**THE NATIONAL ASSEMBLY**

 **QUESTION FOR WRITTEN REPLY**

**Question 2840**

**Dr M J Figg (DA) to ask the Minister of Trade and Industry:**

(1) What is the detailed breakdown of all businesses who have received support from his department to attend (a) trade shows, (b) pavilions abroad in the (i) 2013-14 and (ii) 2014-15 financial years and (c) in each case, what is the (i) name and (ii) location of the business, (iii) amount of support received and (iv) industry or sector the business is involved in;

**Response**

In the 2013/2014 year 1084 companies received financial assistance to participate in 25 National Pavilions and 40 Trade Missions. Export sales of R3,54 billion were facilitated. The sectoral spread of the companies supported comprises 42% to Multiple sectors; 25% to agro-processing; 8% to the Aerospace, Rail, Marine and Defence Sector; 6% to Electro technical; 6% to the Built Environment Sectors; 4% to the creative Industries; 3% to the Auto sector; 6% to Mining and Capital Equipment.

During the 2013/2014 period, the provincial spread comprises as a percentage the following: 45% from Gauteng; 27% from Western Cape; 10% from KZN; 5 % from International participants 4% from Limpopo; 3% from Mpumalanga; 3% from Eastern Cape; 3% from Mpumalanga and the remaining portion being attributable to the rest of the provinces at 1% each.

In the 2014/2015 year 923 companies received financial assistance to participate in 27 National Pavilions and 24 Trade Missions. Exports sales of R2,77 billion were facilitated. The sectoral spread of the companies supported comprises 30% to agro-processing; 40% to Multiple sectors; 7% to the Aerospace, Rail, Marine and Defence Sector; 7% to Capital Equipment; 7% to the Electro technical sector; 5% to the Auto sector; 4% to the creative Industries.

The provincial spread comprises a percentage spread as follows: 40.4% from Gauteng, 30.77% from Western Cape, 10.51% from KZN, 8,13% from International participants and the remaining portion being attributable to the rest of the provinces at less than 2% each.

The detailed breakdown for each financial year is attached in Annexures A and B.

**Question**

(2) whether the trip resulted in new contracts for those companies;

**Response**

In various instances the trips do yield sales contracts, joint venture partnerships or sub-contracting projects for South African companies. The value thereof is included in the total export sales facilitated which are detailed in part 3 of this response. A few examples of sales that have been facilitated through the trade shows in the 2014/2015 financial year include but are not limited to the following:

At SIAL China, export orders of R1.3 billion were generated as a result of the participation of South African companies. For example the company Dynamic Commodities from the Eastern Cape, reported that it generated R53 million worth of export business.

At the WAPIC Trade Fair in Nigeria, 18 South African companies exhibited their products and services. The Gauteng based exhibitors which include Powertech, Landis + GYR Pty Ltd, General Cables, ADC Energy, Poynting Antennas and Doble Engineering Africa reported expected product and service sales of R112 million as a result of their participation.

At the Ghana International Trade Fair (GITF) Aveng Africa from the Gauteng province, reported that it has signed a joint venture investment that is worth in excess of R12 billion.

During an Outward Selling Mission to The Netherlands, Redsun Raisins from the Northern Cape, reported export sales totalling R16,6 million.

After a special mission to Russia, Sea Harvest based in the Western Cape received an order of $10 million for hake and hake related products from a Russian company.

**Question**

(3) does his department monitor the effectiveness of this support programme to ensure that (a) his department is getting value for money and (b) recipients do not waste the financial support they receive? NW3313E

**Response**

The division monitors the effectiveness of the support programme through questionnaires that are completed by business participants at the end of each mission and National Pavilion. This questionnaire focuses on the sales that have been made at the event as well as the projected sales that are anticipated in the next six months. After a period of six months the same participants provide information that confirms the projected sales and / or additional export sales that may have accrued to the company during the period. In addition, **the dti** also utilises the services of an independent auditor who verifies the reported export sales as well as the local content of the manufactured products.

In addition the Department of Public Monitoring and Evaluation has recently assessed the effectiveness of the EMIA scheme and has recommended that this instrument be continued to facilitate Trade and Investment Missions and National Pavilions.

In the 2013/2014 period the cost of EMIA assistance of R113 million yielded R3,54 billion of export sales facilitated. In this regard, for each R1.00 spent, there was a R30.54 return. For the period of 2014/2015, the cost of EMIA assistance of R147 million yielded R2,779 billion of export sales. In this regard, for each R1.00 spent, there was a R18.90 return.

The financial support is in the form of full or partial payments to service providers for hotels, accommodation, transport, freight logistics, venue hire and space allocation at exhibition. To avoid potential wastage, the only direct payments that occur between **the dti** and the participants are in the event where a business participant has been pre-approved to claim for expenses which they had paid directly to service providers. The claims thresholds are governed by the EMIA rules which are signed off by the Minister and implemented through an adjudication committee.

Furthermore the financial support to companies is qualified according to the following categories: Emerging Exporters receive 100% funding towards an air ticket, subsistence and ground transport; SMMEs air ticket limited to R17,000.00 and subsistence limited to R2 300.00 per day; Other sized companies qualify for freight and stand in the case of a National Pavilion. For the same other-sized companies, the air ticket finance cannot exceed R8 500.00 and the subsistence of R2 300.00 per day. In addition for the Trade and Investment missions, all companies qualify for an R2000.00 allowance for excess baggage on exhibition material.