Budgetary Review and Recommendation Report of the Portfolio Committee on Trade, Industry and Competition, dated 25 October 2023

The Portfolio Committee on Trade, Industry and Competition, having assessed the service delivery performance of the Department of Trade, Industry and Competition (DTIC), against its mandate and allocated resources, namely the financial and non-financial resources for the period 1 April 2022 to 30 June 2023, reports as follows:

1. INTRODUCTION

For the financial period under review the DTIC focused on attracting and retaining investment; facilitating increased localisation; and increasing exports and supporting regional integration, particularly capitalising on opportunities brought by the African Continental Free Trade Agreement (AfCFTA). The DTIC also supported the implementation of the Economic Reconstruction and Recovery Plan and the Reimagined Industrial Strategy by providing incentives through the automotive incentive scheme, black industrialist programme, agro-processing support scheme, strategic partnership programme, aquaculture development, and enhancement programme, and clothing and textiles competitiveness programme. In addition, the DTIC continued the implementation of its Master Plans.

The DTIC's allocated budget remained under pressure due to fiscal constraints and the slow economic recovery. Its allocated budget has decreased from R11,8 billion in the 2021/22 financial year to R10,9 billion in the 2022/23 financial year. This decrease was mainly due to an additional allocation in the 2021/22 financial year to provide support for businesses affected by the 2021 unrest in KwaZulu-Natal and Gauteng. For the 2022/23 financial year, the DTIC had achieved 97 per cent of its non-financial performance targets, spent 99,6 per cent of its budget and achieved a clean audit outcome.

1.1. Mandate of the Committee

Section 5 of the Money Bills Amendment Procedure and Related Matters Act requires the National Assembly, through its committees, to annually assess the performance of each national department over an 18-month period. A committee must submit a report of this assessment known as a Budgetary Review and Recommendation (BRR) Report. The overarching purpose of the BRR Report is for the committee to make recommendations on the forward use of resources to address the implementation of policy priorities and services, as the relevant department may require additional, reduced or re-configured resources to achieve these priorities and services. This Act gives effect to Parliament's constitutional power to amend the budget in line with the fiscal framework. The BRR Report process enables the Committee to exercise its legislative responsibility to ensure that the DTIC, as well as its entities, are adequately funded to fulfil their respective mandates.

1.2. Purpose of the BRR Report

The purpose of this report is to analyse the annual financial and non-financial performance of the DTIC for the 2022/23 financial year, and for the first quarter of the 2023/24 financial year for the DTIC, against predetermined objectives to inform recommendations for its forward-looking budget. This report, therefore, assesses performance for the 2022/23 financial year, as well as the first three months of the 2023/24 financial year, namely from 1 April 2022 to 30 June 2023, within the context of the three-year Medium-Term Expenditure Framework.

1.3. Method

The Committee met with the Office of the Auditor-General (AG) on 10 October 2023 to discuss the audit outcomes for the 2022/23 financial year. This was followed by a briefing from the DTIC on its 2022/23 annual report and on its financial and non-financial performance for the first quarter of the 2023/24 financial year.

1.4. Limitation of the report

The BRR Report is intended to cover an 18-month period including the previous financial year's annual report and the first six months (April to September) of the current financial year. Due to the timing of the BRR Report, the second quarter financial and non-financial information were not available. The key challenge was that the DTIC and its entities were still in the process of compiling the preliminary performance information, which must be submitted to the Department of Planning, Monitoring and Evaluation and the National Treasury by the end of October. The verified information would only be available in January of the following year. Therefore, the report has only captured performance up to the end of the first quarter of the 2023/24 financial year.

1.5. Outline of the contents of the report

This BRR Report consists of the introduction (Section 1) and eight sections. Section 1 briefly provides an overview of the mandate of the Committee, the purpose of this report, the method followed in preparing this report and the limitation of the report.

Section 2 provides a summary of the key financial and non-financial performance recommendations of the Committee as captured in its previous BRR Report. Section 3 sets out the key policy focus areas for the DTIC. This includes an overview of its strategic objectives and mandate. Section 4 provides an assessment of the DTIC's financial and non-financial performance against its budget allocation from 1 April 2022 to 31 March 2023, as well as its audit findings and human resource management, for the period ending 31 March 2023.

Section 5 considers the financial and non-financial performance of the DTIC for the period ending 30 June 2023. Then, section 6 outlines key issues raised by the Committee during its deliberations with the Department.

Section 7 provides the Committee's concluding remarks followed by a note of appreciation in Section 8. Section 9 then concludes with the Committee's recommendation for the National Assembly's consideration and approval.

2. SUMMARY OF PREVIOUS KEY FINANCIAL AND PERFORMANCE RECOMMENDATIONS OF THE COMMITTEE

2.1. 2022 BRR Report recommendation

The Committee recommended that the House requests that the Minister of Trade, Industry and Competition should consider:

- "Developing a strategy and implementation plan to effectively utilise the current tariff concessions as contained in the African Growth and Opportunity Act as it relates the automotive sector, as well as agricultural and agro-processed goods; and submitting a progress report to the National Assembly within six months after the adoption of the report.
- Finalising the review of the entities' Governance Framework; and reporting to the National Assembly on the status of the Review within six months of the adoption of the report."[1]

2.2. 2023 Budget Vote Report recommendation

The Committee recommended that "the Minister of Trade, Industry and Competition should consider reviewing the various prescribed income sources of the entities falling under his mandate, in accordance with the relevant legislation, with the intention of increasing existing income sources and introducing new ones, where applicable. The Minister should submit a progress report in this regard within six months of the adoption of this report."[2]

3. OVERVIEW OF THE KEY RELEVANT POLICY FOCUS AREAS

3.1. Strategic objectives

The DTIC's mission is to:

- "Promote structural transformation, towards a dynamic industrial and globally competitive economy;
- Provide a predictable, competitive, equitable and socially responsible environment, conducive to investment, trade and enterprise development;

[1] Portfolio Committee on Trade and Industry (2022: 91)

[2] Portfolio Committee on Trade, Industry and Competition (2023: 49)

- Broaden participation in the economy to strengthen economic development;
- Continually improve the skills and capabilities of the DTIC to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens;
- Co-ordinate the contributions of government departments, state entities and civil society to effect economic development; and
- Improve alignment between economic policies, plans of the state, its agencies, government's political and economic objectives and mandate."[3]

From the 2022/23 financial year to the 2023/24 financial year, the DTIC had made several changes to the approach it took in determining key performance indicators (KPIs), as well as in how the programmes within the DTIC were structured. In terms of its KPIs, in the 2022/23 financial year, the DTIC built on the joint KPIs introduced in 2021 to improve integration of the work of the DTIC and its entities. Three succinct outcomes were introduced, namely (i) industrialisation to promote jobs and rising incomes, (ii) transformation to build an inclusive economy, and (iii) a capable state to ensure improved impact of public policies. Each programme's KPIs were linked to one of these three outcomes. During this financial year, the DTIC had maintained its ten programmes.

In the 2023/24 financial year, the DTIC sought to consolidate the gains made over the previous four financial years by realigning its programmes around a set of outputs that would be measured in terms of the real impact they have on jobs, growth and transformation. In this regard, it was piloting an innovative new approach, in partnership with the Department of Planning, Monitoring and Evaluation, that moves away from purely targeted inputs and activities that are easier to audit, removing factors that are beyond the DTIC's control or influence, towards a set of targeted impact outcomes. This approach requires the Annual Performance Plan (APP) to become a dynamic document that can be updated in the light of experience and learnings based on the implementation of the new approach on the delivery of the DTIC Group's services, as well as substantive changes in the underlying assumptions. The approach was discussed in further detail in the Committee's 2023 Budget Vote Report.

The DTIC reduced its number of programmes from ten to nine during the 2023/24 financial year. Each of the DTIC's programmes' targets are linked to at least one of the three abovementioned outcomes and one of the 12 functional focus areas identified in the 2023/24 APP to ensure greater coordination within the DTIC to effectively contribute to the achievement of the outcomes. The name changes and purposes of each programme across the two financial years are outlined in the table below.

[3] DTIC (2022: 14) and (2023a: 12)

Table 1: Changes in the DTIC's programmes from the 2022/23 financial year to the 2023/24 financial year[4]

2022/23 Financial Year		2023/24 Financial Year	
Programme Name	**Purpose**	**Programme Name**	**Purpose**
1: Administration	To provide strategic support and management to the DTIC and its entities	1: Administration	To provide strategic leadership, management and support services to the DTIC
2: Trade Policy	To facilitate the building of an equitable global trading system by strengthening trading and investment relations with key markets globally and fostering African development	2: Trade	To facilitate the building of an equitable global trading system that facilitates development by strengthening trading and investment relations with key markets globally and fostering African development
3: Spatial Industrial Development	To promote inclusive economic transformation and to industrialise the economy through developing and funding Special Economic Zones (SEZs), Industrial Parks, and the Black Industrialists Programme	3: Investment and Spatial Industrial Development	To support foreign direct investment (FDI) flows and promote domestic investment by providing a one-stop shop for investment promotion, investor facilitation and aftercare support for investors, as well as to increase participation in industrialization
8: Invest South Africa	To support FDI flows and domestic investment by providing a one-stop-shop for investment promotion, investor facilitation and aftercare support for investors		
4: Industrial Policy	To design and implement policies, strategies, and programmes to develop the manufacturing and related sectors of the economy to contribute to the creation of decent jobs, add value to manufactured products, and enhance competitiveness in the domestic and export markets	4: Sectors	To design and implement policies, strategies, and programmes to develop the manufacturing and related sectors of the economy contributing to the creation of decent jobs, adding value to manufactured products, and enhancing competitiveness in the domestic and export markets
5: Consumer and Corporate Regulation	To develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens	5: Regulation	To develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens
6: Industrial Financing	To stimulate and facilitate the development of sustainable and competitive enterprises, through the efficient provision of effective and accessible incentive measures that support national priorities	6: Incentives	To stimulate and facilitate the development of sustainable and competitive enterprises, through the efficient provision of effective and accessible incentive measures that support national priorities
7: Trade and Investment South Africa	To increase export capacity and support direct invest flows through targeted strategies	7: Export	To increase South African export capacity, and support direct investment flows through targeted strategies and an effectively managed network of foreign trade and investment offices
9: Competition		8: Transformation	To develop and implement policy interventions that promote

