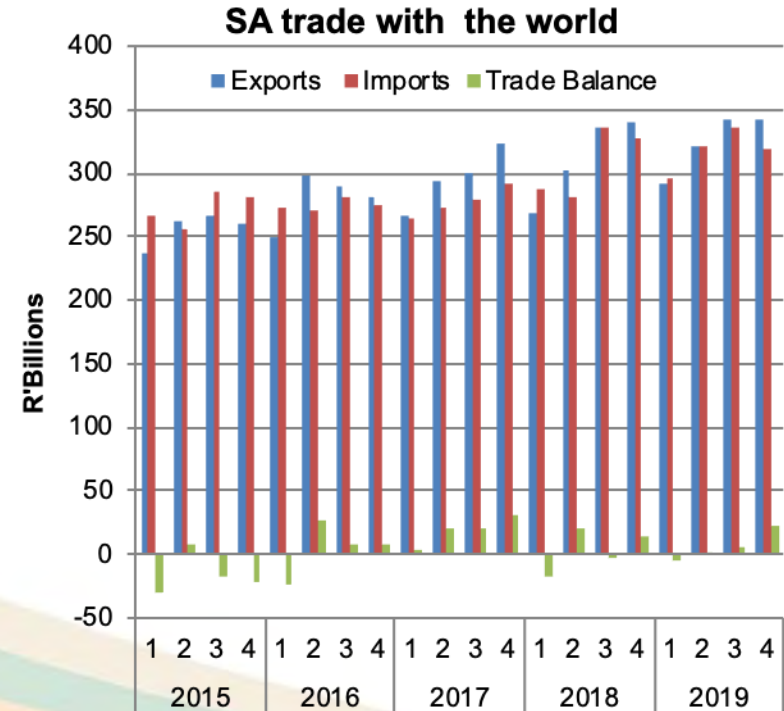
Employment gains were mainly driven by Services (113 000), Finance (76 000), Transport (36 000) and Construction (12 000).

Quarter-on-quarter employment changes: Gains



SA RECORDED A TRADE SURPLUS WITH THE WORLD

- ❑ South Africa's trade balance with the rest of the world recorded a surplus of R23 billion in 2019Q4 from R5 billion 2019Q3;
- ❑ The trade surplus resulted from an increase in the value of net gold and merchandise exports, alongside a contraction in merchandise imports;
- ❑ Exports increased, driven largely by the demand for citrus in the European market and also a sharp rise in the international prices of PGMs and iron ore; and
- ❑ Imports contracted as a result of the decline in the value of imported minerals, in particular, crude oil amongst others.

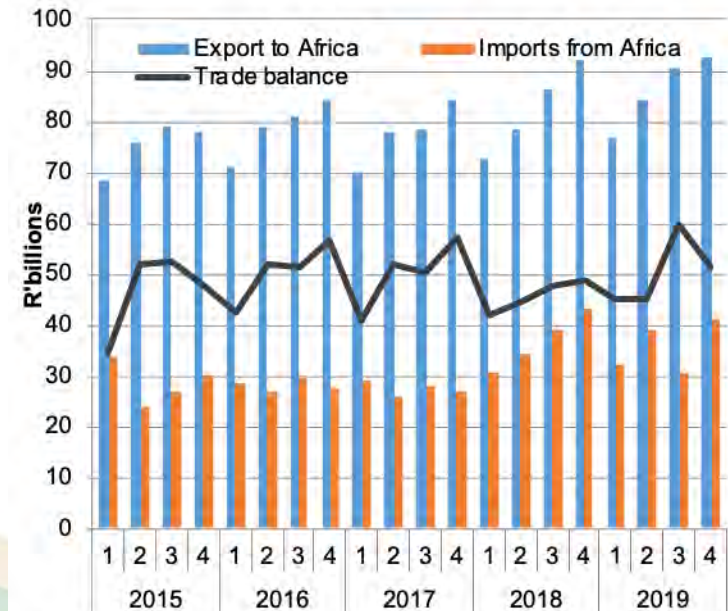


Source: Data-Quantec; Graph-the dtic

SA RECORDED A TRADE SURPLUS WITH AFRICA

- ❑ Exports to Africa amounted to R93 billion in Q4 of 2019 while imports from the region amounted to R41 billion resulting in a trade surplus of R51 billion;
- ❑ However, South African exports to the continent were largely driven by preferential trade arrangements in Southern Africa region (SADC & SACU);
- ❑ With opening of markets in Africa through the Continental Free Trade Area, higher export penetration to other sub-Saharan African economies is anticipated; and
- ❑ In an effort to expand trade beyond the SADC region, the government, amongst others, is developing master plans for key industries to be implemented to take advantage of opportunities the continental free trade area brings along.

