

the dtic

2022/2023 First & Second Quarter Performance Report

Presentation to the Portfolio Committee on Trade, Industry & Competition



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

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INTRODUCTION

1. **the dtic's** 2022/23 Annual Performance Plan (APP) is informed by the need to address high unemployment, poverty, and inequality through economic performance and inclusive growth
2. The work of **the dtic** centres around three Strategic Outcomes that allow for better coordination and impact of work across **the dtic's** entities
 - Industrialisation
 - Transformation
 - Capable State
3. The new APP has **151 KPIs** setting out the work within the broad control of the DTIC in order to secure specific outcomes. The APP identifies the following key outcomes:
 - Investment: pledges of at least R120 billion
 - Local output: R40bn pa (based on R200bn over 5 years)
 - Incentive support: R22 billion
 - Manufacturing global exports: R600 billion
 - Jobs at the centre of dtic work

INTRODUCTION

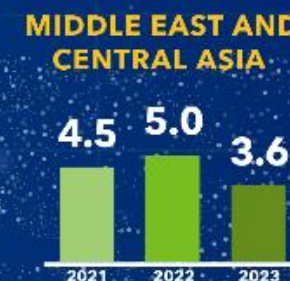
1. This is the first report under the new format for the current financial year. It constitutes a shift from measuring **activities** to measuring **impact and outcomes** in various sectors including jobs, manufacturing, local content, investments, and industrial funding as well as Budget Vote Commitments.
2. Case studies are also provided to illustrate the work done by **the dtic** over the reporting period.

GLOBAL GROWTH CONTEXT

WORLD ECONOMIC OUTLOOK OCTOBER 2022

GROWTH PROJECTIONS BY REGION

(PERCENT CHANGE)



Source: IMF, *World Economic Outlook*, October 2022.

Note: Order of bars for each group indicates (left to right): 2021, 2022 projections, and 2023 projections.

GLOBAL INVESTMENT DEVELOPMENTS

The **global growth outlook** has a significant impact on investment growth/decline and which countries stand to benefit as recipients of FDI.

Foreign Direct Investment (FDI) Trends	2022:Q1 (USD Billions)	2022:Q2 (USD Billions)	2021 quarterly average– 2022:Q2 Growth rate (%)
World	\$515bn	\$357	-7%
Developed Economies	\$257bn	\$137bn	-22%
Developing Economies	\$258bn	\$221bn	6%

Three factors impact the **2022 global growth outlook**:

- Substantially higher inflation across most countries, with aggressive interest rate increases in especially the US, EU, and UK.
- The significant slowdown in China partly due to COVID-19 responses along with domestic factors.
- The war in Ukraine resulted in significant price shocks in global food and energy markets.

DOMESTIC CHALLENGES

The South African economy is affected by global developments including through inflationary pressures, export market weaknesses, and exchange rate volatility.

In addition, Q1 and Q2 of the FY has been negatively impacted by:

- The floods in April 2022, affecting large parts of KZN which is a key manufacturing backbone and logistics hub for South Africa
- Extended period of 'load-shedding' which has significantly disrupted manufacturing production and weighed on business confidence.
- Emerging inflationary pressures which the SARB has responded to.

DOMESTIC CHALLENGES



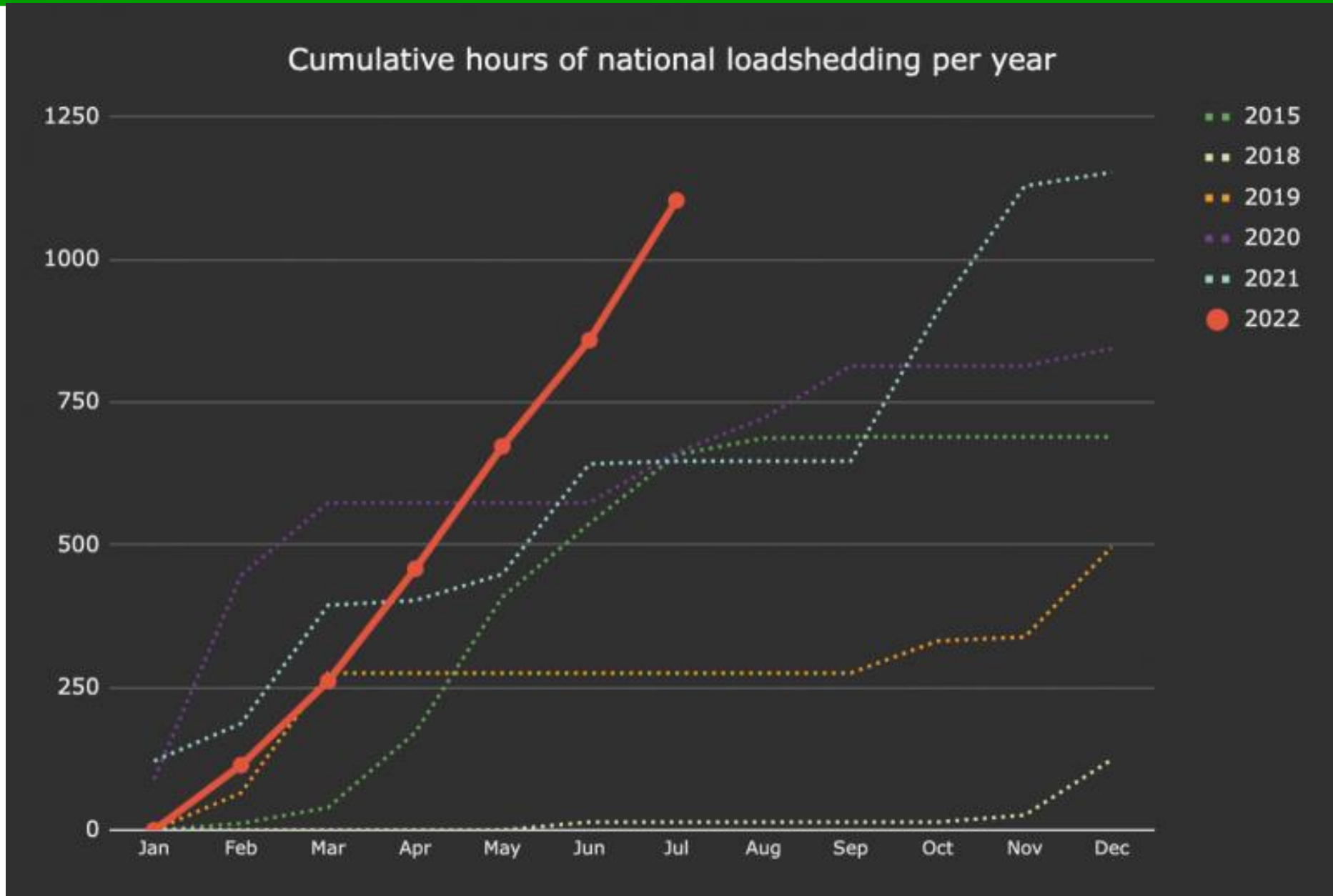
Toyota plant in KZN – damage caused by floods

DOMESTIC CHALLENGES



Damage caused by floods

DOMESTIC CHALLENGES



Source: Mybroadband, 2022

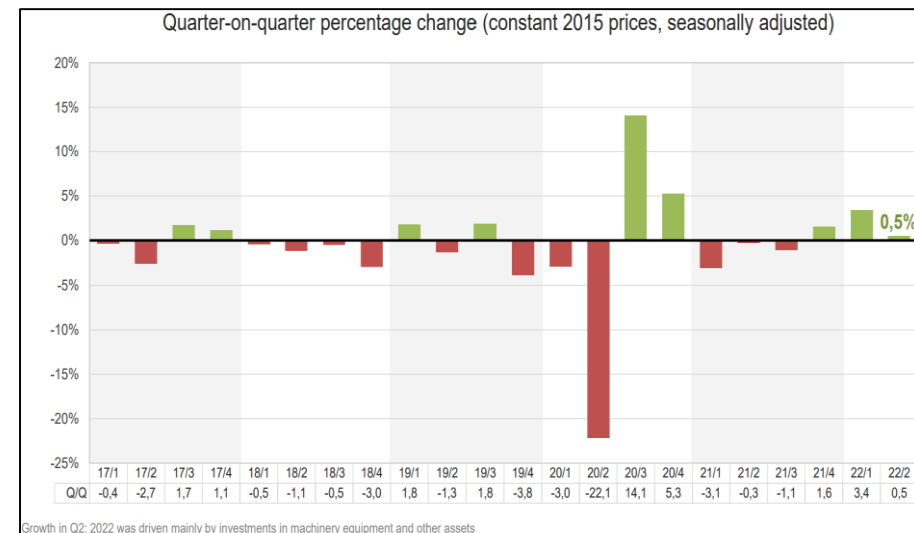
DOMESTIC INVESTMENT DEVELOPMENTS

R919,8 billion — Domestic investment in Q2, Current Rands

Domestic investment increased to R919,8billion (seasonally adjusted) in Q2 (April-June) 2022. This represents an increase of 0.5% (quarter-on-quarter) and reflects:

- Weakening global growth prospects,
- Lower domestic business confidence in part due to load-shedding, and
- Broader impact of load-shedding across all economic sectors.

Source: StatsSA, 2022, GDP Statistical Release



Slowing investment momentum necessitates stronger investment efforts by **the dtic**.

Source: StatsSA, 2022, GDP Statistical Release

PART 1: SIX MONTH IMPACT OVERVIEW

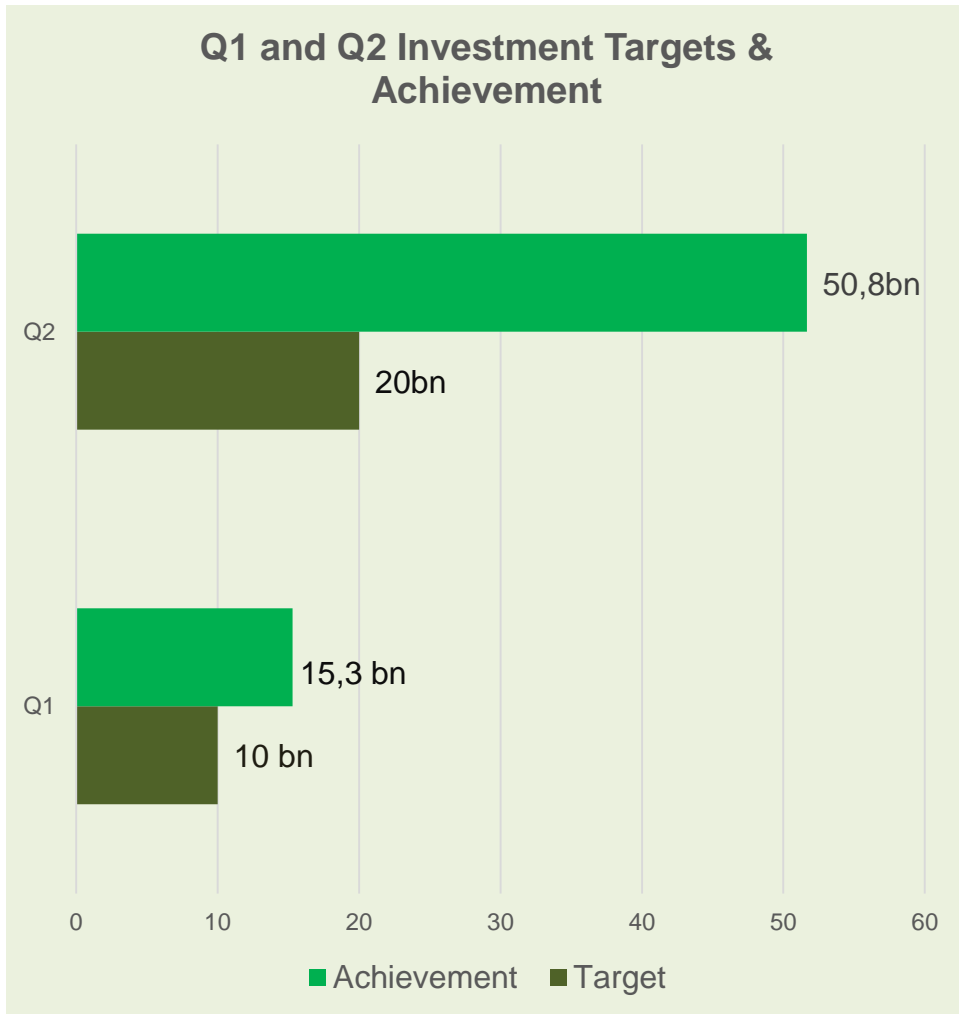
INVESTMENTS – a driver of job-creation

R66,1 billion- Investments attracted or facilitated

Annual Investment Goal - Increase the level of investment in the economy, by securing pledges for fresh investment in South Africa of at least **R120 billion** largely from the private sector during the 12 months and work with private firms to enable pledged investment to be realised

Period covered: six months since 1 April 2022, with available information

INVESTMENTS



Significant progress was achieved in the implementation of commitments made at previous Investment Conferences and facilitation of new investments across **the dtic, IDC, and NEF**:

- **R 15,3 billion** was achieved against the **R10 billion** total investments targeted in Q1
- **R 50,8 billion** was achieved against the **R20 billion** total investments targeted in Q2
- **633** investor issues were unblocked and fast-tracked by Invest SA in Q1 (447) and Q2 (186) respectively.

INVESTMENTS

8

New **investments publicly launched** in Q1 and Q2 valued at R14,4 billion

R 7,7 billion

Sappi Saiccor Plant Expansion in Umkomaas, KZN was launched in September

R 1,5 billion

Consol-Ardagh installation of a furnace at its plant in Nigel

R 1,4 billion

Metair launched an automotive manufacturing plant in Kwadukuza, KZN in September

R 1,4 billion

Google Equiano Subsea Cable launched in Cape Town in September

R 1,2 billion

Isuzu D Max launched in Gqeberha, Eastern Cape in April

R 650 million

Kerry launched a nutrition solutions facility in Hammersdale, KwaZulu Natal (KZN) in May

R 350 million

Sandvik launched the capital equipment plant in Ekurhuleni, Gauteng in September

R 267 million

Sigma Connected launched its Call Centre facility in Mitchells Plain in July

INCENTIVES – strengthening firms

R14 billion - Incentives enabled by **the dtic** in Q1 & Q2

R12,6 billion- Incentives disbursed in Q1 and Q2

THIS SLIDE: Leveraged through dtic group funding instruments comprising industrial financing, competitiveness enhancement programmes or working capital to SMEs

It covers: the IDC and NEF; **the dtic** Industrial Financing; Sectors; Equity Equivalent Investment Programme i.e. JP Morgan Abadali Fund; the Automotive Industry Transformation Fund; Export Marketing and Investment Assistance (EMIA); Competition Managed Funds. **It excludes trade measures and trade rebates.**

THE NEXT SLIDE: limits the information to directly administered funds by the dtic-group.

R12,5 billion-

Value of approvals in more than **300 projects** approved by **the dtic, IDC and NEF** in Q1 & Q2

R12 billion-

Value of incentives disbursed in Q1 and Q2 **by the dtic, IDC and NEF** against the annual target of **R 22 billion**

Projects are located in **23 of the 52 municipalities**. 11 of these are from largely rural districts

Localisation is driven by the steel industry with contribution from **motor vehicle parts, renewable energy components and poultry**

MERGERS – protecting the public interest

23

Mergers participated in based on **public interest** considerations

12

Large and intermediate mergers approved by Competition Authorities which Ministry participated in during Q1 and Q2

The Minister's participation in mergers is aimed at ensuring that public interest issues in terms of Section 12(A)(3) of the Competition Act are considered and addressed in the approval of mergers

- **Q1: 65** merger notifications were received. Participated in **12** based on public interest considerations that included employment, localisation, and Historically Disadvantaged Persons (HDP) /worker ownership.
- **Q2: 81** merger notifications were received. Participated in **11** based on public interest considerations.

Note: Many of the above-mentioned mergers are under consideration by the Commission and Tribunal in Q3.

MARKET INQUIRIES (Q1)

Online Intermediation Platforms Market Inquiry

The Competition Commission published the Provisional Report of findings and recommendations of the Online Intermediation Platforms Market Inquiry in July 2022. The inquiry investigated market features that impede participation and stifle the growth of small businesses and HDPs in online markets.



Fresh Produce Market Inquiry

Competition Commission published the draft **terms of reference** of the South African fresh produce Market Inquiry in August 2022. The inquiry aims to investigate various **challenges faced by fresh produce farmers**, and emerging and small-scale farmers in particular.

Some challenges include (1) Insufficient access to finance and technical capabilities. (2) Lack of market access and access to important production inputs (like quality seeds and fertilisers) which also limit farmers' ability to reach food safety levels accepted by retailers.



MONITORING FOOD PRICES

Essential Food Pricing Monitoring Report

Food inflation remains a concern

The latest Essential Food Pricing Monitoring Report published in August 2022 highlights some drivers of food inflation. It expands on previous analysis on levels of concentration in the **sunflower oil value chain** extending to the **price of cooking oil** at wholesale and retail levels. Including the risk of opportunistic price increases. It also found there hasn't been a significant increase in the prices of fruits and vegetables in recent months. It is only tomatoes where there has been price volatility.



ESSENTIAL FOOD PRICE MONITORING REPORT

AUGUST 2022



Introduction

Following the onset of the COVID-19 pandemic in March 2020, the Commission began monitoring essential food prices to understand the effects of the pandemic and ensuing economic crisis on the food value chain and food markets. The Commission's work to date on food prices pointed to concerning price behaviour and market dynamics in South African food markets which led to enforcement actions against price gouging and the initiation of the Fresh Produce Market Inquiry (Inquiry). The Inquiry will examine whether there are any features in the produce value chain which lessen, impedes, restricts or distorts the competitiveness of the South African fresh produce market.

In this report, we briefly highlight some of the drivers of food inflation; expand on our previous analysis by focussing on the sunflower oil value chain extending to the price of cooking oil at the wholesale and retail levels. This analysis of the sunflower value chain is done for the period 2020 to date. The report also considers recent pricing trends for bread, maize meal, and margarine. To ensure consistency, we also present some analysis on key fruit and vegetables pricing to supplement the previous versions of our report.

DAWN RAIDS BY THE COMPETITION COMMISSION (Q2)

Eight major long-term insurance companies raided

A search and seizure operation was conducted by the Competition Commission on 25 August 2022 at the premises of 8 insurance companies in Gauteng, KZN, and Western Cape. They were suspected of engaging in **collusive practices to fix prices and/or trading conditions** in respect of fees for investment products such as retirement annuity, life insurance (such as dread disease cover), cover for chronic medical conditions and disability, life cover and funeral assistance benefits.

The collage features three overlapping news snippets from BusinessTech. The top snippet is titled "Eight insurers raided for suspected collusion on fees and premiums" and includes the sub-header "COMPANIES / FINANCIAL SERVICES". The middle snippet is titled "The Competition Commission has eight insights for collusion" and includes the sub-header "BUSINESS". The bottom snippet is titled "Discovery, Sanlam and other insurers raided over alleged price fixing and collusion". Each snippet includes a date of "25 AUGUST 2022" and a "Subscribe" button. The background of the collage shows a modern glass skyscraper with the word "DISCOVERY" visible on its facade.

COMPETITION COMMISSION: COMMISSIONER APPOINTMENT

- **Ms. Doris Tshepe** was appointed Commissioner of the Competition Commission with effect from 1 September 2022. She holds B Proc and LLB degrees and an LLM degree in Tax Law; is well-versed in competition and constitutional law and was part of an expert panel that advised **the dtic** on the amendments to the Competition Act.
- Ms. Tshepe has more than 20 years of legal experience and has been active in the competition field for many years as a practitioner, representing clients on competition cases.
- Both Competition Authorities are now led by women, with **Ms. Mondo Mazwai** as chairperson of the Competition Tribunal.



Ms D Tshepe



Ms M Mazwai

R114,2 billion -

Total value of motor vehicles and automotive components manufactured in Q1 and Q2 (value added) – enabled by **the dtic** support system

- The total value of exports and domestic sales came to **R69,2 billion in Q1 and R45 billion in Q2.**

PRODUCTION IN THE AUTOMOTIVE SECTOR

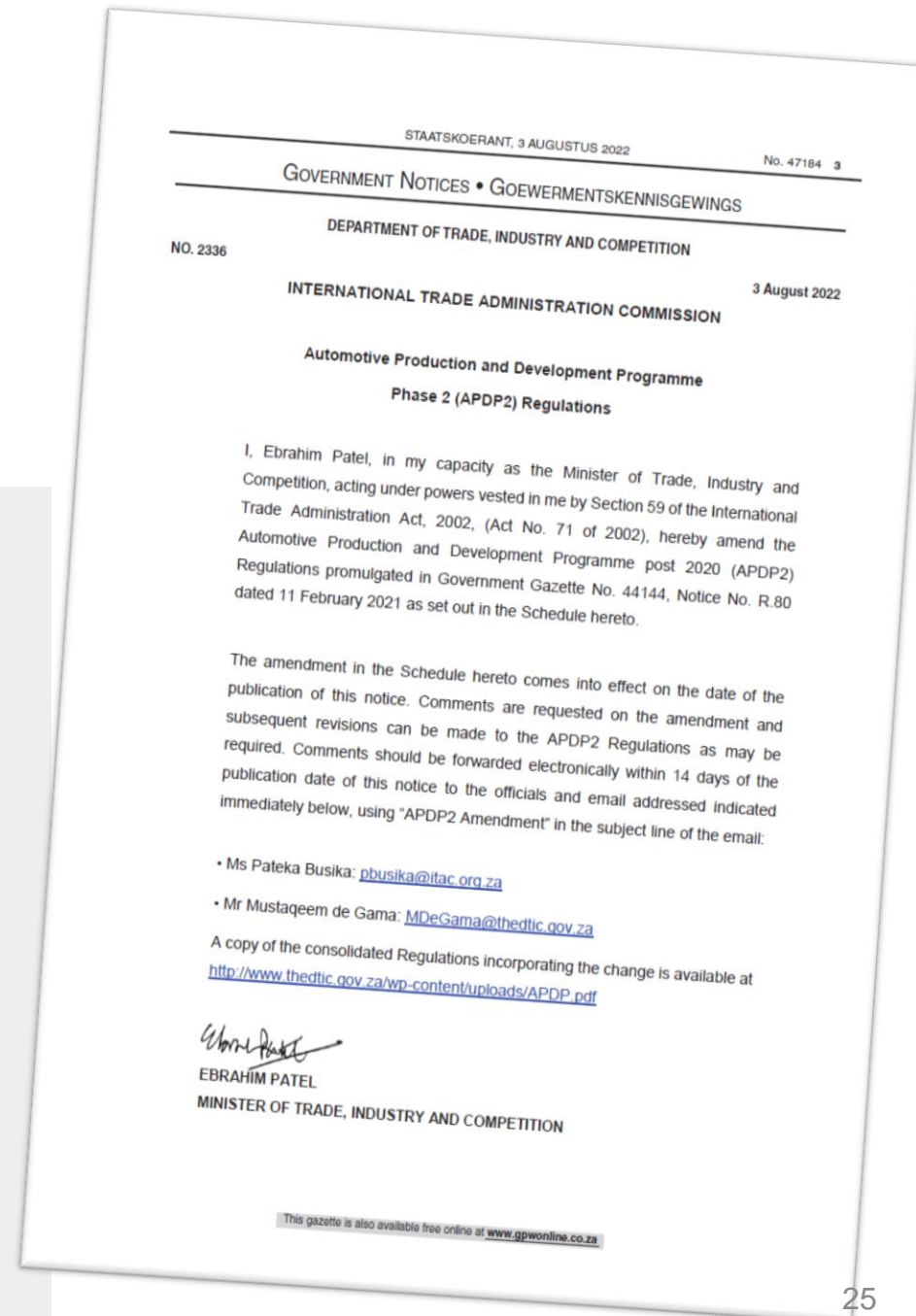
Improvement to automotive regulations

Minister signed amended APDP 2 regulations in August 2022

Duty credit certificates obtained through the Automotive Production and Development Programme (APDP) rebates and refunds:

- Enable registered manufacturers to **grow production volumes**
- Promote value addition in the **automotive component** industry
- Contribute to **employment** in the automotive value chain.

Reporting is based on APDP 1 and APDP 2. ITAC continues to report on APDP1 as there are still some valid rebate credit certificates in terms of this program.



EXPORTS – to drive growth and jobs

ANNUAL TARGET

**2022/23
Target**

Maintain
R600 billion
In Manufactured
Exports

PROGRESS

**Year to Date
(YTD)**
April to August 2022

R329 billion*
Manufactured Exports

** SARS provisional data subject to updates, for 5 months.*

EXPORTS

QUARTERLY PROGRESS

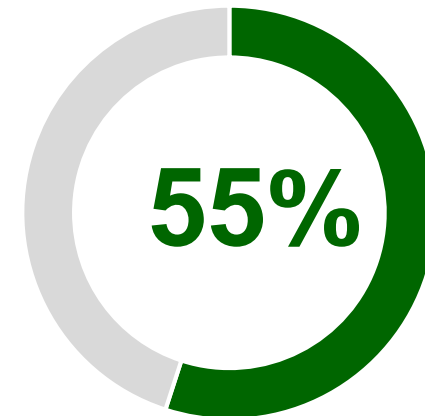
R191 billion

Q1 Manufactured Exports*

R138 billion

Q2 Manufactured Exports*

**YTD % Progress
against Annual Target**



** SARS provisional data subject to updates, for 5 months.*

EXPORTS

31

Large export commodities had their best export quarter in ten years in Q1 2022*

Sectors posting their best export results in a decade included:

R3,4 billion

Exports of **fresh apples** crossed the R3 billion threshold for the first time ever, making South Africa the fifth largest exporter globally in 2022

R1 billion

Exports of **sunflower oil** surpassed R1 billion in exports for the first time, with major markets like the UAE, Spain, Malaysia, Australia and the United Kingdom buying from SA for the first time

R2,5 billion

Following years of instability, exports of **flat-rolled steel** broke export records for the fourth time in the last five quarters

R330 million

Exports of **soups and broths** reached all-time highs, driven by an expansion into African markets, including Mozambique, Botswana, Namibia and Nigeria

13 markets

Exports to 13 markets had their best export quarter in a decade, including to major markets like India, Japan, Morocco, Italy and the Netherlands

EXPORTS (Q1)

R 22,3 billion-

Value of exports linked to support provided by the following **dtic** programmes /entities in Q1 (Industrial Financing, Exports, ITAC & ECIC)

The four **dtic** and entities supported over R22,3 billion in exports:

- | | |
|-----------------------|---|
| R18,7 billion | Exports supported through provision of import duty rebates and drawbacks of customs duties for local manufacturers. |
| R1,1 billion | Exports supported through the provision of industrial financing for industrial projects, including manufacturers that exported their products. |
| R33,8 million | Exports supported through exhibitions and missions funded by the dtic . |
| R566,3 million | Export orders secured as a result of insurance risk cover provided for export transactions and outward investment projects with South African local content procurement requirements. |
| R1,9 billion | The dtic also supported R1,9 billion in services exports through the financing of Global Business Services (GBS) projects, including call centres. |

Note: gross figures used.

EXPORTS (Q2)

R20,7 billion-

Value of exports linked to support provided by the following **dtic** programmes/entities in Q2 (Industrial Financing, Exports, ITAC & ECIC)

The four **dtic** and entities supported over **R20,7 billion** in exports:

R18,4 billion

Exports supported through provision of import duty rebates and drawbacks of customs duties for local manufacturers.

R44 million

Exports supported through the provision of industrial financing for industrial projects, including manufacturers that exported their products.

R550 000

Exports supported through exhibitions and missions funded by **the dtic**.

R626,8 million

Export orders secured as a result of insurance risk cover provided for export transactions and outward investment projects with South African local content procurement requirements.

R1,7 billion

The dtic also supported **R1,9 billion** in services exports through the financing of Global Business Services (GBS) projects, including call centres.

Note: gross figures used

EXPORTS

R34.3 million -

Value of export orders in Q1 and Q2 from exhibitions and missions

- **The dtic** is supporting a number of exhibitions and missions in 2022/23, after a period when physical export promotion events stopped due to COVID-19.
- The department funded **63 companies** (40 black-owned, 14 women-owned) to participate in **four events** in **Q1** and **59 companies** (26 black-owned, 10 women-owned) to participate in **five events** in **Q2**.
- Funded exhibitions and missions deliver trade leads, from which companies secure actual export orders over a period following the event.
- Five Missions and Exhibitions delivered **R33.8 million*** in export orders in **Q1**. Of this, three Black-Owned Companies secured R22.6 million* orders.
- In **Q2**, one exhibition delivered **R550 000*** in export orders by **one Black-Owned Company**

** Value of tracked export orders linked to funded exhibitions and missions*



EXPORTS

Measures taken to support exports by (a) non-metro districts; and (b) metros excluding Johannesburg, Cape Town, Tshwane and eThekweni:

17 Companies from 8 Non-Metro Districts participated in Missions and Exhibitions during Q1

8 Companies from 7 Non-Metro Districts participated in Missions and Exhibitions during Q2

12 Companies from 4 Other Metros** participated in Missions and Exhibitions during Q1

11 Companies from 2 Other Metros** participated in Missions and Exhibitions during Q2

Non-Metro Districts	Other Metros
Q1	Q1
(2) Bojanala Platinum DM (1) Cacadu DM (4) Cape Winelands DM (4) Dr Kenneth Kaunda DM (3) Ekangala DM (1) Garden Route DM (1) uMgungundlovu DM (1) West Rand DM	(1) Buffalo City (6) Ekurhuleni (3) Mangaung (2) Nelson Mandela Bay
Q2	Q2
(1) Bojanala Platinum DM (2) Cape Winelands DM (1) Capricorn DM (1) Eden DM (1) Fezile Dabi DM (1) uMgungundlovu DM (1) West Rand DM	(5) Ekurhuleni Metro (6) Nelson Mandela Bay

R 1,1 billion -

South African goods & services procured **R566,3 million** in **Q1** and **R626,8 million** in **Q2**

Local procurement linked to 5 insurance cover projects in Q1, and 3 insurance cover projects in Q2 approved in previous years. The ECIC has minimum local content requirements for goods and services that applicants must meet to receive insurance coverage. **Examples of South African products procured include:** Building Materials, Construction Equipment and Machinery, Mining Equipment, Electrical Equipment and Components, Water Tanks, Water Pipes, and Plumbing Materials

** Amounts reported to ECIC by companies approved for risk cover.*

R137,5 million - Approved insurance cover in Q1

ECIC approved insurance cover worth **R137,5 million** in Q1. The insurance covers political and commercial risks for exporters and investors who supply South African goods and services to international markets. No new approvals in Q2

ADDITIONAL LOCAL OUTPUT

R 4,4 billion — Value of **additional local industrial output**
from 4 projects

The dtic will develop a detailed metric on localisation. Four projects were assessed, namely the competition settlement agreements involving Shoprite-Checkers (subject to approval), Consol and Astron as well as the new production at Highveld Steel, which in all totalled R4,4 billion in local output. This report contains a number of additional examples of increased local output. The report for Q3 and 4 will contain a more comprehensive review of the impact.

ADDITIONAL LOCAL OUTPUT

Astron/Glencore merger

Glencore agreed to increase the Astron refinery capacity by approximately 15 000 barrels of production a day

- The additional capacity is under construction and will come online by the end of December 2022
- Refinery operates for approximately 350 days a year
- assuming a crude oil price of \$100 per barrel and a value add of approximately \$2 per barrel will result in:

$\$2 \times 15\,000 \text{ barrels per day} \times 350 \text{ days} = \$10,5 \text{ million value add (R189 million value addition)}$

Alternate is to import fuels at \$115 per barrel:

$\$15 \times 15\,000 \text{ barrels per day} \times 350 \text{ days} = \$78\,750\,000 \text{ import replacement (R1.4 billion import replacement)}$



ADDITIONAL LOCAL OUTPUT

Consol Glass

- As part of the merger commitment, Consol committed to establishing two additional furnaces with a total production capacity for 240 kilotons.
- The first furnace has been established in Nigel with a capacity of 120 kilotons while the second furnace will be established on the same site which will also have a capacity of 120 kilotons.
- Both the furnaces will result in import replacement of \$110 million or approximately R2 billion

Shoprite/Massmart merger

- Shoprite undertakes to localisation that will incrementally increase localisation spending every year, reaching R500 million per annum by or before the end of 5 years

ArcelorMittal Rail and Structural (AMRAS)

- AMRAS acquire the steel fabrication plant at Highveld Industrial Park and began production of structural steel which was discontinued after the demise of Highveld Steel in 2015
- AMRAS has now introduced the production of mainline rail which will result in import replacement of R500 million a year

Jobs impact of work

Jobs covered by customised programmes:

Film: 461

GBS: 20 498

Sectors (Jobs created and retained): 3 367

Jobs covered by competition settlement guarantees that are still valid:

Jobs created 862

Jobs protected 70 643

Factory interventions that saved jobs: 4 932 (Ashton Langeberg 4382 and Sanvik 550)

Workers covered by new trade interventions and past anti-dumping and safeguard duties: XX 000

ITAC

Q2: Jobs retained: 136

Q1: Jobs retained 25562 and New jobs 105

Jobs impact of work: coverage of master plans

623 000 workers

Workers covered by poultry and sugar Masterplans	136 612
Workers covered by GBS Masterplan support	82 000
Workers covered by auto masterplan support	106 962
Workers covered by CTFL & Furniture master plans	121 303
Workers covered by steel master plan	176 032

WORKER OWNERSHIP

7

Transactions worked on, covering

106 431 workers

CONSOL

Agreement reached with firm; and approved by the Competition Tribunal. Covers 2150 workers.

