# 10 Report of the Portfolio Committee on Trade and Industry on Budget Vote 25: Economic Development and on Budget Vote 34: Trade and Industry, dated 10 July 2019

The Portfolio Committee having considered Budget Vote 25: Economic Development and Budget Vote 34: Trade and Industry, reports as follows:

1. **Introduction**

In the State of Nation Address (SONA) in 20 June 2019, President M C Ramaphosa recognised the challenges facing the economy, and that to address these challenges would require a significant structural change with a clear focus on the productive sectors of the economy. He outlined seven priorities, with the key focus area aligned to the Department of Trade and Industry’s (DTI) mandate being “economic transformation and job creation” and “a better Africa and world”[[1]](#footnote-1).

The government recognised the manufacturing sector as a key catalyst in addressing the triple challenge of poverty, income inequality and unemployment given its multiplier effect on jobs and its ability to integrate domestic upstream and downstream industries. This value chain integration is expected to also contribute to economic transformation. A re-imagined industrial strategy, underpinned by a strong social compact between government, the private sector and labour, would provide the foundation for increased productivity and private and foreign direct investment. In this regard, the DTI is developing sectoral masterplans, in consultation with the social partners, based on the lessons learnt from the implementation of the Industrial Policy Action Plan (IPAP) and its incentive programmes.

The strengthening of intra-African trade and economic integration forms a key part of the government’s growth strategy. The conclusion of the African Continental and Tripartite Free Trade Areas provides the foundation for African economic integration and increased intra-African trade that would benefit the South African economy. Furthermore, other bilateral and multilateral trade relations remain important for South Africa and these relationships should be consolidated. However, there is a need to diversify its exports to include higher value-added manufactured products and for South African components and products to form part of global value chains.

In addition, the President announced the reconfiguration of government to promote coherence, better coordination and improve efficiency. This included a merger between the Ministries of Trade and Industry and of Economic Development. This merger can assist in reducing policy uncertainty, and enhancing capabilities between the two, while leading to a more efficient use of financial and other resources in this constrained fiscal climate.

* 1. **Constitutional Mandate of the Committee**

Portfolio Committees exercise oversight over their respective departments and agencies in line with their Constitutional mandate set out in section 55(2) of the Constitution of the Republic of South Africa, 1996 and section 27(4) of the Public Finance Management Act (No. 1 of 1999). In addition, the Money Bills Amendment Procedure and Related Matters Act (No. 9 of 2009) also requires committees to consider and report on their department and entities’ strategic and annual performance plans. Portfolio committees may also advise the Standing Committee on Appropriations in the National Assembly regarding possible amendments, within a budget vote, for its consideration.

* 1. **Purpose**

The purpose of this report is for the Portfolio Committee on Trade and Industry to report on its deliberations and consideration of the Economic Development Department (EDD) and DTI’s annual performance plans and their associated budget votes (Budget Votes 25 and 34 respectively). Furthermore, to make recommendations regarding the approval, amendment or rejection of Budget Votes 25 and 34, as well as any other recommendation regarding the implementation of the annual performance plans of the EDD and the DTI.

* 1. **Process**

The Committee’s consideration of Votes 25 and 34 respectively involved an engagement with Mr E Patel, the Minister of Trade and Industry, Mr L October, the Director-General of Trade and Industry, and Dr M Tom, the Acting Director-General of Economic Development, on 4 July 2019. Mr Patel provided an overview of the merger between the EDD and the DTI and the economic context within which the EDD and DTI’s Annual Performance Plans had been developed. The two Director-Generals then presented their department’s respective Annual Performance Plans and an overview of their budgets. The DTI’s plans were discussed in relation to its mandate, which covers five key intervention areas, namely[[2]](#footnote-2):

* Industrial development,
* Trade, investment and exports,
* Broadening participation,
* Regulation, and
* Administration.

While the EDD’s plans were discussed in relation to its mandate, which covers six key intervention areas, namely[[3]](#footnote-3):

* Administration,
* Implementation of the New Growth Path,
* Social dialogue,
* Infrastructure development,
* Industrial financing, and
* Economic regulators.

1. **Policy priorities for 2019/20**
   1. **State of the Nation Address**

The SONA delivered by President Ramaphosa outlined seven priorities for Government. These priorities included (i) economic transformation and job creation; (ii) education, skills and health; (iii) consolidating the social wage through reliable and quality basic services; (iv) spatial integration, human settlements and local government; (v) social cohesion and safe communities; (vi) a capable, ethical and developmental state; and (vii) a better Africa and world[[4]](#footnote-4). These priorities will inform the implementation of mandates of each of the Government departments in the sixth administration. The priorities that are linked to the work of the Departments of Trade and Industry and of Economic Development are “economic transformation and job creation”, “a capable, ethical and developmental state” and “a better Africa and world”.

In terms of the trade and industry and economic development mandates, the President reiterated the need to increase efforts to grow the South African economy and create jobs in line with the National Development Plan (NDP). These priorities are in line with Outcome 4 (decent employment through inclusive growth) and Outcome 11 (creating a better South Africa and contribute to a better Africa and a better world) of the 2014-19 Medium Term Strategic Framework (MTSF), as well as the NDP outcomes. The table below provides further detail in this regard.

**Table 1: DTI policy priorities in relation to the MTSF and the SONA**

| **MTSF Priorities[[5]](#footnote-5)** | **June 2019 SONA[[6]](#footnote-6)** |
| --- | --- |
| **Outcome 4: Decent employment through inclusive growth** | |
| **Sub-outcome 1**: Productive investment is effectively crowded in through the infrastructure build programme | Increased private investment in the South African economy by attracting both foreign and domestic investors. |
| **Sub-outcome 2**: The productive sectors account for a growing share of production and employment | Channelling investment and support to the manufacturing sector, in particular clothing and textiles; automotive sector; gas; chemicals and plastics; renewables; and steel and metals fabrication sectors. |
| **Sub-outcome 3:** The productive sectors account for a growing share of production and employment | Buying locally manufactured goods in order to stimulate local demand and build competitiveness South African products so they can compete in global value chains, consequently creating employment. |
| **Outcome 11: Creating a better South Africa and contribute to a better Africa and a better world** | |
| **Sub-outcome 2:** An economically integrated South Africa | Promoting industrial parks and supporting special economic zones; therefore, spreading economic opportunities to township economies and to various provinces and towns of the country. |
| **Sub-outcome 5:** A sustainable developed and economically integrated Africa. | Strengthening trade and investment relations with the rest of the African continent hence using opportunities brought by the African Continental Free Trade Area to improve intra-Africa movement of goods and services, capital and means of production. |
| **Sub-outcome 7:** Strong, mutually beneficial South-South cooperation | Developing cross-border value chains in sectors such as energy, mining and mineral beneficiation, manufacturing, infrastructure and agro-processing within Southern African Development Community region. |