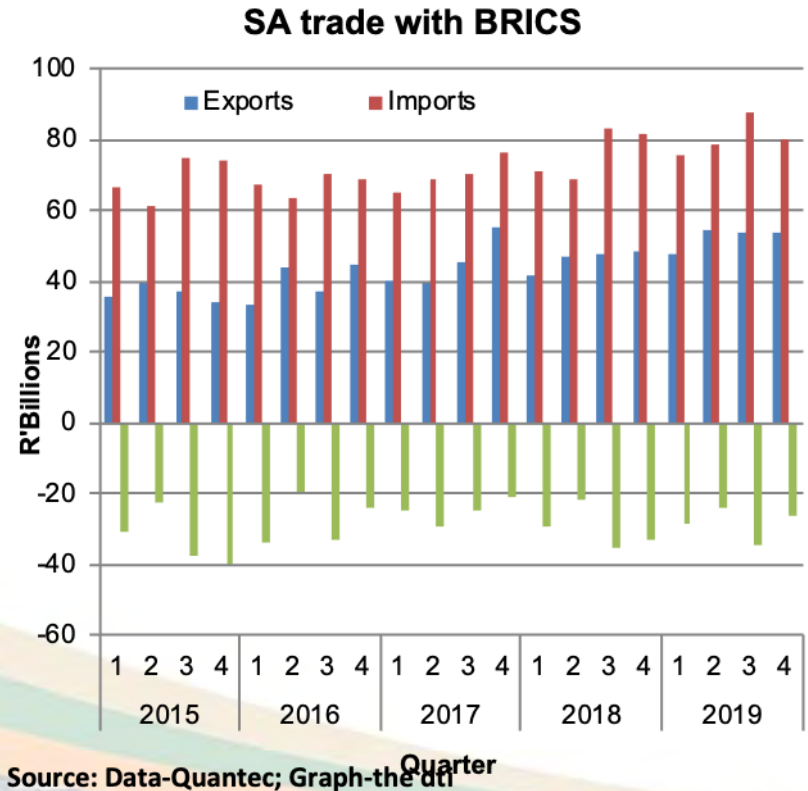
SA trade with Africa from (2015 to 2019)



Source: Data-Quantec, Graph-the dtic

SA TRADE DEFICIT WITH BRAZIL, RUSSIA, INDIA, CHINA AND SOUTH AFRICA (BRICS) WIDENED

- ❑ South Africa's trade with other BRICS countries has been dominated by China: export (R35 billion) and import (R58 billion) followed by India: export and import same value of R16 billion each in 2019Q4. The total trade with BRICS was R 134 billion in 2019Q4;
- ❑ Despite this progress, SA recorded a huge trade deficit with its BRICS counterparts valued at R26 billion in 2019Q4;
- ❑ The increase in imports, particularly manufactured imports from BRICS remains four times greater than that of exports on average;
- ❑ This disparity is reflected in the country's trade balance, which has been consistently negative; and
- ❑ With stronger & more effective interaction at the governmental level & greater private sector participation, intra-BRICS trade could increase significantly resulting in considerable economic gains for the South African economy.



GOVERNMENT INTERVENTIONS (continued...)

To improve growth prospects for the domestic economy, interventions include amongst others:

- ❑ Implementation of the R500 billion COVID-19 economic recovery package;
- ❑ The implementation of the automotive sector, poultry industry and retail - clothing, textiles, leather and footwear industries Master Plans, while others are being developed;
- ❑ The implementation of the Integrated Resource Plan 2019, which will open the way for considerable investments in renewable energy generation (particularly wind power) and related components manufacturing;
- ❑ The implementation of investment projects announced at the second Investment Conference in 2018 and 2019;

GOVERNMENT INTERVENTIONS

- ❑ Taking advantage of opportunities brought about by the coming into effect of the African Continental Free Trade Area (AfCFTA) Agreement;
- ❑ The implementation of the public sector's localisation drive, including improved enforcement of product designations;
- ❑ The implementation of the re-Imagined Industrial Strategy;
- ❑ The implementation of the Special Economic Zones (SEZs) policy and the revitalisation of Industrial Parks; and
- ❑ The implementation of the Black Industrialist Programme.

the dtic STRATEGIC IMPERATIVES

Vision

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

Mission

- 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;
- Continually improve the skills and capabilities of the dtic to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens;
- Co-ordinate the contributions of government departments, state entities and civil society to effect economic development; and
- Improve alignment between economic policies, plans of the state, its agencies, government's political and economic objectives and mandate.