ARM Bokoni Mining

Agreement reached with firm; and approved by the Competition Tribunal. Covers 2 500 workers

SHOPRITE-CHECKERS

Agreement reached with firm. **Merger is going through competition process.** Covers 85 170 workers

IMPLATS

Agreement reached with firm. **Merger is going through competition process.** Covers 11 024 workers.

Heineken

Agreement reached with firm. **Merger is going through competition process.** Covers 4 500workers.

Ster Kinekor

Agreement to implement ESOP in 36 months if attendance figures recover to pre-COVID levels. Covers 860 employees

Digital Titan

Agreement reached with firm; and approved by the Competition Tribunal. Covers 227 workers.

JOB RETENTION AND WORKER PROTECTION

4

Transactions worked on, covering

1 725 jobs

EMERALD SAFARI

Merger saved 307 jobs in the Vanderbijlpark area.

STER KINEKOR

Target firm in business rescue. Merger saved 860 jobs.

BLUE OCEAN

Target firms in financial distress. Merger saves 155 jobs in Saldanha area with commitment to create a further 73 jobs

MUSSELS

ARDAGH/CONSOL

Merger parties intend to create 330 jobs

Over 42 000 jobs were supported and monitored (of active agreements) in terms of commitments/ conditions to not retrench as a result of the merger

Transformation

Work undertaken on transformation in Q1-Q2 covered

- Legal Sector Charter - Code published for comment
- Black industrialist Conference hosted
- Black Exporters Network - Launched and MoU agreed
- Competition interventions covering Shoprite, Heineken, Implats, ARM and Consol.
- Black industrialist programme of IDC, NEF and the dtic
- Institutional measures: B-B BEE Council and Commission

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Appointments made

- National Lotteries Commission (NLC)
- Financial Standards Reporting Council
- National Consumer Tribunal
- Companies and Intellectual Property Commission
- Competition Commission
- Broad-based BEE Council
- Broad-based BEE Commission

4 Executive positions (Commissioners)

47 Board members

Entity Governance: NLC Appointments

Governance reform of NLC continued in Q1 and Q2 through the newly established Board and Acting Commissioner

New Board members

Dr. Cassius Lubisi, former Cabinet Secretary
Ms. Precious Mvulane, Chartered Accountant
Mr. Willie Hofmeyr, former Asset Forfeiture Unit and NPA
Ms. Beryl Ferguson, former MP

New Board Chairperson

Initial shortlist provided by Minister: Adv Thuli Madonsela; Dr. Barney Pityana and Dr. Frank Chikane
Portfolio Committee revised list: Terry Tselane; Dr. Barney Pityana, Dr. Frank Chikane, and Temba Dlamini
Appointment made by the Minister: Dr. Barney Pityana

Acting Commissioner

Appointment of former Director-General of the dtic, **Mr. Lionel October, as Acting Commissioner** from 1 September 2022 pending the Board recommending a permanent Commissioner

Entity Governance: NLC

Work undertaken on improving governance at the NLC in Q1-Q2

- In the first three months after the appointment, the NLC Board placed a moratorium on all Proactive Funding
- In collaboration with **the dtic** Shared Services Centre, it appointed forensic auditors and re-established the anti-fraud & corruption hotline.
- On 16 September 2022, all irregular ICT & Legal contracts were terminated.
- The NLC continues to pursue internal disciplinary hearings and, co-operating with Law Enforcement Agencies including the SIU/AFU to recover assets and pursue prosecutions.
- After internal investigations began, a number of senior staff resigned and the filling of vacancies is taking place.

Acting on the recommendation of the NLC Board, the Minister in terms of section 14(1) extended the period of the Third Lottery Licence from 1 June 2023 to 31 May 2025. Emanating from the extension, additional revenue for good cause funding exceeded R500 million.

Entity Governance: B-BBEE Council

Following advice from the Ministry, the President appointed a diverse and representative group of people with sector expertise to serve as members of the Broad-Based Black Economic Empowerment Advisory Council (for a period of five years) and to guide government on intensified transformation of the economy. Provincial representation, sector expertise, gender and age are among the considerations that informed the composition of the Council.

The Council comprises:

1. Ms Gloria Serobe, a veteran of black business;
2. Mr Kganki Matabane, Chief Executive Officer of the Black Business Council (BBC);
3. Dr Nthabiseng Moleko, an academic and specialist on industrial development funding;
4. Ms Sibongile Sambo, who operates a company in the aviation services sector;
5. Mr Sibusiso Maphatiane, an industrialist who runs his own metal foundry business;
6. Mr Ajay Lulu, a chartered accountant and B-BBEE specialist;
7. Ms Louise Thipe, a senior leader in the labour movement;
8. Ms Makale Ngwenya, a trade unionist and researcher;
9. Mr Kashief Wicomb, who leads the Progressive Professionals Forum (PPF);
10. Dr Lulu Gwagwa, an academic, spatial development planner and businessperson;
11. Mr Thulani Tshifuta, who represents community at NEDLAC
12. Mr James Hodge, Chief Economist of the Competition Commission;
13. Ms Khathu Lambani Makwela, a director of a company in the healthcare sector; and,
14. Ms Irene Dimakatso Morati, an internal auditor.

Entity Governance: Financial Standards Reporting Council

The Financial Reporting Standards Council was established in terms of the Companies Act to receive and consider any relevant information relating to the reliability of and compliance with financial reporting standards; adapt international reporting standards for local circumstances; advise the Minister on matters relating to financial reporting standards; and consult with the Minister on the making of regulations establishing financial reporting standards.

Seventeen Members of the FRSC were appointed from 1 July 2022 for a period of 3 years.

1. Dr Len Konar - Chairperson
2. Ms Lebogang Senne – Deputy Chairperson
3. Mr Bernard Agulhas
4. Ms Madelie Olivey
5. Ms Cynthia Mbili
6. Mr Herman Thlako
7. Ms Gisela Coetzee
8. Mr Shabeer Khan
9. Mr Blaise Colyvas
10. Ms Renshia van Noordwyk
11. Ms Keshni Kuni
12. Mr Cobus Grove
13. Ms Ansie Ramalho
14. Mr Peter Veldhuizen
15. Ms Chwayita Mtebele
16. Ms Reshoketswe Ralebepa
17. Ms Tania Wimberley

Entity Governance: National Consumer Tribunal

The National Consumer Tribunal was appointed in terms of the National Credit Act (Act 34 of 2005) on 1 July 2022 for a period of 5 years

1. Mr Trevor Bailey (Chairperson)
2. Ms Nomfundo Maseti (Deputy Chairperson)
3. Mr Selwyn Hockey
4. Ms Phumla Manzi-Ntshingila
5. Mr Sithembiso Ishmael Mbhele
6. Prof Kasturi Moodliyar
7. Mr Chueuekgolo Joseph Ntsoane
8. Ms Zodwa Ntuli
9. Dr Maria Claudina Peenze
10. Mr Lulama Andiswa Potwana
11. Advocate Craig Gerard Sassman

Entity Governance: key appointments

CIPC Commissioner

Adv Rory Voller was appointed CIPC Commissioner on 6 July 2022 . He is serving his second term as Commissioner of the CIPC. He was previously employed as the Deputy Commissioner of the CIPC and as the Director: Legal and Regulatory Services at CIPRO.

BEE Commissioner

Mr Tshediso Matona was appointed as BEE Commissioner on 21 September 2022 following consultation with the Portfolio and Select Committees. He has an experienced public service professional, with a 27 year career in public policy and leadership at the highest level in the State, more recently as Secretary at the National Planning Commission in the Presidency where he spent 6 years until September 2021

Competition Commissioner

Doris Tshepe was appointed as Competition Commissioner from 1 September 2022. She has been a practicing attorney for more than 20 years specialising in constitutional and administrative law, legislative drafting, media and communication law, commercial law, competition law and employment law. She served on an Advisory Panel on the major amendments to the Competition Act, which was signed into law by President Ramaphosa in 2019.

Parliamentary Committees Q1

The department briefed the Portfolio and Select Committees on 8 areas in Q1.

APP 2022-23; Status on Implementation of the **SEZs and Industrial Parks**; **Remitted Bills** responses to public submissions 2nd call; **Sugar Masterplan**; **Quarter 4 2021-22 performance**; **Retail-Clothing Textile Footwear Leather Masterplan**; Consumer and Corporate Regulations, **Black Industrialists**, **Industrial Infrastructure Projects**

Department of Trade, Industry and Competition
Annual Performance Plan (APP) 2022/23
DRAFT Presentation to the Portfolio Committee AND Select Committee on Trade and Industry
Tuesday 19 April 2022

Retail-Clothing Textile Footwear Leather Masterplan
2030
Presentation to the Portfolio Committee on Trade, Industry and Competition 7 June 2022

PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY
STATUS UPDATE ON THE IMPLEMENTATION OF SPECIAL ECONOMIC ZONES & INDUSTRIAL PARKS
2 May 2022

Portfolio Committee on Trade and Industry
Engagement with stakeholders with regards to the Implementation of the South African Sugar Value Chain Master Plan
10 May 2022

Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour
Briefing by the dtic on Programme 5: Consumer and Corporate Regulation Programme
7 June 2022

Incentive Support for Industrial Infrastructure Projects
Presentation to Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour
31 May 2022

the dtic Support for Transformation and Black Industrialists
Presentation to Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour.
14 JUNE 2022

Parliamentary Committees Q2

The department briefed the Portfolio and Select Committee on **7** major focus areas

Scrap Metal; Economic Recovery Programme; Sugar Downstream players; redtape reduction & One-stop Shops; legislations; response to SIU NLC; Furniture Masterplan

trade, industry & competition
Department of Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

Draft Policy Proposals on Measures to Restrict and Regulate Trade in Ferrous and Non-Ferrous Metals Waste, Scrap and Semi-Finished Products to limit damage to Infrastructure and the Economy

Presentation to the Portfolio Committee on Trade, Industry & Competition
23 August 2022

Briefing by the dtic and its entities on their implementation of 2021 unrest Economic Recovery Programme as well as the impact on the broader economy and the dtic's allocated budget

Presentation to the Portfolio Committee on Trade and Industry

30 August 2022

the dtic - together, growing the economy
the dtic Customer Contact Centre: 0861 843 384
the dtic Website: www.thedtic.gov.za

Sugar Industry Master Plan - Engagement with the downstream sugar industry on possibilities and challenges to sugar beneficiation (Food and Beverages Sectors)

Portfolio Committee on Trade and Industry

31 August 2022

the dtic - together, growing the economy
the dtic Customer Contact Centre: 0861 843 384
the dtic Website: www.thedtic.gov.za

Briefing by the dtic on the roll-out of One-Stop Shops and its initiative to reduce red-tape

PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY

6 SEPTEMBER 2022

the dtic - together, growing the economy
the dtic Customer Contact Centre: 0861 843 384
the dtic Website: www.thedtic.gov.za

Masterplan for the South African Furniture Industry - Presentation to Portfolio Committee

Presentation to the Portfolio Committee on Trade, Industry and Competition

28 September 2022

the dtic - together, growing the economy
the dtic Customer Contact Centre: 0861 843 384
the dtic Website: www.thedtic.gov.za

Acting on the allegations involving the National Lotteries Commission and restoring it to clean administration

Presentation to the Portfolio Committee on Trade, Industry and Competition

27 September 2022

the dtic - together, growing the economy
the dtic Customer Contact Centre: 0861 843 384
the dtic Website: www.thedtic.gov.za

Rugby World Cup Sevens Logos



- Minister approved the logos for the Rugby World Cup Sevens tournament in terms of the Merchandise Marks Act of 1941, as amended.
- The application was made by Rugby South Africa.
- The application pertains to the Rugby World Cup Sevens event and its logos which were used during the tournament.
- The Rugby World Cup Sevens event was hosted in South Africa from 9-11 September 2022.
- An Application was also made to have the event declared a protected event in terms of Section 15A of the Act.
- This was a first event of its kind in the African continent.
- In the past **the dtic** also approved the British and Irish Lions Tour of 2021 under the Merchandise Marks.

PART 2: KEY INTERNATIONAL ENGAGEMENTS

German State Visit

- Chancellor Olaf Scholtz led a German government and business delegation for a State Visit to SA on 24 May 2022.
- Official talks were held at the Union Buildings, covering trade, investment, climate change and other areas of potential collaboration
- Germany is a major investor and trading partner for SA – the tables at the side show the top 12 products traded between the two countries
- SA seeks greater value-addition to our export basket. Manufactured products sold to Germany include cars, components and steel.

SA Imports from Germany:
Automotive components
Other inorganic chemicals
Engines & turbines
Automotives, cars
Electronic circuits
Pharmaceuticals
Measuring equipment
Tractors
Audiovisual equipment
Pumps
Other chemicals
Medical devices

SA Exports to Germany:
Platinum Group Metals
Automotives, cars
Precious-metal
ores/concentrates
Iron ores & concentrates
Catalytic converters/centrifuges
Automotives, trucks
Aluminium
Coal
Grapes
Other chemicals
Engines & turbines
Citrus

Botswana Binational Commission and Business Forum

Botswana is one of South Africa's most important trading partners, accounting for both SA-produced exports as well as significant quantities of 're-export' of products imported by SA and thereafter exported to Botswana.

Two major events took place in Q1 and Q2, affecting the mandate of the dtic. They are:

1. SA-Botswana Binational Commission (BNC) 21 April, Pretoria

- Bilateral meeting on trade and investment
- Ministerial-level meeting evaluating progress in the economic and strategic relationship
- Formal BNC talks chaired by two Presidents

2. Botswana-SA Business forum & Round table 3-4 August, Botswana

- Business Forum with Ministerial participation: 56 SA firms attended
- Business Forum: engagement with two Presidents
- Market-place: SA and Botswana firms showcasing products

Botswana: 3 - 4 August 2022

- Botswana-SA market-place – a number of SA and Batswana firms displayed their industrial products
- The Business Forum provided an opportunity for CEOs to share perspectives with Government leaders.



Cote D'Ivoire State Visit

As part of South Africa's efforts to deepen trade between African countries, the President hosted an incoming State Visit by President Alassane Outtara from Cote D'Ivoire on 22 July 2022 in Pretoria.

The engagements consisted of

- Bilateral meetings on the economy
- Official talks chaired by the two Presidents
- Signing of an MoU on Economic Cooperation; and
- A Business Forum with a number of firms from both countries. The Forum was addressed by Presidents Ramaphosa and Outtara.



South Africa exported goods worth R1,6 billion to Cote D'Ivoire last year, in a mix of manufactured and food products. The market in west Africa is large and the Cote D'Ivoire economy is expanding, creating significant demand for capital, input and consumer goods. We believe that there are further opportunities to strengthen our trade and we identified a number of products in which South Africa has an interest to increase exports to Cote D'Ivoire.

These include pharmaceutical and medical products, machinery, sugar, frozen fish, automobiles (including mini-bus taxis and trucks), herbicides and insecticides, polypropylene, televisions and paper. There are also opportunities for the South African construction industry to provide services in Cote D'Ivoire, in light of their growing infrastructure investment.

Exporters from Cote D'Ivoire in turn identified petroleum oil, palm oil and palm-oil cakes, cashew nuts, cocoa and cocoa-paste, skin creams and rubber as products where greater exports to South Africa can take place.

Cote D'Ivoire is the world's leading producer of cocoa and there is an excellent opportunity for private sector firms to build a larger African chocolate-making industry. South African tyre producers can access rubber from Cote D'Ivoire, as part of a more integrated auto value-chain.

SACU Ministers and SACU Summit

A number of meetings of the Southern African Customs Union were held, including a Summit of Heads of State and Ministerial meetings, as follows:

SACU Physical Meetings - Botswana

- SACU Investment roundtable Meeting 12 April
- SACU Council of Minister's Meeting 28 June
- SACU Summit Heads of State 30 June

SACU Virtual Meetings

- Ministers of Trade Meeting 11 July
- Ministers of Trade Meeting 14 July

SACU Investment roundtable Meeting

- The SACU Investment Roundtable showcased the trade and investment opportunities in SACU in sub-sectors of Agricultural Products, Clothing & Textiles and Pharmaceuticals

AfCFTA Council of Ministers

AfCFTA Council of Minister's meeting (25 and 26 July) – Accra, Ghana

Key Decisions of the 9th Council of Ministers:

- ❑ Adopted the Tariff schedules of Algeria and the combined offer of the EAC (Burundi, Kenya, Rwanda, South Sudan, Uganda and Tanzania) for the commencement of preferential trade. These would be appended to the Ministerial Directive on the application of Provisional Schedules of Tariff Concessions;
- ❑ Adopted the Ministerial Directive on the implementation of State Parties Schedules of Specific Commitments;
- ❑ Establishment of a small Committee of Ministers to reach consensus on Egypt's services offer in respect of telecommunications;
- ❑ Adopted the Rules of Origin Manual;
- ❑ Adopted a Review Mechanism for the rules of origin with mandatory review periods;
- ❑ Adopted the rules of origin for the outstanding tobacco tariff lines headings HS24.02 and 24.03;
- ❑ Agreed on the rules of origin for the outstanding tariff lines on sugar and directed the Senior Trade Officials to consider the terms of reference for the review as proposed by South Africa;
- ❑ Approved the Work Programme of the Sub-Committee on Technical Barriers to Trade and the Sub-Committee on Non-Tariff Barriers;
- ❑ Directed that Dedicated Sessions of Senior Trade Officials be held to consider the Draft AfCFTA Regulations on SEZ and the outstanding rules of origin;

AfCFTA Council of Ministers



BRICS Ministerial meetings

During the six-month period covered by the Report, BRICS meetings were held in Virtual format, including:

- BRICS Industry Ministers Meeting 6 May
- BRICS Trade Ministers meeting 9 June
- BRICS Business Forum – China Council for the promotion on international trade 22 June
- BRICS Summit 23 June

South Africa will chair BRICS during 2023.

WTO Trade Negotiations

The 12th WTO Ministerial Conference (MC12) of Trade Ministers was held in Geneva in June 2022.

Before the conference, South Africa and India led minister-level talks on a waiver of intellectual property rights with the European Union and the United States, resulting in textual negotiations at the WTO.

The conference resulted in outcomes in the following areas:

- flexibilities and waivers on the intellectual property rights and preparing the global trading system for future pandemics
- An agreement on illegal, unregulated and unreported fishing by large fishing vessels in national waters
- A common policy on export restrictions on food products
- Customs duties on eCommerce
- Reform of the WTO

Focus on:

- **Industrialisation through trade**
- **Localisation**
- **Support for rules-based system**



The MC12 decision on the TRIPS Agreement enables the production and supply, including export, of COVID-19 vaccines, their ingredients and components under patent, without the authorisation of the patent holders.

G20 Trade Ministers Meeting

A G-20 Trade Ministers meeting was held on 21-22 September in Indonesia, which focussed on the state of global trade, including a review of work done on a number of areas that arose from WTO discussions, including:

- WTO Reform and the Role of the Multilateral Trading System and the Sustainable Development Goals
- Spurring Sustainable Investment for Economic Recovery, including considering a report from the World Bank
- Sustainable and Inclusive and Industrialisation via Industry 4.0, with exchange of experiences between G-20 countries
- Response to Pandemics, Digital Trade and Global Value Chains, with a discussion on the follow-ups to the agreement on trade-related intellectual property finalised at the WTO meeting in Geneva

In addition, a number of bilateral meetings were held between SA and G-20 members.

Trade and Investment bilaterals

Bilateral physical meetings have been held with a number of Ministerial Counterparts in the six-month period, including:

- Japan: 10 May; 6 June
- Botswana: 21 April; 28 June; 30 June; 3-4 August; 8 August
- USA: 13 June and 20 September
- EU: 12 June and 22 September
- India: 13 June, 20 and 21 September
- Argentina: 22 September
- Turkey: 23 September
- Canada: 14 June and 21 September
- Singapore: 22 September
- Spain: 22 September
- Indonesia (4 Ministerial engagements): 21-22 September
- Cote d'Ivoire: 21-22 July
- Saudi Arabia (different Ministers): 10 May and 22 September
- UK (different Ministers): 10 May and 15 June
- Egypt: 12 June
- Ghana: 25 July
- Nigeria: 12 June, 25 July
- Germany: 25 May 2022
- Namibia, Lesotho and eSwatini: 28 June; 8 August
- Cambodia: 21 September.

PART 3: MASTER PLANS

MASTER PLAN 1: CLOTHING TEXTILE FOOTWEAR & LEATHER

**R766,3
million**

- 67,5% approved for manufacturing capacity development,
- 21,7% approved for expansionary working capital,
- 5,3% approved for early-stage startups
- 5,5% approved for the establishment of retail collaborative clusters

12553

12553 jobs sustained by 54 entities supported

4313 new jobs committed by 54 entities in 18 months

**R 3,6
billion**

Additional CTFL physical output worth R 3,6 billion was committed by 54 entities in 18 months to boost local manufacturing to meet domestic demand

33

33 Black Owned entities approved with R 438 million (57%)

12 Women-Owned entities approved with R 141 million (18%) in response to reducing Gender Based Violence and Femicide

MASTER PLAN 1: CLOTHING TEXTILE FOOTWEAR & LEATHER

R 1 billion IDC Commitment

IDC committed up to R 1 billion investment in 2022-23 through the IDC balance sheet

63 Rebate Permits

ITAC issued 63 Customs Duty Rebate Permits on the import of 2,47 million kg of Woven Fabrics in Q1-Q2 2022 with a value of R386 million estimated to produce 8,27 million garments with a value of R 1,2 billion

Cost reduction

The estimated reduction in the cost of R10,3 per garment is expected due to the duty rebate in Q1-Q2 2022 as compared to a reduction of R 7,4 per garment estimated in 2021

Investigation

Duty Rebate Mechanism (DRM) for monitoring the legitimate use of woven fabric rebate and its impact is being further investigated.

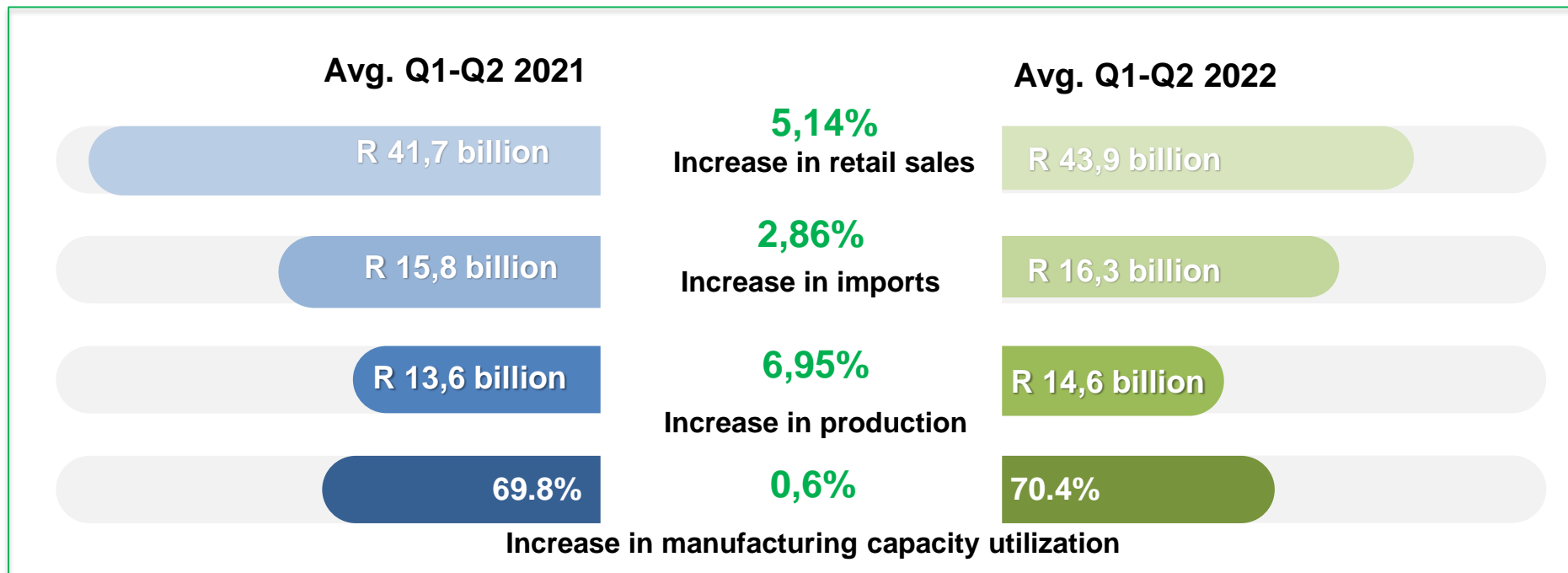
Source: The dtic ITAC Status Report Rebate Item 311.40 (Sept. 2022)

Source: The IDC Textile SBU presentation to USITC (25th Oct. 2022)

MASTER PLAN: CLOTHING TEXTILE FOOTWEAR & LEATHER

1849 -

Recorded increase in CTFL “formal jobs” by 2,6% from 70631 jobs in Q1/Q2 2021 to 72480 jobs in Q1/Q2 2022.



The reported QES increase in “formal jobs” of 1849 in Q1/Q2 2022 is expected to increase QLFS “formal & informal” jobs.

Reported by Quantec “Quarterly Employment Statistics” (QES). QES increases does not account for jobs in the informal sectors

Source: Quantec (2021-2022)

MASTER PLAN 2: SUGAR INDUSTRY

R64,9 million Funding disbursed to support
sugar cane growers

R216 million, from the 5-year **Sugar Industry Transformation fund worth R1 billion**, was allocated to support Sugar Cane Growers for 2022/23. R64,9 million has been disbursed to farmers in Q1 and Q2 with the balance to be disbursed by end of the season.

R 7,7 million in funding was secured through the South African Sugar Association (R3,9 million) and IDC (R3,8 million) for a study on the viability of using South African sugar cane to manufacture aviation fuel.

MASTER PLAN 3: POULTRY INDUSTRY

R622 million

22,5 million

700 000

R56,5 billion

Export value of 26000 tons of chickens produced per year. The industry invested in creating 120 tonnes of additional cooking capacity per week. This is specifically designed to access the export market in the EU and the Middle East where there is a great demand for partially and fully-cooked poultry products.

Number of chickens **slaughtered per week**

New Production Capacity Birds per cycle (new contract growers)

Estimated increase in economic value of industry contributions from R50 billion in 2019 to approximately R56,5 billion by the end of 202



The team who collaborated on Northroost Hatchery include Cliff Rasoesoe (DTIC), Leon de Villiers (Bushvalley), Clive Tigere, Imameleng Mothebe (DTIC), Brendon de Boer (CEO, CBH), Ian Preece (CEO, Bushvalley) and Kieron Futter (CBH).



Northroost Hatchery (Makhado, Limpopo)

MASTER PLAN 3: POULTRY INDUSTRY

- ❑ Three applications for poultry contract farming were approved under **Agri-Industrial Fund** at the value of **R133 million** to create 73 jobs. These are big farms with about 200 000 production capacity
- ❑ Country Bird Holdings (CBH) invested R210 million in 2022 to ramp up productivity and 250 new jobs were created.
- ❑ SAPA pledged a further R570 million investment to be implemented by 2024, to increase the scale of production and meet increased demand, and support exports
- ❑ Mpumalanga and Eastern Cape are now declared free of Avian Influenza (HPAI) as of August 2022 and chickens can be exported from these provinces.
- ❑ To increase the supply of maize and soya to the poultry sector and reduce the cost of feed, the IDC approved funding to develop a benchmark study for South Africa's poultry sector competitors



The new poultry production project in Makhado, Limpopo. A joint venture between Tigere's company KC Hatchery, Country Bird Holdings, and Bushvalley Chicken. The new facility was funded with an R56m investment as part of the industry's Master Plan commitment to grow poultry production.

MASTER PLAN 4: AUTO INDUSTRY

R 95,1 million -

Approved AITF transactions for funding with an estimated market access value of **R 7 billion**

The **Automotive Industry Transformation Fund (AITF)** approved three transactions between April and June 2022. Funding approved totals **R 61,8 million** whilst the estimated Market access will be **R 3,1 billion**.

For the period July to September 2022 four transactions were approved with **R 33,3 million** for an estimated Market Access of **R 3,9 billion**.

MASTER PLAN 4: AUTO INDUSTRY

First Quarter progress:

The Automotive Supply Chain Competitiveness Initiative (ASCCI) commenced shop-floor improvement interventions under the World Class Manufacturing program at two companies, namely, KPL Die Casting and Yenza Manufacturing. This support will take nine to twelve months to complete.

Second Quarter progress:

During Q2, three companies started receiving support from ASCCI under the World Class Manufacturing program. Senior Flexonics, Wekaba Engineering, and Maxe, a division of KAP Automotive will receive the support over a period of three to six months.

MASTER PLAN 5: STEEL INDUSTRY

As a result of the **trade support** introduced in the previous financial year and **reciprocal commitments** previously made, the following investments were implemented in Q1 and Q2:

1. Franke SA has made investments of R5,7 million for upgrades to stainless steel sink manufacturing. The company maintained its 195 headcount across manufacturing and non-manufacturing divisions
2. SA Steelpack has made total investments of R17,9 million on its Aerosol Manufacturing Line and its can/pails manufacturing line. Producing products such as aerosol cans for products such as cooking oil, deodorants, spray paints, air freshener, etc. The Company has reported its output increased by 161 tons to 2 959 tons between March-August 2022 and has retained 279 jobs.
3. Grinding Media invested R11,6 million in equipment to support the new production levels and demand. The Company reported its sales increased by 12% tons for January-August 2022 compared to the same period in 2021. All 398 jobs have been retained

MASTER PLAN 5: STEEL INDUSTRY

Downstream Steel Industry competitiveness Fund

Amendments to the Downstream Steel Industry Competitiveness Fund (administered by the IDC) were finalised in Q2 and will be implemented in Q3. These are aimed at improving the fund uptake as well as aligning funding needs to priorities of the Masterplan. The Fund has about R188,7 million, which will be blended with IDC funds to offer concessional lending rates and terms in line with the rules of the Fund.

Establishment of a Project Management Office (PMO)

Secured R2,6 million in funding from the steel master plan stakeholders' contributions and R2 million from IDC in Q1 to support the establishment of a dedicated Project Management Office (PMO). New Resources have been appointed in Q2 and will begin work in Q3.



Additional Support implemented in Q2

Implemented through a general duty rebate facility on various primary steel products to address domestic supply shortages.

Amendments to the fasteners safeguard provision to include developing countries that were initially excluded due to collective lower imports at that stage. This will assist in improving the effectiveness of the safeguard measure.

MASTER PLAN 5: STEEL INDUSTRY

R4,9 billion -

IDC approved transactions facilitated/ leveraged resulted in 1 224 jobs created & 182 saved

IDC INDUSTRY SUPPORT	IDC FOCUS AREAS	IDC INITIATIVES	POTENTIAL IMPACT Value of support provided, capacity expansions; production increases, jobs
<p>Facilitate Investment & growth</p> <p>Total IDC Financing: 3,26bn</p> <p>Total investment facilitate/leveraged: R4,9bn, 1224 jobs created, 182 saved</p> <p>*Conditions Precedent (CP's) Cleared and New Approvals Post 30 April 2022</p>	<p>Machinery and Equipment</p>	<ul style="list-style-type: none"> Machinery and Electrical equipment Solar Panels Electricity distribution and control apparatus Transformers Mining, quarrying and construction machinery 	<ul style="list-style-type: none"> Expansions, Start-ups and Flood Relief IDC investment of R602m, 366 jobs created, 182 jobs saved
	<p>Mining & Metals</p>	<ul style="list-style-type: none"> Mini-mill expansions IDC Funding of R904m, 326 jobs created, 79 to be created 	<ul style="list-style-type: none"> New mini-mill capacity in Meyerton, IDC funding of R404m Mini-mill diversification into flat steel Germiston IDC funding of R500m
		<ul style="list-style-type: none"> Foundry and Downstream steel IDC Funding R424m, 100 jobs created 	<ul style="list-style-type: none"> Distressed foundry & component manufacturers Purchase of equipment to manufacture a variety of steel racks and shelving Construction Steel Fabricator Oil & Gas, Refineries Steel Fabrication for Renewables
	<p>Automotive and transport equipment</p>	<ul style="list-style-type: none"> Manufacture of motor parts and accessories Aircraft and spacecraft Manufacture of motor vehicles Motor vehicle bodies; trailers and semi-trailers Other transport equipment 	<ul style="list-style-type: none"> Expansions R774m, 353 jobs created
	<p>Infrastructure</p>	<ul style="list-style-type: none"> Railway Transport Flood Relief 	<ul style="list-style-type: none"> R520m bridging loan facility approved for Transport repair of rail tracks and infrastructure.