## 

* 1. **Sustainable Development Goals (SDGs)**

The DTI would be primarily responsible for the second target of SDG 9 (build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation), namely to “promote inclusive and sustainable industrialization and, by 2030, significantly raise industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries”[[7]](#footnote-7). In this regard, one of the DTI’s core strategic objectives is to “facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation”[[8]](#footnote-8). It develops industrial strategies and provides incentives to improve the competitiveness of the manufacturing sector and increase market access and demands for locally manufactured goods. The EDD also plays a critical role in coordinating and monitoring industrial development, as well as industrial financing through the Industrial Development Corporation (IDC).

Furthermore, the EDD can contribute to the first target of SDG 9, namely to “develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all”[[9]](#footnote-9). It would play a role by providing secretariat services to the Presidential Infrastructure Coordinating Commission (PICC), monitoring progress of the implementation of 18 strategic infrastructure projects, and unblocking applications or facilitating applications for permits and licences to accelerate the implementation of these projects.

Through its work on the PICC and its coordinating role for economic development policy formulation and planning, the EDD contributes indirectly to a number of SDGs including:

* SDG 4 – “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”[[10]](#footnote-10) through access to and quality of education services/infrastructure.[[11]](#footnote-11)
* SDG 7 – “Ensure access to affordable, reliable, sustainable and modern energy for all”[[12]](#footnote-12) through investment and upgrade of infrastructure for sustainable energy supply and use, and an increase of renewable energy in South Africa’s energy mix.
* SDG 8 – “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”[[13]](#footnote-13) by improving access of black women and youth to employment and entrepreneurship opportunities, as well as the coordination of social accords.
* SDG 10 – “Reduce inequality within and among countries”[[14]](#footnote-14) through its promotion and facilitation of investment and the role of the International Trade Administration Commission of South Africa’s (ITAC) tariff line investigations and determinations. Furthermore, the DTI also plays a critical role in these aspects through its trade negotiations and work by its Investment South Africa Programme.
  1. **Agenda 2063**

The work of the DTI and the EDD is aligned to aspiration 1 of Agenda 2063: “*A prosperous Africa based on inclusive growth and sustainable development”[[15]](#footnote-15).* In line with this aspiration, the African continent committed to "eradicating poverty in one generation and build shared prosperity through social and economic transformation….”[[16]](#footnote-16). Strategic objectives of the DTI include: “Facilitating broad-based economic participation through targeted interventions to achieve more inclusive growth”[[17]](#footnote-17).

Implementing these strategic objectives through Programme 3: Special Economic Zones and Economic Transformation in the 2019/20 financial year should contribute to the achievement of the Agenda 2063 aspirations. This programme had been allocated a budget of R171,5 million.

The EDD has two strategic objectives that would contribute to this Agenda 2063 aspiration, namely: to “coordinate jobs drivers and implementation of the economic strategy in support of the National Development Plan”[[18]](#footnote-18) and to “promote productive investment, industrial financing and entrepreneurship for jobs and inclusive growth”[[19]](#footnote-19).

* 1. **Industrial Development Action Plan (IPAP) and Southern African Development Community (SADC) Industrialisation Strategy**

The SADCRegional Infrastructure Development Master Plan (RIDMP) aims to “catalyze industrial development and reduce current high costs of doing business, including those related to Non-Tariff Barriers (NTBs) and local procurement of inputs for infrastructure development”[[20]](#footnote-20). As a Member of SADC, South Africa has to align its national policies and strategies to complement that of the regional community. The NDP 2030 and the IPAP therefore are broadly complementary policies to the SADC industrialisation strategy. IPAP is the country’s industrialisation plan which sets out detailed actions to deepen industrialisation in the country. Similar to the SADC-RIDMP, IPAP aims to ensure industrialisation through its interventions, one of which is the developmental tariff reform. In the current budget, the DTI continues to provide for the implementation of IPAP, which will be replaced by a re-imagined industrial strategy.

1. **Economic Development Department’s Annual Performance Plan and Budget Vote**

The EDD is responsible for legislation, as well as the policies for all the sub-sectors directed to contribute inclusive growth and job creation. It is therefore entrusted with conducting sectoral research, and formulating legislation and policy to set the strategic direction of sub-sectors. In addition, it is mandated with assigning responsibilities to public entities and other tiers of government, regulating through setting norms and standards, and monitoring implementation.

The EDD’s strategic goals are to[[21]](#footnote-21):

* Ensure good governance in its administration.
* Coordinate jobs drivers and implement the New Growth Path Economic Strategy to support the NDP.
* Facilitate social dialogue and implement social accords.
* Coordinate infrastructure development and strengthen its positive impact on the economy and citizens.
* Promote productive investment, industrial financing and entrepreneurship for jobs and inclusive growth.
* Promote competition, trade and economic regulation to support job creation, industrialisation and economic inclusion.

The EDD is structured into three programmes to achieve these targets, namely[[22]](#footnote-22):

* *Programme 1: Administration* – Provides strategic leadership, management and support services to the Department.
* *Programme 2: Growth Path and Social Dialogue* – Strengthens the economic development capacity of government and is responsible for aligning economic development policies aimed at broadening participation in the economy to create decent work opportunities.
* *Programme 3: Investment, Competition and Trade* – Coordinates infrastructure development by providing regular reports on each strategic infrastructure project, unblocking specific projects, and providing secretariat support to the Presidential Infrastructure Coordinating Commission (PICC); provides oversight, and coordinates policy regarding identified development finance institutions and economic regulatory bodies in the areas of trade administration and competition.