Values

- Promotes the Constitution – with special reference to the chapters on human rights, cooperative governance and public administration;
- Promotes decent work outcomes (more jobs as well as better jobs), industrialisation, equitable and inclusive growth and social inclusion;
- Operational excellence – service delivery standards, international best practice, Batho Pele Principles, continuous improvement and ethical conduct;
- Intellectual excellence – continuous shared learning, innovation, relevant knowledge and skills improvement and knowledge management; and
- Quality relationships – improved and continuous communication, honesty, respect, integrity, transparency, professionalism, ownership, leadership and teamwork.

the dtic STRATEGIC IMPERATIVES

2 MTSF Priorities (2&7)

10 Programmes

18 Outcomes

29 Outputs

30 Output Indicators

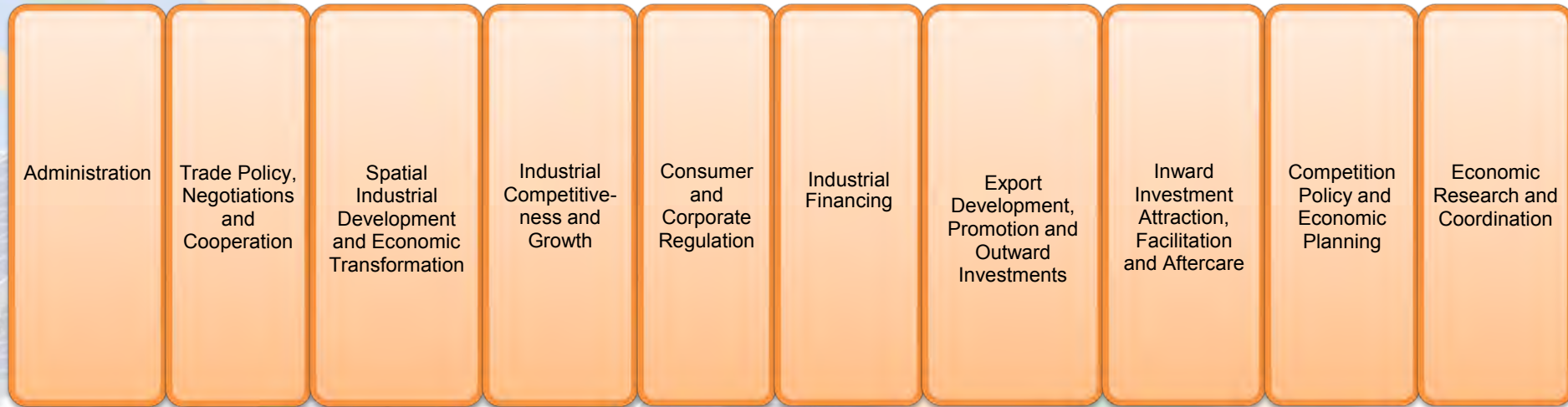
17 Public Entities

Impact Statement:
“Reimagined
industrial strategy
towards economic
growth”

MTSF 2019-2024:
Priority 2: Economic
Transformation & Job
Creation
Priority 7: A Better
Africa & World



the dtic ORGANISATIONAL STRUCTURE



SP AND APP KEY INTERVENTIONS



SP AND APP KEY INTERVENTIONS

The APP and SP targets will be reviewed to ensure better alignment to the response strategy to economic downturn and COVID-19 pandemic.

- ❑ COVID-19 will impose significant costs on the economy;
- ❑ Departmental priorities and budgets will all need to be reviewed as soon as the scale of the challenges and the costs have been better determined, based on success with flattening the curve and enabling the step-by-step reopening of the economy;
- ❑ Initial thinking is that a portion of Export, Marketing and Investment Assistance (EMIA), Support Programme for Industrial Innovation (SPII) and Technology and Human Resources for Industry Programme (THRIP) budget allocations be postponed /deferred to the 2021/22 financial year, to release resources for the measures announced to mitigate the economic effects of COVID-19; and
- ❑ Additional funding may be required to assist affected sectors in the economy and stimulate investment by easing the cost of doing business while sustaining existing jobs. This could take the form of a combination of grant and loan funding towards working capital, machinery and equipment, targeting manufacturing and its related sectors. Discussions are underway with National Treasury.



Programme 1: Administration

Purpose: Provide strategic leadership, management and support services to the Department.

Outcomes:

- Promote a professional, ethical, dynamic, competitive and customer focused working environment that ensures effective and efficient service delivery;
- Implement transformation through Employment Equity (EE) and Broad-Based Black Economic Empowerment (B-BBEE); and
- Youth empowerment.