[4] DTIC (2022) and (2023a)

2022/23 Financial Year		2023/24 Financial Year	
Programme Name	**Purpose**	**Programme Name**	**Purpose**
Policy		and Competition	transformation and competition issues through effective economic planning, aligned investment and development policy tools
10: Economic Research		9: Research	To undertake economic research, contribute to development of trade and industrial policies and guide policy, legislative and strategy processes to facilitate inclusive growth

Source: DTIC (2022) and (2023a)

The DTIC is responsible for administering 55 pieces of legislation; and overseeing 17 entities (see Figure 1 below) (excluding the Broad-Based Black Economic Empowerment (B-BBEE) Commission, which is a trading entity within the administration of the DTIC) that contribute towards fulfilling its mandate (see Figure 1 above). On 28 March 2023, the Takeover Regulation Panel was listed as a schedule 3A entity of the DTIC. It will thus be audited from the 2023/24 financial year. In addition to overseeing the DTIC, the Committee oversees these entities, as a number of its strategic objectives are implemented by them.

Figure 1: List of entities reporting to the DTIC

Development Finance Institutions	Regulatory Entities	Technical Infrastructure Institutions
• Export Credit Insurance Corporation of South Africa • National Empowerment Fund • Industrial Development Corporation	• Company and Intellectual Property Commission • Companies Tribunal • Competition Commission • Competition Tribunal • International Trade Administration Commission of South Africa • National Consumer Commission • National Credit Regulator • National Consumer Tribunal • National Gambling Board of South Africa • National Lotteries Commission • Takeover Regulation Panel	• National Metrology Institute of South Africa • National Regulator for Compulsory Specifications • South African Bureau of Standards • South African National Accreditation System

4. OVERVIEW AND ASSESSMENT OF THE FINANCIAL AND NON-FINANCIAL PERFORMANCE FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

This section provides a comparison between what the DTIC targeted in its APP against its performance set out in the Annual Report for the 2022/23 financial year. It then provides an overview of the AG's audit outcomes and human resources as at 31 March 2023.

4.1. Non-financial performance[5]

The section below detailed the DTIC's performance by programme for the 2022/23 financial year against its targets as set out in its APP. For the financial year, the DTIC had a total of 151 KPIs[6]. In the previous financial year, there had been 73 KPIs. Therefore, most of the performance targets for the 2022/23 financial had been new.

Table 2: Summary of 2022/23 KPIs per Programme

Programme		Performance targets	Achieved
1	Administration	26	26
2	Trade Policy	24	21
3	Spatial Industrial Development	17	17
4	Industrial Policy	18	17
5	Consumer and Corporate Regulation	10	10
6	Industrial Financing	11	11
7	Trade and Investment South Africa	13	13
8	Invest South Africa	12	12

[5] DTIC (2022 and 2023b)

[6] DTIC (2022: 9)

9	Competition Policy	9	9
10	Economic Research	11	11
	Total	**151**	**147**

Source: DTIC (2023c: 38)

Of the 151 targets, 147 had been achieved, meaning that the DTIC had achieved 97 percent of its targets compared to 90,4 percent in the previous financial year.

4.1.1 Programme 1: Administration7

For the 2022/23 financial year, 26 indicators/targets had been set under this Programme. All the 26 targets had been achieved or exceeded. The following KPIs were retained from the 20/21/22 financial year:

- 4,2 percent representation of people with disabilities (PWDs) against a target of 3,5 percent. This was an improvement from the 3,5 percent achieved in the previous financial year.
- 55 percent representation of women in senior management against a target of 50 percent. This had improved from50 percent in the previous financial year.

These KPIs had been introduced in the year under review (2022/23). These were as follows:

- The appointment of 31 interns, which had been achieved.
- The target of 25 percent of procurement approved on businesses owned by women, youth, and PWDs had been exceeded, and 44 percent of procurement had been achieved.
- Sixty percent of cases received to be completed up to the final report stage, by the end of the financial year. This target had been exceeded, with 67 percent of cases received having been completed.
- The target of 50 media stories on the work of the DTIC to be published had been exceeded, and 125 stories had been published.
- Seven Factsheets on the DTIC services had been produced as planned.

Other targets had been reports and had all been achieved. These were as follows:

- Recommendations to improve the structure of the DTIC;
- The optimisation of financial resources that actively support the work of the DTIC;
- Implementation of the Organisational Structure and Annual Skills Development Project Plan;
- Achievement of specified turnaround times for Contracts/Memoranda of Agreement/Service Level Agreements, Opinions and Litigation;
- An annual client satisfaction survey had been conducted and a corrective action plan had been produced;
- Improvements to the stability of information technology (IT) platforms, including the resilience of web infrastructure and the use of virtual communications tools;
- A reporting tool to improve oversight of IT performance;
- A report on capacitation and consolidation of anti-fraud measures into a fully functional anti-corruption unit;
- Report on the effectiveness of the DTIC communications in communities and industry;
- Four reports had been completed in support of Cabinet and Parliamentary processes;
- A report on the red-tape reduction activities;
- Finalisation, approval, and implementation of the oversight framework;
- A proposal for the operation and staffing of an Entity Oversight Unit and implementation of improved oversight;
- A proposal for rationalisation of entities had been submitted to the Minister for consideration;
- Number of status reports on the implementation of the Shared Services Framework covering the DTIC and selected entities;
- Thirteen cluster participation and four provincial engagement reports; and an Integrated report on nine District Spatial Industrial Initiatives; and
- A status report to the Executive Authority on implementation of social compact commitments; and engagements with National Economic Development and Labour Council (NEDLAC).

4.1.2 Programme 2: Trade Policy[8]

[7] DTIC (2023b: 49-54)

[8] DTIC (2022a: 58-64)

The Programme has two sub-programmes, namely: International Trade Development (bilateral and multilateral trade relations and agreements) and African Multilateral Economic Development (multilateral African trade relations for deepening regional integration).[9] There had been24 outputs/targets for the 2022/23 financial year compared to six in the previous financial year. All the targets had been new, therefore, the performance could not be compared to the previous financial year. All targets had been achieved, these were:

- A tariff offer approved by the Southern African Customs Union (SACU) covering 90 percent of tariffs had been submitted to the AfCFTA and had been implemented;
- Finalisation and submission of South African services offered in five priority sectors;
- Three country proposals on Draft Protocols on Investment, Competition and Intellectual Property;
- One country proposal on Rules of Origin for clothing products and automobiles;
- A progress report on bilateral engagement with ten countries on Services Offer in five priority sectors;
- A progress report on the Review of the Southern African Development Community-European Union Economic Partnership Agreement;
- Two progress reports on the United States' African Growth and Opportunity Act (AGOA);
- Two progress reports on bilateral initiatives with selected Asian, Latin American, and Middle East trading partners;
- One progress report setting out support for State Visits and other international engagements;
- Eight reports setting out progress in the engagements in the World Trade Organisation, G20, and on Brazil, Russia, India, China, and South Africa (BRICS);
- An evaluation report on tariff recommendations made by the International Trade Administration Commission of South Africa (ITAC);
- A report on social compacts had been developed to promote the DTIC's strategic objectives, such as competitiveness and jobs;
- A report on legal support had been provided on issues of relevance to trade and international law;
- An action brief to the Executive Authority on trade flows to identify challenges of illegal imports;
- A report to the Executive Authority setting out progress in engagements at SACU;
- A report on engagements with social partners at NEDLAC and sector level on trade offers;
- Three draft regulations on anti-dumping, safeguard measures, and tariff investigations;
- Two reports on the red tape reductions and streamlining processes;
- A report setting out progress in the review of the International Trade Administration Act (Act No. 71 of 2002);
- A report evaluating the impact of trade policy on industrialisation and transformation;
- A report on contribution to trade policy strategy in emerging areas like the Green Economy;
- A report considering the impact of trade policy decisions on firms located in different Districts and SEZs, townships, and industrial parks;
- A Draft Bill on Patents and full Explanatory Memorandum had been submitted to the Executive Authority and taken through the Economic Cluster; and
- A Draft Amendment Bill on Designs and full Explanatory Memorandum had been submitted to the Executive Authority and taken through the Economic Cluster.