It should be noted that, as announced by the President, the fourth strategic objective and the relevant programme functions related to infrastructure development are being transferred to the Department of Public Works and Infrastructure. This process is aligned to the Department of Public Service and Administration’s schedule for the Macro Organisation of the State. However, these form part of the budget vote until it is officially allocated to the Ministry of Public Works and Infrastructure.

* 1. **Budget Vote 25: Analysis of the 2019/20 – 2021/22 financial period**

For the 2019/20 financial year, the EDD has been allocated a budget of R1.05 billion[[23]](#footnote-23). While this is similar to the adjusted appropriation for the 2018/19 financial year, the 2019/20 budget allocation decreased by 7 percent in real terms[[24]](#footnote-24). Given the expenditure estimates, the budget is expected to increase to R1,095 billion and R1,19 billion in the 2020/21 and 2021/22 financial years respectively.

**Table 2: Budget allocation by programme for the 2018/19 and 2019/20 financial years**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme**  **(R million)** | **Adjusted appropriation**  **2018/19** | **Budget**  **2019/20** | **Nominal Percentage change in 2019/20** | **Real Percentage change[[25]](#footnote-25) in 2019/20** |
| Programme 1:Administration | 86,4 | 90,3 | 4,51% | - 0,65% |
| Programme 2: Growth Path and Social Dialogue | 34,5 | 37,0 | 7,25% | 1,95% |
| Programme 3: Investment, Competition and Trade | 951,8 | 918,1 | - 3,53% | - 8,30% |
| **TOTAL** | **1 072,6** | **1 045,4** | **8,23%** | **- 7,0%** |

Source: National Treasury (2019b: 524)

* + 1. **Programme Analysis**

The budget is divided among the three programmes, with the largest allocation for the Investment, Competition and Trade Programme (R918,1 million or 87,8 percent of the total budget). This allocation declined by 8,3 percent in real terms since the 2018/19 financial year and mainly consists of transfers to five entities (97,8 percent of the programme’s budget) (see the economic classification below).

The second largest budget allocation is to the Administration Programme (R90,3 million or 8,6 percent of the total budget). While the nominal budget increased from R86,4 million in the 2018/19 financial year, it decreased slightly in real terms by 0,65 percent.

The Growth Path and Social Dialogue Programme received the smallest allocation of R37 million for the 2019/20 financial year. However, this was also the only programme that received a real increase from the previous financial year (a 1,95 percent increase).

* + 1. **Economic classification**

Of the total budget of R1,05 billion, R142,7 million (13,6 percent of the total budget allocation) is for current payments, R4,7 million (0,5 percent of the total budget allocation) is allocated to payments for capital assets and R898 million (85,9 percent of the total budget allocation) is allocated to transfers and subsidies for government entities.[[26]](#footnote-26) A large proportion of the current payments are for compensation of employees (R97,7 million or 68,5 percent of the allocation to current payments). The remainder of this allocation is for goods and services (R45 million).

In terms of goods and services, the largest allocations for the 2019/20 financial year are to: operating leases (R11,1 million or 24,7 percent); legal services (R11,07 million or 24,6 percent); travel and subsistence (R6,3 million or 14,1 percent); external audit costs (R3,6 million or 8,1 percent) and consultants for business and advisory services (R3,06 million or 6,8 percent). The EDD reported that the legal fees were in relation to applications for significant mergers and acquisitions being processed and concluded by the Competition Authorities under the Competition Act (No. 89 of 1989)[[27]](#footnote-27).

Transfers to government entities are outlined in Table 3. It should be noted that while five entities receive transfers, only four report to the EDD. The Small Enterprise Finance Agency (SEFA) is a subsidiary of the IDC but is administered by the Department of Small Business Development. However, a decision was taken that because SEFA is a subsidiary to the IDC, which reports to the EDD, the EDD should facilitate the transfer to SEFA.

**Table 3: Transfers to the Department’s entities**

| **Entity**  **(R million)** | **Adjusted appropriation** | **Medium-term expenditure estimate** | | |
| --- | --- | --- | --- | --- |
| **2018/19** | **2019/20** | **2020/21** | **2021/22** |
| ***Regulatory institutions*** | | | | |
| Competition Commission | 281,8 | 295,4 | 311,6 | 328,7 |
| Competition Tribunal | 35,1 | 36,2 | 38,2 | 40,3 |
| International Trade Administration Commission | 102,2 | 106,9 | 112,8 | 119,0 |
| ***Developmental finance institutions*** | | | | |
| Industrial Development Corporation | 285,0 | 218,0 | 220,8 | 262,5 |
| Small Enterprise Finance Agency | 228,8 | 241,5 | 254,7 | 268,7 |

Source: National Treasury (2019b: 530)

While the IDC is a self-funding developmental finance institution that is able to raise funds from equity markets, it has been receiving transfers from the EDD since the 2017/18 financial year. In the 2019/20 financial year, the R218,8 million was for the administration of the following:

* *Steel Development Fund*: R35 million was allocated to finance a number of initiatives to address competitiveness issues. These include the modernisation of plant machinery and equipment; upgrading of plant machinery and equipment to meet quality assurance requirements; capacity expansion of existing plants; process improvements for cost efficiencies and productivity and assist with plant optimization; working capital requirements or revolving facility; assistance with the achievement of industry quality certification and standards; development and testing of prototypes, as well as the testing and certification of new products.
* *Tirisano Trust Fund*: The IDC is the administrator for this Trust Fund, which has been allocated R123 million this financial year. The Fund seeks to contribute to the transformation of the construction industry by developing and promoting black-owned and managed construction firms; funding engineering, building science and quantity surveying studies, and artisan training for previously disadvantaged people; supporting and enhancing mathematics and science education at public schools; and funding social infrastructure build programmes.
* *Presidential Infrastructure Coordinating Commission*: R60 million was allocated for the 2019/20 financial year, of which R15 million is for the IDC’s role in supporting the PICC secretariat and R45 million to support the PICC’s Technical Project Management Unit.

1. **Department of Trade and Industry’s Annual Performance Plan and Budget**

The DTI is mandated to create a diverse and globally competitive economy through industrialisation which is characterised by inclusive growth and development, decent employment and equity for all South Africans. To implement its mandate, the DTI provides financial support in the form of incentives to promote the development of industries and the participation of black people in economic activities; it develops legislation; attracts and facilitates private investments; and promotes international and regional trade.