Outputs:

- Increase in the employment of People with a Disability;
- Increase in the employment of Women at Senior Management Service level;
- Increase in the number of Interns appointed for experiential learning for a 2 year contract; and
- 100% eligible creditors' payments made within 30 days.

Programme 1: Administration

There are 4 output indicators for Programme 1. Over the next 5 years, the employment of people with disabilities is targeted at 3.5%, women at senior level is targeted at 50% and interns at 162. The following products will be achieved over the 3 year Medium Term Expenditure Framework (MTEF) period.

Output Indicators	MTEF Period		
	2020/21	2021/22	2022/23
Percentage (%) of People with a Disability employed	3.5%	3.5%	3.5%
Percentage (%) of Women at Senior Management Service level	50%	50%	50%
Number (No.) of Interns appointed	54	-	54
Percentage (%) of eligible creditors payments processed within legal timeframes	100% eligible creditors' payments made within 30 days	100% eligible creditors' payments made within 30 days	100% eligible creditors' payments made within 30 days

Programme 2: Trade Policy, Negotiations and Cooperation

Purpose: Build 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 cooperation in line with the African Union Agenda 2063.

Outcomes:

- ❑ Increased intra-Africa trade to support African regional development.

Outputs:

- ❑ Africa regional development programme implemented;
- ❑ Implementation of trade agreements to facilitate market access; and
- ❑ Global rulemaking to enable policy space to support and grow priority sectors.

Programme 2: Trade Policy, Negotiations and Cooperation

There are 3 output indicators for Programme 2 which contribute towards 90% of tariff lines reduced by 20% per year over the next 5 years. The following products will be achieved in the MTEF period.

Output Indicators	MTEF Period		
	2020/21	2021/22	2022/23
Number of status reports on regional economic integration	2 status reports produced on progress for Tripartite Free Trade Agreement (T-FTA)	2 status reports produced on progress for T-FTA	2 status reports produced on progress for T-FTA
	4 status reports produced on tariff and trade related matters under the AfCFTA	4 status reports produced on tariff and trade related matters under the AfCFTA	4 status reports produced on tariff and trade related matters under the AfCFTA
Number of status reports on implementation of trade agreements	2 status reports on implementation of SADC-European Union (EU) Economic Partnership Agreement (EPA)	2 status reports on implementation of SADC-EU EPA	2 status reports on implementation of SADC-EU EPA
	2 status reports on implementation of SACU-Mozambique EPA with the United Kingdom (UK)	2 status reports on implementation of SACU-Mozambique EPA with the UK	2 status reports on implementation of SACU-Mozambique EPA with the UK

Programme 2: Trade Policy, Negotiations and Cooperation

Output Indicators	MTEF Period		
	2020/21	2021/22	2022/23
Number of status reports on implementation of trade agreements	2 status reports on implementation of the African Growth and Opportunity Act, 2000 (AGOA)	2 status reports on implementation of AGOA	2 status reports on implementation of AGOA
Number of status reports on engagements in BRICS, G20 and the World Trade Organisation (WTO)	2 status reports on engagements in BRICS 2 status reports on engagements in G20 2 status reports on engagements in the WTO	2 status reports on engagements in BRICS 2 status reports on engagements in G20 2 status reports on engagements in the WTO	2 status reports on engagements in BRICS 2 status reports on engagements in G20 2 status reports on engagements in the WTO

Programme 2: Trade Policy, Negotiations and Cooperation

Focus areas of the African Continental Free Trade Area (AfCFTA) in 2020/21

- ❑ Finalisation of outstanding Rules of Origin; SA/SACU tariff offers; SA offer on the 5 priority services sectors;
- ❑ Finalisation and adoption of schedules of tariff concessions and schedules of specific commitments on the 5 priority services sectors by the 13th Extra-Ordinary Summit of the African Union (AU) in South Africa; finalisation of domestic systems and processes to give effect to the commencement of trade under AfCFTA preferences on 1 July 2020; establishment of AfCFTA structures (Committee on Trade in Goods and Committee on Trade in Services);
- ❑ Develop strategies for export promotion into the new African markets; host the High Level Forum on investment in infrastructure and industrial development on the margins of the 13th Extra-Ordinary Summit of the AU in South Africa; and
- ❑ Continuation of services negotiations; Negotiations on Phase II issues (Intellectual Property (IP), Investment and Competition); implementation of strategies for export promotion into the new African markets; and commence bilateral negotiations on the schedules of tariff concessions with key markets in Africa.



Programme 3: Spatial Industrial Development & Economic Transformation

Purpose: Drive economic transformation and increase participation in industrialisation.