4.1.3 Programme 3: Spatial Industrial Development[10]

The the program had three sub-programmes, namely Enterprise Competitiveness, Equity and Empowerment, and Spatial Industrial Development.[11] A total of 17 targets had been set for the financial year. In the 2021/22 financial year, this programme had eight targets. The targets set for the 2022/23 financial year, had all been new and had been achieved, namely:

- Draft Framework Documents on reforms to the SEZ and Industrial Park models;
- Document mapping the township economy and opportunities for support;
- A report setting out progress with the development of the spatial industrial development framework;
- Two reports on support that had been provided to SEZs and Industrial Parks;

[9] DTIC (2022: 45)

[10] DTIC (2022a: 69-73)

[11] DTIC (2022: 59)

- Two proposals for new SEZ designations, together with a business plan, governance arrangements, and budget implications, had been assessed and submitted for consideration;
- An Annual Report on SEZs and Industrial Parks;
- A submission on SEZ and Industrial Parks funding had been prepared for the National Treasury;
- Two progress reports setting out progress on strengthening the governance and performance of SEZs and Industrial parks, including their attraction of private investment;
- Four reports classifying the work of the DTIC at the District level and work across 52 Districts/Metros;
- Four reports identifying private sector industrial nodes at the District level;
- Review of the B-BBEE Framework, together with recommendations, in the form of a Report to the Executive Authority;
- Annual report on the participation of B-BBEE beneficiaries in the economy including workers, women, PWDs, and youth;
- Four reports setting out progress on monitoring and implementation of Equity Equivalent Investment Programmes, Sector Charters, and BEE Codes;
- A progress report on facilitating the participation of firms from different Districts, SEZs, and Industrial Parks in trade and investment promotion initiatives;
- A report identifying and facilitating localisation opportunities for Districts, SEZs, and Industrial Parks;
- A report on initiatives developed to support the Green Economy through SEZs and Industrial Parks; and
- Two progress reports on red-tape reduction.

4.1.4 Programme 4: Industrial Policy[12]

The 18 targets for this Programme had been new targets for the financial year, of which 17 had been achieved. The achieved targets were:

- A total of 30 progress reports on the implementation of the Master Plans including the Automotive Sector; Poultry; Sugarcane Value chain; Steel and Metal Fabrication; Furniture; and Retail Clothing, Textiles, Footwear, and Leather Master Plans;
- Thirty reports setting out progress against priority sectors not covered by a Master Plan, namely Aerospace and Defence; Agro-processing and Resources; Electrotechnical Industries and White Goods; Chemicals, Cosmetics, Plastics and Pharmaceuticals; Capital and Rail Transport Equipment; and Construction;
- Inputs on the Draft Procurement Bill had been submitted to the Minister;
- Two progress reports on engagements with Organs of State on an aligned Preferential Procurement Policy;
- A Cabinet Memorandum with Localisation Dashboard had been compiled;
- Two reports setting out progress on monitoring and evaluating the localisation impact of the DTIC initiatives;
- Four reports on key beneficiation opportunities within identified value chains and actions taken to promote the opportunities;
- Two reports setting out progress in ensuring industrial capability and security of supply in strategic medical products required particularly for the Covid-19 virus;
- The Green Hydrogen Commercialisation Strategy had been published;
- Two reports setting out progress in greening of industrial sectors;
- A register of industrial projects and Programme initiatives by District had been developed;
- Four reports setting out progress to foster greater spatial equity through industrial initiatives;
- Four reports on building staff capability on industrialisation;
- Two reports on Red-tape reduction;
- Four reports on improved efficiency of technical infrastructure institutions, and sector desks;
- A report on providing capacity-building support to entities in supported sectors; and
- Two reports on the development of partnerships and social compacts with entities inside and outside of the DTIC.

The target that had not been achieved was the publishing of the New Energy Vehicle (NEV) roadmap, which, according to the DTIC, had not been achieved due to outstanding commitments from certain departments and stakeholders, such as the National Treasury.

[12] DTIC (2023b: 78-82)

4.1.5 Programme 5: Consumer and Corporate Regulation[13]

There had been ten targets under this programme, which had all been new targets. These had all been achieved. They include:

- Two approved reports setting out the work completed on the Companies Amendment Bill towards corporate governance and worker protection;
- Two reports on the development of the Companies Amendment Bill;
- Two approved reports setting out the work completed on the National Credit Amendment Bill;
- Two approved reports setting out progress on the development of proposed measures against alcohol abuse;
- Two reports setting out the work completed on the National Gambling Amendment Bill;
- A report setting out a proposal on legislation to be migrated;
- Two reports on red-tape reduction;
- A report on key legislation under review and preliminary proposals;
- A report had been approved setting out steps taken on ease of compliance; and
- A report setting out steps taken and the results thereof, on evaluating and improving the impact of the DTIC regulations on localisation, jobs, exports, and investment.

4.1.6 Programme 6: Industrial Financing[14]

For the 2022/23 financial year, 11 targets had been planned compared to nine in the previous financial year. Of the 11 targets, 10 had been new targets. The one target that existed in the previous financial year related to the leveraging of investment, worth approximately R24 billion, from approved projects and enterprises. This target had been achieved, and the DTIC had leveraged R42,2 billion worth of investment. This had been almost double the target and almost double the investment leveraged in the previous financial year.

The other targets that had been achieved were:

- R5,2 billion of support packages had been disbursed against a target of R5 billion;
- Two Social Compact Documents on commitments by firms on local industrial outputs, export promotion, employment and transformation;
- Two reports setting out progress with support packages developed/amended for the new master plans in collaboration with the development finance institutions;
- Five red-tape reduction reports including action minutes setting out progress on developing a shared services model for the Industrial Development Corporation (IDC), National Empowerment Fund (NEF) and the DTIC, and Leveraging support packages with assistance provided by provincial and local government;
- Two reports setting out progress on support provided to 30 Districts/Metros;
- Two reports setting out progress in achieving R500 million per annum of industrial financing support towards black industrialists, women- and youth-owned enterprises; through the processing of at least 100 applications;
- Two reports on the value of projected locally procured goods and services across all approved support packages and disbursement including evaluation of localisation;
- Five approved enterprises/projects supporting green economy initiatives;
- 35 local productions of films and documentaries telling South African stories had been approved against a target of 10; and
- Ten approved implementation Reports, setting out progress against the actions identified in the Film Animation, and Global Business Services Master Plans.

4.1.7 Programme 7: Trade and Investment South Africa[15]

The targets under this Programme had increased from six in the previous financial year to 13 in the 2022/23 financial year. The 13 targets, which had all been achieved, were mainly reports to be produced, namely:

- Four progress reports on targeted marketing efforts to African markets;
- An Impact Report on successes with increased exports and data on exports to selected African markets;
- A Framework (document) on the work of Foreign Economic Representatives had been developed;

[13] DTIC (2023b: 86-88)

[14] DTIC (2023b: 94-96)

[15] DTIC (2023b: 100-103)

- An Impact Report on the work of the export networks;
- Four reports on hosting business forums in support of state visits;
- An impact report on export partnerships;
- Four progress reports on export council compacts;
- Four reports setting out progress with export promotion and capacity development support to 200 black-, women-, and youth-owned enterprises;
- A Report on progress on the development of a Cooperation Agreement with the Export Credit Insurance Corporation of South Africa (ECIC), the IDC, and the NEF to provide structured support to emerging exporters;
- Four Export Action Plans had been developed and approved for priority sectors and markets;
- An impact report on red-tape reduction;
- Two reports setting out progress with reducing red-tape in the processes of the ECIC and Export, Marketing, and Investment Assistance (EMIA) programme; and
- Four reports setting out progress in undertaking targeted export promotion and capacity-building activities in under-supported Districts.

4.1.8 Programme 8: Invest South Africa[16]

A total of 12 targets had been planned under this Programme. In the previous financial year, there had been five planned targets. The 12 outputs that had been achieved were:

- The DTIC had facilitated an investment projects pipeline of R129,9 billion against a target of R120 billion;
- Four reports on the Value (Rand) of pledged investment implemented by companies through construction, procurement of equipment, or similar activities had been produced as planned;
- Provided support to investors by unlocking and fast-tracking 260 investor issues against a target of 40;
- Two reports on red-tape reduction;
- A report setting out progress on the BizPortal enhancements and improved company registration process;
- Four reports setting out progress on the selected regulatory reforms identified;
- A report setting out progress on support to the Presidency Red-Tape Reduction Office;
- A report setting out progress on the evaluation of localisation, jobs, and export values created by supported investment projects;
- A report setting out progress against the development of investor compacts that support black industrialists, women- and youth-owned enterprises, and small enterprises;
- A report setting out progress against the investment promotion support provided to SEZs, industrial parks, district policymakers, and township enterprises;
- A report setting out progress on Support for and work with the Presidency Investment and Infrastructure Office; and
- A report setting out progress on work undertaken with provinces and local government on investment promotion.

4.1.9 Programme 9: Competition Policy[17]

The nine performance targets, which had all been achieved, were:

- Five reports setting out progress with public interest conditions in mergers and acquisitions.
- Five reports setting out progress in the implementation of merger commitments made in the past five years;
- A report on the portfolio of sectors to be considered by the Executive Authority for market inquiries;
- Two reports setting out progress with the recommendations and findings of Past market inquiries, Recommendations and findings of the Economic Concentration Report, and securing inputs from firms and government entities in market inquiries;
- A report setting out the results of the Review of the Competition Policy framework and regulatory reforms;
- Two reports setting out progress with mainstreaming competition work in master plans, AfCFTA negotiations, green economy, exports, and spatial development;
- Two reports on red-tape reduction;
- Four reports setting out progress with oversight of competition entities; and

[16] DTIC (2023b: 106-109)

[17] DTIC (2023b: 116-120)

- A report on the implementation of the Social and Solidarity Economy policy framework.

4.1.10 Programme 10: Economic Research[18]
For the 2022/23 financial year, the Programme had 11 output indicators/targets, which had all been new targets set. All output indicators had been achieved, namely:
- Seventeen research reports/factsheets had been produced on Investment, Master Plan sector profiles, Localisation and Exports;
- One Worker Ownership Register had been developed and maintained;
- One Localisation and jobs impact monitoring system had been supported;
- Three Policy research briefs had been produced at the request of the DTIC branches or the Executive Authority, on areas such as the green economy, digital economy, and rationalisation of the DTIC entities;
- Two reports on red-tape reduction;
- Three impact assessments had been produced at the request of branches or the Executive Authority, providing feedback on the efficacy and impact of the DTIC initiatives and measures;
- Fifty-two District-level dashboards of the DTIC and its entities' interventions had been developed and maintained;
- Two reports on work completed on the integration of the DTIC efforts on industrialisation and transformation at district levels;
- Three Knowledge Networks for capacity building of staff in relevant analytical fields had been convened;
- Ten opinion pieces had been published; and
- A Programme had been agreed with higher education institutions.