MASTER PLAN 6: GLOBAL BUSINESS SERVICES



Blake & Associates Offshoring (Pty) Ltd

GBS JOBS REPORTING FROM APRIL TO SEPTEMBER 2022

Target: 500 000 cumulative new jobs by 2030

- **20 400** Created and Retained jobs reported by GBS/BPS disbursed projects.
- **90%** of jobs supported are for youth
- **65%** of jobs supported are for women



EXL Services South Africa (Pty) Ltd

PART 3: POLICY INTERVENTIONS

Detailed report submitted to the Portfolio Committee on work undertaken.

Measures to combat Infrastructure theft and damage

Following the Cabinet decision for research and policy work to be undertaken to identify measures, the prohibition in the trade or export of scrap metals, and appropriate interventions. **the dtic** worked with other Departments and agencies to identify possible measures and commissioned research on the scale of the problem and potential measures to combat the practices.

SCRAP METAL & CABLE THEFT

COSTS

Infrastructure theft and damage

ECONOMIC

business interruption and decreased business confidence

RAIL & ENERGY

interrupts the supply, and increases the cost, of energy and rail services

PHYSICAL DANGER

exposes communities to serious safety issues and potential loss of lives (e.g. exposed cables, delays in emergency and other services)

ENVIRONMENTAL

environmental costs arising from the need to replace damaged infrastructure, road transport produces higher emissions than rail transport

SERVICES

disrupts essential and other critical services (e.g. hospital power supply, destruction of road traffic lights) and telecommunication services

INDIRECT COSTS

raises the cost of providing and protecting infrastructure, uses up scarce law enforcement resources, increased wear and tear on roads as commuters and freight shift from rail to road

JOB

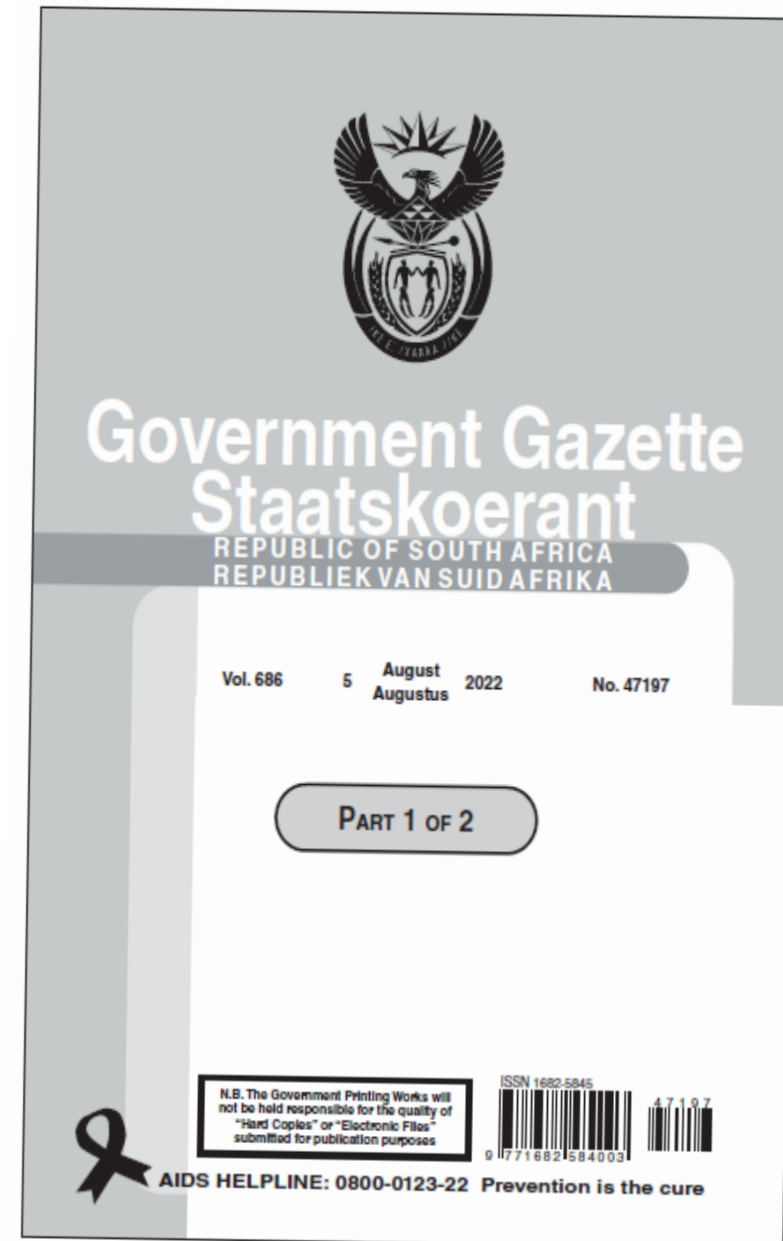
retards economic growth and job creation, imposes additional transport costs on workers due to disrupted commuter transport

SCRAP METAL & CABLE THEFT

Measures to combat Infrastructure theft and damage

Extensive research was undertaken by two economic research consultancies, namely Genesis Analytics and Trade and Industrial Policy Strategies (TIPS). The research estimates the direct damage to SA infrastructure from copper theft alone exceeds R50 billion for 2021 (this is a conservative estimate as not all public institutions have accounted for the direct costs) but the costs to the economy as a whole are far larger. These circumstances call for a stronger set of interventions.

Policy proposal on interventions to address infrastructure theft and damage was **gazetted** for public comment for a period of 21 days, closing on 26th August 2022. Over two thousand submissions were received and reviewed. The final package of interventions is being drafted for Cabinet's approval.



PART 4: SPATIAL, COMPETITION AND TRADE CASE STUDIES

Tariff measures implemented in Q1

Anti-dumping duties

Country	Product
China	Non-articulated welded link chains (provisional payment)
China	Spades and shovels (provisional payment)
Pakistan	Cement (final determination)

Provisional anti-dumping duties are imposed while an anti-dumping investigation is underway. Once the investigation is completed and should dumping indeed be confirmed, a final determination of the level of the anti-dumping duty is made.

Ordinary customs duties

The import duty on sugar was reduced on 6 June 2022 to take account inter alia of movements in the world price of sugar.

Tariff Measures Implemented in Q2

Anti-dumping duties

Country	Product
The Netherlands, Belgium and Germany	Frozen potato chips (provisional payment)
China	Tyres (provisional payment)
Malaysia	Float glass (Final measure imposed)
Belarus, India, Turkey	Threaded fasteners (Safeguard measures extended to include these countries)
Chinese Taipei, India, Korea	PET (Final anti-dumping duties imposed)

Ordinary customs duties

The import duty on sugar was reduced on 19 August 2022 to take account inter alia of movements in the world price of sugar.

Other Measures	Product/s
Temporary rebate	Primary flat steel products classifiable in tariff headings 72.08, 72.09, 72.10, 72.11, 72.12, 7225.1, 7225.99 and 7226.9
Rebate	Weapons, weaponry systems, ammunition and related items used for testing purposes

SPECIAL ECONOMIC ZONES (SEZ)

First Quarter Achievements

1. Dube Trade Port

DTP has established mini-factories for SMMES, during Q1, DTP secured two investors, the first investor is Nutrivita (Pty) Ltd with an investment value of R10 million. The company is producing nutrient-rich plant based food, beverages, supplements, and superfoods. The second investor is Siyathemba (Pty) Ltd which invested R750 000 in food processing

2. Tshwane Automotive Special Economic Zone (TASEZ)

With the completion of infrastructure roll-out, Ford Suppliers are now occupying factories in preparation for the full production which starts in November.

289 operational jobs were created by TASEZ by the end of Q1:2022/23FY. (Ford Frame - 175 jobs; Thai Summit - 58 jobs; and Schnellecke - 56 jobs).



3. Musina-Makhado SEZ

On the 28th June 2022, Deputy Minister Majola was accompanied by the MEC of Economic Development in Limpopo Province held a ground breaking ceremony marking the commencement of the development of bulk infrastructure in the north side of the MMSEZ site.

SPECIAL ECONOMIC ZONES (SEZ)

Second Quarter Achievements

East London IDZ

- Dräger Safety Zenith (Pty) Ltd commenced its operation during the quarter under review. The company pledged investment amounted to R135 million in plant and equipment. This, coupled with the infrastructure expenditure from **the dtic** worth R81 million bring the total investment to R216 million. Notably, this is the only manufacturing plant that Dräger has in the entire continent.

Tshwane Automotive SEZ

- Phase 1 and Phase 1A of the development currently accommodate 12 top structures, 10 investors have now taken occupancy of their facilities and three investors are already in operation supporting the preparation of Ford production. Additional 377 jobs have been created during this quarter by ALSO (34), Automolud (37), DSV (33), Ford Frame (169), Schnellecke (19), Dodecia (39), and Thai Summit (46).
- The total year-to-date procurement spent on SMME construction Packages is currently sitting at 41%. 100% of these are SMME sourced from the Township Communities and 15% of that was achieved by end of August;
- A total of 288 SMME packages with an estimated value of R1,47 billion have been set aside for SMMEs, and to date, 244 packages have been awarded and R1,041 billion has been spent on SMMEs. R 25 million have been set aside for the capacity building of SMMEs and to date, a total of 304 SMMES have received accredited training.



NEW SPATIAL INDUSTRIAL DEVELOPMENT STRATEGY

- One of the key targets for the 2022/23 APP is the development of the Spatial Industrial Development Strategy
- The success evidenced in the TASEZ test case has prompted **the dtic** to further expand the scope of this new approach through the development of an overarching strategy initiative in the form of the SID Strategy
- The purpose of the SID strategy is to streamline all spatial industrial development support measures under a single plan within each district municipality in the country, using the District Development Model (DDM) as a point of reference.
- This approach envisages a greater role for **the dtic**, municipalities, provinces, and the private sector – all to share the risks, funding, and rewards.
- **Goal** – to achieve a spatially balanced Industrial economy, facilitate long-term industrial development planning, develop and implement joint government plans for each district, and the creation of strategic and broad-based partnerships.



Consol Holdings merger approval – case study 1

Acquisition by Ardagh Group of Consol Holdings operating in the glass and metal packaging sector. The Competition Tribunal approved the merger with conditions following engagement by the dtic with the merger parties.

Impact of the Merger on localisation

- Two new furnaces will replace imported glass of 240 kilotons per annum to the value of \$168 million (R2,8 billion)
- The 1st furnace opened officially in May 2022 which created 180 jobs. The second furnace will be installed after environmental approval is received
- the dtic** introduced Consol to Massmart, Shoprite, and EST Africa (an independent buying group) to consider localisation of dining wear glass. Following these engagements Consol decided to produce dining wear glass for the first time after 20 years, Consol confirmed that they have bought the required toolings to start the production of dining wear glass

Conditions

Procurement of recycled glass from black suppliers

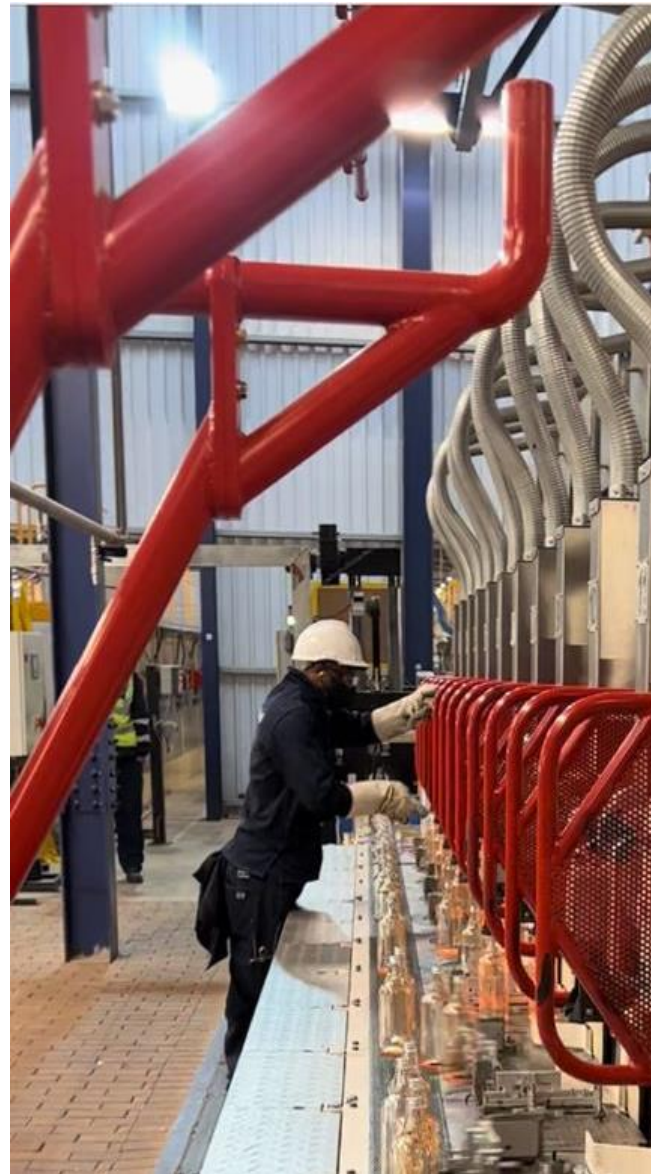
Localisation of bottles and dining glassware

No merger-related retrenchments for three years

R3 billion investment in production capacity

ESOP (Employee Share Ownership Plan) will hold 7% of the issued shares of Consol

Consol Holdings merger approval – case study 1



Investment
Conference
commitment being
realised

Jobs:

- 1 820 jobs protected for 3 years
- 180 new jobs will be created

Localisation of
glass bottles and
table glass

Transformation:
worker ownership

Consol Holdings merger approval – case study 1

N2 Installation employees

Mmakoma Senosha



Motlatsi Motloug



Tshegofatso Moeng



Oscar Bogopane



Consol Holdings merger approval Q1 – case study 1

N2 Installation employees

Dipson Motloung



Frank Komane



Nozipho Mbili



Shaun Calitz



Consol Holdings merger approval Q1 – case study 1

N2 Installation employees

Nqobile Yende



Nqobile Mnqonthe



Cornelius Grewar



Bongani Msimang



ARM Bokoni Mining and Bokoni Platinum Mine

Jobs: 2 500 permanent jobs will be created. Bokoni Platinum Mine located in Limpopo in the North-Eastern Limb of the Bushveld Company' s has been in care and maintenance since 2017 and has been acquired by ARM Bokoni Mining Consortium

Transformation: worker ownership, community trust and black entrepreneur

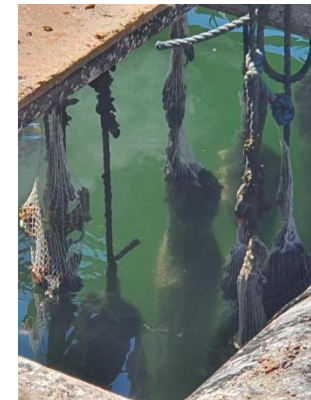
Conditions

- 1 Black Entrepreneur Special Purpose Vehicle of 5% (equity of 5% will be sold to a black entrepreneur)
- 2 Employee Share Ownership Plan (ESOP) of 5% (equity of 5% provided to workers of Bokoni Mines)
- 3 Community Share Trust of 5% (equity of 5% provided to the community in which Bokoni operate)
- 4 2 500 temporary construction jobs will be created and once the mine is fully operational a further 2 500 permanent mining jobs will be created.

Mussels merger approved in Q2: Case study 3

Shadow Capital (Pty) Ltd & Shadow Capital Agri (Pty) Ltd and Blue Ocean Mussels (Pty) Ltd & Gallo Group (Pty) Ltd

Small merger with a significant effect on the international competitiveness of the South African mussels processing sector and maintenance of employment and manufacturing capacity in the Saldanha Bay region. Both target firms faced financial constraints due to operational inefficiencies, declining demand, and high costs. The merger will lead to consolidation (combined market share over 70%) but will also improve efficiencies and provide opportunities to expand in export markets. To protect workers, merger parties agreed to protect 155 jobs at the target firms and to create a further 73 jobs, as well as to continue to procure from black-owned mussel farmers. Absent the merger, a significant employer and economic contributor to the Saldanha Bay community may have failed



Airport services merger in Q2: Case Study 4

GIL INTERNATIONAL HOLDINGS V LIMITED, A SUBSIDIARY OF AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P AND JOHN MENZIES PLC



NAS COLOSSAL AVIATION SERVICES



Both Acquiring and Target Firms provide Acquiring Group provide ground handling and airport services across Africa, South Asia, and the Middle East. In South Africa, GIL operates through NAS Colossal (previously BidAir) and Menzies operates through Menzies Aviation SA. Along with Swissport, the three firms were the only accredited baggage handlers at ACSA airport between 2008 and 2022. Recently (May 2022), subsequent to a new tender by ACSA, ACSA only appointed NAS Colossal and Menzies as accredited ground handlers at its airports, meaning **this was a merger to monopoly**, raising substantial competition concerns. The Commission was also concerned about the effect on transformation, given that Menzies has a significant empowerment partner as well as a management (/worker) ownership stake. The Commission, therefore, imposed a divestiture condition that protected the pre-emptive right of the shareholders who are HDPs and workers (management) and ensures that NAS Colossal remains a viable competitor to Menzies to ensure competitive prices and services to airlines at ACSA airports

PART 5: Q1 CASE STUDIES

Corobrick – new production plant – Case study 5

In May 2022, Corobrik opened a state-of-the-art production facility that will produce 102 million bricks per annum. More than 1000 jobs were created during the construction phase, while 100 permanent jobs were created in the production phase.

Corobrik supplements Eskom's energy supply with renewable energy in its production cycle. It has reduced its gas consumption from 7.4GJ to 2.5GJ per 1000 bricks and installed rooftop photovoltaic panels to reduce its energy requirement by 10%.

The company has allocated 26% of the share capital to the Corobrik Staff Trust. It has also earmarked R200 million to expand its concrete operations in KwaZulu-Natal.



President Ramaphosa and Workers

**Investment
Conference
commitment –
opened by
President**

**Dtic Budget Vote:
announced by
Minister in May
2022**

**Supports:
industrialisation
and
transformation**

**Jobs:
100 permanent
1 000 construction**

Corobrick – new production plant



Brimis Engineering – youth jobs – case study 6

Brimis Engineering is a mechanical engineering company owned by a black industrialist that specialises in the manufacture of industrial valves and pumps. These products are used in mining, power-generation plants, water boards, and the petrochemical and pulp and paper industries.

Through support from the Black Industrialist Scheme, the facility in Mpumalanga will make use of recycled materials, solar panels, energy-efficient lighting, and the treatment of brown water.

In addition, the local content of the company's finished products will be significantly increased due to the use of its machinery. The project has retained 128 jobs, of which 67 are youth.

Jobs:

**128 jobs retained
67 are youth jobs**

**Location: Steve
Tshwete
municipality**



Green Projects Reducing Carbon Dioxide Emissions - case study 7

Volkswagen will be constructing a water-recycling facility and installing solar PV at its plant in Kariega (Uitenhage). Through the support provided, the company will reduce its freshwater use, reduce reliance on the national electricity grid, and limit delays in production due to unstable power supply. The water-recycling facility will free up fresh water for local communities. The project will create nine direct jobs and 41 construction jobs.

A black industrialist in the Tshwane District Municipality will manufacture gas and electric stoves, using recycled materials to conserve natural resources in the construction of the facility being funded. The project will retain 35 jobs.

Funding for the development of a prototype to reduce energy consumption in mines and other large production plants in the automotive and pharmaceutical industries.

Green
industrialisation –
commitment in
Budget Vote



Funding for research on bio-conversion of organic waste to replace soymeal and fishmeal in agricultural feed and pet foods to reduce greenhouse gas from landfills.

Dalisu Speciality Holdings – black industrialist: case study 8

Dalisu Speciality Holdings supplies the detergent, glass, pulp and paper markets in South Africa.

In March 2022, Dalisu began commercial production of anhydrous sodium sulphate at its plant in Piet Retief to replace imports. The plant currently produces 2 000 tons per month. Anhydrous sodium sulphate is used in many manufacturing processes, including detergents and cleaning chemicals, glass manufacturing, cellulose, and leather and textiles.

The plant created 25 permanent jobs, 50% of which are from within the Mkhondo Municipal area. Dalisu procures its raw materials (such as caustic, sulphuric acid and hydrogen peroxide) from local companies, and uses local transport.

The company has accessed funding from the Industrial Development Corporation (IDC) and Black Industrialist Scheme, which it has used to purchase the plant and equipment to operate the facility. Dalisu Holdings will be launching its facility for full production in the second quarter of 2023.

**Announced at:
2019 Investment
Conference and
2021 Budget Vote**

**Investment value: R254
million**

Jobs created: 25

**Transformation: black
industrialist**



New Isuzu Bakkie production: case study 9

On 7 April 2022, the President and Minister launched the new D-Max bakkie produced in Gqeberha, Eastern Cape.

The Isuzu production was scaled up following the closure of the General Motors plant several years ago. A new investment of R1.2 billion was announced and the plant directly employs 1 000 employees. This investment will have a consolidated value-add of R2.8 billion throughout its lifecycle. Isuzu exports to 24 countries.

There has been an increase in the output of the plant since the launch. Output for the completely built vehicle has increased by 22%, from 90 to 110 units per single shift. The company plans to increase current local content to 60% by 2035 in line with the commitments of the Automotive Master Plan.

Jobs: 1 000 retained

Investment: R1,2 billion

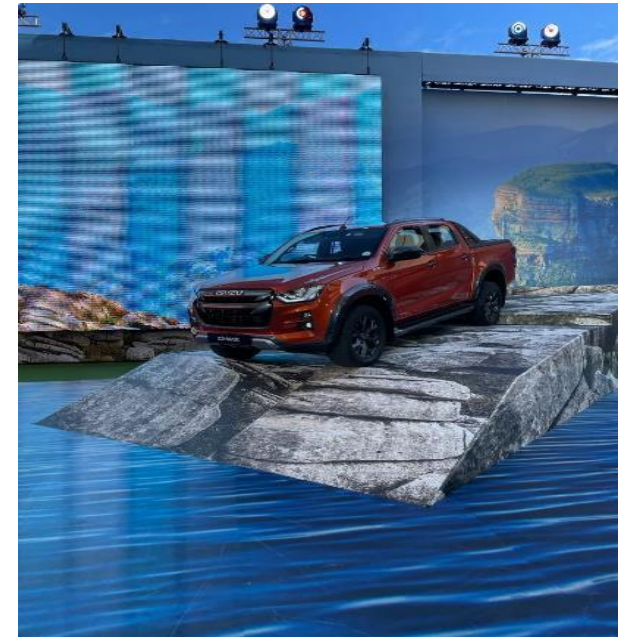
**Announced at:
2019 Investment
Conference and
2022 Budget Vote**

**Spatial: industrialisation
in the E Cape**

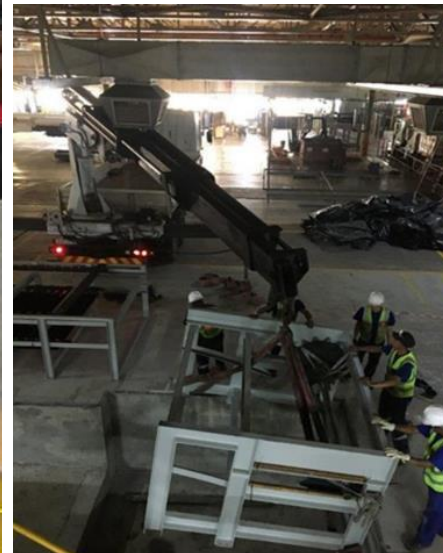
New Isuzu Bakkie production: case study 9



New Isuzu Bakkie production: case study 9



New Isuzu Bakkie production: case study 9



Social Employment Fund - job creation: case study 10

The IDC's new Social Employment Fund (SEF) forms part of the Presidential Employment Stimulus launched in October 2020 as part of the Economic Reconstruction and Recovery Plan.

The aim of the SEF is to create work that serves the common good in communities, targeting 50 000 participants who will work for a minimum period of one year.

On 3 June 2022, the fund was officially launched by Minister Ebrahim Patel, with the announcement of 28 Strategic Implementing Partners who will create the employment opportunities.

30 787 jobs were created as at the end of Q2, as we roll out implementation – with 44 000 participants on the system, and further jobs will be funded in Q3.

The total value of the fund for the period 2022 to 2024 amounts to more than R2.4 billion.

The SEF is overseen by the dtic, and the partners involved include the Presidency and the IDC.

Quarter 1 and 2 Milestones

Announced in dtic Budget Vote in May 2022

**Jobs: 30 787 by end of Q2.
Total jobs planned: 50 000**

KPI link: implementation of Social and Solidarity economy framework

Origin: Social Employment Fund as part of Economic Reconstruction and Recovery Plan, announced by President Ramaphosa.

Social Employment Fund

Sector	Jobs	Jobs (%)
Education	8 124	26.4%
Greenery & the Environment	3 570	11.6%
Other (mixed development)	1 131	3.7%
Township Development	3 279	10.7%
Health	2 662	8.6%
Food Security	5 732	18.6%
Gender-based Violence	4 821	15.7%
Creative and Cultural	1 468	4.8%
TOTAL	30 787	

Gender	number	%
Male	9 231	30%
Female	21 556	70%
Total	30 787	

Province	Jobs	Jobs (%)
Eastern Cape	6 062	19.7%
Free State	2 131	6.9%
Gauteng	2 090	6.8%
KwaZulu-Natal	4 442	14.4%
Limpopo	4 562	14.8%
Mpumalanga	1 088	3.5%
Northern Cape	1 817	5.9%
North West	2 667	8.7%
Western Cape	5 928	19.3%
TOTAL	30 787	

Social Employment Fund

Site visit to Sungula Farms, Benoni.

Total participants: 33

38ha of land, used for planting and farming of tomatoes, spinach, mushrooms, string beans, peas

Supplies to local Spar and Checkers, and other local establishments.



Spinach ready for harvesting



Mr Thami Biyela: Farm Manager
Ms. Shade Balogun: Senior Project Coordinator



Laying of irrigation and constructing of shade cloths, in preparation of planting of spinach

VW Polo one-million cars exported – case study 11

On 3 May 2022, the VWSA plant in Kariega, Eastern Cape, produced its one-millionth Polo for export. Currently, the locally built Polo is exported to 38 countries.

As of May 2022, the VWSA plant had produced a total of 4,1m vehicles since commencing operations.

VWSA production in Kariega has been a beneficiary of government support through the Automotive Production and Development Programme (APDP).

At the beginning of July 2022, VWSA employed 565 trainees as part of the Presidential Youth Employment Service (YES) programme, 209 of which will be employed internally at VWSA sites in Kariega, Sandton, and Centurion, while another 356 trainees will be employed within the national dealer network and by small and medium enterprises (SMEs).

In the four years, VWSA's created opportunities for 2 165 young people.

Product of Auto Master Plan

Jobs: VW is the largest industrial employer in Kariega

Focus: Exports and industrial development



SA-Japan Business Forum launched: case study 12

The SA-Japan Business Forum was launched on 6 June 2022 by the Minister and the two Ambassadors, to address constraints to deepen levels of investment and trade.

Japan is an important trade and investment partner for South Africa. In 2021, South Africa's exports to Japan totalled R149.3 billion, while imports totaled about R35 billion.

Japan is a large investor, with 132 Japanese companies operating in South Africa, representing 17 investment projects. These include Nissan, Isuzu, Sumitomo, and Toyota. Japanese companies in the automotive sector directly employ 10100 workers.

The Forum provides a direct link between the Japanese business community and the SA Government. Since the launch, progress has been made in issuing visas to Japanese businesses, with 69 visas facilitated.

Focus:

- industrialisation through increased investment and exports.
- Improving state capability to deal with investor problems.

Announced at:

Investment Conference and 2022 Budget Vote



SA-Japan Business Forum



The Business Forum was launched following a visit by the President and Minister to Japan in 2019 and a meeting in SA in 2022 between the Minister and his counterpart from METI, Iwata Kazuchika. The Forum identified a number of opportunities and progress has been made with investors and an MoU was signed between the dtic and Toyota on green industrialisation.

AGENDA - South Africa – Japan Business Forum 1st Annual Meeting

09:00 – 09:10 Opening remarks

H.E. Norio Maruyama, Ambassador of Japan to SA
H.E. Lulama Ngonyama, Ambassador of SA to Japan

09:10 – 09h30 Keynote Address

H.E. Ebrahim Patel, Minister of Trade, Industry and Competition

09:30 – 10:30 Presentations

Chamber of Commerce of Japan in South Africa (CCIJ)
Citrus Growers Association – Mr Justin Chadwick
METI

South African Automotive Industries and JICA

10:30 – 11:00 Open discussion

Agricultural Business Chamber (Agbiz) - Mr Theo Boshoff
South African Liquor Brands Association (SALBA) – Mr Kurt Moore

Naamsa – Mr Mikel Mabasa

Wosa – Michael Mokhorro

11:00 – 11:30 Way forward and Closing remarks

H.E. Norio Maruyama, Ambassador of Japan to South Africa

Willem van der Spuy, Export development, Promotion and Outward Investment, the dtic.

Black Exporters Network – case study 13

On 12 May 2022, the Minister launched the new Black Exporter Network with more than 40 industrialists. The current membership is close to 80 and continues to grow.

Members are drawn from sectors such as auto components, food, machinery, doors, clothing and textiles, energy, chemicals and plastics, pharmaceuticals and cosmetics, furniture and rail, and construction.

The network builds on the successes of the Black Industrialist programme and will tap into the strengths of the established industry and large exporters, to grow their businesses while at the same time providing support to women, black and youth exporters.

Black exporters active in the southern African markets (SACU and SADC)) as well as the European Union, USA, China, Japan, Russia, the UK, Australia, and Canada.

The network will share experiences and contacts of black exporters; combine efforts where there is an opportunity in a market; provide feedback to the dtic on the effectiveness of its efforts, and identify both markets and opportunities.

Announced at:
2022 Budget Vote

Transformation:
Through increasing the
base of SA's export
efforts



Black Exporter Network – case study 13



“The establishment of the Black Exporter Network (BEN) is certainly a step in the right direction, as it provides opportunities to establish new networks and collaborate.

The launch was key in that it brought about the awareness of the BEN and what it stands for . . . “
- Dr Ramatsemela Masango -
ARIO



*“ . . . The transition and addition of the BEN support was seamless and valuable. The export and outward investment team at **the dtic** provides access to knowledge, expertise and networks across the continent . . . “*
- Ernest Baynes - BTT

Langeberg & Ashton Food Factory – saving jobs: case study 14

Tiger Brands announced the closure of its Langeberg-Ashton plant in end May, citing high losses made over a number of years

- A significant number of jobs are affected: with **250** permanent and **4 300 workers** employed on a seasonal basis
- The factory cans fruit in the W Cape, mainly peaches and plums*
- The Ministry sets up a team from the Department and IDC to engage with the company and potential investors. The Minister met the CEO of Tiger Brands
- Following these engagements and a social agreement between workers, farmers and Tiger Brands, the company announced that it will keep the factory open for another season
- While this has not resolved the long-term future of the factory, it has given time for potential investors to put a proposal together

Focus:

- Saving jobs
- Rural development

SA accounts for about 9% of world fruit exports

Jobs affected:

- 250 permanent jobs
- 4 300 seasonal jobs

Maintains jobs and enables an opportunity for a bid to be prepared and put to the holding company

Action on illegal imports – Dragon Freight: case study 15

- On 7 June 2022, the dtic and SARS won a major court battle at the Supreme Court of Appeal (SCA) involving seized imported clothing.
- The court overturned a decision of the Gauteng High Court in the matter involving the seizure of clothing imported into South Africa at prices that SARS and the Minister contended were clearly under-declared simply in order to evade customs duties.
- The court case related to SARS not releasing 19 containers of clothing imported because it suspected that the value of the clothing in the containers has been under-declared in order to enable the importer to pay less customs duty than it is lawfully required to pay. The central issue in the litigation was whether this provided a justifiable basis for SARS not to release the containers.
- In an affidavit provided by Minister Patel to the court, he stated that “The under-declaration of clothing imported is a systemic problem in South Africa. A graphic illustration of the extent of the problem is this: in 2018 the value of the exports of textiles and clothing goods from China to South Africa as reported by the General Customs Administration of China to the United Nations was US\$ 2.4 billion, whereas the value of the imports of textiles and clothing goods into South Africa from China as reported by SARS to the United Nations was US\$ 1.5 billion. That is a difference of US\$ 900 million even though the two values should be substantially the same.”