The DTI’s strategic goals aim to[[28]](#footnote-28):

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

Its work and budget is divided among its eight programmes, namely[[29]](#footnote-29):

* *Programme 1: Administration* – Provides strategic leadership, management and support services to the department.
* *Programme 2: International Trade and Economic Development* – Provides direction on national trade policy to promote economic development; builds an equitable multilateral trading system; strengthens trade and investment relationships; and promote African development.
* *Programme 3: Special Economic Zones and Economic Transformation* – Responsible for the implementation of the Department’s main priorities and one of the strategic objectives, which is facilitating broad-based economic participation through inclusive growth. This is also done through developing Special Economic Zones and revitalising industrial parks.
* *Programme 4: Industrial Development: Policy Development* – Responsible for the development and implementation of policies, strategies and programmes to develop the manufacturing and related sectors of the economy to contribute to decent job creation, value-added manufactured products and enhanced competitiveness of South African products.
* *Programme 5: Consumer and Corporate Regulation* – Responsible for the development, implementation, and monitoring of regulation that facilitates redress for South Africans by reducing the regulatory burden on small businesses, creating economic opportunities for previously disadvantaged South Africans, and creating competitive and fair markets. Furthermore, to attract domestic and foreign investment by increasing investor confidence through developing world class regulatory frameworks for monitoring compliance and enforcement; and creating competitive, fair and efficient markets by having effective financial, economic, governance and related regulatory institutions.
* *Programme 6: Incentive Development and Incentive Administration* – Responsible for improving the DTI’s incentive administration through developing and implementing incentives and programmes that support investment, competitiveness, employment creation and equity.
* *Programme 7: Trade and Investment South Africa* – Aims to increase the quality and quantity of exports by promoting South African products in high growth markets; facilitates access to markets for South African manufactured products and services; and enhances the ongoing promotion of exports and investment.
* *Programme 8: Investment South Africa* – Facilitates investment in the country by supporting both domestic and foreign investors and promotes domestic investment through one-stop shops for investment promotion, investor facilitation and aftercare support for investors.
  1. **Budget Vote 34: Analysis of the 2019/20 – 2021/22 financial period**

The DTI’s budget has increased from R9,53 billion in 2018/19 to R10,06 billion in the 2019/20 financial year in nominal terms, while the budget has increased by 5,5 percent in nominal terms, it has decreased by 0,32 percent in real terms. Given the expenditure estimates, the budget is expected to increase to R10,6 billion in 2020/21, and decrease to R9,5 billion in 2021/22 in nominal terms.[[30]](#footnote-30)

* + 1. **Programme Analysis**

For the 2019/20 financial year, the DTI’s budget allocation per programme is as follows:

**Table 4: Budget allocation by programme for the 2018/19 and 2019/20 Financial Year**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme**  **(R million)** | **Adjusted appropriation**  **2018/19** | **Budget**  **2019/20** | **Nominal Percentage change in 2019/20** | **Real Percentage change in 2019/20** |
| Administration | 837,3 | 803,5 | -4,04% | -8,78% |
| International Trade and Economic Development | 124,8 | 130,4 | 4,51% | -0,65% |
| Special Economic Zones and Economic Transformation | 146,3 | 171,5 | 17,22% | 11,42% |
| Industrial Development | 2 029,8 | 2 100,8 | 3,50% | -1,62% |
| Consumer and Corporate Regulation | 330,3 | 328,3 | -0,61% | -5,53% |
| Incentive Development and Administration | 5 567,9 | 6 026,1 | 8,23% | 2,88% |
| Trade and Investment South Africa | 411,6 | 440,5 | 7,01% | 1,72% |
| Investment South Africa | 83,8 | 58,0 | -30,78% | -34,20% |
| **TOTAL** | **9 531,8** | **10 059,0** | **5,53%** | **0,32%** |

Source: National Treasury (2019c: 713)

In line with the DTI’s mandate and strategic objective of “*Facilitating transformation of the economy to promote industrial development, investment, competitiveness and employment creation*”[[31]](#footnote-31), the two largest programmes in terms of the share of the budget are for the Incentive Administration Programme, at approximately 60 percent and the Industrial Development Programme with a 21 percent share of the 2019/20 budget. The rest of the budget is allocated to the other six programmes as follows: Administration (8 percent); the Trade and Investment South Africa Programme (4 percent); the Consumer and Corporate Regulation Programme (3 percent); the Special Economic Zones and Economic Transformation Programme (2 percent); and the International Trade and Economic Development Programme, and Investment South Africa Programme (1 percent each). The table above depicts changes in budget allocations per programme between the 2018/19 and 2019/20 financial years.

The DTI’s overall budget increased by 0,32 percent in real terms for the 2019/20 financial year, approximately R527 million. At a programme level, the budget of three of the eight programmes’ allocation increased in real terms. These are the Special Economic Zones and Economic Transformation, Incentive Development and Administration, and Trade and Investment South Africa Programmes which increased by 11,4 percent, 2,7 percent and 1,7 percent in real terms respectively. The other programmes show a decrease in allocation, these are the Administration, and the International Trade and Economic Development programme which decreased by 2 percent. In addition, the Industrial Development, Consumer and Corporate Regulation, and Investment South Africa Programmes decreased by 8,8 percent, 0,6 percent, 1,6 percent, and 5,5 percent respectively and the largest decrease was that of the Investment South Africa Programme with a 34,2 percent decrease in real terms.

* + 1. **Economic classification**

Of the total budget of R10,06 billion, R1,7 billion (16,9 percent of the total budget allocation) is for current payments, R26,5 million (0,26 percent of the total budget allocation) is allocated to payments for capital assets and R8,3 billion (82,8 percent of the total budget allocation) is allocated to transfers and subsidies for government entities. A large proportion of the current payments are for compensation of employees (R1,05 billion or 61,5 percent of the allocation to current payments). The remainder of this allocation is for goods and services (R655 million).[[32]](#footnote-32)

In terms of goods and services, the largest allocations for the 2019/20 financial year are to: operating leases (R249,7 million or 38,1 percent); travel and subsistence (R110,1 million or 16,8 percent); consultants for business and advisory services (R61,02 million or 9,3 percent); operating payments (R30,4 million or 4,63 percent); and contractors (R30,3 million or 4,62 percent).