4.2. Financial performance
4.2.1 Allocated Budget for the 2022/23 Financial Year
The DTIC had been allocated R10,8 billion for the 2022/23 financial year, down from R11,8 billion in the 2021/22 financial year. The decrease was a result of the R1,3 billion allocation that the DTIC had received in the previous financial year to mitigate the impact of the COVID-19 pandemic and the July 2021 unrest. Without that allocation in the observed financial year, the appropriation appears to have decreased.

The original appropriation budget had been divided according to the ten programmes of the DTIC, namely the:
- Administration Programme (R943,9 million)
- Trade Policy Programme (R241,2 million)
- Spatial Industrial Development Programme (R189,3 million)
- Industrial Policy Programme (R1,8 billion)
- Consumer and Corporate Regulation Programme (R350,8 million)
- Industrial Financing Programme (R5,0 billion)
- Trade and Investment South Africa Programme (R441,3 million)
- Invest South Africa Programme (R79,9 million)
- Competition Policy Programme (R1,7 billion)
- Economic Research Programme (R60,9 million)

However, because of adjustments and virements, the appropriation to programmes had changed during the financial year, as discussed below.

4.2.1.1. Virements
The virements had been from eight programmes to two programmes, the Industrial Financing Programme and the Trade and Investment South Africa Programme. Under the Industrial Financing Programme, the DTIC stated that the additional funds through the virement had been for *"the revival of economic activities, which resulted in an increased uptake by applicants and claimants of the Global Business Processes, Automotive Incentive Scheme and Critical Infrastructure Programme, as well as alternative energy support to businesses affected by loadshedding"*[19]. While the virement to the Trade and Investment South Africa Programme was *"to cover expected vouchers from the*

[18] DTIC (2023b: 124-129)

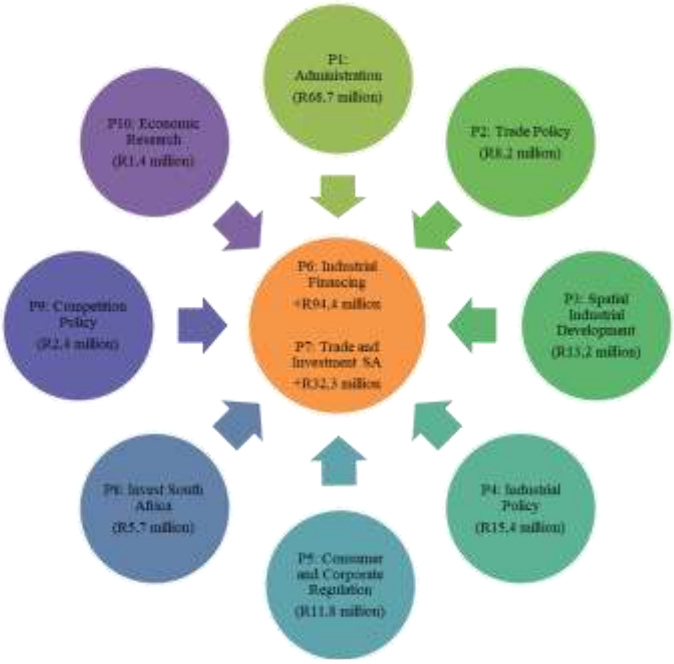
[19] DTIC (2023b: 22)

foreign mission offices in respect of accommodation and associated costs for the foreign economic representatives"[20].

Furthermore, it had been possible to transfer funds from the other eight programmes because of less than expected expenditure during the financial year due to vacant posts and the use of virtual platforms for some business meetings and engagements rather than physical meetings hence the cost of hosting events had been reduced. On Programme 8: Invest South Africa, however, the reason for excess funds had been different, the DTIC stated that "*Compliance documentation that was yet to be received on some of the provincial one-stop shops, which are required before payments are made"*[21] had led to an excess of R5,7 million which had been transferred to the abovementioned programmes through a virement.

The virements within programmes are shown in Figure 2 below:

Figure 2: DTIC Virements between programmes: 2022/23 Financial Year



Source: Madalane (2023a)

4.2.2 Financial Performance by Programme

During the 2022/23 financial year, the budget had been adjusted upward by R54,3 million resulting in a final appropriation of R10,9 billion. Of that appropriated budget, the DTIC had spent approximately R10,8 billion of the allocated R10,9 billion. This equated to an overall expenditure of 98,9 percent of the budget, a slight improvement from the previous financial year's expenditure of 98,3 percent. Underspending had been minimal at R115,1 million (or 1,1 percent). Expenditure in nine of the ten programmes had been between 95,5 percent and 99,9 percent of the programmes' allocations. Only one programme, Invest South Africa had incurred significant underspending of approximately 18,6 percent of the programme's allocation. In terms of under-expenditure by Rand value, the key contributors had been Industrial Financing (R48,3 million); Administration (R35,3 million); Invest South Africa (R12,9 million); and Spatial Industrial Development (R6,6 million) Programmes.

[20] Ibid

[21] Ibid

Table 3: Expenditure by Programme

Programme (R million)	Final Appropriation	Actual Expenditure	% Actual Expenditure	% Variance
1. Administration	R795,3	R759,9	95,5%	4,5%
2. Trade Policy	R227,6	R222,7	97,8%	2,2%
3. Spatial Industrial Development	R153,6	R146,9	95,6%	4,4%
4. Industrial Policy	R1 734,1	R1 730,5	99,8%	0,2%
5. Consumer and Corporate Regulation	R332,0	R331,5	99,8%	0,2%
6. Industrial Financing	R5 411,4	R5 363,0	99,1%	0,9%
7. Trade and Investment South Africa	R398,2	R397,8	99,9%	0,1%
8. Invest South Africa	R69,2	R56,3	81,4%	18,6%
9. Competition Policy	R1 742,9	R1 741,4	99,9%	0,1%
10. Economic Research	R49,1	R48,2	98,2%	1,8%
Total	**R10 913,4**	**R10 798,2**	**98,9%**	**1,1%**

Source: DTIC (2023b: 220), calculations from Madalane (2023a)

4.2.3 Expenditure by economic classification[22]

Of the total budget of R10,9 billion for the 2022/23 financial year, approximately R1,7 billion (16,2 percent of the total budget) had been spent on the DTIC's operations. Of the operational budget, a large proportion of the DTIC's budget was for compensation of employees (R1,0 billion or 63,8 percent of the operational budget or 9,7 percent of the DTIC's total expenditure). In terms of expenditure on goods and services, expenditure had been approximately R592,9 million (36,2 percent of the operational budget or 5,5 percent of the DTIC's total expenditure). There had been no significant underspending in the compensation of employees' budget. Similarly, in the expenditure on goods and services there had also been no significant under-expenditure because there had been a shift of R6,5 million and a virement of R79,1 million from this line item to transfers and subsidies. This was contrary to what had been reported as the reasons for the virement. The DTIC had reported that one of the reasons for the virements from seven programmes was "vacant posts"[23]; however, looking at the budget, shifts, virements, and actual expenditure, there was no virement from the overall compensation of employees' budget[24].

A large share of the DTIC's budget, approximately R9,2 billion (83,7 percent of the total budget) had been spent on transfers and subsidies to departmental entities and private enterprises (see details of transfers in sections 4.2.4.1 and 4.2.4.2 below).

Table 4: Expenditure by economic classification

(R million)	Final Appropriation	Actual Expenditure	% Actual Expenditure	%Variance
Current Payment	**R1 684,1**	**R1 639,4**	**97.3 per cent**	**2,7%**
Compensation of Employees	R1 081,7	R1 046,4	96.7 per cent	3,3%
Goods and services	R602,4	R592,9	98.4 per cent	1,6%
Transfers and subsidies	**R9 214,9**	**R9 153,7**	**99.3 per cent**	**0,7%**
Departmental agencies and accounts	R1 247,8	R1 247,8	100.0 per cent	0,0%
Foreign governments and international organisations	R41,2	R35,0	85.0 per cent	15,0%
Public corporations and private enterprises	R7 755,8	R7 701,1	99.3 per cent	0,7%
Non-profit institutions	R159,8	R159,8	100.0 per cent	0,0%
Households	R10,3	R10,0	97.0 per cent	3,0%

[22] DTIC (2023b: 221)

[23] DTIC (2023b: 22)

[24] DTIC (2023: 221)

Payments for capital assets	**R13,1**	**R4,1**	**31.5 per cent**	**68,5%**
Machinery and equipment	R9,3	R2,1	22.6 per cent	77,4%
Software and other intangible assets	R3,7	R2,0	53.8 per cent	46,2%
Payments for Financial assets	**R1,5**	**R1,2**	**79.4 per cent**	**20,6%**
Total	**R10 913,6**	**R10 798,4**	**98,9 per cent**	**1,1%**

Source: DTIC (2023b: 221), calculations from Madalane (2023a)

4.2.3.1 Transfers to Entities

The DTIC had 17 entities in the 2022/23 financial year. In the 2022/23 financial year, the DTIC made transfers of R1,7 billion to its entities. Detailed transfers for its entities are shown in Table 5 below. Four of the entities are self-funded. While 13 entities receive government grants through the DTIC. Most of the entities rely heavily on transfers from the DTIC, in particular the ITAC, the National Consumer Commission, the National Metrology Institute of South Africa, the Companies Tribunal, the Competition Commission, the National Consumer Tribunal, the Competition Tribunal, and the National Credit Regulator. Their transfers from the DTIC ranged between 56 percent and 100 percent for each of the entities' budgets.