**the dtic Budget Vote:
Matter highlighted in
2021**

Focus on

- **Saving jobs**
- **Clothing Master Plan commitment**
- **Building a capable state**
- **Acting against crime and corruption**

The judgment of the SCA in the Dragon Freight case reaffirms the right of the South African Government to enforce the customs regime and crack down on under-invoicing.

Silverton Siege – a South African story: case study 16

the dtic supported film Silverton Siege was released globally on Freedom Day, 27 April 2022 by Netflix to a potential audience of more than 190 countries. Within the first week, it reached the top 10 in more than 90 countries.

It tells the story of three MK Cadres who held 25 civilians hostage in the Volkskas Bank in Silverton, Pretoria.

Seventy-nine full-time equivalent employees were hired during the production. A Black South African is the owner of the production house.

Focus on:

- Telling our own story
- Job creation
- Promotion of local cultural outputs
- Export earnings

Focus: Industrialisation and Productive Services Sector



Umbrella Man – telling SA stories: case study 17

the dtic supported film Umbrella Man was first screened in June 2022. The film received a rating of 8.4/10 from IMDB Pro, and was also selected for the Toronto International Film Festival (TIFF) as an international arm of its Contemporary World Cinema slate.

This is a South African story in which a ragtag bunch of musicians are forced to rob a bank during the Cape Town Minstrel Carnival in the hope to save their iconic, but in-debt nightclub in the Bo Kaap.

Spend in the domestic economy was R8 million, with the shooting location in Cape Town. Procurement from black-owned service suppliers was R4 million. The SPVC is 51% black-owned.

Focus: Industrialisation and Productive Services Sector

the dtic Budget Vote announced by Minister in May 2022

Black Industrialist Conference 2022: Focus on film industry



Building an electrolyte plant: case study 18

Bushveld Energy's electrolyte manufacturing plant is based in the East London Industrial Development Zone (ELIDZ) and is designed to produce eight million litres of vanadium electrolyte per annum, which could be scaled up to 32 million litres to meet future demand.

The electrolyte is a water-based chemical liquid that is used in vanadium redox flow batteries. It is the most expensive component in these batteries and is used to store energy.

Total investment in the project is R320 million by both Bushveld Minerals (55% shareholder) and the IDC (45% shareholder)

Total IDC approved funding is R200 million (shareholders loans and debt package).

Initial direct employment created will be about 50 to 60 employees at the ELIDZ, which could scale up to 110 jobs with increased capacity.

Additional employment is created through the domestic production of high-purity vanadium oxides, sulphuric acid, and hydrogen peroxide.

Construction on the plant started in 2021, the building for the facility was finished in Q2 of 2022, and the manufacturing plant inside is now 90% completed. Full completion is expected by year-end, with commissioning planned for Q1 of 2023 and production starting in Q2 of 2023.

Aspen contact vaccine deal: case study 19

In August, Aspen SA concluded a ten-year agreement with Serum Institute of India to manufacture, market and distribute four routine vaccines in Africa.

The company was able to repurpose its sterile facility in Gqeberha (which was supported by a dtic-administered incentive) to address declining demand for the J&J vaccine it was producing.

In 2022, Aspen signed a licensing agreement with J&J for the product Aspenovax. Aspen has produced 225 million doses over the past 17 months, making it the largest J&J contract manufacture partnership and the fastest to market globally.

Under the Serum agreement, Aspen will produce hexavalent, pneumococcal, polyvalent meningococcal and rotavirus shots.

The GEPF and PIC are the largest shareholders in Aspen.

Focus: Pharmaceuticals and jobs

Aspen produced 225-million doses of the J&J COVID vaccine over the past 17 months, making it the largest contract manufacturer of the vaccine

110 jobs created and further R500 000 000 investment pledged in 2022

SMME Crisis Partnership Fund: case study 20

In response to the Covid-19 economic crisis, the SMME Crisis Partnership Fund Limited (“The Fund”) was set up. The Fund recognizes the significant number of jobs supported by this market segment which is not supported by traditional bank finance and other distressed finance schemes in place. The IDC was approached by Gauteng Provincial Government to enter into a partnership to enable their investment into the Fund and to further support them in managing funds for the alternative township and small business development opportunities.

The IDC contributed R100 million to the fund. Other Investors include the SA SME Fund and the Gauteng Provincial government thereby creating an R300 million fund. The Investment objective of The Fund is to:

- Invest in businesses that are Gauteng based;
- Target most of being invested in small, mainly Black-owned businesses who would typically not have access to bank finance
- Delivering this at the lowest administrative cost possible; and
- Funding on a sustainable basis at the lowest interest rates

It is estimated that the Fund will create/save 40 000 jobs

Quarter 1 Milestones

Focus: SMME

Direct employment: 40 000 employees

Total investment: R100 million

Titanium pilot plant: case study 21

The Nyanza light metals product testing and development centre construction was completed in June 2022.

This semi-demo pilot plant will produce titanium dioxide in preparation for the commercial plant in Richards Bay IDZ, construction of which will begin in 2023 and should be completed in Q4 of 2024.

The commercial plant, which will cost US\$550 million, will manufacture TiO₂ pigments with a production of 80 000 tpa.

The product testing centre currently employs 25 people and will ramp up to 60 in 2023. About 550 permanent jobs will be created when the plant is operational, while 1 200 indirect and 800 direct jobs will be created during the construction phase.

Additional employment is created through the domestic production of high-purity vanadium oxides, sulphuric acid, and hydrogen peroxide.

Quarter 1 Milestones

Focus: Primary Minerals

Plant will create 550 permanent jobs

Investment of US\$550 million



MCR Plastics (Pty) Ltd: case study 22

Case study 8: MCR Plastics (Pty) Ltd

MCR Plastics is a 51% black-owned and 30% black women-owned company based in Uitenhage, Eastern Cape. The company manufactures plastic parts, using injection molding, for Volkswagen South Africa.

In Q1, MCR Plastics created eight and retained seven jobs, and secured market access of R727 968 from Volkswagen South Africa. Also in Q1, the AITF approved an amount of R9.3 million for the company.

Quarter 1 Milestones

Focus: Industrialisation and transformation

Type of investment:
Business Loan AITF- EEIP

Investment Value
R9,3 million

Output: R 1,4 million



Pepsico Pioneer Merger: case study 23

Case study 21: Pepsico Pioneer Merger

In PepsiCo launches R1.655 bn Employee Share Scheme with inaugural dividend payment on 30 March 2022

- PepsiCo Sub Saharan Africa launches its novel BBBEE Employee Share Ownership Plan (ESOP) – The Basumi Trust with its first dividend payment to beneficiaries on 30 March 2022.
- The establishment of the Trust forms part of the Public Interest Commitments made to the Government at the time of PepsiCo's acquisition of Pioneer Foods in 2020 through the R1.655 billion ESOP, which will benefit approximately 11 000 workers, participation in the ESOP and is unencumbered meaning that workers do not have to make a financial contribution to acquire the shares.
- The trust is independent and is governed by a board of trustees, made up of three union representatives and one non-union representative, and one employer representative on the trust.
- One of the Trustees, Tumi Seitshiro (a frontline employee based at the Isando plant) has been appointed to the Board of Pioneer Food Group (Pty) Ltd as a non-executive director.
- The launch of the Basumi Trust follows closely behind the launch of the Kgodiso Development Funds which aims to benefit local SMME suppliers and emerging farmers through a ZAR 600 million investment in programmes to promote opportunities and growth in South Africa.

Focus: Agro-Processing

	Indicators
Value:	R1.65 billion ESOP
Jobs:	11 915
Announcement date:	February 2021
Implementation phase:	30 March 2022
Output:	30 March 2022 maiden dividend
Lead Programme	Basumi Trust
the dtic family linkages	Negotiated settlement agreement
Link to APP Indicator	Programme 9 – Mergers spread of



Pepsico Pioneer Merger

Commitments made	Progress
<p>Implement a B-BBEE ownership plan that will establish a worker trust in the merged entity providing R1.6 billion of PepsiCo common stock to workers.</p>	<p>A Trust Deed was approved in September 2021 and the trust is named Basumi Trust.</p> <p>The Trust is governed by three trade-union-appointed trustees, one trustee representing non-union employees and one trustee appointed by Pepsico.</p>
<p>Pepsico will not retrench any employees as a result of the merger.</p>	<p>No retrenchments were made as a result of the merger and employment stood at 11 915 at end March 2022.</p> <p>Pepsico created 613 indirect jobs through its merchandising partners.</p>
<p>Pepsico undertakes that the aggregate productive capacity and capabilities associated with the production operations and related facilities in South Africa shall be maintained and kept in place and improved.</p>	<p>Pepsico confirms that it has improved aggregate production capacity in South Africa and made an investment of R81 million to increase capacity at its Weetbix factory in Atlantis.</p>
<p>Increase exports from South Africa.</p>	<p>Export volumes increased in the following categories:</p> <ul style="list-style-type: none"> • Beverages - overall volumes of exports increased by approximately 14.9% compared to the previous year. • Fruit (including Safair) - volume of exports increased by 16.5%. • Increased overall exports by 8.9% across all categories.

Pepsico Pioneer Merger (continued)

Commitments made	Progress
<p>Pepsico undertook to make an investment of R5.5 billion over five years to enhance capacity at Pioneer Foods; plus a further investment of R1 billion over five years to grow the production operation of the merged entity.</p>	<p>Pepsico spent and planned amount as follows:</p> <ul style="list-style-type: none"> • R1.1 billion in 2021 (spent) • R1.6 billion in 2022 (R450 million spent, to spend R1.15) • R1.5 billion in 2023 • R1.3 billion in 2024 <p>Further investment of R1 billion in enhancing production operation</p> <ul style="list-style-type: none"> • R214 million spent in 2020 and R193 million in 2021; actual spending of R47 million in 2022 • The remaining Capex will be spent over three years till 2024
<p>Establish a food innovation valley (FIV) that seeks to improve farming practices to enhance local supply chains.</p>	<p>Pepsico is engaging relevant stakeholders and exploring options to create the FIV. The FIV is ongoing and progress will be reported on by year end 2022</p>
<p>Pepsico will maintain and grow levels of local procurement.</p>	<ul style="list-style-type: none"> • Simba procures 100% of key inputs in South Africa. • Pioneer increased local procurement of key inputs from 74% in 2020 to 84% in 2021. • Pioneer 2022 year-to-date figure stands at 79% and will meet its commitment.
<p>Pepsico agreed to establish the Kgodiso Development Trust (KDT) with a funding R600 million; and to support an education programme for R200 million; and Enterprise Development Fund of R100 million.</p>	<p>The KDT was launched on March 2022 and made the following investments:</p> <ul style="list-style-type: none"> • R8.5 million spent on a Farmer Development Programme run by Grain SA. • R12 million spent in partnering with Raisins SA in developing a wine academy and model farm; the project was unveiled on 19 May 2022; the academy will train farmers. • R16 million loan funding advanced to support three black farmers to scale their raisin production. • The education programme spent R26 million of a budget of R200 million for graduates and future leaders; and commenced with 18 students, all of which were subsequently employed at Pepsico.

Local furniture manufacturing: case study 24

Reboni Furniture Group is the largest furniture manufacturer in the country, supplying furniture to schools, colleges, universities, hospitals offices, and residences.

Reboni is a subsidiary of the Masingita Group of Companies, a 100% black- owned company founded by Mike Nkuna in 1983.

Since the designation of furniture for local content, Reboni has created 103 new jobs and sub-contracts for the production of components to SMMEs in the North West, Gauteng, Western Cape, and Limpopo.



Focus: Industrial Procurement and NIPP

Created 103 new jobs, retained 277

Local content range of 80% to 100%



Mike Nkuna:
Executive Chairperson and Founder of
Masingita

Food producer expands: case study 25

In May, Kerri Foods in KZN opened a new facility that will produce food that will be exported across the African continent.

Deputy Minister Gina officially opened the new factory, together with then MEC Pillay.

The 10,000 square metre facility has strong sustainability credentials, with low energy usage equipment, solar power generation to reduce consumption from the local grid, waste heat capture and efficient water capture, reuse and reduction.



Black Industrialist: OP Village Pty (Ltd): : case study 26

OP Village Pty (Ltd) is a 100% black-owned company, part of which is owned by a Community Development Trust (10%). The entity has been financed for R19 million to develop OP Village, a shopping complex that replaced OP Supermarket in Kuruman, Northern Cape.

Shoprite and PEP Store have been secured as anchor tenants with initial lease periods of 10 and 5 years respectively.

OP Village Shopping Centre, previously known as OP Supermarket, has been in existence since 1978 through an enterprising family which has had permission to occupy (PTO) the premises with the Traditional authority.

The investment unlocked:

Rural economic revitalisation and economic livelihood generation;

At least 282 sustainable jobs supported;

Local community empowerment, and

Meaningful participation in efficient land utilisation and economic development for the community.

The project has reached 100% completion, practical & final occupation, and was launched on the 28th of April 2022.

Quarter 1 Milestone

Focus: Industrialisation and Transformation

Investment value: R19 million

282 Permanent Jobs



Black Industrialist: Stenda Trading Pty (Ltd): case study 27

Stenda Trading Pty (Ltd) is a mining services company established in 2016 and is 100% black woman-owned.

The company is a civil works business, providing scaffolding to amongst other companies, Matla Mine, which provides coal to Eskom Matla Power station in Mpumalanga. Matla Power station provides 9% of Eskom Base load.

Stenda also provides scaffolding work and conveyor belt maintenance for Anglo American – Zibulo, Ogies, and Goedehoop Mines.

NEF funding of R9.1 million was utilised to expand the business by increasing its capacity through the purchase of mining equipment and a combi (minibus). 5 new direct jobs were created and 65 were maintained.



Quarter 1 Milestone

Focus: Industrialisation and Transformation

Investment value: R9,1 million

70 Permanent Jobs



Waste management services: Case study 29

Khabokedi Pty (Ltd) is a solid waste management services business which is completely black-owned, with clients nationally in the private and public sectors.

They provide various services such as: Waste Collection & Disposal; Landfill operations management; Landfill Rehabilitation; Landfill Audits; Consulting and Training on waste management.

The business received funding to the tune of R39 million to expand the business through financing the purchase of equipment in order to deliver on the contracts.

The NEF invested R29.5 million and Ekurhuleni Fetola Fund invested R10 million. The investment into this business resulted in the retention of 342 jobs and the creation of 158 additional jobs.

The business manages 13 landfill sites located in 6 provinces across the country, thus contributing to job-creation in those provinces.

Quarter 1 Milestone

Focus: Industrialisation and Transformation

Investment value: R39 million

342 Permanent Jobs



SA Petroleum Industry Association: case study 30

SAPIA applied for an **extension of its Designation and Exemption from the Competition Act** for certain practices relating to addressing supply insecurity.

The petroleum industry has been Designated and Exempted over a number of years to enable some coordination in for example shut-down times of refineries for maintenance.

The **dtic** is engaging with SAPIA and other participants involved in the various national and regional petroleum logistics systems to:

- Identify the main issues contributing to fuel supply insecurity.
- Outlining what needs to be done to overcome the main causes of supply insecurity.
- Ensuring that, should a further Designation and Exemption be agreed to, that the integrity of the Competition Act is not undermined by Designations and Exemptions.
- In this process, the **dtic** is also striving to ensure that new entrants to the fuel industry can access petroleum markets which are dominated by large integrated oil companies.

PART 6: Q2 CASE STUDIES

Google Equiano undersea Cable: case study 31

- Following an announcement at the Investment Conference in 2020, Google laid an 8th undersea cable, with the largest capacity yet (144 terrabytes). The cable reached Melkbosstrand in SA in August 2022 and was officially opened by the Minister of Trade, industry, and Competition
- It will deepen the digital link between SA and west Africa as well as Europe and will of course link the country through hubs to the rest of the world
- OpenServe, an SA company will connect the cable to the domestic network, enabling significant additional economic activity when the system is fully operational, expected by end 2022.
- Modeling work done by OpenServe indicates up to 180 000 jobs can be created in the next number of years, with a boost in economic growth and investment.
- Digital infrastructure enables a range of economic and social linkages: from phone calls, virtual meetings, text and email, financial transactions, call-centre traffic,
- South Africa is digitally linked to the rest of the world through seven undersea cables

Promotion of critical economic infrastructure

Announced at the South African Investment Conference 2020

Investment: R2,2 billion



Google Equiano undersea Cable launch



12 000 kms of undersea cable that has been laid on the Atlantic seabed between Sesimbra in Portugal and Melkbos-strand here in South Africa.

South Africa is currently connected to the rest of the world with 7 submarine cable systems. This Google Equiano cable will be the 8th undersea cable and it will add significant additional capacity. It is like a massive new lane in a super highway, or a large new pipe that pumps data between countries

The cable can contribute to African regional integration by connecting African hubs. Equiano cable runs from Portugal to South Africa along the Atlantic Coast of Africa. It has important African connects along the way. So far in 2022, these Lomé (Togo), Lagos (Nigeria) and Swakopmund (Namibia) and in Cape Town (South Africa), with branching units in place for further phases of the project.



Sappi Saiccor Plant Expansion: 32

On 13 September, the President opened the new SAPPI Saiccor plant extension in KZN. The company converts trees into dissolving pulp used in the production of textiles, tablets, cosmetics, etc.

New permanent jobs created: 100 at the plant and a tree-farming project with smallholder farmers created 2 500 agricultural jobs.

Localisation: R5.5 billion (increasing output from 780 000 tons to 890 000 tons) Investment in enterprise and supplier development programmes: R150 million Exports: 75 000 TEU containers per annum (globally)

Contribution to sustainability: Reduction of CO2 emissions by 50%, SO2 emissions by 35%, waste to landfill by 48%, and an increase in water-use efficiency of 17%

Indicators	
Time period:	Q2
Type of investment:	Industrial
Value:	R7.7 billion
Jobs:	100 permanent , 2500 farming positions
Announcement date:	2018
Implementation phase:	Completed
Output:	R1.1bn
Export value:	75 000 TUEs



President launches Sappi Saiccor Expansion Plant



President launches Sappi Saiccor Expansion Plant



Sappi Saiccor Plant Expansion



Quarter 2 Milestones

Sanele Luthuli
Field Operator at Sappi Saiccor Mill
3 years' service

Nomusa Mabhida
Liquor Analyst at Sappi Saiccor Mill
4 years' service

A trainee at the Sappi Saiccor Skills Centre going through his paces

The Woman King – telling Africa’s stories: case study 33

the dtic supported film The Woman King opened in local cinemas on 30 September 2022. Filmed in Cape Town, it tells an African story of an all-female military unit in the 18th Century West African kingdom of Dahomey.

The production created 344 full-time equivalent jobs, which included 15 black South Africans who were in crucial roles of director, producer, and director of photography. Spending in the domestic economy was R938 million, of which 38% was procured from black-owned service suppliers.

A black South African is the majority owner (75%) of the Special Purpose Vehicle Company (SPVC) set up for this film.

There will also be a special screening at the Toronto International Film Festival (TIFF).

Quarter 2 Milestones

Focus: Industrialisation and Productive Services Sector

the dtic Budget Vote announced by Minister in May 2022

Black Industrialist Conference 2022: Focus on film industry



Blood Psalms – African story: case study 34

the dtic supported Blood Psalms premiered on Showmax on 28 September 2022, with new episodes every Wednesday for 11 weeks until the end of November.

Set in Ancient Africa, 1 000 days after the fall of Atlantis, the series explores the story of the five surviving houses of Kemet as they find themselves beset with fears of a prophesied end of days.

Blood Psalms is a Showmax original in partnership with CANAL+, the dtic, ECDC, and Multichoice Innovation Fund. It received support from the dtic's Filmmakers Incentive.

The production created 148 full-time equivalent jobs. Spending in the domestic economy was R80 million, with shooting taking place in locations in the Eastern Cape, Gauteng, and North West for 77 days. Procurement for the production from black-owned service suppliers was R57 million.

The SPVC is 100% black-owned, with 50% women co-ownership.

Focus: Industrialisation and Productive Services Sector

the dtic Budget Vote announced by Minister in May 2022

Black Industrialist Conference 2022: Focus on film industry



B-BBEE Advisory Council: case study 35

The Broad-Based Black Economic Empowerment (B-BBEE) Advisory Council inaugural meeting chaired by the President took place on 5 July 2022.

The council was appointed in terms of the B-BBEE Act and consists of the President, who is the chairperson; four Cabinet Ministers; and 14 members from business, trade unions, community-based organisations, and academia.

The council will review progress on B-BBEE and advise the government in enhancing the implementation of B-BBEE and associated policies, such as the Codes of Good Practice, the

Sector Charters, the dtic's Black Industrialist Programme, and worker ownership requirements.

Focus: Transformation



B-BBEE Advisory Council Members during inauguration meeting with the President on 5 July 2022.

Black industrialist and exporter conference: case study 36

On 20 July 2020, the President opened the inaugural Black Industrialist and Exporter Conference, attended by more than 1 000 black industrialists. The event comprised 5 platforms:

- a Forum of discussions, which included the Keynote Address, and six high-level panels with 40 speakers
- the launch of key growth initiatives like the Black Exporters Network and showcasing black women and young industrialists, component makers, film-makers, worker ownership trust representatives and introduce the Broad-based Black Business Council to black industrialists
- a market-place for products produced by black industrialists, with 140 black-owned firms featured
- a media focus, with a live studio by SABC, space for interviews, the release of a book on black industrialists profiling their businesses and videos on industrialists.
- a series of eight Excellence Awards to be given to firms and individuals selected through a nomination process

Focus: industrialisation and transformation

Dtic Budget Vote: announced by Minister in May 2022

KPI in Annual Performance plan: due in December 2022 and brought forward to July 2022



Legal Sector Code: 37

On 22 July 2022, the Minister gazetted the Draft Legal Sector Code (LSC) for a 60-day public comment period.

The LSC will serve as guidelines for the transformation of the legal profession in South Africa. It has been developed to identify the unique features and characteristics, including ownership and management structures, of firms operating in the sector.

The development was driven by a steering committee with representation from across the legal fraternity, and receipt of approximately 139 responses from individual practitioners, organisations, stakeholders and other interested parties over two separate rounds of comments.

The objectives of the Draft LSC are to facilitate the transformation of the legal sector to ensure that it is representative of the demographics of South Africa and a body of well- trained and competent providers of legal services are developed, and to enable equitable and representative appointments are made to the judiciary.

The Draft LSC also seeks to eliminate barriers of entry and provide equal opportunities by empowering black practitioners – especially persons from designated categories – through ensuring equal participation in economic opportunities within the legal sector; and by implementing measures to address the provision and availability of pro-bono and community- based legal services, thus ensuring access to affordable legal services for all people in South Africa, particularly marginalised, poor and rural communities.

Focus: Transformation and capable state



Chairperson of the Legal Practice Council, Kathleen Matolo-Dlepu with the Minister of Justice and Correctional Services, Ronald Lamola at the launch of the Draft Legal Sector Code for public consultation in Johannesburg on 10 November 2020.

Royal Industrial expansion: 38

InvestSA successfully recruited Royal Industrial at an investment promotion seminar hosted by the dtic in Xiamen, China. This investment by Chinese enterprise Jiangxi Yaxing Group – which operates in the fields of textiles, floor tiles, and property and construction – brought about the construction in 2011 of a porcelain tile manufacturing plant at Ekandustria Industrial Park in Bronkhorstspuit, Gauteng. This is one of five porcelain tile manufacturing plants in South Africa.

Royal Industrial started its first production line in May 2013, and formally commenced operations in October of the same year. The company has since managed to penetrate the South African and Southern African markets, and exports 5% of its current production. After the completion of a new production line, Royal Industrial will export 15% of its products to Botswana, Mozambique, Namibia, Malawi, Lesotho, Zimbabwe, Eswatini, and Zambia. This new production line will also create an additional 150 jobs.

InvestSA assisted the company with the identification of suitable land for this project and in obtaining permits (work, environmental, intra- company transfers, and permanent residence for the owners of the business).

To date, Royal Industrial has invested R600 million in South Africa.

Q3 Milestones

Announced at the South African Investment Conference 2022

Indicators

Time period:	Q3
Type of investment:	Industrial
Value:	R600 million
Jobs:	150
Announcement date:	SAIC 2022



Metair – Hesto Harness: 39

Hesto Harness recently opened a new facility manufacturing wiring harnesses used in vehicles. Investment of R1.412 billion spread among the following subsidiaries:

- Hesto Harness - R804 million, 4 000 jobs (Kwadukuza, iLembe District)
- Unitrade – R165 million, 120 jobs (Kwadukuza, iLembe District)
- Automould – R203 million, 22 jobs (Tshwane)
- Lumotech – R187 million, 130 jobs (Kariega, Nelson Mandela Bay)
- Supreme Springs – R53 million, jobs retained (Ekurhuleni)

Products: Wiring harnesses, headlights/tail lights, injection moulding/ chrome plating, automotive and industrial batteries, springs, automotive wire, heating ventilation, and air- conditioning
The project was made possible as a result of the R16-billion Ford investment.

Hesto is a BEE level 1 company, supplies all seven original equipment manufacturers, and has operations in the United Kingdom, Romania, Turkey, Germany, and Kenya. The company exports to 46 countries from three operation hubs in South Africa. The total headcount for its South African operations is 11 100 employees, with the Hesto Harnesses plant employing 70% women. The company has a technology partnership with Yazaki Japan.

Announced at the South African Investment Conference 2020

4470 Jobs

Investment Value: R1.4 billion

Auto Master Plan



Metair – Hesto Harness



My name is Nokwazi Mbele, I live in Stanger manor originally from Newcastle, I am a young vibrant female who is dedicated to making a difference in the engineering field. I am career driven and I strongly believe in women's empowerment. I am a mother to my lovely son and a sibling to my four bothers.

My role is Program Manager, responsible for Isuzu and Ford projects, launching new models, ensuring product and process engineering setup and implementation in production lines, meeting customer milestones, delivering products on time, ensuring built in quality and monitoring project's budget.

I have graduated in electrical engineering at Durban University of Technology, certified in the leadership development programme, quality core tools, and IATF internal auditing.

As an aspiring woman, it is my interest to see young females developing in the future, therefore I encourage women to study and further develop themselves. As a Hesto employee, I am also interested in seeing our country grow in localization to create more job opportunities and improve our economy

Metair – Hesto Harness



Designation: Production Group Leader

Highest qualification: Operation Management
NQFL 6

Number of years at Hesto : 12 Years

I am Samukelisiwe Khoza, from KwaDukuza, Glendale under Ilembe District. I'm a mother of 2 beautiful daughters. I am a hard worker and a self-motivated person, who is willing to learn and gain further experiences and knowledge. I am a team player.

My role as a Group leader is to manage a group of 350 people. I am managing zone 1 and zone 2 which are the four Engine Room Main (ERM), Panther, Tailgates, and Bumper lines.

Producing good quality harnesses is my passion. My values as a Group leader is to guide and facilitate others to make it a point that we respect our customer by making our customer happy. I act with integrity, with courage by producing a great service.

I am interested in seeing this company grow and become successful and lift up our country's economy and our town (KwaDukuza) grow as well.

I can say Hesto means a whole life to me. I have achieved so much in life through Hesto.

Metair – Hesto Harness



Designation: Key Operator

Highest qualification: Grade 12

Number of years at Hesto: 15 years

I am Nontobeko Mhlongo, I came from Stanger in Lindelani Township. I am married with 5 children. I am a breadwinner. I am a confident, hard work, and self-motivated individual. Good communication is very important to me as I always enjoy working with a group of people.

My role as a Key operator is to teach operation step by step to the operator up until he/she understands the process.

I achieved the certificate for long service in 2012 and in 2017. I also achieved the certificate for successfully attending the second-grade instructor training in 2022.

I believe that as a person I am expected to treat others the way I want to be treated. My passion is to become an expert when it comes to wiring harnesses.

Organizing events in the community and in my workplace as I spend a lot of time there. Being involved with charities and participating in fundraising events.

Reergen Virginia Gas Project: 40

The Virginia gas field will be the country's first site for the commercial production of liquid natural gas (LNG), adding South Africa to a list of seven countries producing helium. Helium is a critical element and important for many aspects of modern life, ranging from life- saving oncology screening to rocketry and microchips for phones and laptops.

Phase one of the project involves the construction of the pipeline to join the 12 existing wells to reticulate gas to the plant for processing (52km in total), and natural gas and helium liquefiers assembled into 23 ship containers. Phase two includes the current drilling of a horizontal well in a sandstone trap of 90km² and 100m thick in areas. Ownership of end users in four market segments, namely power generation, industrial users, liquid fuel substitution, and helium.

Indicators	
Time period:	Q2
Type of investment:	Industrial
Value:	R750 million
Jobs:	74 direct and 500 indirect
Announce ment date:	Phase 1 – 2018 Phase 2 – 2022
Implement ation phase:	Phase 1 – R750 million Phase 2 – R14 billion
Output:	



Case study 34: JP Morgan Partners – Abadali Fund

The Abadali Fund was established under the EEIP by JP Morgan to address the critical funding gap for majority black-owned and controlled enterprises.

Companies supported include financial services, computer, and electronics, energy, construction and materials, health and pharmaceutical, biotech, retail, agriculture, telecommunications, and business support services.

AT COM Group (Pty) Ltd is a 100% black-owned company based in Bramley View, Johannesburg, which was supported by the Abadali Fund. The company is also women-owned. AT COM produces operating spares and goods for mining companies. From 18 March 2022 to date, the Abadali Fund disbursed R1,2 million to AT COM.

Areehaz Developments CC is a 100% black-owned and 50% women-owned company operating in Benoni, Gauteng. The company was supported by the Abadali Fund. To date, the Abadali Fund has disbursed funds to Areehaz Developments in six transactions amounting to R17 million.

Focus: Industrialisation and transformation

the dtic Budget Vote announcement

Sigma Connected South Africa: case study 42

Case study 38: Sigma Connected South Africa

Sigma Connected South Africa opened its new call centre on 7 July 2022, offering employment to the youth from Mitchells Plain and Khayelitsha. The initiative is linked to the Global Business Services Master Plan, in terms of the objectives of creating jobs for youth, skills development on the supply side, creating infrastructure in Tier 2 cities, and transformation through contributing to the promotion of decent work conditions, skills training, impact sourcing, and location.

Ninety call centre jobs have been created; and the initiative aims to create approximately 1 000 jobs in Mitchells Plain, Diep River and Woodstock over the next three years.

Sigma Connected has an impact-sourcing partnership with Shadow Careers, which creates permanent career opportunities for excluded youth through a unique three-month role-specific training programme. Shadow Careers has trained 190 youth and successfully placed 180 with companies like Sigma.

Quarter 1 Milestones

Announced at the South African Investment Conference 2022

Indicators	
Time period:	Q2
Type of investment:	Industrial
Value:	R267 million
Jobs:	90
Announcement date:	SAIC 2022
Implementation phase:	July 2022



The Minister published for comment regulations to exempt SMMEs from certain practices of the Competition Act, in terms of section 4(1) of the Act: restrictive horizontal practices, and section 5(1) of the Act: restrictive vertical practices.

Exemptions for SMMEs relate to:

- Research development agreement
- Production agreement
- Joint purchase agreement
- Joint selling agreement
- Commercialisation agreement
- Standardisation agreement
- Collective negotiations

Once all comments have been evaluated, a final decision will be gazetted.

Exclusion

The fixing of selling price of goods and services to end consumers

Battery charging business: case study 44

Electrical Electronics Quality Solutions (Pty) Ltd is a 100% black-owned and 20% black- women-owned company, with youth funding of 20%. The company is based in East London, Eastern Cape. Electrical Electronics Quality Solutions provides battery charging for Mercedes Benz South Africa.

In Q2, the company created 13 and retained five jobs.

The AITF approved an amount of R2.8 million for Electrical Electronics Quality Solutions in Q1 and disbursed R800 000 in Q2.

Focus: Industrialisation and transformation

Announced at the South African Investment Conference 2022

Investment Value: R2,8 million

Fund: AITF



EE Quality
SOLUTIONS

Scaw South Africa: case study 45

Scaw is a local African producer of a diverse range of high-quality steel products, with a global reach through various operations around the world.

The company manufactures rolled and wire rod products. Scaw is investing R2 billion in a new hot-strip steel mill to produce 300 000t/y of thin gauge hot-rolled coil. This investment enables Scaw's entry into the primary flat steel market as an alternative to ArcelorMittal South Africa (AMSA). The expected schedule for the commissioning is December 2024.

The project will create 278 jobs at Scaw's Union Junction Plant.

AMSA is the only domestic producer of hot-rolled coils in South Africa and given the domestic supply disruption during COVID-19 and the plant breakdown/shutdown at AMSA, Scaw decided to expand its plant capacity to produce hot-rolled coils to ensure supply security.

This investment will bring competition to the domestic supply market.