The DTI’s transfers and subsidies are mainly distributed to public corporations and private enterprises (88,8 percent of transfers and subsidies or R7,4 billion). In addition, it will distribute R730,3 million to departmental agencies and accounts (8,8 percent of transfers and subsidies); R163,1 million (or 1,96 percent of transfers and subsidies) to non-profit institutions; R40,6 million (or 0,49 percent of transfers and subsidies) to international institutions for membership fees; and R0,9 million (or 0,01 percent of transfers and subsidies) to households for employee social benefits. Transfers to the DTI entities are discussed in further detail below.

* + - 1. **Transfers to Entities**

In terms of its functions, the Department is responsible for overseeing 14 entities and the Broad-Based Black Economic Empowerment (B-BBEE) Commission. Of the 14 entities, three are self-funded, these are the Companies and Intellectual Property Commission (CIPC), the National Empowerment Fund (NEF) and the National Lotteries Commission (NLC)[[33]](#footnote-33). The other entities receive a portion of their budgets as transfers from the DTI.

The B-BBEE Commission is a trading entity under the DTI[[34]](#footnote-34). The DTI has however, in the past year indicated that for the Commission to be effective and independent it needs to be a separate entity. By the end of the 2018/19 financial year, the DTI, the B-BBEE Commission and the National Treasury were reported to be in negotiations around listing the Commission. Transfers to the DTI’s entities are illustrated in the table below.

One of the critical technical infrastructure institutions is the NMISA, which is responsible for maintaining the equivalence of the base units of the International System of Units, namely the metre (length), the kilogram (mass), the second (time), the ampere (electric current), the kelvin (thermodynamic temperature), the candela (luminous intensity[[35]](#footnote-35)), and the mole (amount of substance in relation to molecules, atoms, ions, etc.)[[36]](#footnote-36), for South Africa. In addition to these operational transfers, for the current financial year, the NMISA will receive funding of R130 million for capital expenditure. In the previous financial year, NMISA received R123 million. Furthermore, it will be allocated funds for capital expenditure over the medium-term for its recapitalisation project. This project is to address the threat of ageing infrastructure to NMISA’s ability to develop new National Measurement Standards (NMS) and to maintain and/or improve the existing NMS to levels required by industry. The ageing infrastructure includes the building infrastructure, laboratories and equipment/instrumentation. This is critical as the accuracy required of NMS doubles every ten years; thus, rendering existing instrumentation redundant and building conditions unworkable over time.

**Table 5: Transfers to the DTI’s entities**

| **Entity**  **(R thousand)** | **Responsible Programme** | **Adjusted appropriation** | **Medium-term expenditure estimate** | | |
| --- | --- | --- | --- | --- | --- |
| **2018/19** | **2019/20** | **2020/21** | **2021/22** |
| ***Regulatory institutions*** | | | | | |
| Broad-Based Black Economic Empowerment Commission | Special Economic Zones and Economic Transformation | 34 500 | 61 700 | 65 093 | 68 673 |
| Companies and Intellectual Property Commission | Consumer and Corporate Regulation | N/A | N/A | N/A | N/A |
| Companies Tribunal | 16 740 | 17 352 | 18 305 | 19 312 |
| National Consumer Commission | 69 674 | 58 304 | 61 508 | 64 890 |
| National Consumer Tribunal | 52 688 | 52 239 | 55 113 | 58 145 |
| National Credit Regulator | 75 361 | 79 580 | 83 957 | 88 575 |
| National Gambling Board | 32 624 | 33 797 | 35 639 | 37 599 |
| National Lotteries Commission | N/A | N/A | N/A | N/A |
| ***Developmental finance institutions*** | | | | | |
| Export Credit Insurance Corporation | International Trade and Economic Development | 183 248 | 193 511 | 204 153 | 215 381 |
| National Empowerment Fund | Special Economic Zones and Economic Transformation | N/A | N/A | N/A | N/A |
| ***Technical infrastructure institutions*** | | | | | |
| National Metrology Institute of South Africa (NMISA): Capital | Industrial Development | 123 086 | 129 979 | 137 128 | 144 670 |
| NMISA: Operations | 109 698 | 115 057 | 121 385 | 128 061 |
| National Regulator for Compulsory Specifications | 146 104 | 139 501 | 147 173 | 155 268 |
| South African Bureau of Standards | 375 931 | 420 384 | 307 411 | 324 319 |
| South African National Accreditation System | 31 032 | 31 669 | 33 399 | 35 237 |
| **Total** |  | **1 250 686** | **1 333 073** | **1 270 264** | **1 340 130** |

**Source**: National Treasury (2019c: 714-716)

1. **Key issues raised by the Committee during its deliberations**

The Committee raised a number of concerns during its deliberations, including:

5.1 ***The role of the private sector with respect to reindustrialisation:*** Recent data showed the increased investment by the private sector in the economy. The Committee enquired, given a re-imagined industrial strategy, how government is going to address the impediments to industrialisation and whether it should significantly reduce its role in the process. The Minister informed the Committee that there are significant structural challenges facing the South African economy. One of the main features of the South African economy is its high level of concentration of ownership and a concentrated market that keeps out new entrants, young people and small business. Competition policy seeks to address this anomaly and it should change the structural dimension of the South African economy. The Minister acknowledged the importance of partnerships with the private sector in order for them to be generators of growth in the economy, but the role of the state cannot be undervalued. The Minister was of the view that an absent state does not facilitate growth and that the state should find the right balance at the core of a re-imagined industrial strategy. The state should be an enabler that provides the critical infrastructure, an equitable regulatory regime that would contribute to economic growth, and be a force to redress inequalities still prevalent in our society.

5.2 ***Ease of doing business:*** The 2018 World Bank’s Ease of Doing Business Index ranked South Africa 82 out of 190 countries. This is a concern for the Committee as it may undermine the country’s attractiveness to business and investors. It was of the view that government should regularly review processes that could impede investment to ensure that the economy can be stimulated to create jobs. The Committee enquired whether the DTI is considering any mechanisms to improve the ease of doing business in South Africa. The DTI informed the Committee that one of its key focus areas is to improve the “ease of doing business”. Investment South Africa created the One-Stop Shop initiative to provide investors with services to fast track projects and reduce red tape when establishing businesses. As outlined in the SONA, the President highlighted government’s drive to become investor-friendly by improving the business environment by lowering the cost of doing business as well as making the process easier. Challenges still remain as the systems are not yet fully integrated. However, in the next phase, the DTI would like to implement a seamless process with the South African Revenue Service, the Department of Labour and other stakeholders.