It is also important to note that the transfer to the ECIC was 30 percent lower than the R213,9 million budgeted[25]. Furthermore, it was 27,9 percent lower than the previous financial year's transfer. It had not been reported why the transfer to the ECIC had been less than budgeted.

Table 5: Transfers to entities and Transfers as a share of each entity's Income

Entity (R'000s)	2021/22 Transfers	2022/23 Transfers	Change: 2021/22 - 2022/23	Total Budget 2022/23	Share of Budgeted Income
Companies Tribunal	20,3	24,5	20,7%	24,5	100,0%
Company and Intellectual Property Commission	**Self-Funded**			**685,4**	
Competition Commission	439,5	449,5	2,3%	512,3	87,7%
Competition Tribunal	36,9	42,3	14,6%	59,7	70,9%
Export Credit Insurance Corporation of South Africa	208,1	150,0	-27,9%	810,9	18,5%
Industrial Development Corporation	**Self-Funded**			**21 767,0**	
International Trade and Administration Commission	112,5	108,6	-3,5%	110,0	96,9%
National Consumer Commission	58,5	59,4	1,5%	61,6	96,4%
National Consumer Tribunal	53,5	54,8	2,4%	70,6	77,6%
National Credit Regulator	82,6	83,2	0,7%	147,5	56,4%
National Empowerment Fund	**Self-Funded**			**360,9**	
National Gambling Board	35,9	36,5	1,6%	252,7	14,4%
National Lotteries Commission	**Self-Funded**			**1 855, 5**	
National Metrology Institute of South Africa	261,6	195,7	25,2%	301,2	64,9%
National Regulator for Compulsory Standards	144,1	147,6	2,4%	573,2	25,7%
South African Bureau of Standards	328,8	361,2	9,9%	816,9	44,2%
South African National Accreditation System	32,9	33,8	2,8%	133,9	25,3%

Source: DTIC (2023b: 131-133), calculations from Madalane (2023a)

Furthermore, the DTIC had reported that it had made a transfer of R258,6 million to an entity of the Department of Small Business Development, the Small Enterprise Finance Agency. According to the DTIC, the transfer was for providing access to small, medium and micro enterprises via direct lending and intermediaries[26].

[25] DTIC (2022)

[26] DTIC (2023b: 133)

4.2.3.2 Transfers to public corporations and private enterprises
In the 2022/23 financial year, the DTIC had transferred approximately R7,2 billion of its budget to public corporations and private enterprises. The main transfers to public corporations included those to the IDC, Council for Scientific and Industrial Research (CSIR), Intsimbi Future Production Technologies Initiatives, Proudly South African Campaign, and Trade and Industrial Policy Strategies.

While the IDC is a self-funded entity, it receives funding from the DTIC for programmes and incentives which it administers on behalf of the DTIC. This was for programmes such as the Customised Sector Programme, Clothing and Textiles Production Incentive; Manufacturing Competitiveness Enhancement Programme industrial loan; Tirisano Trust Fund; Steel Development; and Social Employment Fund. In this regard, the DTIC had transferred approximately R1,8 billion to the IDC.

Other main transfers to public entities included:
- CSIR (R114,2 million) – for the Fibre and Textile Centre of Excellence, Aerospace Industry Support, National Cleaner Production Programme, and National Foundry Technology Network.
- Intsimbi Future Production Technologies Initiatives (R68,2 million) – for Rehabilitation and growth of the tool, and mould manufacturing industry.
- Proudly South African Campaign (R41,5 million) – to promote the buying of locally manufactured products and services, rolling out national campaigns to create awareness of the economywide benefits of buying locally manufactured products.
- Trade and Industrial Policy Strategies (R30,5 million) – to facilitate policy development and dialogue in pursuit of sustainable and inclusive growth.

4.3. Audit outcomes
The AG annually conducts an audit assessment on the reporting of the DTIC's financial statements and its non-financial performance reporting. The DTIC received a clean audit opinion for the 2022/23 financial year. For this sixth administration, the DTIC has had clean audits (2019/20, 2020/21, 2021/22, and 2022/23). No irregular expenditure or fruitless and wasteful expenditure had been incurred for the financial year.

In terms of its annual performance report, Programme 6, Industrial Financing, had been assessed to determine whether the reported performance information was useful and reliable. The outcome of this assessment had been that the AG "did not identify any material findings on the reported performance information of the selected programme"[27].

4.4. Human resources
The DTIC's permanent employee headcount as of 31 March 2023 had been 1 113, against a structure of 1 350 approved positions. This was 63 employees less than the previous financial year when the DTIC had 1 176 employees (by 31 March 2022). By the end of the 2022/23 financial year, there had been 237 vacancies, translating to a vacancy rate of 17,6 percent. The vacancy rate had increased by 4 percent when compared to the previous financial year.

According to the DTIC, the high vacancy rate was a result of the process of making the structure of the DTIC's "Fit-for-Purpose". As a result, the DTIC had stated that of the 237 vacant posts, 65 posts would be filled while the remainder would be abolished. Therefore, 172 posts were no longer necessary for the functioning of the DTIC.

It should be noted that the DTIC continued to have senior management positions which had not been filled. Of the 11 senior management positions, six had been acting positions[28]. These acting positions included the Director-General; Chief Financial Officer (CFO); Deputy Director-General (DDG): Sectors; DDG: Incentives; DDG: Investment and Spatial Industrial Development; and DDG: Transformation and Competition. It has been more than a year and some of these positions have not been filled. In the previous financial year, the Director-General; CFO; Chief Operating Officer; DDG: Industrial Policy; DDG: Spatial Industrial Development; DDG: Invest South Africa; and DDG: Competition Policy had been acting.[29]

[27] DTIC (2023b: 214)

[28] DTIC (2023b: 30)

[29] Madalane, Z (2023a)

The table below shows employees of the DTIC by skills levels against the approved structure as well as the vacancy rate at each level.

Table 6: Employment and vacancies as of 31 March 2023

	Number approved posts	Number of posts filled	Vacancy rate
Lower skilled (levels 1-2)	1	1	0,0%
Skilled (levels 3-5)	73	57	21,9%
Highly skilled production	398	346	13,1%
Highly skilled supervision	609	500	17,9%
Senior management (levels 13-16)	269	209	22,3%
Total	**1 350**	**1 113**	**17,6%**

Source: DTIC (2023b: 159)

In addition, there had been a significant number of vacancies in economic offices in various countries[30]. In most African countries, the position of Counsellor or Marketing Officer or both had been vacant including Addis Ababa, Harare, Kampala, Kinshasa, Cairo, and Abuja. Similarly, several Asian (Seoul, Shanghai, New Delhi, Singapore, and Bangkok), Middle East (Dubai, Riyadh, and Tehran), European (Brussels, London, Moscow, Berlin, Berne, Munch, and Paris), and American markets (Washington) also did not have a representation in a form of Counsellor (Economic) or Marketing Officer or both. These appointments were important given the DTIC's drive to create market access for South African products and services, as well as an opportunity to profile South Africa as an investment destination of choice.

The employee race profile for the year was 83,5 percent black, 5,3 percent coloured, 5,0 percent Indian, and 6,3 per cent white. Female representation was at 61,2 per cent. Female representation at top management was 45,5 per cent, 55,6 per cent in senior management, 52,6 per cent at the professional and specialists level, and 73,0 per cent at the skilled and technical levels. The representation of PWDs was 4,2 per cent of the total headcount.[31]

Table 7: Employment equity breakdown as at 31 March 2023

Racial Breakdown	Male	Female	Total
African	378	583	**961**
Coloured	33	28	**61**
Indian	19	38	**57**
White	17	55	**72**
Total	**447**	**704**	**1 151**

Source: DTIC (2023b: 172)

There had been 29 disciplinary actions taken during the 2022/23 financial year. The majority of cases had related to failure to fully disclose financial interests (eight cases). The outcomes of the disciplinary actions had been five verbal warnings, 12 written warnings and two final written warnings. Furthermore, in ten disciplinary cases, six cases had been withdrawn and four disciplinary cases had still been pending. There had also been 37 grievances lodged, of which 28 had been resolved.[32]

5. OVERVIEW AND ASSESSMENT OF THE FINANCIAL AND NON-FINANCIAL PERFORMANCE FOR THE PERIOD 1 APRIL TO 30 JUNE 2023

[30] DTIC (2023b: 302-315)

[31] DTIC (2023b: 172-173)

[32] DTIC (2023b: 186-187)

This section provides a comparison between what the DTIC targeted in its APP against its performance set out in its first quarter report for the 2023/24 financial year.

5.1. Non-financial performance[33]

In the first quarter, 79 percent of the 52 targets had been achieved while 21 percent of targets had not been achieved (14 targets). Targets that had not been achieved were under Programme 1: Administration (two targets), Programme 4: Sectors (three targets), Programme 5: Regulation (one target), Programme 7: Export (two targets), Programme 8: Transformation and Competition (two targets), and Programme 9: Research (four targets).

Table 8: Summary of First Quarter Performance by Programme

Programme	**First Quarter**	
	Targets	**Achieved**
1. Administration	3	1
2. Trade	4	4
3. Investment and Spatial Industrial Development	10	10
4. Sectors	14	11
5. Regulation	4	3
6. Incentives	1	1
7. Export	7	5
8. Transformation and Competition	17	15
9. Research	6	2
Total	**66**	**52**

Source: DTIC (2023d: 102)

The targets that had not been met were as follows:[34]

- Programme 1: Administration
  - 205 DTIC success stories had been profiled through case studies, advertising campaigns and social media platforms against a target of 250 for the quarter. The DTIC stated that in the first quarter, it had been planning for the project hence implementation had only started in the middle of the quarter; as a result, the target could not be achieved. Furthermore, the DTIC stated that a service provider would be appointed in the second quarter to start the project on time and improve information flow and consolidation of case studies.
  - Six community outreach initiatives had been conducted in the quarter against a target of 13.