Scaw South Africa



Localise through investment: case study 46

The IDC partly funded the development of Bisie Tin Mine in the DRC with a contribution of US\$25 million. The total cost of the project amounted to approximately US\$250 million. The construction of the mine and process plant was completed in June 2019; the plant is designed to produce more than 1 000 tons of tin per month.

The project supports the IDC's drive to develop a battery storage industry in South Africa, as tin is a key input in the manufacturing of lead-acid batteries used in hybrid vehicles. As South Africa has no operating tin mines, the IDC negotiated the right to acquire offtakes that could be used to develop tin- related projects in South Africa.

Benefits for the South African economy

- To date, capital equipment ordered since April 2022 for the mine, plant, and infrastructure portion of the project amounts to R200 million, while future orders are estimated at R801 million.
- South African engineering services provided to the project amount to R60 million.
- Tin imported by South Africa from the DRC, as opposed to importing from the rest of the world, amounted to \$6.6 million – this tin is processed into value-added products, much of which is exported from South Africa.
- 36 high-paying South African jobs are sustained at the mine, as well as four jobs in South Africa.
- Further plant and infrastructure portions of the project are in the procurement phase, and there are ongoing orders for South African mining equipment.

Localise through investment: case study

DRC Tin Mine SA Capital Equipment and Engineering Services R'000

Description	April - June 2022	July 2022 – current	Total Spend
Capital equipment/ spares - plant and infrastructure	R89 404	R110 289	R199 693
Engineering Services - Plant and Infrastructure	R60 200	R401	R60 601
Total	R149 604	R110 690	R260 294

South Africa attracts new GBS operators: case study 47

Africa Talent by Deloitte (Pty) Ltd is a new global business services operator in South Africa, located in Johannesburg, Gauteng. An initial five-year contract will provide services to the Netherlands, with the option to expand to other countries.

The new offshore captive project will provide regulatory, financial, technology and digital, and cyber risk services, as well as data analytics, profile definition and recruitment services. The centre was established by Deloitte to meet increasing demand for risk advisory services.

An estimated R1.5 billion in export revenue will be generated through global outsourcing over the next five years. Skills development will take place through exposure to multinational clients, teams and training; and the project will create 399 new jobs, of which approximately 60% will be for youth.

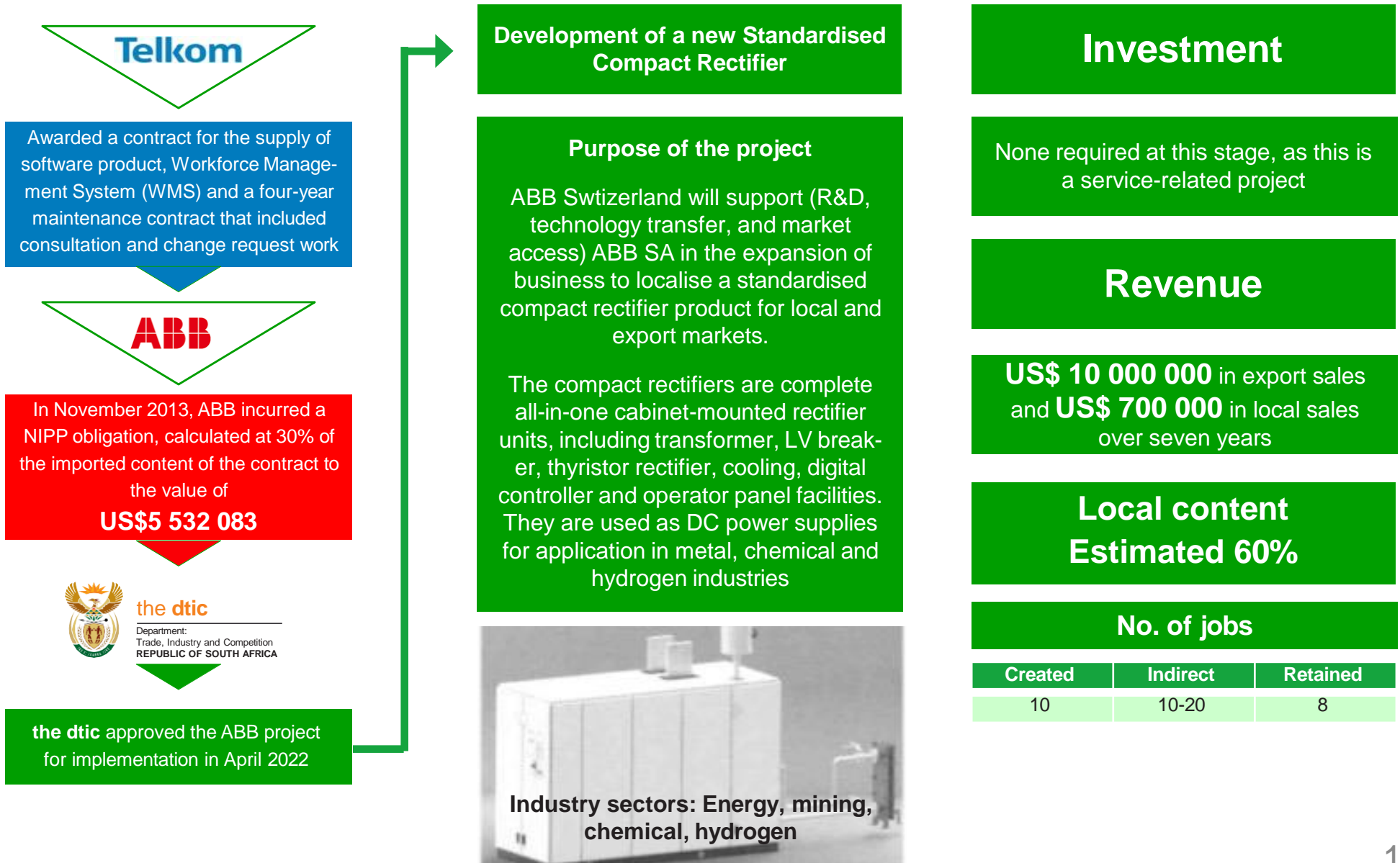
Sector: Global Business Services

Focus: Exports and youth jobs

**the dtic Budget Vote announced by
Minister in May 2022**

National Industrial Participation Programme (NIPP): ABB South Africa: case study 48

Case study 47: NIPP: ABB South Africa – Localisation of the Standardised Compact Rectifier (automation and cooling)



NIPP: Baker Hughes and Fluid Tech: case study 49

Case study 48: NIPP: Baker Hughes and Fluid Tech – Localisation of control valves and subcontracting in the oil and gas, power, petrochemical, water and other process-related industries



awarded a contract for the provision of services to the IKHWEZI Project in 2015



In 2015, Baker Hughes incurred a NIPP obligation, calculated at 30% of the imported content of the contract to the value of **US\$9,381,169**



the dtic approved the Baker Hughes project for implementation in June 2022

Expanded Channel Partner Agreement

Purpose of the project

Fluid Tech will service Baker Hughes clients in SA and the SADC. The partnership will expand Fluid Tech's client base with Sasol and other key clients.

The expansion will likely enable Fluid Tech to become a major valve supplier and service centre in the region, that can operate independently in the long term.

Fluid Tech, an exempted micro enterprise (EME) is an independent contractor to BH.

Baker Hughes Channel Partner



Investment
\$350 000
over seven years

Revenue
Local sales:
R557 720 000
SA, Mozambique, Zimbabwe and Botswana
(sales to SADC countries are not considered export)

Local content
Estimated 60%

No. of jobs

Created	Indirect	Retained
4	2	13

Renewable energy: case study 50

Construction of the 100MW Redstone molten salt concentrated solar power (CSP) project commenced early this year in Postmasburg, Northern Cape. The R11.6-billion project whose lead shareholder is ACWA Power – a Saudi-based desalination plant and renewable energy operator – expects commercial operations to start in Q4 of 2023.

It ranks as one of the largest renewable energy investments in South Africa. Once operational, it is expected to provide significant economic spin-offs to the Northern Cape economy in the form of massive employment opportunities. The IDC provided funding to Pele Green energy – a black-owned energy entity that has a direct shareholding in Redstone. The IDC and ACWA Power have co-funded the community's shareholding participation in this project.

The project is envisaged to create 654 temporary jobs during the 33-month construction period and about 73 direct permanent jobs during the operational phase, with additional indirect jobs created along the value chain.

This transaction falls under the IDC's Energy Strategic Business Unit (SBU), which was formed in 2020 with a mandate to contribute towards South Africa's Just Energy Transition and to help improve the security of energy supply in the country and the rest of the continent, in support of growing economies. The SBU funds energy-generation and efficiency projects that reduce greenhouse gas emissions.

Green Energy

Sector: Renewable energy

Jobs: 600+

Province: Northern Cape

Town: Postmasburg

Industry: Energy

Incentive/fund: IDC Loan



Osman's Spice Works Group: case study 51

Osman's Spice Works Group is a family owned business managed by Nazreen Hassim, Razeena, and Rishaad Osman. The trio took over the business from their father Ismail Osman, who founded the business.

Osman's Spices began trading in spices in 1914, and in the 1920s expanded into manufacturing. Over its 100-year-plus history, Osman's brand has become a household name and is a leading, independently owned manufacturer, retailer, and distributor of spices, rice, beans, pulses, and lentils.

The company's manufacturing, retail and distribution activities are conducted at shared premises in Sirdar Road, Clairwood, an area that was severely impacted by the KwaZulu- Natal floods, which disrupted production and packaging lines.

IDC funding has enabled the company to restore its production capacity, helping to clear the backlog in its order book. Most importantly, the funding helped the company to reinstate its entire staff complement. In addition, this funding helped Osman's Spices to replace critical machinery and equipment.

Focus: Agro-processing and agriculture

Sector: Manufacture, package, retailer and distributor of spices

Incentive/fund: IDC Flood Relief Fun

68 Jobs



China's Ban on SA Wool Lifted: case study 52

On 23 August 2022, the Chinese Government lifted its five-month ban on the import of wool from South Africa. China is South Africa's biggest wool export destination, typically taking up 80% of the wool clip in greasy form.

South Africa produced 44-million kilograms of greasy wool in 2020/21, and has 8000 commercial and 40000 communal farmers.

The South African wool clip meets the Sustainable Cape Wool Standard and is Responsible Wool Standard certified. South Africa has registered the "South African Merino" mark in Europe and registration in the United States is underway.

China imposed a ban due to the foot and mouth disease outbreak in KwaZulu-Natal, Limpopo, and North-West in March.

The industry association, Cape Wools SA, worked with the Department of Agriculture, Land Reform, and Rural Development as well as the dtic to assist in getting the ban lifted.

South Africa complied with all the Foot and Mouth Disease inactivation requirements as stipulated in the World Organisation for Animal Health's Terrestrial Animal Health Code. The General Administration of Customs of China (GACC) and the Ministry of Agriculture and Rural Affairs of China decided to lift the ban in August.

Exports worth
R734.15 million
could have been lost if the wool ban
had not been lifted



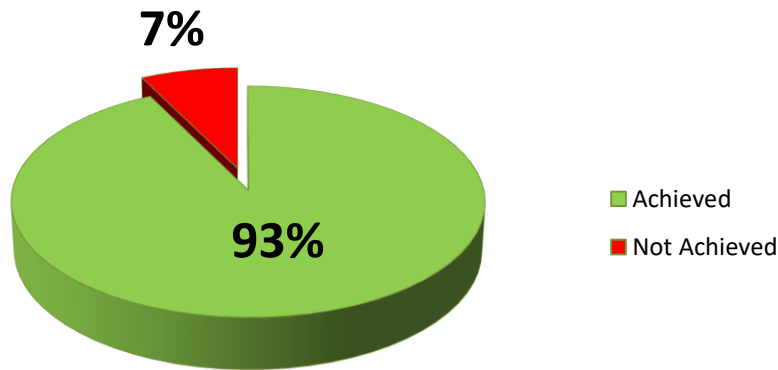
PART 7: FIRST QUARTER APP PERFORMANCE

OVERVIEW OF Q1 DEPARTMENTAL PERFORMANCE PER PROGRAMME



DEPARTMENTAL PERFORMANCE (Q1)

First Quarter APP Departmental Performance



54 Q1 Planned Targets

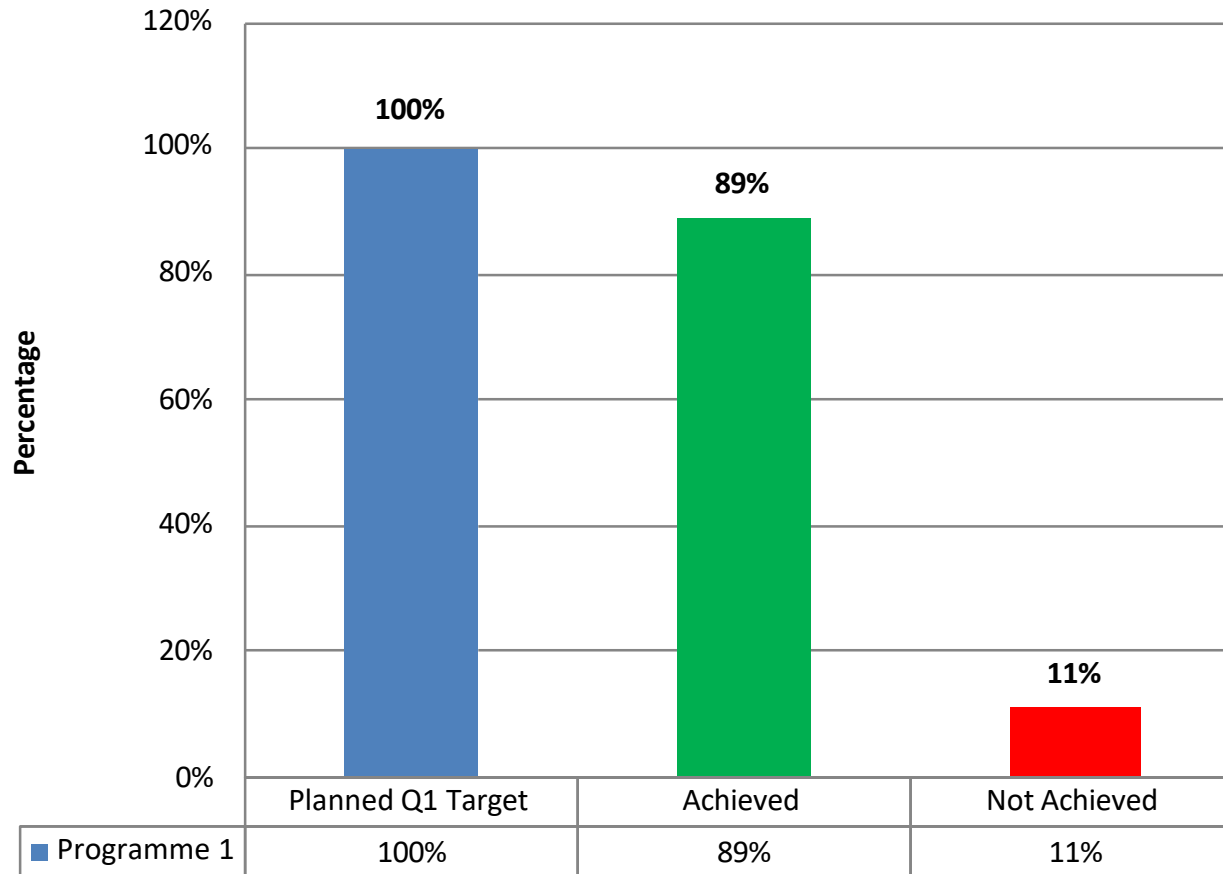
50 Achieved

4 Not Achieved

PROGRAMME	OUTPUT INDICATORS	Q1 TARGET	ACHIEVED
Programme 1: Administration	9	9	8
Programme 2: Trade Policy	4	4	3
Programme 3: Spatial Industrial Development	7	7	7
Programme 4: Industrial Policy	8	8	7
Programme 5: Consumer and Corporate Regulation	2	2	2
Programme 6: Industrial Financing	3	3	3
Programme 7: Trade and Investment South Africa	8	8	8
Programme 8: Invest South Africa	5	5	4
Programme 9: Competition Policy	4	4	4
Programme 10: Economic Research	4	4	4
Total	54	54	50

PROGRAMME 1: ADMINISTRATION

Programme 1: Administration



9 Q1 Planned Targets

8 Achieved

1 Not Achieved

PROGRAMME 1: ADMINISTRATION

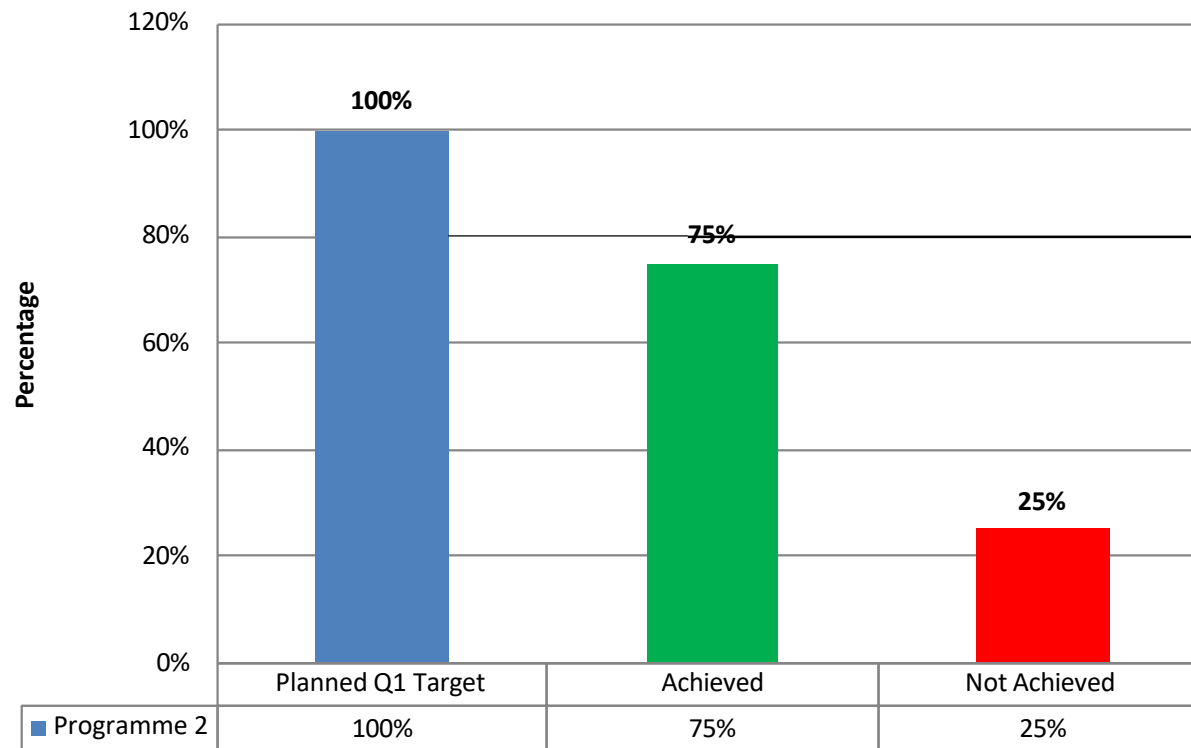
Programme 1: Provide strategic leadership, management and support services to the department.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
Number of Media stories on the work of the dtic published	50	20	30 media stories published on the work of the dtic in print, broadcast & online media	N/A	N/A
Number of Factsheets on the dtic services produced	7	2	1	Production of 2 nd factsheet was delayed	The deficit will be carried over into the next quarter
Number of reports completed in support of Cabinet and Parliamentary processes.	4	1	1 Report produced in support of Cabinet and Parliamentary processes	N/A	N/A
Number of progress reports on red-tape reduction in the internal and external systems and processes of the dtic	1	Nil	1st Report issued per APP as of 17 June 2022 and signed by A/DG on progress. Policy register review initiated in May 2022 and updated, showing policies targeted for red-tape reduction. In Addition: Key process improvements already implemented, were listed in the report. The CMSB survey to be undertaken later in the year, is inviting client input into further red-tape reduction focus areas.	N/A	N/A

PROGRAMME 1: ADMINISTRATION

Programme 1: Provide strategic leadership, management and support services to the department.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
Percentage (%) of People with a Disability employed	3.5%	3.5%	4.1%	Overachieved Percent age is based on the current headcount.	N/A
Percentage (%) of Women at Senior Management Service level	50%	50%	55%	Overachieved Percent age is based on the current headcount.	N/A
A Proposal for the operation and staffing of an Entity Oversight Unit and implementation of improved oversight	1	ToRs drafted and submitted to ERC	Draft ToRs submitted to ERC	N/A	N/A
A Proposal for rationalisation of entities submitted to Minister for consideration.	1	Terms of reference drafted and submitted to ERC	Draft ToRs submitted to ERC	N/A	N/A
Number of cluster participation and provincial engagement reports (4); and Integrated report on District Spatial Industrial Initiatives (9).	13	1 Report on cluster participation and provincial engagement 1 Integrated report on District Spatial Industrial Initiatives	1 Report on cluster participation and provincial engagement 1 Integrated report on District Spatial Industrial Initiatives	N/A	N/A

PROGRAMME 2: TRADE POLICY

Programme 2: Trade Policy



4 Q1 Planned Targets

3 Achieved

1 Not Achieved

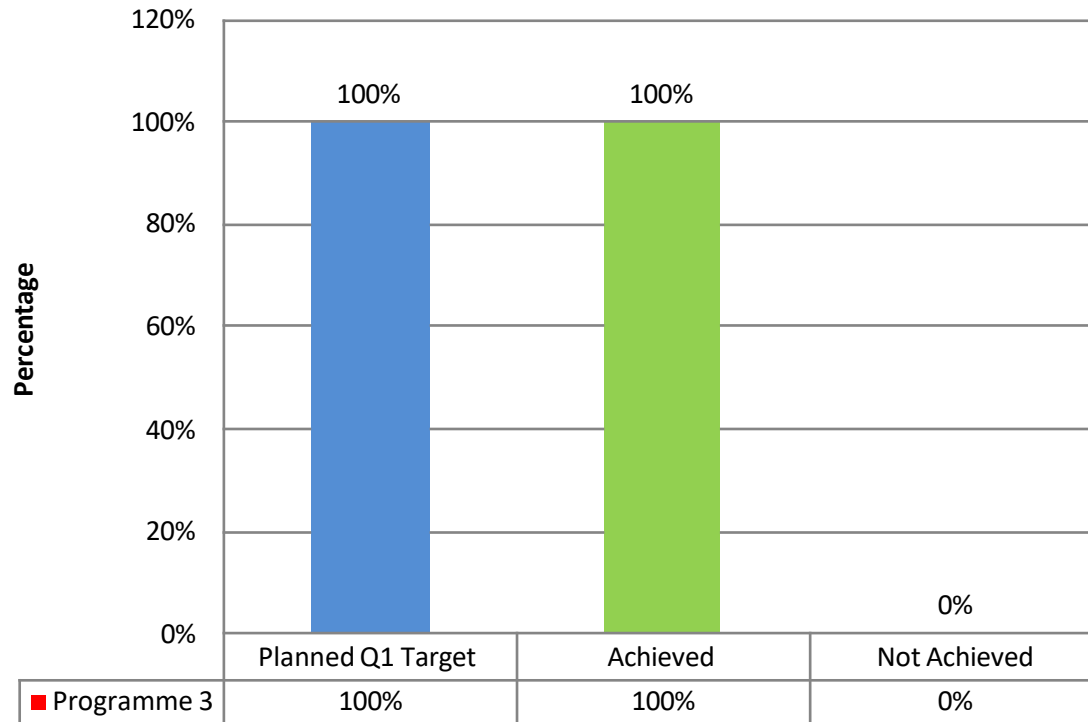
PROGRAMME 2: TRADE POLICY

Programme 2: 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 co-operation in line with the African Union Agenda 2063.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: TRADE POLICY					
Number of progress reports on the African Growth and Opportunity Act (US)	2	Progress report on AGOA (preparations for hosting AGOA Forum)	Progress report on AGOA prepared	N/A	N/A
Number of reports setting out progress in the engagements in WTO, G20 and BRICS	8	1	Report prepared on the outcome of the engagement at the WTO Ministerial.	N/A	N/A
Number of reports to Executive Authority setting out progress in engagements at SACU	1	1	Report prepared on progress with engaging SACU partners on tariff matters.	N/A	N/A
Number of reports on the red tape reductions and streamlining processes	2	Report on red-tape reduction in the ITAC processes	Engaged ITAC on the list of actions to reduce red tape. Further internal consultations were held to refine the proposed actions. Initial report was prepared but not finalised by 30 June 2022.	Given the new indicator, internal consultations within ITAC took longer	Report will be finalised and submitted by the end of July 2022.

PROGRAMME 3: SPATIAL INDUSTRIAL DEVELOPMENT

Programme 3: Spatial Industrial Development



7 Q1 Planned Targets
7 Achieved
0 Not Achieved

PROGRAMME 3: SPATIAL INDUSTRIAL DEVELOPMENT

Programme 3: Drive economic transformation and increase participation in industrialisation.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: SPATIAL INDUSTRIAL DEVELOPMENT					
Draft Framework Documents on reforms to the SEZ and Industrial Park models	Draft Framework Document on reforms to the SEZ and Industrial Parks models	Research and consolidation of data for the revised model for SEZ and IPs	Research conducted on the spatial development approach and revision on the SEZ and IP model. Draft SID framework developed and circulated for comments and inputs	N/A	N/A
Document mapping the township economy and opportunities for support	Document mapping the township economy and opportunities for support	Terms of reference for the document on mapping the township economy and opportunities for support developed	Terms of Reference developed and concluded. Concept note for the mapping exercise and identification of opportunities for support drafted. Webinar held on mapping township economies through Spatial Industrial Development Framework. Analysis of One Plans of DDM to align with industrial strategies of the department	N/A	N/A
Number of proposals for new SEZ designations, together with business plan, governance arrangements and budget implications, assessed and submitted for consideration	2 proposals for new SEZ designation, with business plan, governance arrangements and budget implications submitted for consideration	Progress report on submitted proposal	Report prepared on the status quo of the proposed Vaal SEZ. Project Steering committee established for proposed Vaal and West Rand SEZs.	N/A	N/A

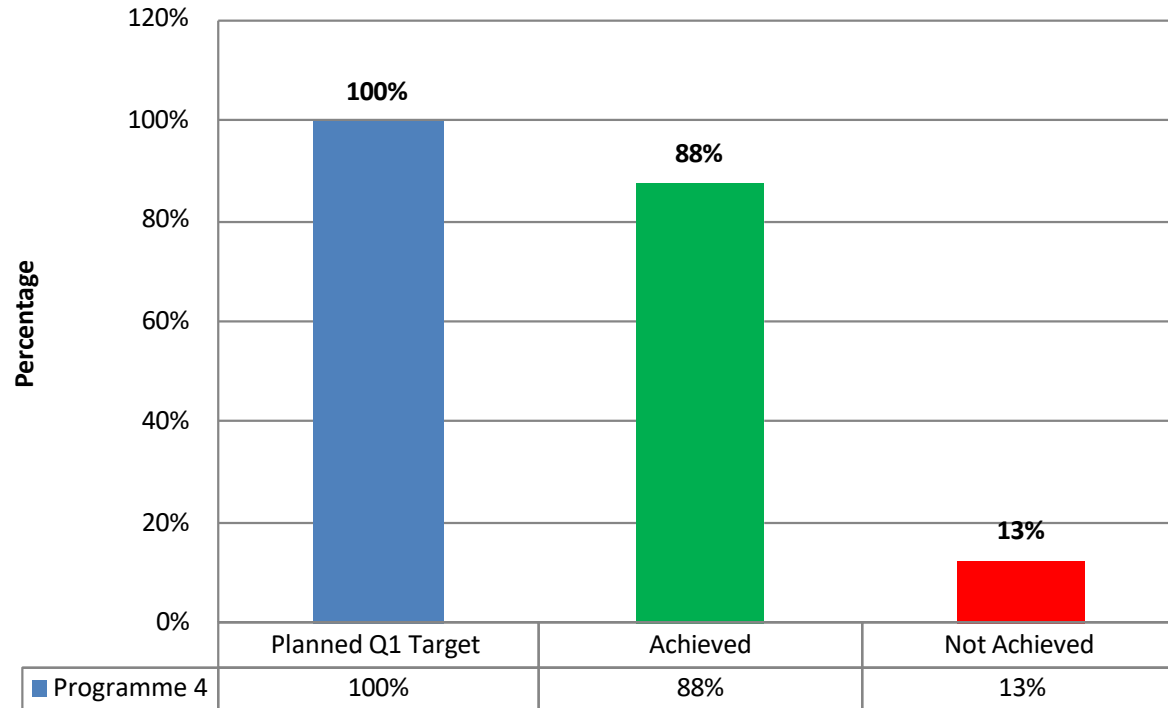
PROGRAMME 3: SPATIAL INDUSTRIAL DEVELOPMENT

Programme 3: Drive economic transformation and increase participation in industrialisation.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: SPATIAL INDUSTRIAL DEVELOPMENT					
Number of reports classifying the work of the dtic at District level work across 52 Districts/ Metros	4 Reports classifying the work of the dtic at District level work across 52 Districts/Metros	1 Reports classifying the work of the dtic at District level work	One report produced classifying the sectors and opportunities per identified metros and districts. Dataset on incentives in various districts has been secured. The next steps will involve data cleaning, verification and analysis	N/A	N/A
Number of reports identifying private sector industrial nodes at District level	4 reports identifying private sector industrial nodes at District level	Stakeholder engagement and consultation on the review	One report produced classifying the identified private sector industrial nodes at district level. Data has been collected and the process of identifying private sector industrial nodes has started in the following provinces: Western Cape, Gauteng, KZN and Eastern Cape	N/A	N/A
Review of the B-BBEE Framework, together with recommendations, in the form of a Report to the Executive Authority	Review of the B-BBEE Framework, together with recommendations, in the form of a Report to the Executive Authority	Progress report on submitted proposal	Stakeholder engagement and consultation on the review	N/A	N/A
Number of reports setting out progress on monitoring and implementation of EEIPs, Sector Charters and BEE Codes.	4 reports on setting out progress on monitoring and implementation of EEIPs, Sector Charters and BEE Codes	1 report on setting out progress on monitoring and implementation of EEIPs, Sector Charters and BEE Codes	1 report setting out progress on monitoring and implementation of B-BBEE Sector Charters and Codes compiled and submitted for approval.	N/A	N/A

PROGRAMME 4: INDUSTRIAL POLICY

Programme 4: Industrial Policy



8 Q1 Planned Targets

7 Achieved

1 Not Achieved

PROGRAMME 4: INDUSTRIAL POLICY

Programme 4: Design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness, in both domestic and export markets.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: INDUSTRIAL POLICY					
Number of implementation Reports in 6 sectors, setting out progress against the actions identified in Master Plans and full implementation of financial support packages	30 implementation Reports, setting out progress against the actions identified in Master Plans and full implementation of financial support packages	6 quarterly implementation Reports, setting out progress against the actions identified in Master Plans and full implementation of financial support packages	6 quarterly implementation Reports, setting out progress against the actions identified in Master Plans and full implementation of financial support packages namely:1) Automotives;2)Poultry3)Sugar;4) Furniture;5)Steel & Metal Fabrication6) TCLF	N/A	N/A
Number of implementation Reports setting out progress against priority sectors not covered by a Master Plan	30 implementation Reports setting out progress against priority sectors not covered by a Master Plan	6 quarterly implementation Reports setting out progress against priority sectors not covered by a Master Plan	6 quarterly implementation Reports setting out progress against priority sectors not covered by a Master Plan namely:1) Aerospace and Defence;2) Agro Processing;3) Electro-technical;4) Chemicals5) Cosmetics6) Pharmaceuticals	N/A	N/A
Inputs on the Draft Procurement Bill submitted to the Minister	Submit inputs into the draft Procurement Bill to ensure a localisation eco-system is supported and embedded in the proposed provisions	1	Inputs into the draft Procurement Bill submitted to ensure a localisation eco-system is supported and embedded in the proposed provisions	N/A	N/A
Cabinet Memorandum with Localisation Dashboard compiled	Cabinet Memorandum with Localisation Dashboard submitted to Minister	Cabinet Memorandum with Localisation Dashboard submitted to Minister	The Cab Memo with localisation dashboard was developed and submitted but it was returned with a request for more consultation	New process	More consultation and getting project back on track in Q2