Outcomes:

- Increased and enhanced instruments for spatial development of targeted regions and economic transformation;
- Industrialisation, localisation and exports; and
- Investing for accelerated inclusive growth.

Outputs:

- Number of implementation reports on SEZ submitted to Minister;
- Number of implementation reports on the Industrial Parks submitted to Minister; and
- Number of implementation reports on the economic transformation submitted to the Minister.

Programme 3: Spatial Industrial Development & Economic Transformation

There are 4 output indicators for Programme 4. They contribute towards the targeted achievement of 10 implementation reports on SEZs and 10 Industrial Parks respectively, 27 Industrial Parks revitalised and 10 implementation reports on B-BBEE legislation over the 5 year period. The following products will be achieved in the 3 year MTEF period.

Output Indicators	MTEF Period		
	2020/21	2021/22	2022/23
Number of implementation reports on SEZ submitted to Minister	2	2	2
Number of implementation reports on the Industrial Parks submitted to Minister	2	2	2
Number of implementation reports on the economic transformation submitted to the Minister	2	2	2

Programme 4: Industrial Competitiveness and Growth

Purpose: Design and implement policies, strategies and programmes for the development of manufacturing and related economic sectors, and contribute to the direct and indirect creation of decent jobs, value addition and competitiveness, in both domestic and export markets.

Outcomes:

- Increased industrialisation through the development of Master Plans in National Priority sectors; and
- Increased localisation through the designation of products.

Outputs:

- Developed Master Plans in national priority sectors in order to foster industrialisation with a view to bring about economic transformation and job creation;
- Progress reports on the implementation of Master Plans;
- Support localisation and industrialisation through government procurement; and
- Designation requests prepared for Minister.

Programme 4: Industrial Competitiveness and Growth

There are 4 output indicators which contribute towards the 5 year target of: 5 Master Plans developed by end of 2021, 20 progress reports on the implementation of Master Plans, 10 products designated by 2025. The following products will be achieved in the 3 year MTEF period.

Output Indicators	MTEF Period		
	2020/21	2021/22	2022/23
Number of Master Plans as per Re-imagining Industrial Strategy submitted to Minister by March 2021	5 Master Plans as per the Reimagined Industrial Strategy	Nil	Nil
Number of progress reports of Implementation of Master Plans	4 Quarterly progress reports	4 Quarterly progress reports	4 Quarterly progress reports
Number of monitoring reports on the percentage of adverts that comply with local content requirements across designated products	4 Quarterly monitoring reports on the percentage of compliance	4 Quarterly monitoring reports on the percentage of compliance	4 Quarterly monitoring reports on the percentage of compliance
Number of designation requests prepared for Minister per year	2 Designations per year	2 Designations per year	2 Designations per year

Master Plans to be completed in 2020/21 include: Metals and Steel, Agro-Processing (Sugar & Furniture), Chemicals & Plastics.

Programme 5: Consumer and Corporate Regulation

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

Outcomes:

- ❑ Improved regulatory environment conducive for consumers and companies as well as providing access to redress.

Outputs:

- ❑ Progress reports developed for Minister's approval; and
- ❑ Education and awareness sessions on policies and legislation conducted and report produced for Minister's approval.

Programme 5: Consumer and Corporate Regulation

There are 2 output indicators under Programme 5 that contribute towards the development or review of legislation in the areas of gambling, companies, consumer protection, credit and lotteries or any legislation announced by Minister and at the State of the Nation Address (SONA). The following products will be achieved in the 3 year MTEF period.

Output Indicators	MTEF Period		
	2020/21	2021/22	2022/23
Number of progress reports on the development or review of legislation for Minister's approval	4 progress reports on the review of the Companies and Gambling legislation developed for Minister's approval	4 progress reports on the development or review of the Companies, Consumer Protection, Credit and Lotteries legislation or the legislation identified in the annual budget vote developed for Minister's approval	4 progress reports on the development or review of the Companies, Consumer Protection, Credit and Lotteries legislation or the legislation identified in the annual budget vote developed for Minister's approval
Number of education and awareness sessions on policies and legislation conducted and report produced for Minister's approval	28 education and awareness sessions on policies and legislation conducted and report produced for Minister's approval	28 education and awareness sessions on policies and legislation conducted and report produced for Minister's approval	28 education and awareness sessions on policies and legislation conducted and report produced for Minister's approval

Programme 6: Industrial Financing

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

Outcomes:

- Increased accessible industrial finance measures to support investment in priority sectors in line with approved Master Plans.

Outputs:

- Private sector investment leveraged across all incentives;
- Jobs supported; and
- Financial support provided.