5.3 ***Evidence-based approach to industrial policy and strategy development:*** The Committee welcomed the Minister’s approach with respect to industrialisation with policies shaped by evidence rather than responses to short-term pressures. The Minister welcomed the support expressed by the Committee to this approach.

5.4 ***The impact of state capture on industrialisation:*** The Committee enquired what measures were being considered to increase the oversight over departments to ensure that reindustrialisation is not compromised. The Minister acknowledged the negative effect of statute capture on economic performance. He informed the Committee about a recent study EDD had conducted based on a modelling exercise to estimate the socio-economic impact of corruption. The study found that there was a loss of R27 billion and a loss of 76 000 jobs per year based on the assumption of a 10 percent over-payment on infrastructure bills. In this process of ensuring accountability and oversight, transparency becomes critical. In this regard, the IDC is now publishing the names of all recipients of IDC loans on its website. This is in response to the challenges caused by state capture and corruption. Effective oversight remains critical and government must ensure that perpetrators of corruption face the full might of the law.

5.5 ***Developments within the sugar industry:*** Notwithstanding the increase in the tariff rate on imported sugar, the sugar industry is still facing a number of challenges which may lead to further job losses and closures of mills. This is purported to be as a result of the impact of the Health Promotion Levy on sugary beverages on the demand for sugar, as an input, as companies may be using sugar substitutes or purchasing cheaper, imported sugar. The Committee enquired whether the Departments are considering measures to alleviate the plight of the sugar industry. The Minister informed the Committee that it is government’s responsibility to support both parts of the sugar value chain and that the Departments intend to develop an appropriate long-term strategy to ensure a sustainable sugar industry.

5.6 ***Challenges facing technical infrastructure institutions such as the South African Bureau of Standards (SABS) and the National Regulator of Compulsory Specifications (NRCS):*** The Committee welcomed the clean audit achieved by the DTI and most of its entities but expressed concerns that both the SABS and the NRCS had received qualified audits, with the SABS receiving a disclaimer for its consolidated financial statements. The Committee enquired how the DTI was addressing the challenges facing the SABS and the NRCS given the vital importance of these entities in contributing to achieving the goals of a re-imagined industrial strategy. The DTI informed the Committee that the NRCS was placed on a clear audit path to address the audit findings and recommendations made by the Auditor-General. The finding related to NRCS’s inability to show sufficient, appropriate evidence of its revenue from non-exchange levies for compulsory specifications. The DTI reported that significant progress had been made in addressing the concerns raised by the Auditor-General with only a technical adjustment required for revenue collection. However, a proper Information and Communication Technology system must be implemented to fully address the audit findings.

The SABS, on the other hand, had been placed under administration in 2018. Three co-administrators were appointed to produce a diagnostic report and a turnaround strategy. The DTI informed the Committee that significant progress had been made in addressing the challenges facing the SABS and that the co-administrators would be managing the SABS until October 2019.

5.7 ***The Automotive Production and Development Programme:*** The Committee welcomed the announcement last year of the extension of the Automotive Production and Development Programme and the Automotive Masterplan 2035. The Committee enquired to the status of implementation of the Automotive Masterplan. The Minister informed the Committee that currently the DTI is working on the implementation of the modalities of the next phase of the masterplan.

5.8 ***Decline in allocation for*** ***Service Investment Incentives:*** The Committee enquired what the reasons were for the significant decline in service investment incentives for the 2019/20 financial year and in the outer years. The DTI informed the Committee that the Services Investment Incentives budget allocation has not been reduced, but that funds were reprioritized to meet the increased demand of support required by the market for financial years 2016/17, 2017/18 and 2018/19.

5.9 ***Decline in the allocation for the Investment South Africa Programme:*** In the President’s SONA on 20 June 2019, he highlighted the importance of the need to increase and facilitate investment into South Africa. Notwithstanding this undertaking, the allocated funding for the Investment South Africa Programme had decreased from R83,8 million in the previous financial year to R58 million in the 2019/20 financial year. The Committee enquired about the rationale for this decrease given the critical role of the programme in facilitating and promoting both local and foreign direct investment to stimulate the domestic economic recovery. The DTI informed the Committee that the initial allocation for the programme in the 2018/19 financial year had been R53,8 million. In October 2018, an additional amount of R30 million had been shifted from the Incentive Development and Administration Programme to the Investment South Africa Programme for the roll-out of one-stop shops in the Eastern Cape, Free State and Mpumalanga for investment promotion, investor facilitation and aftercare support, as part of the Adjusted Estimates of National Expenditure[[37]](#footnote-37).

5.10 ***Budget allocation to the National Credit Regulator (NCR):*** The Committee in the Fifth Parliament highlighted that given the additional mandate of the NCR and its limited office space, its budget allocation should be increased. The Committee enquired whether consideration had been given to increasing the budget of the NCR given the importance of its mandate in the broader economy. With regard to the NCR, the DTI was of the view that currently there was no funding pressure. When the National Credit Amendment Bill is enacted and promulgated, the DTI would make provision for additional debt officers through the Adjustments Appropriation process.

5.11 ***Budget*** ***allocation to the*** ***B-BBEE Commission:*** The allocation of R61,7 million for the B-BBEE Commission was welcomed by the Committee. However, the Committee was concerned that the allocation would be insufficient for the Commission to achieve its mandate given the challenges it experienced in the previous financial year. The DTI informed the Committee that it was of the view that the allocation to the B-BBEE Commission was sufficient as it was not a listed entity. The DTI is currently providing the necessary administrative and other systems support to it. If the Commission becomes a listed entity, it would require additional funding to establish and operate its own administrative systems and functions.