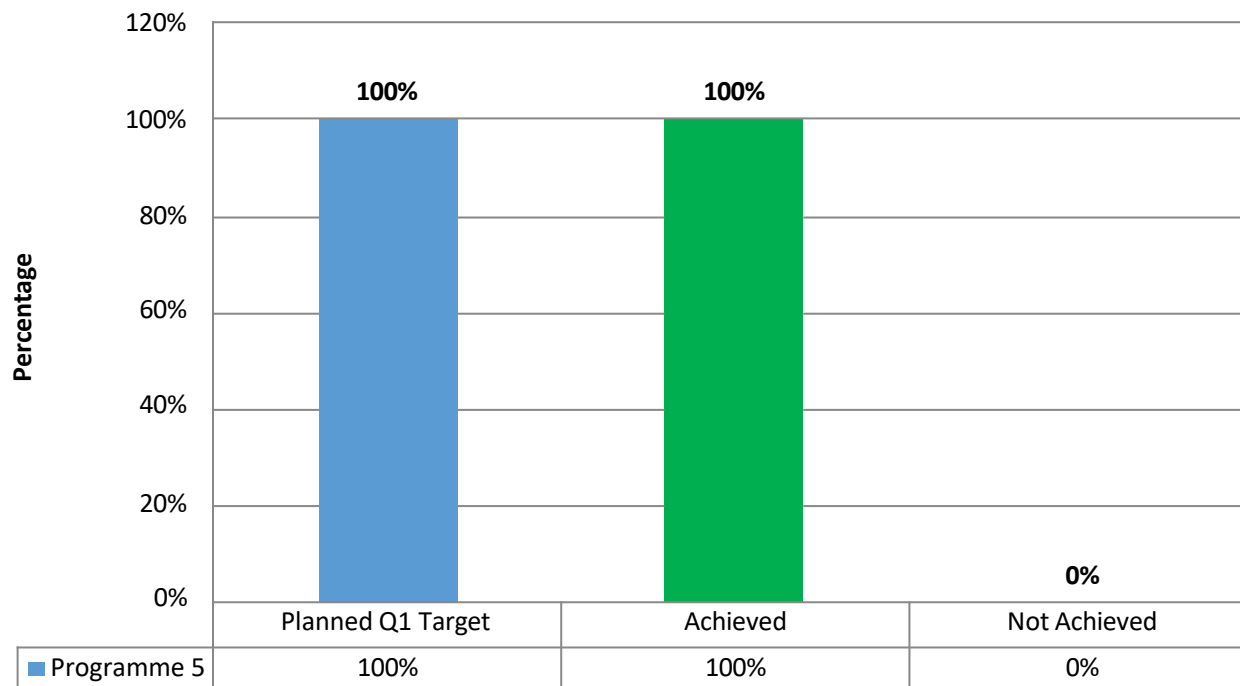
PROGRAMME 4: INDUSTRIAL POLICY

Programme 4: Design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness, in both domestic and export markets.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: INDUSTRIAL POLICY					
Number of reports on key beneficiation opportunities within identified value-chains and actions taken to promote the opportunities.	4 Quarterly Reports on key beneficiation opportunities within identified value- chains and actions taken to promote the opportunities.	One quarterly Report on key beneficiation opportunities within identified value-chains and actions taken to promote the opportunities.	One quarterly report on key beneficiation opportunities within identified value- chains and actions taken to promote the opportunities	N/A	N/A
Number of report setting out progress to foster greater spatial equity through industrial initiatives	Four quarterly implementation reports, setting out progress to foster greater spatial equity through industrial initiatives.	1	1 quarterly implementation reports, setting out progress to foster greater spatial equity through industrial initiatives	N/A	N/A
Number of reports on Red-tape reduction	1 Report on red-tape reduction by 30 April 2022	2 Reports on red-tape reduction (by 30 April 2022 and 30 November 2022)	1 Report on red-tape reduction by 30 April 2022	N/A	N/A
Number of reports improved efficiency of Technical infrastructure institutions, of sector desks;	Four reports on improved efficiency of Technical infrastructure institutions, of sector desks	One report on improved efficiency of Technical infrastructure institutions, of sector desks	One report on improved efficiency of Technical infrastructure institutions, of sector desks	N/A	N/A

PROGRAMME 5: CONSUMER AND CORPORATE REGULATION

Programme 5: Consumer and Corporate Regulation



2 Q1 Planned Targets

2 Achieved

0 Not Achieved

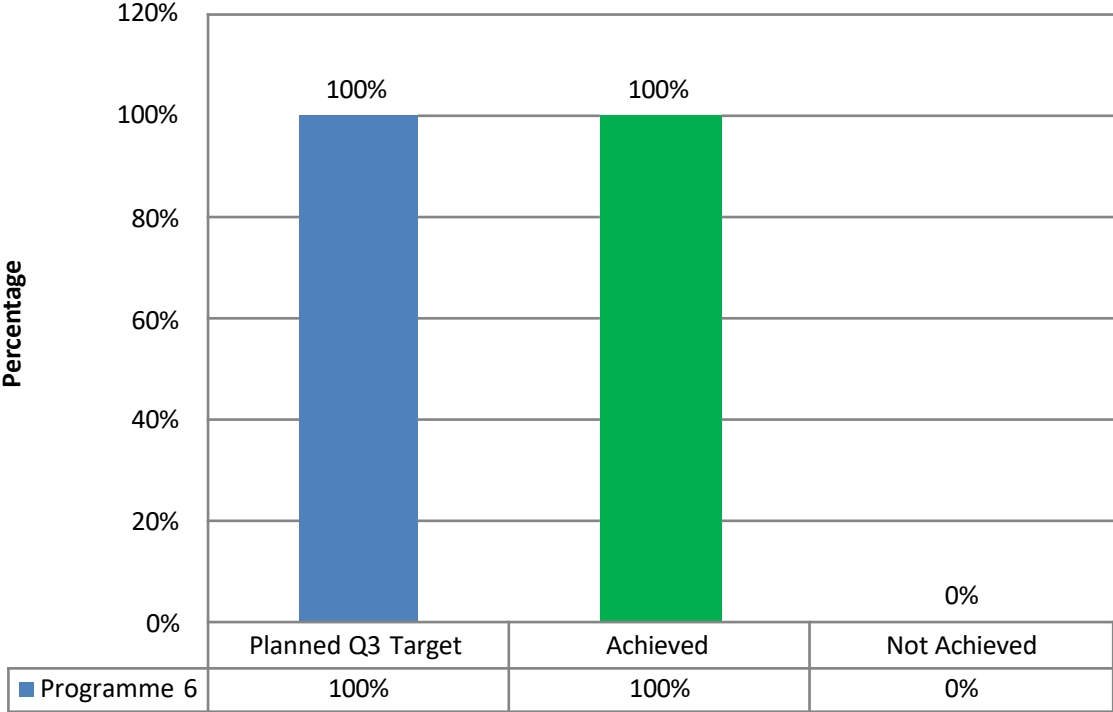
PROGRAMME 5: CONSUMER AND CORPORATE REGULATION

Programme 5: Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: CONSUMER AND CORPORATE REGULATION					
Number of approved reports setting out the work completed on the National Gambling Amendment Bill	2	1	1	N/A	N/A
Number of reports on red-tape reduction	2	1	1	N/A	N/A

PROGRAMME 6: INDUSTRIAL FINANCING

Programme 6: Industrial Financing



3 Q1 Planned Targets

3 Achieved

0 Not Achieved

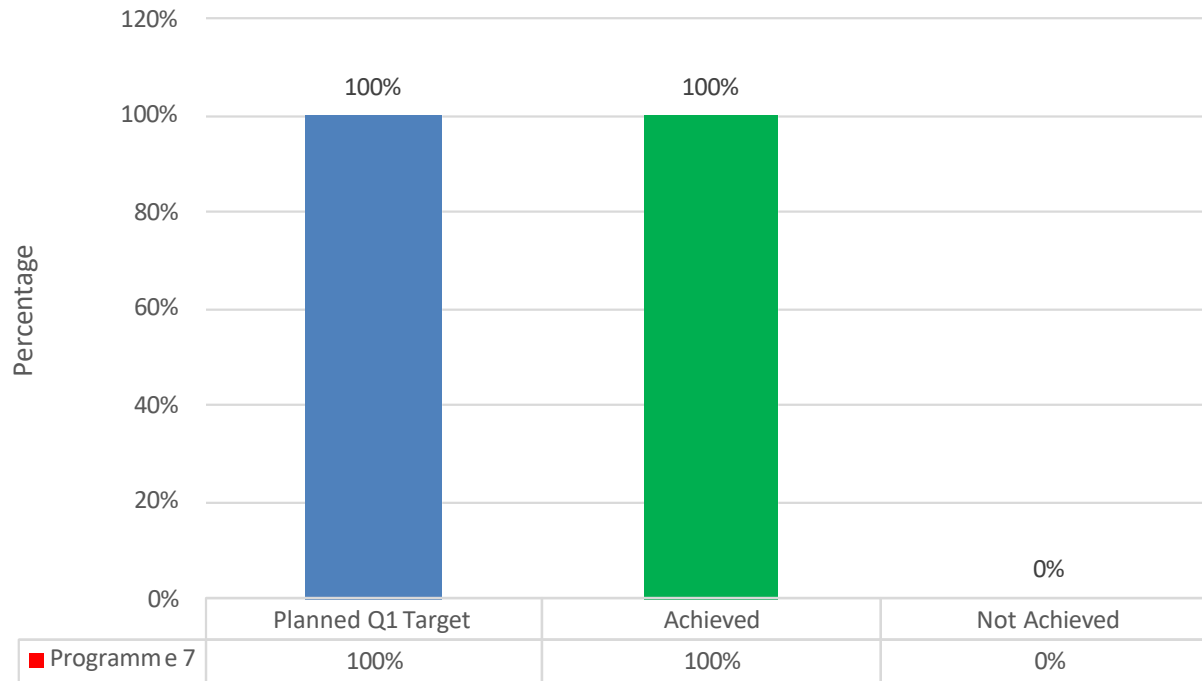
PROGRAMME 6: INDUSTRIAL FINANCING

Programme 6: Stimulate and facilitate the development of sustainable and competitive enterprises, through the efficient provision of effective and accessible incentive measures that support national priorities.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: INDUSTRIAL FINANCING					
Value (Rand) of projected investments from private sector to be leveraged from projects/enterprises approved	R24bn	R1bn	R8,7bn	Approved AIS and CIP projects resulted in high value of projected investments	N/A
Number of reports on red-tape reduction including action minutes setting out progress on developing share services model for the IDC, NEF/ the dtic and Leveraging - support packages with assistance provided by provincial and local government	5	1	Report on red tape reduction including action Minutes setting out progress on developing shared services model for IDC, NEF and the dtic and leveraging support packages with assistance provided by provincial and local government.	N/A	N/A
Number of approved implementation Reports, setting out progress against the actions identified in the two Master Plans:1.Film Animation2.Global Business Services	10 Approved implementation reports, setting out progress against the actions identified in the Master Plans (GBS & Animation).	2	1 Film Animation Implementation Report approved by DDG:IFB1 GBS report setting out the progress against the actions identified in the GBS Master Plan	N/A	N/A

PROGRAMME 7: TRADE AND INVESTMENT SOUTH AFRICA

Programme 7: Trade and Investment South Africa



8 Q1 Planned Targets

8 Achieved

0 Not Achieved

PROGRAMME 7: TRADE AND INVESTMENT SOUTH AFRICA

Programme 7: Increase export capacity and support direct investment flows, through targeted strategies, and an effectively managed network of foreign trade and investment offices.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: TRADE AND INVESTMENT SOUTH AFRICA					
Number of progress reports on targeted marketing efforts to African markets	4	1	One report on the targeted marketing efforts to African Markets was developed. The report unpacks the following :19 companies supported at the DRC Mining Week 2022 and generated R 2.7 million worth of trade leads during DRC Mining Week18 companies supported at the WAMPEX 2022 and generated R 167.3 million worth of trade leads. (6 months)21 companies supported and generated R 98.4 million in trade leads at Africa Big 7	N/A	N/A
A Framework (document) on work of Foreign Economic Representatives developed	1	1	The branch developed a framework for Foreign Economic Representatives(FERs)	N/A	N/A
Number of reports on hosting business forums in support of state visits	4	1	Report was developed on hosting of business forums and state visits	N/A	N/A
Number of reports on hosting business forums in support of state visits	Number of progress reports on export council compacts	4	Report developed on Export Council Compacts• •The branch received 16 Export Council Business Plans for the 2022/23 financial year and the Export Council Management Committee approved all 16 Business Plans as they align with the dtic strategic plan and specifically the 2022/23 APP focused on Industrialization, Transformation and Capable State.	N/A	N/A

PROGRAMME 7: TRADE AND INVESTMENT SOUTH AFRICA

Programme 7: Increase export capacity and support direct investment flows, through targeted strategies, and an effectively managed network of foreign trade and investment offices.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: TRADE AND INVESTMENT SOUTH AFRICA					
Number of reports setting out progress with export promotion and capacity development support to 200 black-, women-, and youth-owned enterprises	4	1	<p>Report was developed on expanding support to black -, women- and youth-owned enterprises in export activities.</p> <ul style="list-style-type: none"> The Branch provided 7 x Export Awareness Seminars/ Sessions for 189 individuals, which included the following participants: <ul style="list-style-type: none"> 168 Black 110 Women 59 Youth The Branch coordinated mentorship programme - GIZ Manager Training Programmes to 29 SA companies, which included the following participants: <ul style="list-style-type: none"> 22 Black 15 Women 1 Youth The Branch through EMIA financially supported 63 South African companies to participate in exhibitions and missions, which included the following participants: <ul style="list-style-type: none"> 40 Black Owned 14 Women Owned <p>The branch developed a framework for Foreign Economic Representatives(FERs)</p>	N/A	N/A
Number of Export Action Plans developed and approved for priority sectors and markets	4	1	<p>Report on launch of processes to establish Export Action Plans:</p> <ul style="list-style-type: none"> 04 May 2022: Engineering Grouping and Autos, Defence & Leisure Grouping 11 May 2022: Agro- Processing Grouping and Life style & Fashion Export Grouping 	N/A	N/A

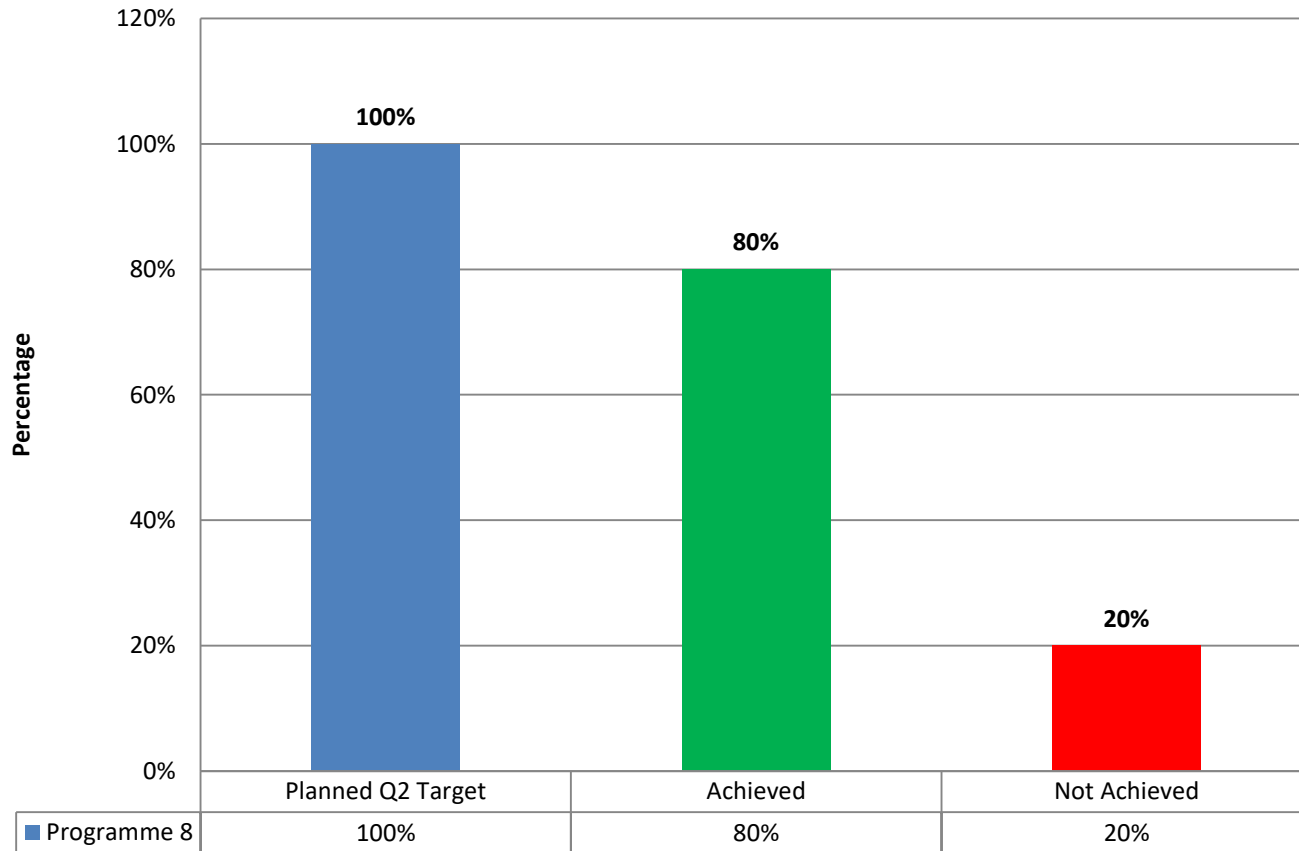
PROGRAMME 7: TRADE AND INVESTMENT SOUTH AFRICA

Programme 7: Increase export capacity and support direct investment flows, through targeted strategies, and an effectively managed network of foreign trade and investment offices.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: TRADE AND INVESTMENT SOUTH AFRICA					
Number of reports setting out progress with reducing red tape in the processes of the ECIC and EMIA programme	2	1	The branch developed Red-tape memorandum outlining the current challenges and proposed solutions.	N/A	N/A
Number of reports setting out progress in undertaking targeted export promotion and capacity building activities in under-supported Districts	4	1	<p>Report on progress on undertaking targeted export promotion & capacity building activities in under supported districts was developed. The report outlines the following:</p> <ul style="list-style-type: none"> • The Branch provided export awareness & capacity building activities through 5 x Export Awareness Seminars/ Sessions to 137 individuals in the following 5 under supported districts: <ul style="list-style-type: none"> • Kuruman (14 participants) • Upington (14 participants) • Tzaneen (10 participants) • Polokwane (82 participants) • Jane Furse (17 participants) • The branch through EMIA Funding supported 10 companies from the under supported districts to participate in the following events: <ul style="list-style-type: none"> • Bojala (1 participant) • Amalahleni (1 participant) • Kungwini (1 participant) • Umgungundlovu (1 participant) • Kenneth Kuanda (1 participant) • Buffalo City (1 participant) • Metsweding District Municipality (1 participant) • JB Marks Municipality (3 participants) 	N/A	N/A

PROGRAMME 8: INVEST SOUTH AFRICA

Programme 8: Invest South Africa



5 Q1 Planned Targets

4 Achieved

1 Not Achieved

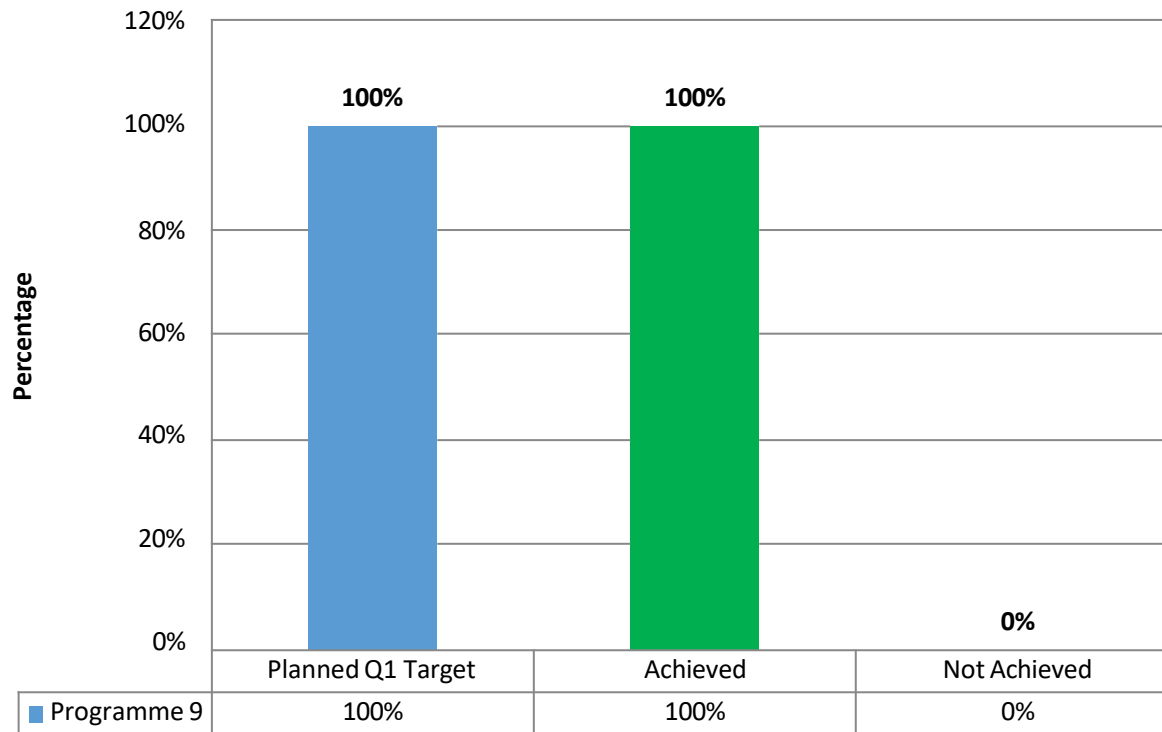
PROGRAMME 8: INVEST SOUTH AFRICA

Programme 8: Increase export capacity and support direct investment flows, through targeted strategies, and an effectively managed network of foreign trade and investment offices.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: INVEST SOUTH AFRICA					
Value (Rand) of investment project pledges facilitated or coordinated	R120bn	R10bn	R1.1bn	The COVID-19 travel restrictions prevented the implementation of the branches' investment project consultations with foreign investors and participation in the key investment promotion events. The branch therefore focused on follow-up engagements with investors who made pledges at the South African Investment Conferences from 2018-22	N/A
Number of Reports on Value (Rand) of pledged investment implemented by companies through construction, procurement of equipment or similar activities.	4	1	1 Report	N/A	N/A
Number of unblockings and fast tracking of investor issues to provide post commitment support to investors	40	10	447	The anticipated number of unblocking's exceeded. Due to unblocking's of company visas	N/A
Number of Reports on red-tape reduction	2	1	1 Report	N/A	N/A
Number of reports setting out progress on the selected regulatory reforms identified	4	1	1 Report	N/A	N/A

PROGRAMME 9: COMPETITION POLICY AND ECONOMIC PLANNING

Programme 9 : Competition Policy and Economic Planning



4 Q1 Planned Targets

4 Achieved

0 Not Achieved

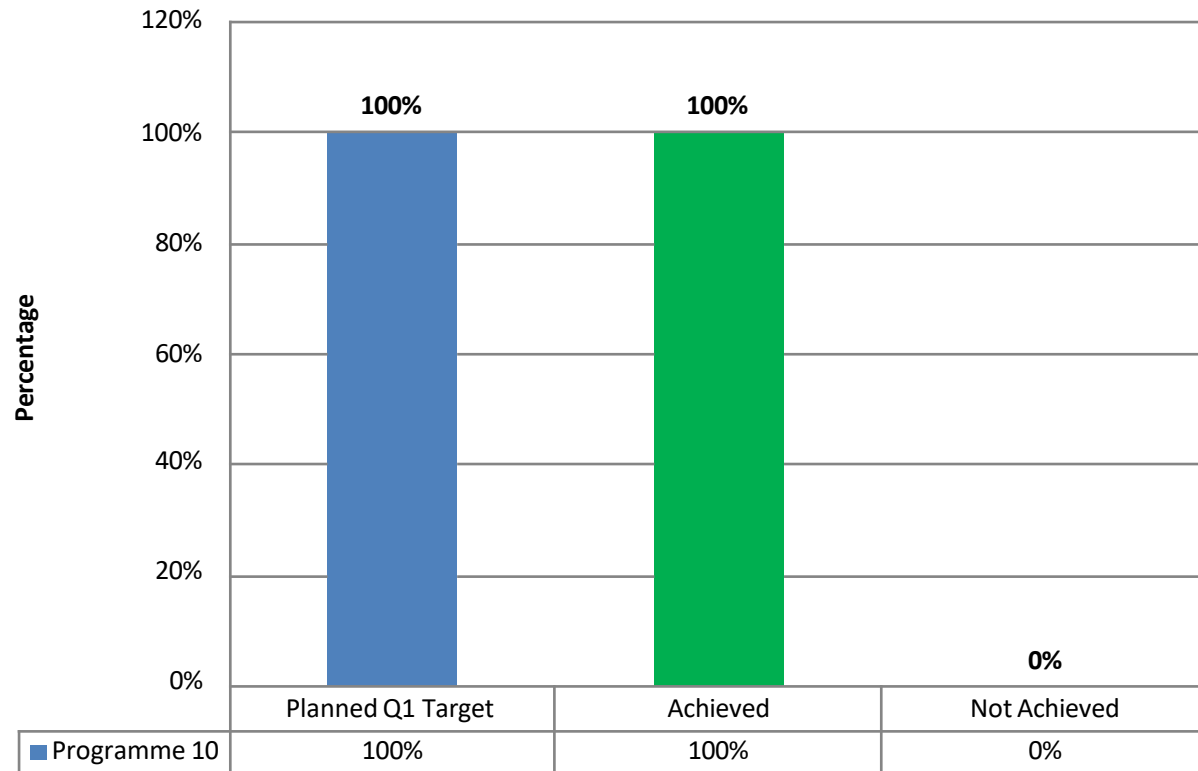
PROGRAMME 9: COMPETITION POLICY AND ECONOMIC PLANNING

Programme 9: Develop and roll out policy interventions that promote competition issues, through effective economic planning, spatial implementation and aligned investment and development policy tools.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: COMPETITION POLICY					
Number of reports setting out progress with public interest conditions in mergers and acquisitions	5	1	1 Report on Public Interest conditions in mergers and acquisitions	N/A	N/A
Number of reports setting out progress in the implementation of merger commitments made in the past five years	5	1	1 Report on the impact of the implementation of public interest conditions, from merger orders wherein the Minister of Trade, Industry and Competition participated in the merger or reached an agreement with merging parties, for the period ending 30 June 2022	N/A	N/A
Number of reports on red-tape reduction	2	1	1 report on red tape reduction	N/A	N/A
Number of reports setting out progress with oversight of competition entities	4	1	Report on analysis of the 4th Quarterly Reports of 2021/22 of the CC and CT; and the quarterly Competition Oversight meeting between the dtic and the Competition Authorities	N/A	N/A

PROGRAMME 10: ECONOMIC RESEARCH

Programme 10 : Economic Research



4 Q1 Planned Targets
4 Achieved
0 Not Achieved

PROGRAMME 10: ECONOMIC RESEARCH

Programme 10: Undertake economic research, contribute to development of trade and industrial policies and guide policy, legislative and strategy processes to facilitate inclusive growth.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: ECONOMIC RESEARCH					
Number of research reports/factsheets produced on Investment, Master Plan sector profiles, Localisation and Exports	17	4	4 reports: 1. Report on progress in the implementation and operationalization of the R-CTFL Master Plan produced. 2. Report on the Master Plan for the South African furniture Industry produced. 3. Master Plan Sectoral Performance Report 2022 Q1 produced. 4. Investment Analysis 2022 Q1 produced.	N/A	N/A
Number of reports on red-tape reduction	2	1	Report on best practice in the international experience of regulatory reform produced.	N/A	N/A
Number of District-level dashboards of the dtic and its entities' interventions developed and maintained	52	10	10 District-level dashboards of the dtic and its entities' interventions developed.	N/A	N/A
Number of opinion pieces published	10	2	1. Opinion piece on "Infrastructure-led growth and youth entrepreneurial development support: Urgent socio-economic priorities for South Africa's economic recovery" produced and published. 2. Opinion piece on "Positioning the local API industry as a regional development and manufacturing hub for the African Continent: Policy considerations produced and published.	N/A	N/A

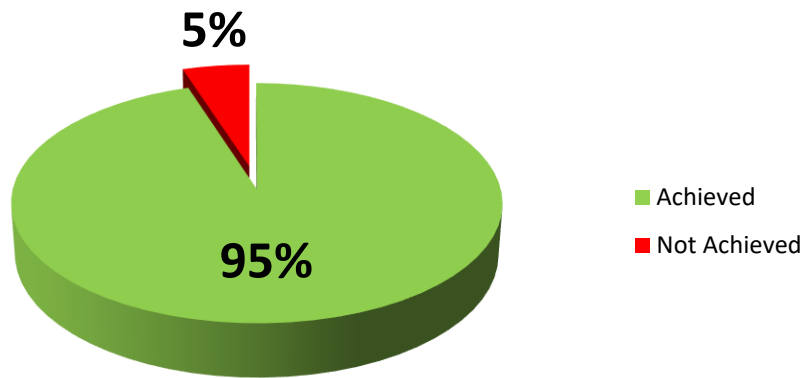
PART 8: SECOND QUARTER APP PERFORMANCE

OVERVIEW OF Q2 DEPARTMENTAL PERFORMANCE PER PROGRAMME



DEPARTMENTAL PERFORMANCE (Q2)

Second Quarter APP Departmental Performance



76 Q2 Planned Targets

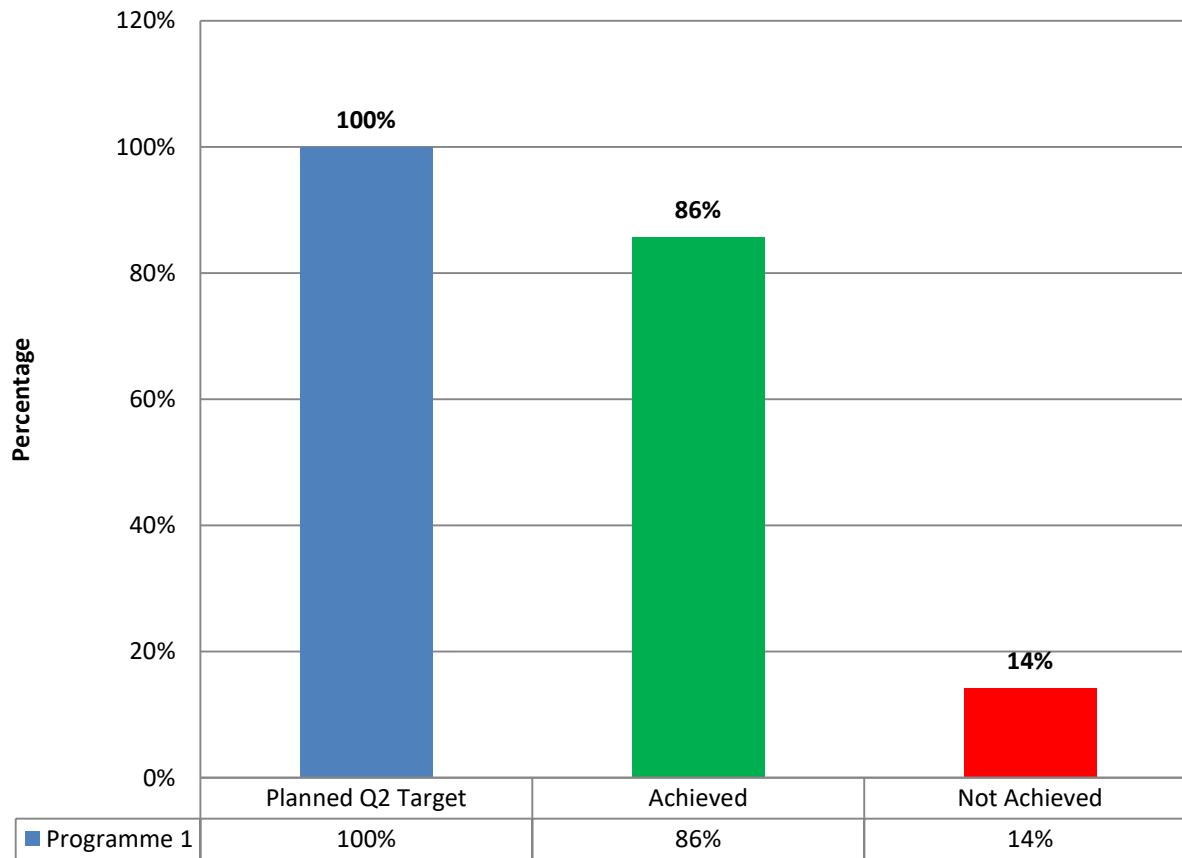
72 Achieved

4 Not Achieved

PROGRAMME	OUTPUT INDICATORS	Q1 TARGET	ACHIEVED
Programme 1: Administration	13	14	12
Programme 2: Trade Policy	11	11	9
Programme 3: Spatial Industrial Development	11	11	11
Programme 4: Industrial Policy	11	11	11
Programme 5: Consumer and Corporate Regulation	4	4	4
Programme 6: Industrial Financing	5	5	5
Programme 7: Trade and Investment South Africa	6	6	6
Programme 8: Invest South Africa	4	4	4
Programme 9: Competition Policy	3	3	3
Programme 10: Economic Research	7	7	7
Total	75	76	72