Programme 6: Industrial Financing

There are 4 output indicators under Programme 6 contributing to the 5 year target of R75 billion private sector investment leveraged and annual targets on jobs and enterprises achieved. The following products will be achieved in the 3 year MTEF period.

Output Indicators	MTEF Period		
	2020/21	2021/22	2022/23
Value (Rand) of projected investments to be leveraged from projects/enterprises approve	R15 billion	R15 billion	R15 billion
Projected number of new jobs supported from enterprises/projects approved	8 500	8 000	9 000
Projected number of jobs retained from approved enterprises/projects	10 000	10 500	10 500
Number of enterprises/projects approved for financial support across all incentives	**600	650	700

** The target is reduced due to discontinuation of 12I tax allowance and the economic impact of COVID-19. The division is in discussion with Treasury for additional funding for tax allowance and an economic responsive package to assist companies in distress as well as to stimulate investment while retaining existing jobs.

Programme 7: Export Development, Promotion and Outward Investments

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

Outcomes:

- ❑ Exports to grow 1% faster than output growth in productive sectors;
- ❑ Grow the manufacturing sector to promote industrial development, job creation, investment and export; and
- ❑ Diversify the export bundle, by promoting export growth in priority sectors.

Outputs:

- ❑ Increased export sales of value-added products and services as a result of the department support initiatives;
- ❑ Number of companies financially benefitted from Export, Marketing and Investment Assistance (EMIA) funding; and
- ❑ Number of companies benefitted from Export Development and Support (EDS).

Programme 7: Export Development, Promotion and Outward Investments

There are 3 output indicators under Programme 7 which contribute to:

- ❑ Export growth in constant Rands to grow 1% faster than GDP growth in constant Rands for primary and secondary sectors, based on a 5 year rolling average; and
- ❑ Export growth for selected Harmonised System (HS) codes in constant Rands to grow 2% faster than GDP growth in constant Rands for manufacturing, based on a 5 year rolling average.

The products outlined in the table below will be achieved in the 3 year MTEF period.

Output Indicators	MTEF Period		
	2020/21	2021/22	2022/23
Value of Export Sales projected	R4.25 billion	R4.25 billion	R4.25 billion
Number of companies assisted under EMIA	864	864	864
Number of Companies benefitted from Export Development and Support (EDS) inclusive of Women, Youth and People with Disability (WYPD)	850	850	850

Programme 8: Inward Investment Attraction, Facilitation and Aftercare

Purpose: Support foreign direct investment flows and promote domestic investment by providing one stop shops for investment promotion, investor facilitation and aftercare support for investors.

Outcomes:

- Increased strategic investment.

Outputs:

- Investment facilitation in targeted sectors; and
- Improve ease of doing business through improved turnaround time for company registrations.

Programme 8: Inward Investment Attraction, Facilitation and Aftercare

There are 2 output indicators under Programme 8 contributing to the mobilisation of R 500 billion in domestic and foreign direct investment over a 5 year period. The following products will be achieved in the 3 year MTEF period.

Output Indicators	MTEF Period		
	2020/21	2021/22	2022/23
Value (Rand) of investment projects facilitated in pipelines	R 100 billion	R 100 billion	R 100 billion
Number of statistical reports on Company registrations within one day	4 statistical reports on Company registrations within one day	4 statistical reports on Company registrations within one day	4 statistical reports on Company registrations within one day

Programme 8: Inward Investment Attraction, Facilitation and Aftercare

2020/21 Focus Areas:

- ❑ Coordinate the annual South African Investment Conference by developing investment projects in the pipeline of investment announcements;
- ❑ Support the work of the Presidency and the Presidential Envoys in attracting and facilitating investment;
- ❑ Strengthen investment facilitation service to fast track and unblock investment impediments to retain and expand existing investment;
- ❑ Roll-out the One-Stop-Shops in the Provinces to support and capacitate investment facilitation; and
- ❑ Champion the Investment Climate Reform to improve the Ease of Doing Business in South Africa.

BizPortal, a single integrated company registration platform, focus areas:

- ❑ Integration with Unemployment Insurance Fund (UIF) and Compensation Fund and full roll-out of the BizPortal;
- ❑ Integration of BizPortal with all Banks; and
- ❑ Monitor BizPortal and SA's progress on Ease of Doing Business ranking.

Programme 9: Competition Policy and Economic Planning

Purpose: Develop and roll out policy interventions that promote competition issues, through effective economic planning, spatial implementation and aligned investment and development policy tools.

Outcomes:

- ❑ Policy tools and implementation strategies which contribute to an efficient, competitive economic environment, balancing the interests of workers, owners and consumers and focused on economic development.