- Programme 4: Sectors
  - An amount of R229 million of additional local output had been committed or achieved against a target of R1 billion. The DTIC attributed this under achievement to the inability of firms to confirm accurate localisation data. To address this, the DTIC would be intensifying its engagements with the localisation stakeholders so as to improve data collection.
  - An amount of R430 000 in exports of manufactured goods to Africa had been achieved against a target of R25 million. According to the DTIC, this under achievement was because there was no targeted programme for African Regional Development.
  - A total of 526 black industrialist firms had been supported by the DTIC against a target of 1 000 for the quarter. The DTIC attributed this to the minimal monitoring of the black-owned firms.

- Programme 5: Regulation

[33] DTIC (2023a) and (2023d)

[34] DTIC (2023e)

- The target for two successful actions completed on price monitoring and excessive pricing or price gouging had not been achieved, no actions had been completed in the quarter. This was a result of the NCC not taking any action in the first quarter.

- Programme 7: Exports
  - The target to approve funding of R16,9 million outside the five metropolitan areas had not been achieved. The DTIC had achieved R5,3 million in funding for the quarter.
  - Three high impact trade interventions including trade disputes, challenges with implementation of trade agreements, ITAC decisions and trade measures, and bilateral trade concerns, had been planned for the quarter. However, the DTIC had made no interventions. According to the DTIC, the identification and resolution of trade interventions took longer than anticipated, therefore, the DTIC would focus more on the programme as well as allocate additional resources to it.

- Programme 8: Transformation and Competition
  - An amount of R212 million of output by Black Industrialist firms had been supported by the DTIC group against a target of R300 million. The DTIC attributed this under-achievement to the methodology of gathering data, therefore, it planned to improve the methodology.
  - 141 jobs in Black Industrialist firms had been supported by the DTIC group against a target of 750 jobs. The DTIC attributed this under-achievement to incomplete information.

- Programme 9: Research
  - The Black Industrial Census had not been completed due to slow response rates by respondents or clients.
  - The Black Industrialist quarterly survey had not been achieved as it must be informed by the Black Industrialist census results, which has yet to be completed.
  - The target to host three Business Forums aimed at supporting increased FDI, exports and outward investment had not been achieved. The DTIC had instead produced two Bilateral trade reports for Portugal and Netherlands to support the Executive Authority.

5.2. Financial performance[35]

Of the R4,07 billion budget that had been set aside for expenditure in the first quarter, R4,06 billion had been spent. This had resulted in an under-expenditure of R17,5 million or 0,4 percent against the first quarter projected expenditure.

The sub-sections below show expenditure by programme and by economic classification as at 30 June 2023.

5.2.1 Financial Performance by Programme

The main contributors to underspending had been Programme 4: Sectors with underspending of R30,8 million and Programme 6: Incentives with under-expenditure of R11,1 million. However, there had also been over-expenditure, mainly in Programme 1: Administration of R27,7 million (15,8 per cent over the quarter's projected budget). Programme 3: Investment and Spatial Industrial Development and Programme 5: Regulation also incurred over-expenditure of R3,1 million and R2,1 million respectively in the first quarter.

Table 9: Expenditure by Programme as at 30 June 2023

Programme (million)	Budget 2023/24	Projected YTD Expenditure	Actual YTD Expenditure	% YTD Variance	Available Budget

[35] National Treasury (2023)

Programme (million)	Budget 2023/24	Projected YTD Expenditure	Actual YTD Expenditure	% YTD Variance	Available Budget
1. Administration	R840,3	R174,8	R202,5	-15,8%	R637,8
2. Trade	R244,2	R144,9	R144,2	0,5%	R100,0
3. Investment and Spatial Industrial Development	R168,6	R48,7	R51,8	-6,4%	R116,8
4. Sectors	R1 772,4	R1 028,0	R997,2	3,0%	R775,2
5. Regulation	R359,6	R291,7	R293,8	-0,7%	R65,8
6. Incentives	R5 391,4	R940,3	R929,2	1,2%	R4 462,2
7. Export	R407,6	R235,2	R234,5	0,3%	R173,1
8. Transformation and Competition	R1 728,1	R1 201,8	R1 198,6	0,3%	R529,5
9. Research	R60,4	R14,0	R10,3	26,6%	R50,1
Total	**R10 972,5**	**R4 079,5**	**R4 062,1**	**0,4%**	**R6 910,4**

Source: DTIC (2023d: 104), calculations from Madalane (2023b)

- **Programme 1: Administration**: Overspending of R27,7 million had been incurred. The over-expenditure was attributed to:
  - Cost-of-living salary adjustment under compensation of employees;
  - Accounting adjustment for the new server infrastructure. Payment had been made in the previous financial year while expenditure under goods and services had been recognised in the first quarter of the current financial year; and
  - Payment to employees that had exited the DTIC.

- **Programme 2: Trade:** Under-expenditure of R745 000 had been incurred mainly due to a transfer payment to the Council for Geoscience that had been budgeted for in the quarter but could not be paid because of non-compliance. Furthermore, there had been under-expenditure in the payment for capital assets due to the procurement of computer equipment which had not been finalised in the quarter as planned.

- **Programme 3: Investment and Spatial Industrial Development:** Over-expenditure of R3,1 million or 6,4 percent of the Programme's first quarter budget. The over-expenditure was a result of the cost-of-living adjustment on compensation of employees, and the cost of hosting in-person meetings/engagements.

- **Programme 4: Sectors:** Under-expenditure of R30,8 million, the largest under-expenditure within the DTIC, had been incurred. However, this had been 3 percent of the Programme's first quarter projected expenditure. This under-expenditure had been a result of a budgeted transfer payment to the Intsimbi: Future Production Technologies Initiative which could not be paid due to non-compliance.

- **Programme 5: Regulation:** The R2,1 million over-expenditure in this Programme had been due to:
  - Cost-of-living adjustment under compensation of employees;
  - Payment for the National Liquor Authority Case Management System; and
  - Cost of holding in-person meetings and engagements that had not been planned initially.

- **Programme 6: Incentives:** The second largest programmatic under-expenditure had been incurred under this Programme, of approximately R11,1 million. Under-expenditure had been 1,2 per cent of the projected expenditure. The under-expenditure was attributed to an accounting adjustment on a transaction relating to the transfer payment in terms of the EMIA Programme that had to adhere to the new Modified Cash Standard which came into effect from 1 April 2023"[36].

- **Programme 7: Export:** The under-expenditure of R776 000 had been due to outstanding expenditure claims at foreign missions.

[36] National Treasury (2023)

- **Programme 8: Transformation and Competition:** Under-expenditure of approximately R3,1 million (0,3 percent of the Programme's projected expenditure) had been incurred. The under-expenditure was due to lower than projected expenditure on the compensation of employees because of vacant posts; payment to the Black Business Council that could not be processed due to non-compliance, and the use of virtual platforms for some business meetings and engagements which led to lower than expected expenditure for meetings.

- **Programme 9: Research:** Under-expenditure of R3,7 million had been incurred. The under-expenditure had been 26,6 per cent of the Programme's projected expenditure for the quarter. Vacant posts as well as virtual meetings instead of physical meetings had resulted in this under-expenditure.

5.2.2 Financial Performance by Economic Classification

In terms of expenditure by economic classification, expenditure on transfers to the DTIC's entities had accounted for the largest share of expenditure at approximately R2,1 billion, followed by incentives (R890 million), external programmes (R647,9 million) and compensation of employees (R261,5 million). The main variances between projected expenditure and actual expenditure for the quarter had been in transfers and subsidies as well as in the payment for capital assets. Under-expenditure of R42,3 million had been incurred on transfers and subsidies, particularly on transfers to Non-profit organisations while over-expenditure of R26,7 million had been incurred in the payment for capital assets.

Table 10: Expenditure by Economic Classification as at 30 June 2023

Programme (R'millions)	Budget 2023/24	Projected YTD Expenditure	Actual YTD Expenditure	% YTD Variance	Available Budget
Current Payment	**1 723,2**	**389,9**	**387,9**	**0,5%**	**1 335,4**
Compensation of Employees	1 066,1	261,8	261,5	0,1%	804,7
Goods and services	657,1	128,2	126,4	1,4%	530,7
Transfers and subsidies	**9 161,9**	**3 688,1**	**3 645,8**	**1,1%**	**5 516,1**
Incentive Payments	5 233,3	899,9	890,0	1,1%	4 343,3
Departmental Entities	2 066,6	2 066,6	2 066,6	0,0%	0,0
External Programmes	1 651,1	645,9	647,9	-0,3%	1 003,2
Non-profit organisations	165,1	73,1	37,7	48,4%	127,4
Membership fees (International organisations)	44,5	2,2	2,2	0,0%	42,2
Households	1,3	0,2	1,4	-650,0%	0,0
Payments for capital assets	**37,2**	**1,5**	**28,2**	**-1751,7%**	**9,1**
Payments for Financial assets	**0,2**	**0,0**	**0,2**	**0,0%**	**0,0**
Total	**10 922,5**	**4 079,5**	**4 062,1**	**0,4%**	**6 860,5**

Source: DTIC (2023c: 104), calculations from Madalane (2023b)

6. ISSUES RAISED DURING THE DELIBERATIONS

The following concerns were raised in relation to the performance of the DTIC during the Committee's deliberations:

6.1 ***Sustained economic growth:*** With the amalgamation of the Economic Development Department (EDD) and the former Department of Trade and Industry, the policy imperative of EDD to improve the alignment of economic policies and the objectives of state entities had been passed to the new department, the DTIC. However, it would appear that since the new DTIC's inception, the attempt to promote economic growth as a key component has lagged. Sustained economic growth should ultimately lead to job creation; however, given the most recent global challenges, such as the COVID-19 pandemic, coupled with domestic challenges, such as failing municipalities and the energy crisis, sustained economic growth remains elusive. The Committee enquired whether the DTIC should not place more focus on economic development and growth, including the enhancement of better coordination among the government entities and departments, which would be essential for promoting long-term economic growth.