Programme 2: Administration

Programme 1: Administration



14 Q2 Planned Targets

12 Achieved

2 Not Achieved

Programme 1: Administration

Programme 1: Provide strategic leadership, management and support services to the department.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
Number of analysis plans identifying improvements to IT performance developed	2	1	1	N/A	N/A
Number of reports on the capacitation and consolidation of anti-fraud measures into a fully function anti-corruption unit;	2	1	1	N/A	N/A
Number of Media stories on the work of the dtic published	50	10	38	More communication opportunities	N/A
Number of Factsheets on the dtic services produced	7	2	2	N/A	N/A
Number of reports completed in support of Cabinet and Parliamentary processes.	4	1	1 Report produced in support of Cabinet and Parliamentary processes	N/A	N/A
Number of Action Minutes outlining steps taken to improve the performance of the Monitoring and Evaluation unit;	1	1	1	N/A	N/A

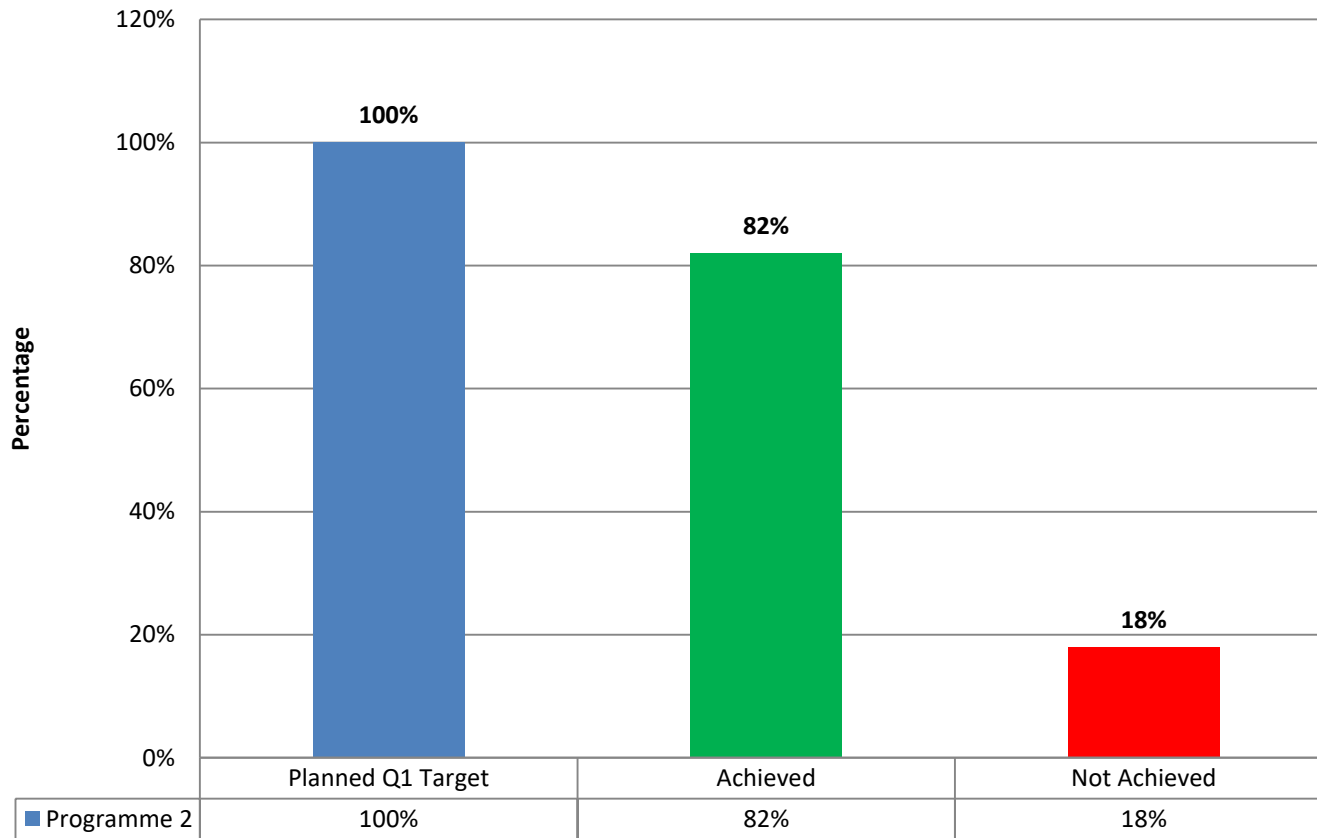
Programme 1: Administration

Programme 1: Provide strategic leadership, management and support services to the department.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
Percentage (%) of People with a Disability employed	3.5%	3.5%	4%	Percentage is based on the current headcount.	N/A
Percentage (%) of Women at Senior Management Service level	50%	50%	53%	Percentage is based on the current headcount.	N/A
Number of interns appointed	31	31	31	N/A	N/A
(%) of procurement approved towards women, youth and PWD owned businesses	25%	25% of procurement approved towards Women, Youth & PWD owned Business	Youth R4,662,810.87 25% Women R11,474,224.72 61% PWD R1,832,427.89 10%	N/A	N/A
A Proposal for the operation and staffing of an Entity Oversight Unit and implementation of improved oversight	1	Study commissioned by ERC	Study not yet commissioned	Further consultations with Branches on the Terms of Reference (ToR)	Revised ToR following the consultation was submitted to ERC with a request for them to commission the study
A Proposal for rationalisation of entities submitted to Minister for consideration	1	Study commissioned by ERC	Study not yet commissioned	Further consultations with Branches on the Terms of Reference	Revised ToR following the consultation was submitted to ERC with a request for them to commission the study
Number of cluster participation and provincial engagement reports (4); and Integrated report on District Spatial Industrial Initiatives (9).	13	1 Report on cluster participation and provincial engagement 2 Integrated report on District Spatial Industrial Initiatives	1 Report on cluster participation and provincial engagement 2 Integrated report on District Spatial Industrial Initiatives	N/A	N/A

Programme 2: Trade Policy

Programme 2: Trade Policy



11 Q2 Planned Targets

9 Achieved

2 Not Achieved

Programme 2: Trade Policy

Programme 2: 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 co-operation in line with the African Union Agenda 2063.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: TRADE POLICY					
A tariff approved by SACU covering 90% of tariffs submitted to AfCFTA and implemented	1	Tariff offer approved by SACU	Report on progress on SACU tariff offer – offer short of 28 tariff lines.	Consensus by SACU on tariff offer yet to be achieved	N/A
Finalisation and submission of SA services offer in 5 priority sectors	1	Finalisation and submission of SA services offer in 5 priority sectors	SA's services offer in 5 priority sectors was finalised and a Cabinet memorandum has been submitted for approval of the offer. Cabinet memo still to serve at ICTS Cluster.	N/A	N/A
Number of Country-proposals on Rules of Origin for clothing products and automobiles	1	Country-proposal on Rules of Origin for clothing products and automobiles;	Country-proposals on Rules of Origin for clothing products and automobiles drafted.	N/A	N/A
Number of progress reports on bilateral initiatives with selected Asian, Latin American and Middle East trading partners;	2	Progress report on bilateral initiatives with selected Asian, Latin American and Middle East trading partners	Report on bilateral initiatives with selected Asian, Latin American and Middle East trading partners prepared.	N/A	N/A
Number of reports setting out progress in the engagements in WTO, G20 and BRICS	8	1	Report prepared on engagement at and outcome of G20	N/A	N/A
Number of reports on legal support provided on issues of relevance to trade and international law	1	Report on legal support on issues of relevance to trade and international law	Report prepared on legal support provided.	N/A	N/A

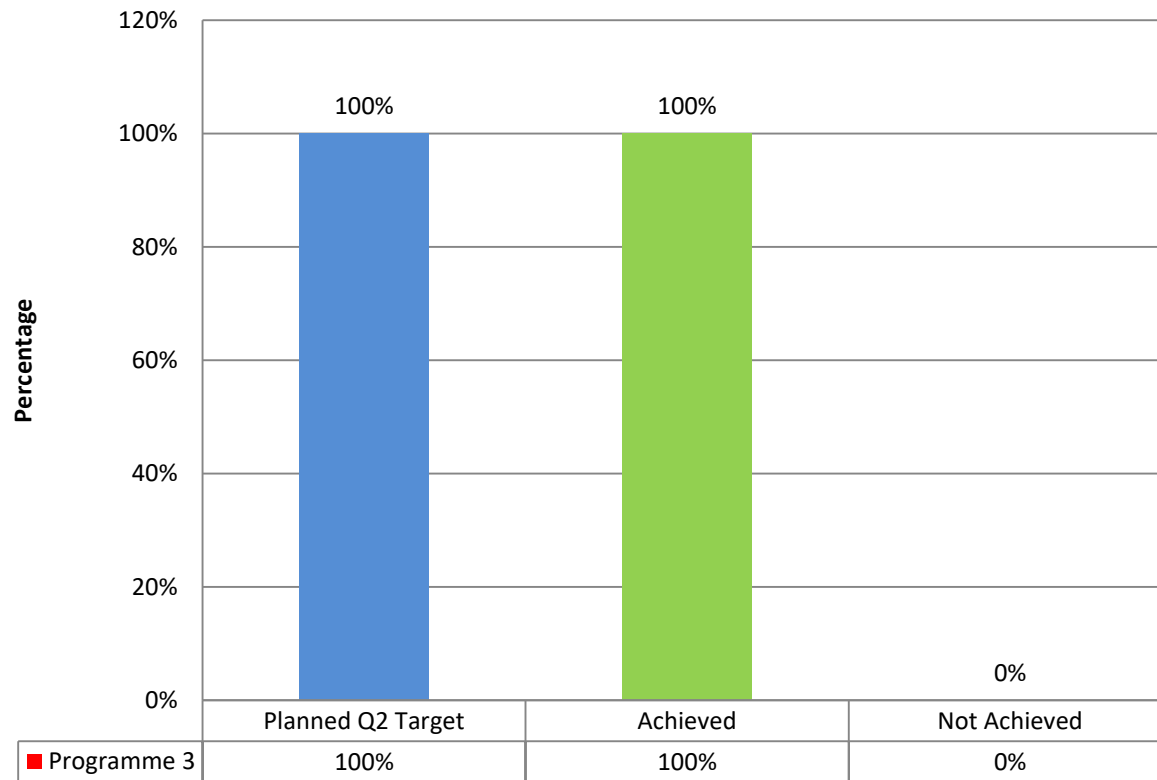
Programme 2: Trade Policy

Programme 2: 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 co-operation in line with the African Union Agenda 2063.

Output Indicator	Annual Targets 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: TRADE POLICY					
Number of action brief to the Executive Authority on trade flows to identify challenges of illegal imports	1	Action briefs setting out the contribution of the State's efforts to combat illegal imports	Briefing prepared on the work of the Inter-Departmental Working Group to combat illegal imports.	N/A	N/A
Number of reports on engagements with social partners at Nedlac and sector level on trade offers	1	Report setting out progress with engaging Nedlac (Teselico) on trade offers and negotiations	Report prepared on setting out progress with engaging Nedlac on tariff offers and negotiations	N/A	N/A
Draft regulations on anti-dumping, safeguard measures and on tariff investigations	3	Submit draft Amended Anti-dumping Regulations to Executive Authority	Draft Regulations submitted to Trade Policy DDG	Draft regulations delayed due to internal consultation in ITAC	N/A
Draft Bill on Patents and full Explanatory Memoranda submitted to Executive Authority and taken through Economic Cluster	1	Draft Patents Bill and full Explanatory Memorandum submitted to Executive Authority for approval and taken through Economic Cluster	Draft Patents Bill and full Explanatory Memo was submitted to and approved by the Economic Cluster. Bill submitted to the Executive Authority but has not yet been approved for submission to Cabinet.	N/A	N/A
Draft Amendment Bill on Designs and full Explanatory Memoranda submitted submitted to Executive Authority and taken through Economic Cluster	1	Draft Design Amendment Bill and full Explanatory Memorandum submitted to Executive Authority and taken through Economic Cluster	Draft Designs Amendment Bill and full Explanatory Memo was submitted to and approved by the Economic Cluster. Bill submitted to the Executive Authority but has not yet been approved for submission to Cabinet.	N/A	N/A

Programme 3: Spatial Industrial Development

Programme 3: Spatial Industrial Development



11 Q2 Planned Targets
11 Achieved
0 Not Achieved

Programme 3: Spatial Industrial Development

Programme 3: Drive economic transformation and increase participation in industrialisation.

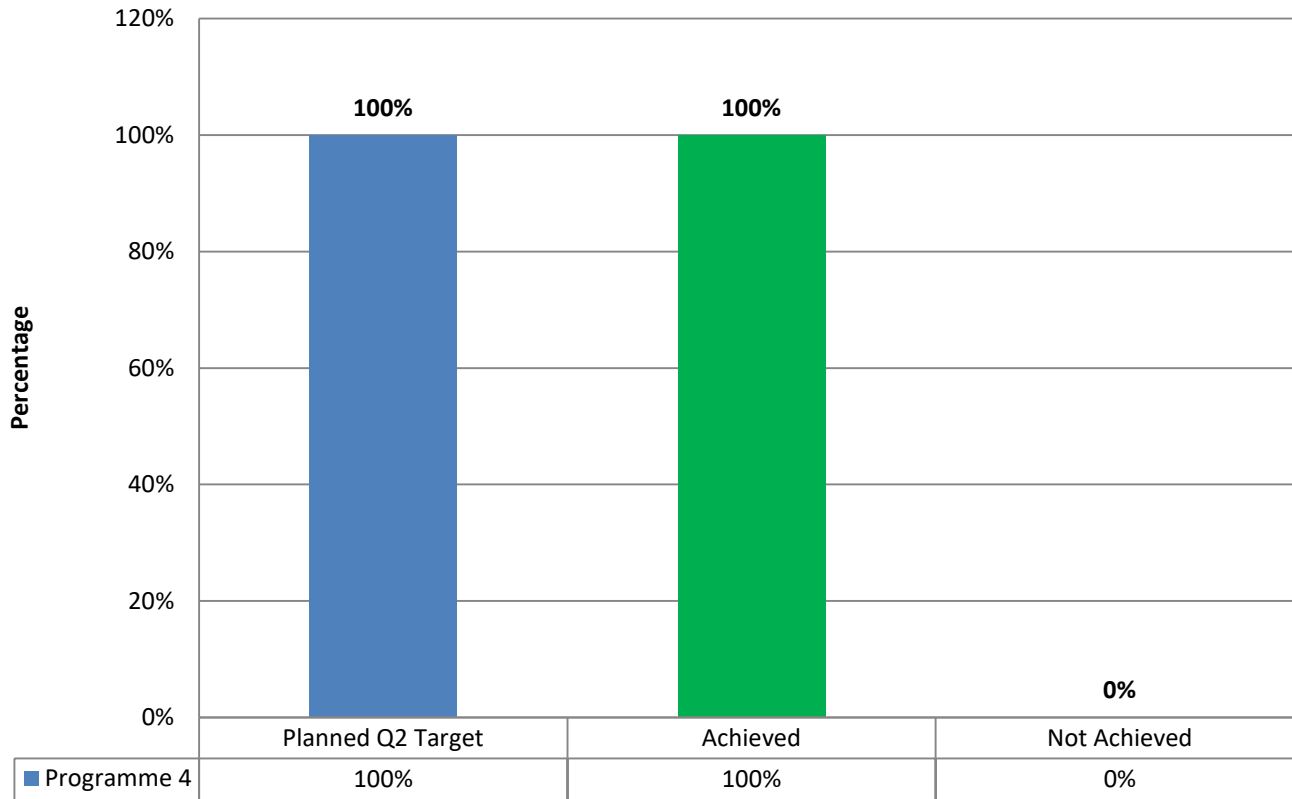
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: SPATIAL INDUSTRIAL DEVELOPMENT					
Draft Framework Documents on reforms to the SEZ and Industrial Park models	Draft Framework Document on reforms to the SEZ and Industrial Parks models	Initial Draft Framework document of the new model on the implementation of SEZs and Industrial Parks developed for consultations	Initial Draft Framework document of the new model on the implementation of SEZs and Industrial Parks finalised and submitted to Minister for approval prior to further external consultations	N/A	N/A
Document mapping the township economy and opportunities for support	Document mapping the township economy and opportunities for support	Initial draft document mapping the township economy and opportunities for support	Draft document setting framework for mapping township economy developed.	N/A	N/A
Number of report on support provided to SEZs and Industrial Parks	2	A report on support provided to SEZs and Industrial Parks	Bi-annual Report produced which captures the support provided to SEZs and Industrial Parks	N/A	N/A
Number of proposals for new SEZ designations, together with business plan, governance arrangements and budget implications, assessed and submitted for consideration	2 proposals for new SEZ designation, with business plan, governance arrangements and budget implications submitted for consideration	Progress report on preliminary assessments from the submitted requests	Bi-annual Report captures progress on preliminary assessments from submitted requests	N/A	N/A
Number of progress reports setting out progress on strengthening the governance and performance of SEZs and industrial parks, including their attraction of private investment	2 Progress reports setting out progress on strengthening the governance and performance of SEZs, including their attraction of private investment	1 Progress reports setting out progress on strengthening the governance and performance of SEZs, including their attraction of private investment	Bi-Annual Report produced which captures the progress on strengthening the governance and performance of SEZs. CEO Forum held in conjunction with the SID national workshop. Framework and report to strengthen performance of IPs through proper governance and operations developed under Agreement with UNIDO & GIZ	N/A	N/A

Programme 3: Spatial Industrial Development

Programme 3: Drive economic transformation and increase participation in industrialisation.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: SPATIAL INDUSTRIAL DEVELOPMENT					
Number of report on support provided to SEZs and Industrial Parks	2	A report on support provided to SEZs and Industrial Parks	Bi-annual Report produced which captures the support provided to SEZs and Industrial Parks	N/A	N/A
Number of proposals for new SEZ designations, together with business plan, governance arrangements and budget implications, assessed and submitted for consideration	2 proposals for new SEZ designation, with business plan, governance arrangements and budget implications submitted for consideration	Progress report on preliminary assessments from the submitted requests	Bi-annual Report captures progress on preliminary assessments from submitted requests	N/A	N/A
Number of progress reports setting out progress on strengthening the governance and performance of SEZs and industrial parks, including their attraction of private investment	2 Progress reports setting out progress on strengthening the governance and performance of SEZs, including their attraction of private investment	1 Progress reports setting out progress on strengthening the governance and performance of SEZs, including their attraction of private investment	Bi-Annual Report produced which captures the progress on strengthening the governance and performance of SEZs. CEO Forum held in conjunction with the SID national workshop. Framework and report to strengthen performance of IPs through proper governance and operations developed under Agreement with UNIDO & GIZ	N/A	N/A

Programme 4: Industrial Policy

Programme 4: Industrial Policy



11 Q2 Planned Targets
11 Achieved
0 Not Achieved

Programme 4: Industrial Policy

Programme 4: Design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness, in both domestic and export markets.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: INDUSTRIAL POLICY					
Number of implementation Reports in 6 sectors, setting out progress against the actions identified in Master Plans and full implementation of financial support packages	30 implementation Reports, setting out progress against the actions identified in Master Plans and full implementation of financial support packages	6 quarterly implementation Reports, setting out progress against the actions identified in Master Plans and full implementation of financial support packages	6 quarterly implementation Reports, setting out progress against the actions identified in Master Plans and full implementation of financial support packages namely: 1) Automotives; 2) Poultry 3) Sugar; 4) Furniture; 5) Steel & Metal Fabrication 6) TCLF	N/A	N/A
Number of implementation Reports setting out progress against priority sectors not covered by a Master Plan	30 implementation Reports setting out progress against priority sectors not covered by a Master Plan	6 quarterly implementation Reports setting out progress against priority sectors not covered by a Master Plan	9 quarterly implementation Reports setting out progress against priority sectors not covered by a Master Plan namely: 1) Aerospace and Defence; 2) Agro Processing; 3) Electro-technical; 4) Chemicals, 5) Cosmetics 6) Plastics 7) Pharmaceuticals 8) Capital and Rail Transport Equipment 9). Construction	1) Capital and Rail Transport Equipment report was reflected within Steel and Metal Fabrication report 2) Chemicals, Cosmetics, Plastics and Pharmaceuticals were reported separately because they are managed independently	N/A
Number of progress report on engagements with Organs of State on an aligned Preferential Procurement Policy	Two bi-annual implementation Reports on engagements with Organs of State on an aligned Preferential Procurement Policy	One bi-annual implementation Reports on engagements with Organs of State on an aligned Preferential Procurement Policy	One bi-annual implementation Reports on engagements with Organs of State on an aligned Preferential Procurement Policy	N/A	N/A

Programme 4: Industrial Policy

Programme 4: Design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness, in both domestic and export markets.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: INDUSTRIAL POLICY					
Cabinet Memorandum with Localisation Dashboard compiled .	Cabinet Memorandum with Localisation Dashboard submitted to Minister	Cabinet Memorandum with Localisation Dashboard submitted to Minister	The Cabinet Memorandum was submitted to Minister via internal processes	N/A	N/A
Number of reports setting out progress on monitoring and evaluating the localisation impact of the dtic initiatives	Two bi-annual implementation Reports setting out progress on monitoring and evaluating the localisation impact of the dtic initiatives	One bi-annual implementation Reports setting out progress on monitoring and evaluating the localisation impact of the dtic initiatives	One bi-annual implementation Reports setting out progress on monitoring and evaluating the localisation impact of the dtic initiatives	N/A	N/A
Number of reports on key beneficiation opportunities within identified value-chains and actions taken to promote the opportunities	4 Quarterly Reports on key beneficiation opportunities within identified value-chains and actions taken to promote the opportunities.	One quarterly Report on key beneficiation opportunities within identified value-chains and actions taken to promote the opportunities.	One quarterly report on key beneficiation opportunities within identified value- chains and actions taken to promote the opportunities	N/A	N/A

Programme 4: Industrial Policy

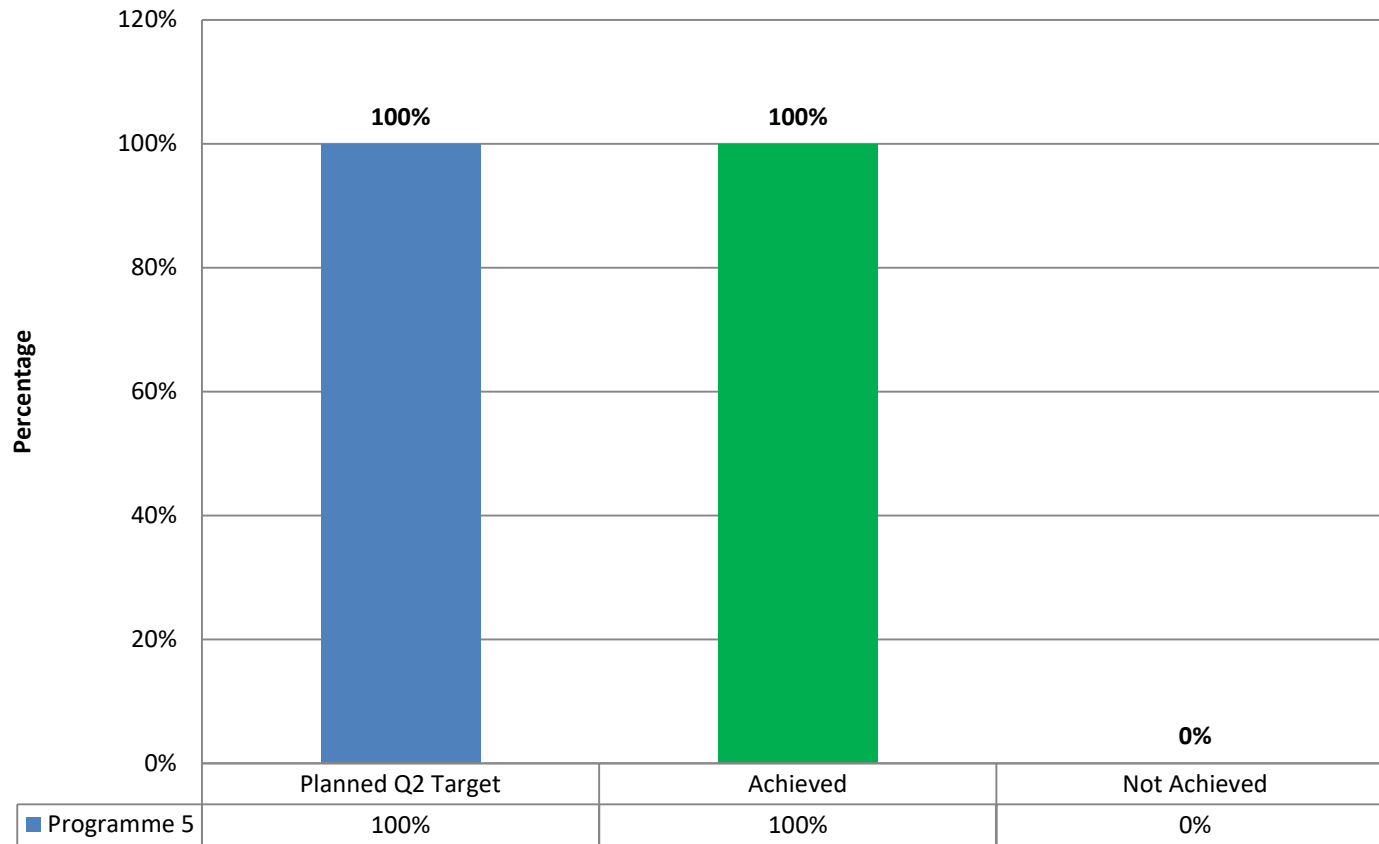
Programme 4: Design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness, in both domestic and export markets.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: INDUSTRIAL POLICY					
Number of reports setting out progress in ensuring industrial capability and security of supply in strategic medical products required particularly for covid-19	2	1	1 report setting out progress in ensuring industrial capability and security of supply in strategic medical products required particularly for covid-19	N/A	N/A
Number of reports setting out progress in greening of industrial sectors.	2	1	1 report setting out progress in greening of industrial sectors	N/A	N/A
Number of report setting out progress to foster greater spatial equity through industrial initiatives	Four quarterly implementation reports, setting out progress to foster greater spatial equity through industrial initiatives.	1	1 quarterly implementation reports, setting out progress to foster greater spatial equity through industrial initiatives	N/A	N/A

Programme 4: Industrial Policy

Programme 4: Design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness, in both domestic and export markets.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: INDUSTRIAL POLICY					
Number of reports improved efficiency of Technical infrastructure institutions, of sector desks;	Four reports on improved efficiency of Technical infrastructure institutions, of sector desks;	One report on improved efficiency of Technical infrastructure institutions, of sector desks	One report on improved efficiency of Technical infrastructure institutions, of sector desks;	N/A	N/A
Number of reports on the development of partnerships and social compacts with entities inside and outside of the dtic;	Two bi-annual reports on the development of partnerships and social compacts with entities inside and outside of the dtic;	1	1 bi-annual report on the development of partnerships and social compacts with entities inside and outside of the dtic;	N/A	N/A

Programme 5: Consumer and Corporate Regulation

Programme 5: Consumer and Corporate Regulation



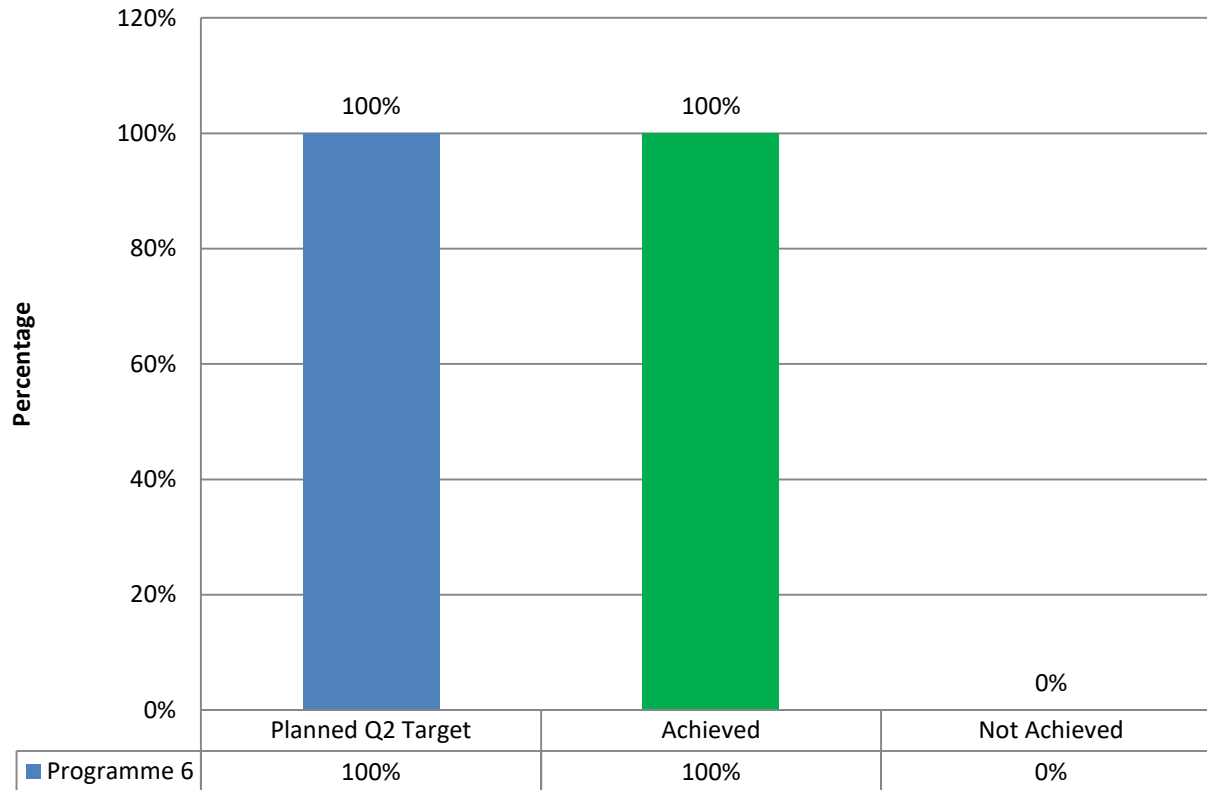
4 Q2 Planned Targets
4 Achieved
0 Not Achieved

Programme 5: Consumer and Corporate Regulation

Programme 5: Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: CONSUMER AND CORPORATE REGULATION					
Number of approved reports setting out the work completed on the Companies Amendment Bill towards corporate governance and worker protection	2	1	1	N/A	N/A
Number of progress reports on the development of the Companies Amendment Bill	2	1	1	N/A	N/A
Number of approved reports setting out the work completed on the National Credit Amendment Bill	2	1	1	N/A	N/A
Number of approved reports setting out progress on the development of proposed measures against alcohol abuse.	2	1	1	N/A	N/A