Outputs:

- ❑ Reports on policy and statutory initiatives in support of Ministry;
- ❑ Analysis reports on public interest matters; and
- ❑ Reports on coordination efforts of recommendations, commitments and orders.

Programme 9: Competition Policy and Economic Planning

There are 3 output indicators under Programme 9. Over the 5 year period, 60 reports will be produced, focussed on competition oversight, strategic participation in competition matters, impact of coordination efforts with regard to recommendations, commitments and orders. The following products will be achieved in the 3 year MTEF period.

Output Indicators	MTEF Period		
	2020/21	2021/22	2022/23
Number of reports on policy and statutory initiatives in support of Ministry	4	4	4
Number of analysis reports on public interest matters	4	4	4
Number of reports on coordinated actions in implementing Competition policy commitments, recommendations and orders	4	4	4

Programme 10: Economic Research and Coordination

Purpose: Design and oversee socio-economic research, assess policy options and engage stakeholders to facilitate inclusive economic growth.

Outcomes:

- ❑ Socio, macro and microeconomic policy options developed and assessed to promote inclusive growth; and
- ❑ Policymakers and stakeholders have access to policy-relevant, high-quality economic analysis.

Outputs:

- ❑ Economic Policy Reports; and
- ❑ Policy-relevant and high quality economic research.

Programme 10: Economic Research and Coordination

There are 3 output indicators under Programme 10. Over the next 5 year period, 86 high quality policy research and analysis reports are envisaged to achieve the nominated outcomes. The following products will be achieved over the MTEF period.

Output Indicators	MTEF Period		
	2020/21	2021/22	2022/23
Number of analytical policy reports produced	8	10	10
Number of research reports produced	6	8	8

the dtic Allocated Budget



MTEF BUDGET AT A GLANCE – 2020/21 TO 2022/23

Description	2020/21 R'000	2021/22 R'000	2022/23 R'000	TOTAL R'000
Indicative baseline	11,723,281	10,692,355	11,097,220	33,512,856
Revised baseline	11,082,138	10,098,297	10,489,142	31,669,577
Change to the indicative baseline	(641,143)	(594,058)	(608,078)	(1,843,279)

BUDGET AT A GLANCE ON ECONOMIC CLASSIFICATION – 2020/21 TO 2022/23

Description	2020/21 R'000	2021/22 R'000	2022/23 R'000	TOTAL R'000
Transfers and subsidies, which consist of :	9,070,428	7,955,542	8,256,280	25,282,250
<i>Public corporations and private enterprises</i>	6,793,966	5,557,095	5,774,477	18,125,538
<i>Departmental agencies and accounts</i>	2,077,118	2,185,009	2,265,417	6,527,544
<i>Non profit institutions</i>	156,536	168,276	169,547	494,359
<i>Foreign governments and international organisations</i>	42,808	45,162	46,839	134,809
Operational expenditure, which consists of:	2,011,710	2,142,755	2,232,862	6,387,327
<i>Compensation of employees</i>	1,171,420	1,247,560	1,301,832	3,720,812
<i>Goods and services</i>	805,227	857,847	891,887	2,554,961
<i>Payments for capital assets</i>	34,121	36,354	38,102	108,577
<i>Households</i>	942	994	1,041	2,977
	11,082,138	10,098,297	10,489,142	31,669,577