The Minister informed the Committee that the rationale for the establishment of the EDD had primarily been to create a hub for departmental coordination. However, during the course of the fifth administration it became clear that a framework was required that would ensure the efficient coordination and operation of all departments within the economic cluster. Therefore, a number of reforms had been implemented to ensure the effective operation of the economic cluster, with different Ministers within the cluster given specific responsibilities. Consequently, the mandate of the EDD changed with coordination of infrastructure projects under the Presidential Infrastructure Coordinating Commission (PICC) emerging as a key responsibility. The EDD was also given the responsibility of overseeing the Competition Commission and the administrative responsibilities of the ITAC. However, the Minister informed the Committee that with the amalgamation of the two departments in the sixth administration, the functions of the PICC had been transferred to the newly created Department of Public Works and Infrastructure. As a result, the Competition Commission had been retained, expanding the mandate of the newly established DTIC, among others.

However, the DTIC still has an important coordinating role, especially within the area of industrial policy. This is reflected through the sectoral Master Plans, such as the Sugar Value Chain Master Plan and Poultry Sector Masterplan, with the DTIC acting as an interface between relevant departments. It also works closely with the Department of Agriculture, Land Reform and Rural Development (DALRRD) on related matters. An example of this is the coordination of an appropriate response to trade concerns, such as the suspension of export of wool to China and finding an amicable solution to secure the necessary market access. Notwithstanding this, the Minister reaffirmed that the overall coordination of activities within the economic cluster falls outside the purview of the DTIC. However, different Ministers serve as chair or act as co-chairs on specific projects/initiatives within the economic cluster, and currently, work is being undertaken on the reorganisation of the state.

6.2 ***Focus on specific highlights****:* During the DTIC's 2022–2023 Annual Report presentation, 50 major performance outcomes had been given particular attention. According to a member of the Committee, mentioning particular accomplishments like the creation of seven Master Plans and the acquisition of employee share ownership by 120 000 workers might not accurately reflect the real impact of Master Plans on the broader economy, given the continued high rate of unemployment. The Minister informed the Committee that in light of 19 entities reporting to the DTIC and the volume of information at its disposal, it sought to provide an overview of key accomplishments of these entities. Reference to the Master Plans were to highlight the DTIC's efforts to improve the implementation thereof to secure the intended outcomes of job creation and economic growth. Instead of just producing Master Plans, the objective should be to collaborate and establish a coordinating structure with organised business, labour and the regulators to achieve the economic objectives of government. Regarding the accomplishment of the Employee Share Ownership Plans, the Minister told the Committee that it was a direct outcome of the implementation of the 2018 amendments to the Competition Act (Act No. 89 of 1998) rather than a particular KPI of the DTIC. Accordingly, subsequent mergers and acquisitions encourage partnerships/collaborations with regular working South Africans in advancing the non-racial foundations of democracy, rather than seeking a partner that would own a certain percentage of the company.

6.3 ***Investment pledges and its economic impact:*** In the words of President M Ramaphosa, "investment stimulates and supports the growth of local economies, with direct material benefits for our people. It creates work opportunities and full-time jobs, providing people with an income to feed their families and pay for basic amenities"[37]. Pledges could be viewed as a sign of confidence by investors. For the period under review and in collaboration with other departments, an amount of R322 billion in pledges had been secured. This would bring the total amount of pledges to R1,1 trillion over a four-year period, against the total targeted amount of R1,2 trillion over a five-year period. Despite these pledges, the economic impact is not clear. Thus far, 83 projects based on the 2022 pledges had been completed. The Committee enquired how many jobs had been created as a result of these projects, and how

[37] Ramaphosa (2020)

many of these projects were located outside of the major metropolitan areas. The Minister informed the Committee that, since last year, the DTIC has been highlighting projects that had emanated from investment pledges in its annual and quarterly reports to the Committee. One such example would be the investment pledge made by Isuzu following the 2019 South African Investment Conference. According to the Minister, Isuzu had upgraded its local facility in Gqeberha, Eastern Cape, with an investment of R1,2 billion. This has resulted in the launch of the new D-Max bakkie. He further stated that these reports provided insight into a large number of projects completed, which have increased output in the South African economy. These completed projects were in the food, mining and chemical industries, among other economic sectors. Other industries where investment pledges had contributed towards the economic development and job creation included IT services, automotive assembly and component industries, as well as the clothing sector. The Minister informed the Committee that he had requested Invest South Africa to develop an index report on completed projects emanating from investment pledges and their impact on the broader economy. In addition, he has requested the DTIC to develop a report that would illustrate how construction projects across the country could be linked to the investment pledges and the lives of ordinary South Africans.

6.4 ***Mitigation of the effects of loadshedding:*** Currently, South Africa is facing a number of headwinds, such as the avian influenza and loadshedding, that impedes economic growth. Loadshedding has a negative impact on the economy, industries and small, medium and micro enterprises, as it disrupts the manufacturing processes. The Committee enquired what measures are being considered to mitigate and address this ongoing loadshedding. The Minister informed the Committee that the Energy Resilience Fund and the Energy One-Stop Shop (EOSS), are critical elements to mitigate against the challenges faced by industries as a result of loadshedding. This is intended to facilitate finding alternative energy resources, improving supply to the grid, and refocusing resources. With the IDC being a prominent player in the renewable energy market, the DTIC and the IDC have made resources available to help businesses experiencing energy difficulties. Furthermore, the Minister informed the Committee that the EOSS, under the auspices of Invest South Africa, is now monitoring applications with various departments to unblock any challenges faced by energy developers.

6.5 ***Impact of the avian influenza on the poultry sector:*** As outlined in the Poultry Master Plan, government has worked closely with several industry participants, including poultry producers, processors, importers, exporters, and organised labour, to develop this Poultry Sector Master Plan. It established a framework for a concerted attempt to increase industry output (and jobs) through a variety of initiatives that would be put into place over a number of years. Notably, it launched a new, collaborative vision for the entire value chain, named five pillars that support the vision, and established a Poultry Sector Master Plan Council to oversee and drive the implementation thereof. However, the current outbreak of avian influenza compromises the effective implementation of the plan. Also, black and emerging poultry farmers have the additional challenge regarding the high cost of feed due to monopolistic behaviour within the sector. The Committee enquired whether the DTIC had considered any measures to mitigate the effects of the avian influenza and cost of feed on the domestic poultry industry. As the avian influenza occurred during the second quarter of the 2023/24 financial year, a report on the DTIC Group's support measures would be submitted in future. The Minister acknowledged the impact on consumers if the supply of poultry is further compromised; however. developing a response to it falls within the purview of the DALRRD. In light of this, the DALRRD has been searching for a suitable solution in this area, such as the viability of a vaccination programme, in consultation with industry players. However, such a programme is costly, and the Minister informed the Committee that Minister Didiza would be better qualified to advise him, the Cabinet, and the sector on those matters.

According to the Minister, the DTIC's response to the avian influenza would be to prevent a sharp increase in consumer prices resulting from the shortage of poultry, and to mitigate against the possible effects on consumers. Therefore, the DTIC must be able to carefully balance consumer pricing and employment. Furthermore, the Minister informed the Committee that while the DTIC was assessing the extent of the losses to the sector, he had requested the ITAC to explore a possible rebate on certain duties on poultry imports.

6.6 ***Measures to protect the sugar industry:*** The implementation of the Sugarcane Value Chain Master Plan 2030 is essential for the industry's sustainability and growth as it seeks to address challenges facing the industry, and options to expand it. However, the domestic sugar industry continues to face significant challenges, such as dumping of sugar in the South African market and its impact on the downstream sugarcane value chain, as well as the unintended consequences of the implementation of the Health Promotion Levy. The Committee enquired whether any measures had been considered to mitigate against the dumping of sugar, and whether the Minister had engaged the Mininster of Finance to find an amicable solution to the unintended consequences of the implementation of the Health Promotion Levy on the domestic sugar industry. The Minister informed the Committee that biofuels, as well as the diversification of agriculture products have been identified as additional value chains in the medium- to long term for the sugar industry. However, according to the Minister, in terms of biofuels, the price required to maintain investment stability has proven to be an issue. Although investors have stated their willingness to invest in the establishment of biofuels facilities, the point under discussion is the need for a payment guarantee each time the price of fuel falls below a predetermined threshold globally.

With regard to the Health Protection Levy, the Minister informed the Committee that the Department of Health was concerned with the correlation raised by the medical community regarding rising obesity and sugar intake. On the other hand, the DTIC is concerned with protecting livelihoods and employment protection. Therefore, according to the Minister, to find a middle ground between the competing issues, National Treasury has delayed a planned increase in the Health Protection Levy.

6.7 ***Index to track beneficiation:*** Utilising South Africa's natural resources for domestic benefit remains essential to increasing employment and advancing localisation and industrialisation. Beneficiation ought to advance to the fourth stage, which is the creation of completed/finished goods to be sold in the international market. In light of this, the Committee enquired whether the Minister would consider developing an index that tracks the beneficiation of natural resources that would promote and ensure the production of completed/finished products for the export market**.** According to the Minister, there has been some progress with regard to beneficiation, as iron ore beneficiation would be greatly increased with the construction of a new steel mill. Despite this, the Minister was concerned about the global shift away from combustion engine manufacturing towards electric vehicle production. Currently, South Africa is currently a major producer of catalytic converters that absorb a considerable amount of platinum, and this shift may in the long-term compromise the health of the catalytic converter industry. Hence, the Minister embraced the idea of a beneficiation index and would explore the development of such a tracking mechanism within the DTIC.