Programme 6: Industrial Financing

Programme 6: Industrial Financing



5 Q1 Planned Targets

5 Achieved

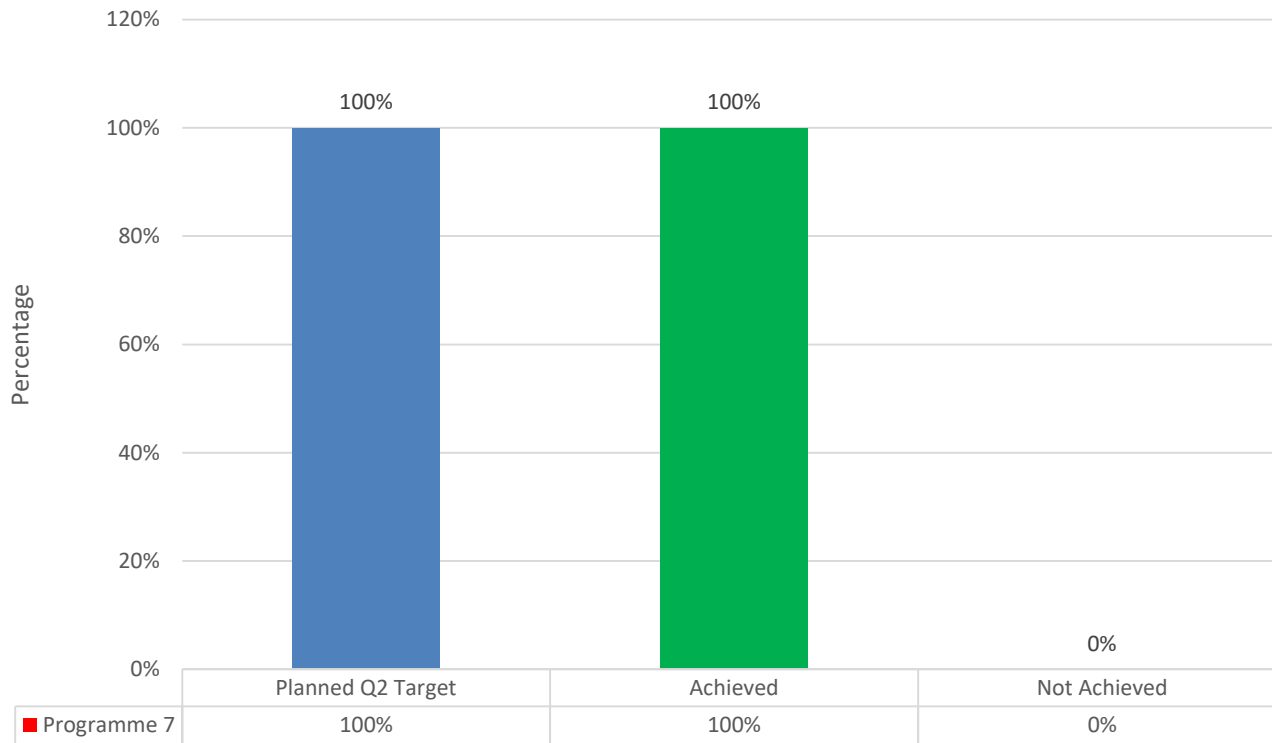
0 Not Achieved

Programme 6: Industrial Financing

Programme 6: Stimulate and facilitate the development of sustainable and competitive enterprises, through the efficient provision of effective and accessible incentive measures that support national priorities.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: INDUSTRIAL FINANCING					
Value (Rand) of projected investments from private sector to be leveraged from projects/enterprises approved	R24 bn*	R3bn	R3,806 bn	Approved AIS and CIP projects resulted in high value of projected investments	N/A
Number of reports setting out progress with support packages developed/amended for the new masterplans in collaboration with DFIs	2	1	A report setting out progress with support packages developed/amended for the new masterplans in collaboration with DFIs	N/A	N/A
Number of reports on red-tape reduction including action minutes setting out progress on developing share services model for the IDC, NEF/ the dtic and Leveraging -support packages with assistance provided by provincial and local government	5	1	1	N/A	N/A
Number of reports setting out progress on support provided to 30 Districts/Metros	2	1	2	N/A	N/A
Number of approved implementation Reports, setting out progress against the actions identified in the two Master Plans: 1. Film Animation 2. Global Business Services	10 Approved implementation reports, setting out progress against the actions identified in the Master Plans (GBS & Animation).	2	1 Film Animation Implementation Report approved by DDG:IFB 1 GBS report setting out the progress against the actions identified in the GBS Master Plan	N/A	N/A

Programme 7: Trade and Investment South Africa

Programme 7: Trade and Investment South Africa



6 Q1 Planned Targets

6 Achieved

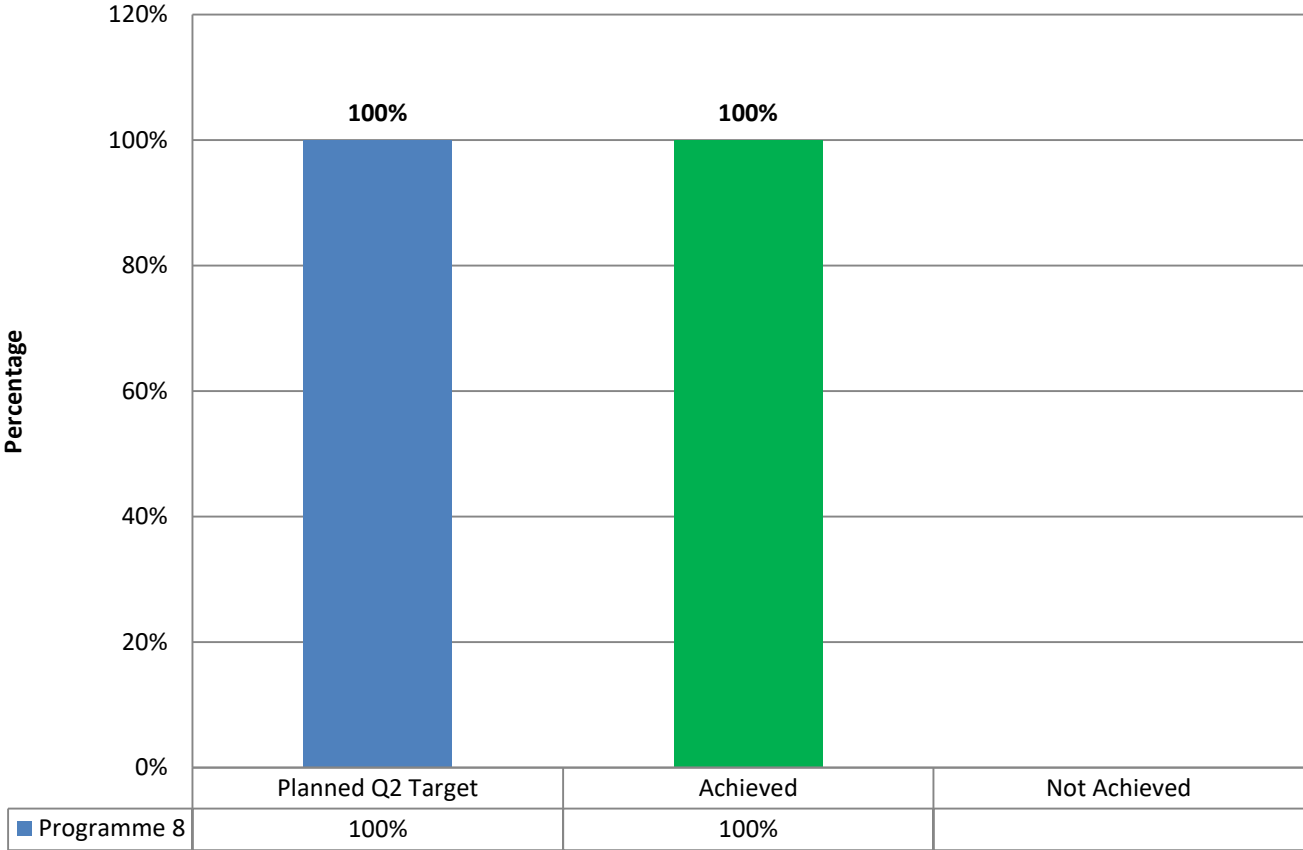
0 Not Achieved

Programme 7: Trade and Investment South Africa

Programme 7: Increase export capacity and support direct investment flows, through targeted strategies, and an effectively managed network of foreign trade and investment offices.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: TRADE AND INVESTMENT SOUTH AFRICA					
Number of progress reports on targeted marketing efforts to African markets	4	1	Report on the targeted marketing efforts to African Markets was developed.	N/A	N/A
Number of reports on hosting business forums in support of state visits	4	1	Report developed on hosting business forums and state visits	N/A	N/A
Number of progress reports on export council compacts	4	1	Report developed on Export Council Compacts	N/A	N/A
Number of reports setting out progress with export promotion and capacity development support to 200 black-, women-, and youth-owned enterprises	4	1	Report was developed on expanding support to black -, women- and youth-owned enterprises in export activities	N/A	N/A
Number of Export Action Plans developed and approved for priority sectors and markets	4	1	Report on launch of processes to establish Export Action Plans in the following four priority sectors: <ul style="list-style-type: none"> • Steel • Agriculture • Furniture • Leather & Footwear 	N/A	N/A
Number of reports setting out progress in undertaking targeted export promotion and capacity building activities in under-supported Districts	4	1	Report developed on progress in undertaking targeted export promotion and capacity building activities in Districts	N/A	N/A

Programme 8: Invest South Africa

Programme 8: Invest South Africa



4 Q2 Planned Targets
4 Achieved

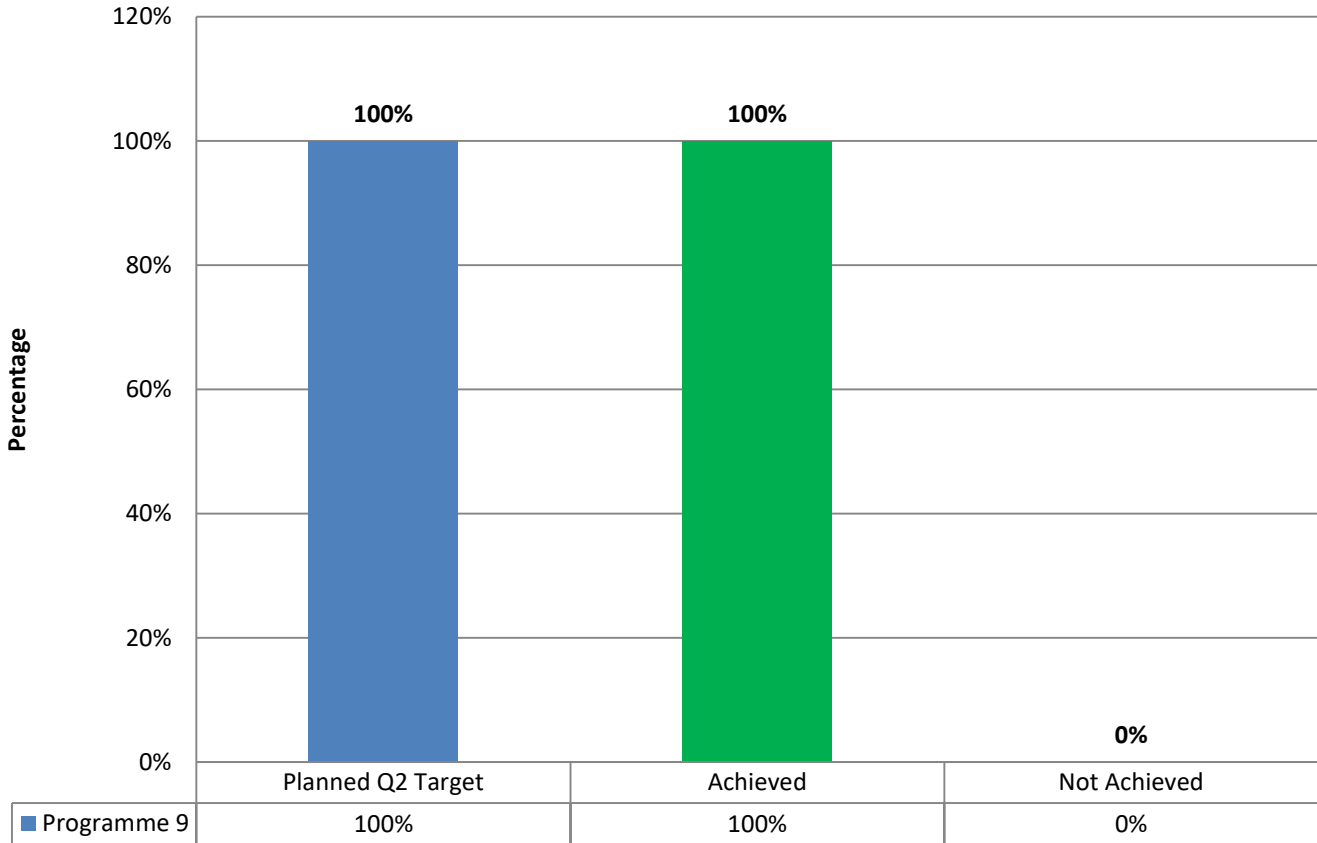
Programme 8: Invest South Africa

Programme 8: Increase export capacity and support direct investment flows, through targeted strategies, and an effectively managed network of foreign trade and investment offices.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: INVEST SOUTH AFRICA					
Value (Rand) of investment project pledges facilitated or coordinated	R120bn	Q2: R20 bn	R20, 348 bn	ISA increased efforts to ensure conversion of investment leads during the reporting period. This includes the R16.8 bn Green Economy investment project	N/A
Number of Reports on Value (Rand) of pledged investment implemented by companies through construction, procurement of equipment or similar activities.	4	1	1 Report	N/A	N/A
Number of unblocking's and fast tracking of investor issues to provide post commitment support to investors	40	10	186	The anticipated number of unblocking's exceeded. Due to unblocking's of company visas	N/A
Number of reports setting out progress on the selected regulatory reforms identified	4	1	1 Report	N/A	N/A

PROGRAMME 9: COMPETITION POLICY AND ECONOMIC PLANNING

Programme 9 : Competition Policy and Economic Planning



3 Q1 Planned Targets

3 Achieved

0 Not Achieved

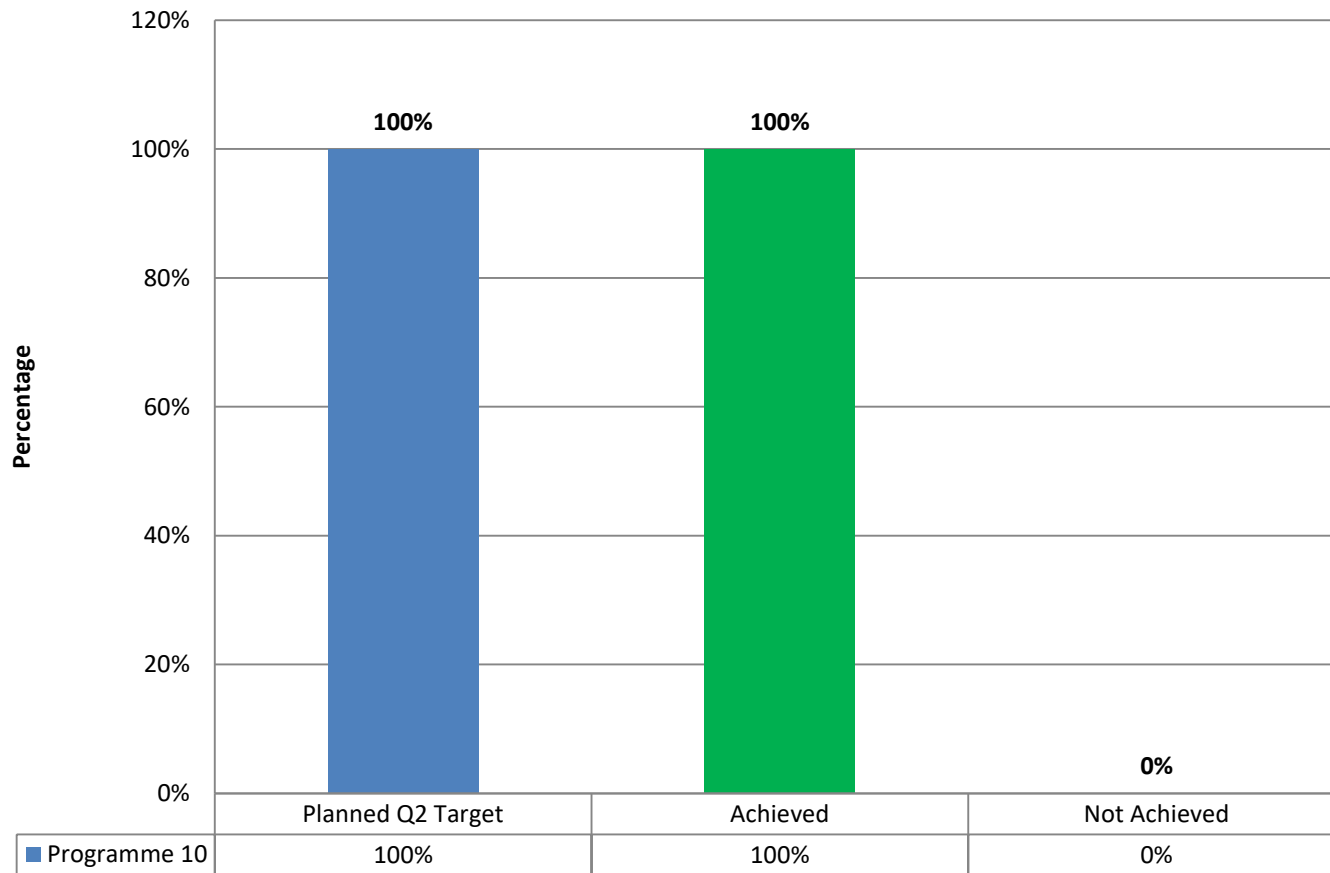
PROGRAMME 9: COMPETITION POLICY AND ECONOMIC PLANNING

Programme 9: Develop and roll out policy interventions that promote competition issues, through effective economic planning, spatial implementation and aligned investment and development policy tools.

Output Indicator	Annual Targets 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: COMPETITION POLICY					
Number of reports setting out progress with public interest conditions in mergers and acquisitions	5	1	1 Report on Public Interest conditions in mergers and acquisitions	N/A	N/A
Number of reports setting out progress in the implementation of merger commitments made in the past five years	5	1	1 Report on the impact of the implementation of public interest conditions, from merger orders wherein the Minister of Trade, Industry and Competition participated in the merger or reached an agreement with merging parties, for the period ending 30 September 2022.	N/A	N/A
Number of reports setting out progress with oversight of competition entities	4	1	3 Report on analysis of the 1 st Quarterly Reports of 2022/23 of the CC and CT; and the quarterly Competition Oversight meeting between the dtic and the Competition Authorities Appointment of two Acting Part-time Competition Tribunal members Report on approval and tabling of the Competition Commission (CC) and Competition Tribunal 's (CT) Annual Reports 2021/22	The Minister appointed two Acting Part-Time members to Tribunal in quarter 2. In terms of the PFMA, the entities' Annual Reports must be tabled in the National Assembly by 30 September.	N/A

PROGRAMME 10: ECONOMIC RESEARCH

Programme 10 : Economic Research



7 Q2 Planned Targets

7 Achieved

0 Not Achieved

PROGRAMME 10: ECONOMIC RESEARCH

Programme 10: Undertake economic research, contribute to development of trade and industrial policies and guide policy, legislative and strategy processes to facilitate inclusive growth.

Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: ECONOMIC RESEARCH					
Number of research reports/factsheets produced on Investment, Master Plan sector profiles, Localisation and Exports	17	6	<ol style="list-style-type: none"> 1. Master Plan Sectoral Performance Report 2022 Q2 produced. 2. Report on progress in the implementation and operationalization of the Automotive Masterplan produced. 3. Factsheet: Enhancing localisation and demand of Electric Vehicles In South Africa produced. 4. Report on the Sugar Industry & Progress made in the implementation of the South African Sugar Value Chain Master Plan 2030 produced. 5. Factsheet: Sustainable Aviation Fuel (SAF) production and its potential impact on the Sugar Industry produced. 6. Investment Analysis 2022 Q2 produced. 	N/A	N/A
Worker Ownership Register developed and maintained	1	1	Employee Stock Ownership Plan (ESOP) register developed.	N/A	N/A
Number of Policy research briefs produced at the request of the dtic branches or the Executive Authority, on areas such as the green economy, digital economy, and rationalization of the dtic entities	3	1	Policy research brief on progress towards the reduction of South Africa's Greenhouse Gas Emissions produced.	N/A	N/A

PROGRAMME 10: ECONOMIC RESEARCH

Programme 10: Undertake economic research, contribute to development of trade and industrial policies and guide policy, legislative and strategy processes to facilitate inclusive growth.					
Output Indicator	Annual Targets for 2022/23	Quarterly Target	Actual Achievement	Reasons for deviation	Corrective action
BRANCH: ECONOMIC RESEARCH					
Number of impact assessments produced at the request of branches or the Executive Authority, providing feedback on the efficacy and impact of the dtic initiatives and measures	3	1	1	N/A	N/A
Number of District-level dashboards of the dtic and its entities' interventions developed and maintained	52	20	20 District-level dashboards of the dtic and its entities' interventions developed.	N/A	N/A
Number of knowledge Networks for capacity building of staff in relevant analytical fields convened	3	1	1	N/A	N/A
Number of opinion pieces published	10	3	1.Opinion Piece on “Energy storage solutions - an opportunity to grow the local battery storage industry” published. 2.Opinion Piece on “ South Africa’s construction sector performance: What could have gone wrong?” published. 3.Opinion Piece on “South Africa’s Scrap Metal Policy: Quo Vadis?” published.	N/A	N/A

PART 9: FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

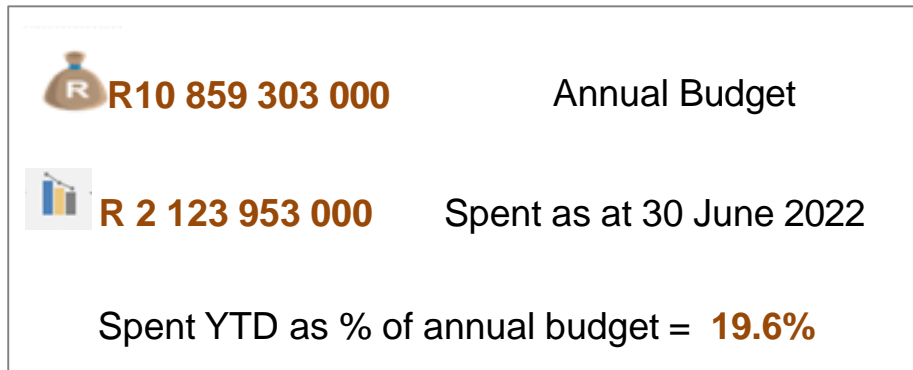


FINANCIAL PERFORMANCE OVERVIEW (Q1)

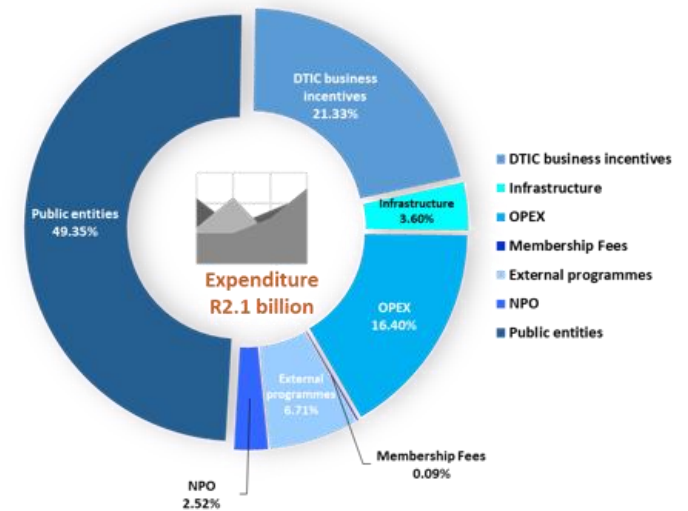
1 April 2022



30 June 2022



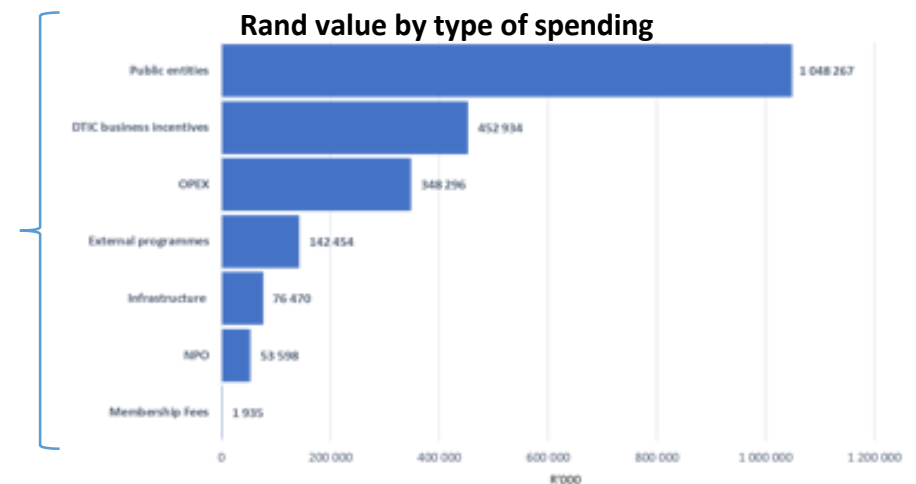
% of expenditure by type of spending



The R2.1 billion spent year to date comprises:

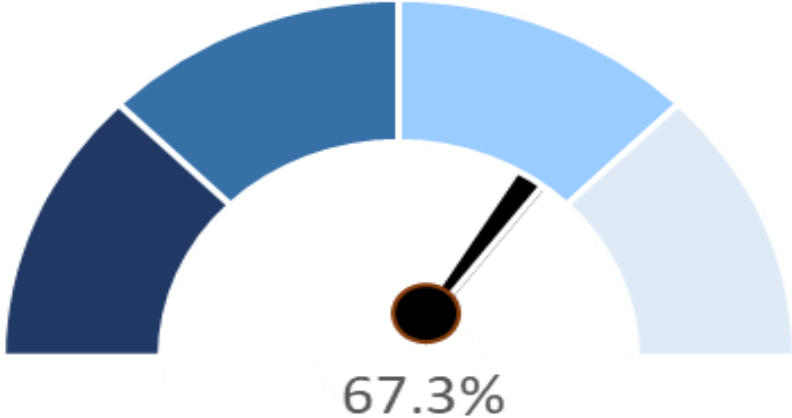
- R1 billion or 49.4% transferred to the public entities, followed by R529.4 million or 24.9% (i.e.. business incentives and infrastructure) disbursed to the beneficiaries across the various incentive programmes.
- R142.4 million or 6.7% disbursed to the various external programmes at the IDC and CSIR; while non-profit organisations and international organisations of which South Africa is a member accounted for R55.5 million or 2.6%.
- Spending on operational costs was R348.2 million or 16.4%.

Rand value by type of spending



COMMENTS ON THE FINANCIAL PERFORMANCE (Q1)

YTD expenditure as % of YTD projections



When compared to the YTD projections of R3.1 billion, spending is R2.1 billion or 67.3%.

While slower-than-projected spending is being reported, the revival of business activities is starting to show such as in-trade negotiations that open new markets or opportunities for SA export, and investment missions to support foreign direct investment flows and promote domestic investment.

In the area of incentive programmes, while R529.4 million in financial support was disbursed to date, slower incentive disbursements are being reported in certain areas as some of the companies were affected by the KwaZulu-Natal floods. Notwithstanding this, 39 projects with a projected total investment value of R8,724 billion across all incentives were approved.

FINANCIAL PERFORMANCE OVERVIEW (Q2)

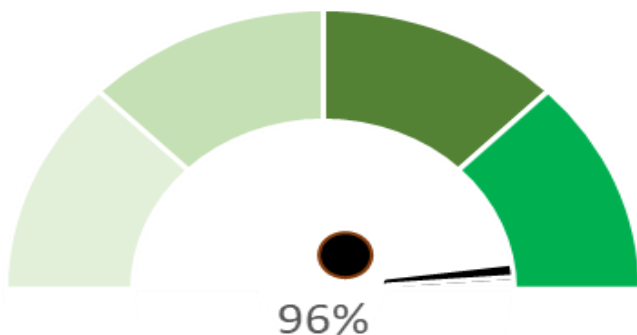
1 April 2022 to 30 September 2022

R10.87 billion Adjusted Budget

R 5.6 billion Spent as at 30 September 2022

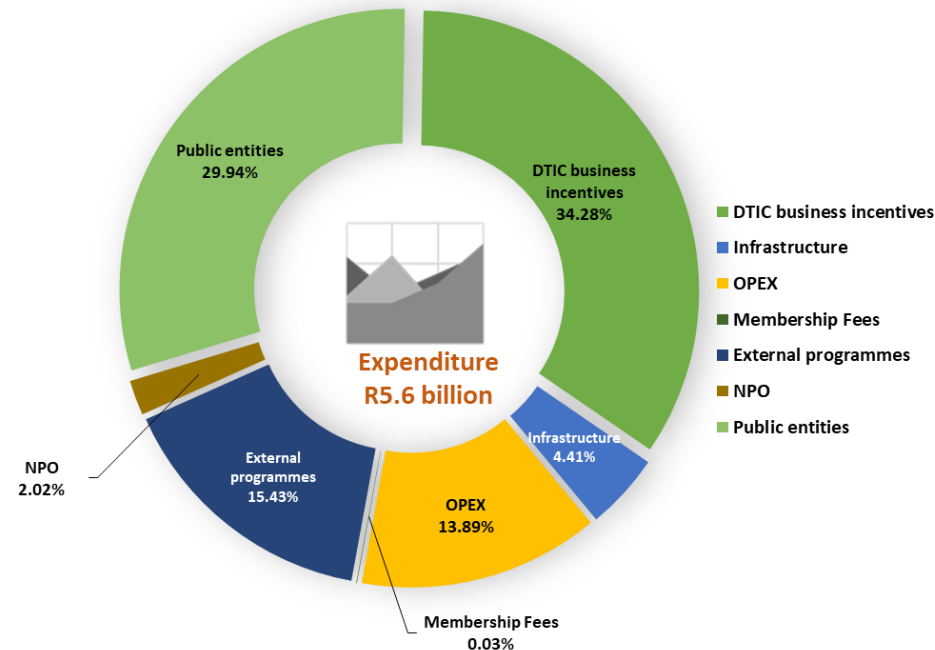
Spent YTD as % of annual budget = **51.5%**

YTD expenditure as % of YTD projections



When compared to the YTD projections of R5.8 billion, spending is R5.6 billion or 96%.

% of expenditure by type of spending



The R5.6 billion spent year to date comprises of:

- R2 billion or 39% (i.e. business incentives and infrastructure) disbursed to the beneficiaries across the various incentive programmes, followed by R1.6 billion or 30% transferred to the public entities.
- R864.7 million or 15% disbursed to the various external programmes at the IDC and CSIR; while non-profit and international organisations (which South Africa is a member) accounted for R115 million or 2%.
- Spending on operational costs was R778 million or 14%.²²⁶

FINANCIAL PERFORMANCE PER PROGRAMME AND ECONOMIC CLASSIFICATION

Description	Adjusted Budget 2022/23	Expenditure as % of budget	Available Budget	% Budget Available	Year-to-date (YTD) 1 April to 30 September 2022			
					Projected expenditure	Actual expenditure	Variance from projected expenditure	% variance from projected expenditure
	R'000		R'000		R'000	R'000	R'000	
Programme 1: Administration	853 461	41,8%	496 321	58,15%	399 635	357 140	42 495	10,6%
Programme 2: Trade Policy	234 733	65,5%	81 065	34,54%	164 227	153 668	10 559	6,4%
Programme 3: Spatial Industrial Development	163 910	42,1%	94 963	57,94%	79 575	68 947	10 628	13,4%
Programme 4: Industrial Policy	1 746 639	99,9%	569 081	32,58%	1 195 525	1 177 558	17 967	1,5%
Programme 5: Consumer and Corporate Regulation	342 878	54,5%	156 118	45,53%	223 683	186 760	36 923	16,5%
Programme 6: Industrial Financing	5 312 890	42,3%	3 064 548	57,68%	2 497 664	2 248 341	249 322	10,0%
Programme 7: Trade and Investment South Africa	355 325	71,1%	102 579	28,87%	111 559	252 746	(141 187)	-126,6%
Programme 8: Invest South Africa	74 288	32,4%	50 249	67,64%	25 762	24 039	1 723	6,7%
Programme 9: Competition Policy	1 744 608	63,8%	631 601	36,20%	1 115 894	1 113 007	2 887	0,3%
Programme 10: Economic Research	50 442	42,7%	28 912	57,32%	25 703	21 530	4 173	16,2%
Total	10 879 174	51,5%	5 275 437	48,49%	5 839 227	5 603 737	235 489	4,0%
Economic classification								
Current payments	1 735 391	44,6%	962 078	51,40%	867 940	773 313	94 627	10,9%
Compensation of employees	1 047 287	47,8%	546 205	52,15%	522 974	501 082	21 892	4,2%
Goods and services	688 104	39,6%	415 873	60,44%	344 966	272 231	72 735	21,1%
Transfers and subsidies	9 130 708	52,9%	4 301 182	47,11%	4 967 065	4 829 526	137 539	2,8%
Incentive payments	5 159 161	42,0%	2 991 233	57,98%	2 417 732	2 167 928	249 804	10,3%
Department entities	2 005 744	83,7%	327 886	16,35%	1 561 154	1 677 858	(116 704)	-7,5%
External Programmes	1 753 516	49,3%	888 742	50,68%	872 543	864 774	7 769	0,9%
Non profit organisations (Partnerships with business associations, NEDLAC)	165 437	68,4%	52 318	31,62%	113 020	113 119	(99)	-0,1%
Membership fees (International organisations)	44 073	4,4%	42 138	95,61%	2 219	1 935	284	12,8%
Households	2 777	140,9%	-1 136	-40,90%	397	3 913	(3 516)	-885,6%
Payments for capital assets	13 074	6,9%	12 177	93,14%	4 222	897	3 325	78,8%
Payments for financial assets	1	0,0%	0	0,00%	-	1	(1)	0,0%
Total	10 879 174	51,5%	5 275 437	48,49%	5 839 227	5 603 737	235 489	4,0%

THANK YOU