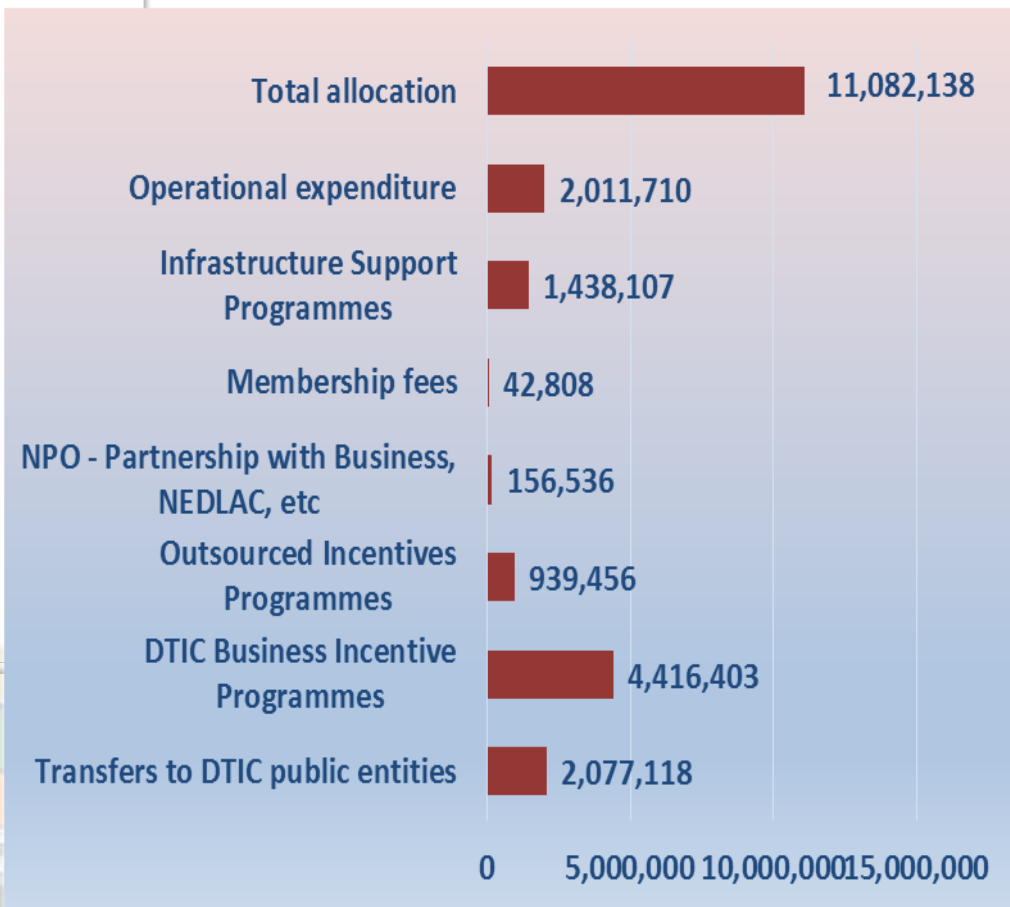
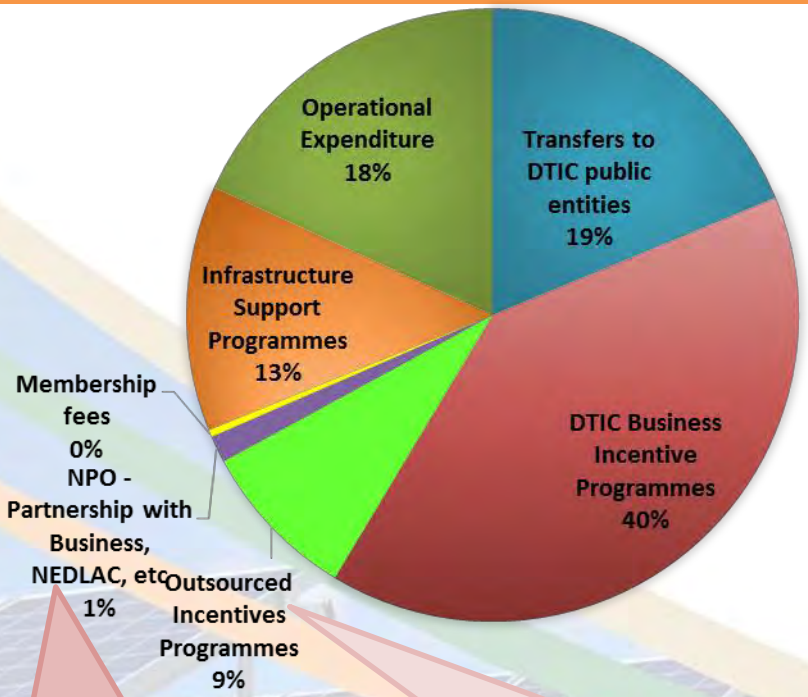


2020/21 BUDGET SUMMARY

- ❑ The department has a total budget of R11 billion for the 2020/21 financial year, of which 61% or R6.8 billion is expected to be transferred to public corporations and private enterprises for incentives programmes;
- ❑ Of the total budget, 19% or R2.1 billion will be transferred to the departmental entities for the fulfillment of the set mandates; and
- ❑ Operational expenditure, which comprises mainly of compensation of employees, and goods and services is 18% or R2 billion of the total budget.



2020/21 BUDGET – CATEGORIES OF THE BUDGET



- Proudly South African
- Intsimbi Future Production Technologies Initiatives
- Automotive Supply Chain Competitiveness Initiative
- Trade and Industrial Policy Strategies (TIPS)

- IDC: Clothing, Textile, Leather and Footwear: Competitiveness Improvement Programme
- CSIR: National Cleaner Production Centre
- CSIR :National Foundry Technology Network
- CSIR: Aerospace Industry
- CSIR: Fibre and Textile
- Protechnik Laboratories



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