5.12 ***The impact of the B-BBEE policy in broadening the economic base***: While the Committee acknowledged the broad tenets of B-BBEE as a policy instrument aimed at broadening the economic base of the country to stimulate further economic growth and creating employment, it was of the view that the impact of the policy was not broad enough. This was based on the premise that the majority of the population were still excluded from the mainstream economy. The Minister acknowledged that there are some challenges in the implementation of the B-BBEE strategy. The initial implementation phase of the strategy had not been sufficiently inclusive and had focused on distributing wealth/ownership through share schemes. However, this created passive shareholders and had not fostered and developed an entrepreneurial base. The second phase of the strategy was more broad-based and had some level of success with the inclusion of more women, youth and black South Africans. With regard to the third phase, there was the recognition that black South Africans should be supported and assisted to build, own, and control companies to achieve real economic transformation. The investment in the Black Industrialist Programme (BIP) enabled a new generation of black industrialist to contribute to job creation, economic transformation and growth, and reduce income inequality. The Minister alluded that the next phase of economic transformation would focus on the empowerment of workers as they are co-wealth creators. The Competition Amendment Act (No. 18 of 2008), which would come into effect in 2019, has a provision that encourages worker-ownership arrangements with regard to mergers and acquisitions. The Competition authorities must, among others, check whether the employee share ownership and participation levels are increasing or not.

5.13 ***Income inequality:*** Given that South Africa’s Gini-coefficient is among the highest in the world, the Committee was of the view that an urgent review of the impact of black economic empowerment is required to address this challenge. The Committee enquired what strategies the DTI was considering to address this anomaly to ensure an inclusive economy that would contribute to job creation and reduce income inequality. The Minister informed the Committee that one of the key objectives of government in the new administration is to develop a long-term strategy to deal with poverty and income inequality. The key measures to address this includes creating decent jobs, fostering entrepreneurship and maintaining a social safety net. The Minister undertook to provide the Committee with regular updates on progress made in this regard.

5.14 ***Black Industrialist Programme:*** The Committee considered the BIP as a key policy tool within the overall industrial strategy to achieve economic transformation. The BIP also seeks to address low levels of empowerment within the manufacturing sector through the inclusion of the previously disadvantaged black population into the mainstream economy. The Committee welcomed this investment as it would contribute to job creation, reduced income inequality, economic transformation and growth. The Committee queried what the level of support provided was post transfer of funds and how many of the 100 industrialists are still in operation. The DTI informed the Committee that although the Black Industrialists supported by government were facing economic challenges, they are all still in business and growing. All approved Black Industrialists are monitored to assess their contribution to the strategic objectives of the policy. The DTI also informed the Committee that qualifying Black Industrialists had been subjected to a rigorous approval process to ensure their financial viability and that the DTI conducted site inspections at each claim stage before disbursement. A Black Industrialist forum was recently established to serve as a vehicle for collaboration and empowerment for these black industrial enterprises to grow to their full potential.

5.15 ***Relevance of Key Performance Indicators (KPIs):*** Given that the KPIs are meant to measure whether a strategic objective is being met, the Committee enquired why the EDD KPIs focus on reports rather that the number of jobs created and the value of productive capital investment aligned to the strategic objectives. The Minister acknowledged that the current KPIs were not ideal. However, he explained that government departments were confined by the guidelines set out by the Office of the Auditor-General in that KPIs must be measurable and should be within the direct control of the department to be achieved. Therefore, a measure such as jobs created is not within EDD’s direct control and its contribution to this cannot be effectively determined due to the number of factors influencing this. However, he agreed that this system of measuring should be reviewed to determine whether there was a smarter way of measuring what matters.

5.16 ***Legislative programme of the DTI and the EDD:***In the Fifth Parliament, a number of Bills were introduced at the tail-end which placed enormous pressure on Parliament to process these Bills. Some of these Bills were complex and required thorough engagement with experts as well as the public. The Bills still outstanding from the Fifth Parliament are the amendments to the National Credit Act, the National Gambling Act, and the Liquor Act. The Committee expressed its concern that it would appear that only one piece of legislation would be tabled in this financial year. The Minister informed the Committee that he noted the concern but that they are in the process of assessing which Bills are necessary and appropriate to complete in the new administration. The Departments do not intend to bring poorly conceived legislation for consideration by Parliament and would endeavour to provide adequate time to develop and process these within the five-year period. Parliament would be informed about upcoming legislation at the end of this process.

5.17 ***Suspensions within the DTI:*** In the DTI’s Annual Performance Plan, it highlighted that three staff members were suspended. The Committee enquired about the reasons for the suspensions, and the roles and functions performed by those suspended. The DTI informed the Committee that it has a zero tolerance policy around fraud and corruption and is committed to acting swiftly on any allegations in this regard. The position of a Director for the Export, Marketing and Investment Assistance (EMIA), of a Trade and Industry Advisor for the EMIA, and of the Chief Information Officer were affected.

1. **Conclusions**

Having considered the information shared and reports from the Departments of Trade and Industry and of Economic Development and its entities with respect to their annual performance plans, the Committee has reached the following conclusions:

* 1. While the Committee acknowledged the uncertainty regarding the merger between the two departments, it is of the view that these share a number of synergies and can strengthen each other’s mandates to improve economic policy certainty, particularly in terms of economic transformation, investment promotion and facilitation and job creation. The Committee looks forward to a reviewed organisational structure and annual performance plan to improve alignment with government’s objectives.
  2. The Committee welcomed government’s initiatives to regenerate the domestic economy, with priority productive sectors through the new envisaged industrial strategy and focused allocations to support industrial competitiveness. It also supported that the Departments adopt a more evidence-based approach in developing this strategy.
  3. There is a recognition that industrial policy is cross-cutting and that coordination across departments is critical for its successful implementation. In this regard, efforts to ensure policy coherence and certainty is necessary to attract domestic and foreign direct investment to achieve inclusive economic growth and decent job creation.
  4. A strong social compact between the government, the private sector and labour cannot be underestimated in terms of creating a sustainable economy. Each party must contribute by providing an enabling regulatory environment, investment and increased productivity respectively.
  5. While the Committee acknowledged the Departments’ initiatives to facilitate the ease of doing business, such as the establishment and roll-out of One-Stop Shops, it was of the view that the Ministry should review initiatives to ensure their efficacy.
  6. Although the tariff for sugar has been increased, the Committee remains concerned about the sustainability of the sugar industry and its impact on small-scale cane growers. The Committee welcomed the Minister’s endeavours to develop an appropriate long-term strategy to ensure a sustainable sugar industry.
  7. The Committee was encouraged by the reported progress in addressing audit challenges facing the National Regulator for Compulsory Specifications and the South African Bureau of Standards, as these entities play a critical role in enabling industrialisation and trade as well as ensuring consumer and environmental protection. The DTI should report on the outcome of the interventions to address the Auditor-General’s findings on a quarterly basis to ensure that these entities are on a path to a clean audit.
  8. The Committee recognised all efforts to strengthen intra-African trade and integration through the conclusion of the African Continental and Tripartite Free Trade Areas. This provides the foundation for African economic integration and increase intra-African trade that would benefit the South African economy. The Committee awaits the finalisation of the relevant annexes that would underpin these arrangements, such as the rules of origins and the schedules for tariff concessions.
  9. The Committee is encouraged to see ongoing negotiations with the United Kingdom, as it finalises its exit from the European Union, that would ensure a bilateral agreement beneficial for South Africa and members of Southern African Customs Union.
  10. Deepening economic transformation is imperative to alleviate income inequality among previously disadvantaged black people. The Committee welcomed the phased approach being taken with the B-BBEE policy and was especially encouraged by the progress that had been made with the first 100 black industrialists thus far.