6.8 ***Status of the Auto Green Paper in relation to NEVs:*** The *Auto Green Paper on the Advancement of New Energy Vehicles in South Africa* was released by the DTIC for public comment in May 2021. This would enable the government to develop a clear policy framework and coordinate a long-term plan that would place South Africa at the forefront of advanced vehicle and vehicle component manufacturing. To date, the policy had not yet been finalised, and it could be viewed as a failure on one of the DTIC's deliverables. The Committee enquired what impediments existed that were delaying the finalisation of the policy on NEVs. With regard to the Auto Green Paper, the Minister informed the Committee that proposals favoured by the industry proved to be unaffordable. It would require National Treasury to subside every electric vehicle purchase. Hence, the DTIC was working with the industry to find a solution to this challenge.

6.9 ***Ban on the export of scrap metal:*** To combat theft and vandalism of public infrastructure, government had introduced a range of policy proposals, as agreed to by Cabinet. An initial six-month prohibition on exports of waste and scrap metal was one of the approved policy measures in phase-one, this was done to enable the triggering of approved phase two and three measures. Despite this initiative, theft and vandalism of public infrastructure continued, hence the extension of an additional six-month ban on exports of scrap metal. Consequently, it would appear that the policy initiative had not produced the intended outcome. The Committee enquired whether the DTIC viewed this as a policy failure, and whether other measures were being considering given that its current policy may not have produced its intended outcome.

The Minister noted that currently, the DTIC was considering extending the scrap metal export prohibition by a further six months, as the DTIC was of the view that the decision to ban the export of scrap metal was the appropriate step to take. Challenges with scrap metal trading has become a global problem. The Minister acknowledged that considerable progress had been made on the development of a scrap metal trading system, even though it may not address all the challenges regarding scrap metal. The extension of the prohibition of exports of waste and scrap metals was considered for an additional six-months to allow further time for the domestic authorities to implement the Cabinet approved policy measures, especially those related to deploying additional resources to the borders, updating pertinent legislation and the implementation of a new trading system.

6.10 ***Securing the extension of AGOA:*** The agriculture and automotive industries in South Africa are just two of the numerous industries where export-led job growth has increased as a result of the AGOA. Nevertheless, the AGOA's was set to expire in 2025. The Committee has been aware of the initiatives by government, through the DTIC, to secure South Africa's continued participation in AGOA. The Committee enquired whether the Minister could share details of his discussions around securing an extension and whether he was also looking to increase quotas against certain products in the process. The Minister informed the Committee that number of steps had been taken to promote and expand South Africa's economic relations with the United States. This included bilateral engagements at various levels of government, as well as with business and labour. In addition, an African common position has been developed by African Trade Ministers on the future of AGOA. African leaders sought to consolidate and possibly expand the scope of AGOA. In terms of consolidation, they sought four key elements, namely: (i) Extension of AGOA for 10 years; (ii) Early renewal to boost investor confidence; (iii) Retention of all existing beneficiary countries; and (iv) Removal of trade restrictions from African products. In addition, they sought four areas of expansion of AGOA, namely: (i) Product scope to be extended and administrative rules to be reviewed; (ii) Beneficiary countries to be extended; (iii) Supportive measures to increase private sector investment; and (iv) Economic inclusion with focused efforts to bring in more small and medium enterprises, women and youth-led enterprises.

6.11 ***Vacant senior positions:*** The position of Director-General for the DTIC remained vacant since the departure of Mr L October in April 2021. Furthermore, the positions of CFO and a number of DDGs, heading different divisions at the DTIC, have not yet been filled. The Committee enquired about the reasons for the delay and whether measures had been put in place to fill these vacant positions. The Minister informed the Committee that Ambassador X Mlumbi-Peter had been appointed as the DDG for Trade. In addition, the process for appointing a CFO had been finalised and was awaiting Cabinet approval. However, the Minister informed the Committee that due to the amalgamation of two programmes, an assessment was necessary to ascertain whether a DDG level appointment was necessary in compliance with the regulations of the Department of Public Service and Administration. With regard to the appointment of a Director-General, the interview process had been completed; however, the Minister was requested to do additional work, and once this process was completed, he would report to the Committee.

6.12 ***Internship programme:*** In accordance with section 195(1)(h) of the Constitution of the Republic of South Africa, 1996, the public service must support effective human resource management and career development. Furthermore, the National Development Plan Vision 2030 envisioned that these kinds of developmental programmes would guarantee future generations of talented, moral, and competent public employees serving a developing state. The Committee enquired whether the DTIC intended to absorb the current interns into permanent employment. The Minister informed the Committee that the DTIC provides opportunities to interns that may lead to permanent employment. Once vacancies occur, interns can apply for advertised posts. However, this is subject to competitive process.

7. CONCLUSIONS

Based on its deliberations, the Committee drew the following conclusions:

7.1 The Committee welcomed the DTIC's achievement of a clean audit report for the 2022/23 financial year, as well as the improvement in the audit outcomes of its entities, in particular the National Regulator for Compulsory Specifications' achievement of a clean audit outcome since its inception.

7.2 Further, it noted that there has been progress in resolving audit concerns and improving governance within the DTIC's entities. It acknowledged the appointment of new boards at the National Lotteries Commission and the South African Bureau of Standards. This is expected to enhance the governance and operations at the two institutions.

7.3 In addition, the Committee welcomed appointments at other entities, such as the Commissioners of the Broad-Based Black Economic Empowerment Commission, the International Trade Administration Commission of South Africa, the National Lotteries Commission, the Competition Commission and the Companies and Intellectual Property Commission, as well as the Chief Executive Officer of the Export Credit Insurance Corporation of South Africa and the Tribunal Members of the Companies, Competition and National Consumer Tribunals.

7.4 The Committee acknowledged the impact of loadshedding and the ongoing conflicts, especially between Ukraine and Russia, on the broader economy.

7.5 For the 2022/23 financial year, the Committee noted that the DTIC had achieved 97 percent of its non-financial performance targets and spent 99,6 percent of its adjusted budget allocation.

7.6 The Committee welcomed the investment pledges received and the realisation of investments such as the upgrading of the Isuzu plant to produce the new D Max bakkie. However, it encouraged the DTIC to develop a reporting model to monitor the impact of the investment projects realised from the pledges received at the Presidential Investment Conferences, particularly in terms of new jobs created, and to ensure that the spatial spread of projects is inclusive of all provinces and rural areas. The DTIC should also continue to ensure that these investment pledges translate into actual investment projects.

7.7 The Committee remained concerned about the impact of loadshedding on the manufacturing sector but welcomed the measures introduced by the DTIC and the Industrial Development Corporation to mitigate against the challenges faced by industries and to facilitate finding alternative energy resources.

7.8 The Committee noted the impact of the avian influenza on the implementation of the Poultry Sector Master Plan, and on the cost of poultry products for consumers. It was also concerned about possible anti-competitive behaviour by poultry feed producers given the high cost of feed. These two factors would have a negative impact for food security, of particularly poorer households, and for small-scale poultry farmers.

7.9 The Committee welcomed the ongoing engagement between the DTIC, the Department of Health and the National Treasury to find an amicable solution to the impact of the Health Promotion Levy on the sugarcane industry.

7.10 The Committee was of the view that there was a need to develop an index to monitor the levels of beneficiation of natural resources.

7.11 The Committee encouraged the DTIC, in conjunction with National Treasury and the automotive industry stakeholders, to continue to seek a solution to ensure that South Africa is able to compete in terms of the manufacturing of new energy vehicles.

7.12 The Committee welcomed the DTIC's measures to address the theft and vandalism of public infrastructure, including the ban on the export of scrap metal. However, there are still challenges in curtailing the domestic demand for such material.

7.13 The Committee acknowledged the ongoing negotiations for the extension of the United States' African Growth and Opportunity Act and supported government's efforts to ensure South Africa's continued inclusion in the African Growth and Opportunity Act.

7.14 The Committee encouraged the DTIC to continue to strengthen and expand its trading relationships with other markets, including the African markets. In addition, these efforts should also ensure that South Africa's export basket is more diversified and has a higher share of value-added products.

7.15 The Committee welcomed the appointment of the Chief Financial Officer and the Deputy Director-General for Trade; however, it remained concerned about the failure to appoint the

Director-General and other senior management officials. The Committee urged the Minister to expedite the appointment of these vacancies.

7.16 The Committee welcomed the DTIC initiatives to provide the youth with opportunities through internships to gain experience and develop the necessary skill required in a developmental state, hopefully leading to permanent employment.

8. APPRECIATION

The Committee would like to thank the Minister of Trade, Industry and Competition, Mr E Patel, and the acting Director-General, Ms M Mabitje-Thompson, for their cooperation and transparency during this process. The Committee also wished to thank its support staff, in particular the Committee Secretary, Mr A Hermans, the Content Advisor, Ms M Sheldon, and the Researcher, Ms Z Madalane, for their professional support and assistance in drafting this report. In addition, the Committee thanked the Committee Assistant, Ms Y Manakaza, for assisting it during this process. The Chairperson wished to thank all Members of the Committee for their active participation during the process of engagement and deliberations and their constructive recommendations reflected in this report.

9. RECOMMENDATION

Informed by its deliberations, the Committee recommends that the House requests that the Minister of Trade, Industry and Competition should consider monitoring the cost of poultry feed and ascertain whether there is any anti-competitive behaviour in the poultry feed sector.

The Democratic Alliance reserved its position on the report.

Report to be considered.

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