1. **Acknowledgements**

The Committee would like to thank Mr E Patel, the Minister of Trade and Industry, Mr L October, the Director-General of Trade and Industry, and Dr M Tom, the acting Director-General of the Economic Development Department, for their cooperation and transparency during this process. The Chairperson wishes to thank all Members of the Committee for their active participation during the process of engagement and deliberations and their constructive recommendations reflected in this report. The Committee also wishes to thank its support staff, in particular Mr A Hermans and Mr T Madima, the Committee Secretaries, Ms M Sheldon, the Content Advisor, Ms Z Madalane, the Researcher, Ms Y Manakaza, the Committee Assistant, and Ms T Macanda, the Executive Secretary, for their professional support.

1. **Recommendations**

The Portfolio Committee on Trade and Industry, having considered the 2019 proposed Budget Vote 25: Economic Development and Budget Vote 34: Trade and Industry, recommends that the House adopts Budget Vote 25: Economic Development and Budget Vote 34: Trade and Industry.

The Committee further recommends that the House request that the Minister of Trade and Industry should consider:

* 1. Engaging with the Ministers of Finance and of Health to review the impact of the Health Promotion Levy on Sugary Beverages on the sugar industry and sugar cane growers.
  2. Tabling a Sugar Amendment Bill to address a lack of market diversification thus allowing for alternative products and the slow economic transformation in the industry.
  3. Supporting measures to protect the sugar industry from imports that may be allegedly dumped into the South African market and to improve the industry’s competitiveness.
  4. Engaging the Minister of Finance with regards to the long-term budget allocation for the Manufacturing Competitiveness Enhancement Programme.
  5. Amending the Broad-based Black Economic Empowerment (B-BBEE) legislation to allow the B-BBEE Commission to be a listed entity in terms of the Public Finance Management Act (No. 1 of 1999) to enable it to operate autonomously. In addition, enhancing the economic empowerment of workers through ownership share schemes.
  6. Requesting the International Trade Administration Commission of South Africa to investigate the appropriateness of the applied tariff rate for sugarcane products.

The Democratic Alliance, Economic Freedom Fighters and the African Christian Democratic Party abstained.

Report to be considered.

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1. Ramaphosa (2019) [↑](#footnote-ref-1)
2. Department of Trade and Industry (2019a) [↑](#footnote-ref-2)
3. Ibid [↑](#footnote-ref-3)
4. Ramaphosa (2019) [↑](#footnote-ref-4)
5. The Presidency (2014) [↑](#footnote-ref-5)
6. Ramaphosa (2019) [↑](#footnote-ref-6)
7. United National Development Programme (n.d.) [↑](#footnote-ref-7)
8. Department of Trade and Industry (2019b: 14) [↑](#footnote-ref-8)
9. United National Development Programme (n.d.) [↑](#footnote-ref-9)
10. Ibid [↑](#footnote-ref-10)
11. South Africa Millenium Development Goals country report (2015) [↑](#footnote-ref-11)
12. United National Development Programme (n.d.) [↑](#footnote-ref-12)
13. Ibid [↑](#footnote-ref-13)
14. Ibid [↑](#footnote-ref-14)
15. African Union Commission (2015) [↑](#footnote-ref-15)
16. Ibid [↑](#footnote-ref-16)
17. Department of Trade and Industry (2019b:14) [↑](#footnote-ref-17)
18. EDD (2019: 14) [↑](#footnote-ref-18)
19. Ibid [↑](#footnote-ref-19)
20. Southern African Development Community (2015) [↑](#footnote-ref-20)
21. EDD (2019: 14) [↑](#footnote-ref-21)
22. EDD (2019: 26, 30 and 40) [↑](#footnote-ref-22)
23. National Treasury (2019b) [↑](#footnote-ref-23)
24. ‘Real terms’ means that the inflationary effect has been taken into account. [↑](#footnote-ref-24)
25. The real percentage change calculation was based on the estimated consumer price index for the 2019/20 financial year of 5,2% (National Treasury (2019a: 26)). [↑](#footnote-ref-25)
26. National Treasury (2019b: 524) [↑](#footnote-ref-26)
27. EDD (2019: 29) [↑](#footnote-ref-27)
28. Department of Trade and Industry (2019b: 14) [↑](#footnote-ref-28)
29. Department of Trade and Industry (2019b: 49, 54, 59, 65, 70, 75, 80 and 84) [↑](#footnote-ref-29)
30. Inflation estimates are 5.2%, 5.5% and 5.4% respectively for the next three years from 2019/20 to 2021/22 (National Treasury (2019a: 26)) [↑](#footnote-ref-30)
31. Department of Trade and Industry (2019b: 14) [↑](#footnote-ref-31)
32. National Treasury (2019b: 713) [↑](#footnote-ref-32)
33. Previously known as the National Lotteries Board. [↑](#footnote-ref-33)
34. See section 13B(1) of the B-BBEE Act (No. 53 of 2003), as amended. [↑](#footnote-ref-34)
35. Luminance is a measure of brightness or the amount of light per unit area (ScienceDirect (2019)). [↑](#footnote-ref-35)
36. Bureau International des Poide et Mesures (n.d.) [↑](#footnote-ref-36)
37. National Treasury (2018: 302) [↑](#footnote-ref-37)