Budgetary Review and Recommendation Report of the Portfolio Committee on Trade, Industry and Competition, dated 4 November 2025

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 2024 to 30 June 2025, reports as follows:

1. INTRODUCTION

The DTIC's mandate is to facilitate inclusive economic growth in the pursuit of job creation, poverty reduction, and economic and spatial equality, while ensuring a fair and balanced marketplace for consumers and businesses. Therefore, it remained focused on attracting and retaining investment; facilitating increased localisation; and increasing exports through the expansion of markets and diversification of South Africa's export basket, as well as supporting regional integration, particularly capitalising on opportunities offered by the African Continental Free Trade Area (AfCFTA) for the financial period under review.

The DTIC's allocated budget remained under pressure due to fiscal constraints and the slow economic recovery. Its allocated budget has decreased from R10,7 billion in the 2023/24 financial year to R9,67 billion in the 2024/25 financial year. This decrease was mainly due to ongoing austerity measures. For the 2024/25 financial year, the DTIC had achieved 67,9 per cent of its non-financial performance targets, had spent 98,9 per cent of its budget and had achieved a clean audit outcome.

In the 2025/26 financial year, the budget allocation has increased to R11,1 billion with quarterly expenditure of R2,5 billion by end of June 2025. This was 81,5 per cent of its projected quarterly expenditure. The DTIC had also achieved 80 per cent of its first quarter targets.

1.1. Mandate of the Committee

Section 5 of the Money Bills Amendment Procedure and Related Matters Act (Act No. 9 of 2009) 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 2024/25 financial year, and for the first quarter of the 2025/26 financial year for the DTIC, against predetermined objectives to inform recommendations for its forward-looking budget. This report, therefore, assesses performance for the 2024/25 financial year, as well as the first three months of the 2025/26 financial year, namely from 1 April 2024 to 30 June 2025, within the context of the three-year Medium-Term Expenditure Framework.

1.3. Method

The Committee met with the Auditor-General of South Africa (AGSA) on 21 October 2025 to discuss the audit outcomes of the DTIC and the six entities it audited for the 2024/25 financial year. This was followed by a briefing from the DTIC on its 2024/25 annual report and on its financial and non-financial performance for the first quarter of the 2025/26 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 2025/26 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 2024 to 31 March 2025, as well as its audit findings and human resource management, for the period ending 31 March 2025.

Section 5 considers the financial and non-financial performance of the DTIC for the period ending 30 June 2025. 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.

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

2.1. 2024 BRR Report recommendation

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

- "*Engaging the Presidency to consider establishing an inter-Ministerial task team to address constraints faced by the manufacturing sector in relation to beneficiation and the exportation of value-added goods, particularly administered prices and inefficient transport logistics.*
- *Engaging with other relevant departments to develop a policy to promote and support the development of start-up businesses, particularly in relation to access to venture capital funding, intellectual property protection and visas for highly skilled workers.*"[1]

2.2. 2025 Budget Vote Report recommendation

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

- "*Developing a mechanism to monitor the level of beneficiation in the country, in consultation with the Minister of Mineral and Petroleum Resources, and to report within six months of adoption of this report.*
- *Engaging the relevant Ministries, public entities and the private sector to develop mechanisms to bridge the gap to commercialise particularly state-funded innovations in support of industrialisation and to report on progress within six months of adoption of this report.*
- *Expediting the finalisation of amendments to the framework for Industrial Parks to improve their governance and economic viability and to report on progress within six months of adoption of this report.*
- *Expediting the finalisation of the implementation plan, financing mechanisms, governance structures and performance indicators of the Transformation Fund and report on progress within three months of adoption of this report.*"[2]

3. OVERVIEW OF THE KEY RELEVANT POLICY FOCUS AREAS

3.1. Strategic overview

The DTIC reported that while the Medium-Term Development Plan (MTDP) had not been finalised at the time of tabling its revised 2024/25 Annual Performance Plan (APP), it had amended its APP based on the three key strategic priorities for the Seventh Administration, the five pillars for the

[1] Portfolio Committee on Trade, Industry and Competition (2024)

[2] Portfolio Committee on Trade, Industry and Competition (2025)

success of the MTDP and the Committee’s concerns raised. The three key national strategic priorities being: (i) inclusive growth and job creation; (ii) reducing poverty and tackling the high cost of living; and (iii) building a capable, ethical and developmental state. The MTDP pillars for success are:

- **Structural Reforms**: (i) Stable Electricity Supply, (ii) Freight and Logistics Reforms, and (iii) Strengthen Local Government;
- **Induced Demand**: (i) Exports, (ii) Localisation, (iii) Stronger import controls, and (iv) Science, technology and innovation;
- **Transformation**: (i) small, medium and micro enterprise (SMME) growth, (ii) Black Industrialists, (iii) Youth Fund, and (iv) Skills Revolution;
- **Investment Stimulus**: (i) Ease of Doing Business, (ii) New mines, (iii) Incentives, and (iv) AfCFTA export opportunities; and
- **Catalytic Sectors**: (i) Agriculture, (ii) Mining, (iii) Manufacturing, (iv) Tourism, (v) Digital Services, and (vi) Green Industries.

While the DTIC retained the three outcomes introduced in the 2022/23 financial year, namely: (i) industrialisation to promote jobs and improve incomes; (ii) transformation, to build an inclusive economy; and (iii) a capable state to ensure improved impact of public policies, it removed the outcomes-approach that it had been piloting. However, it indicated that its economic strategy would consist of (i) diversification, (ii) digitalisation, and (iii) decarbonisation.

As part of the Economic Cluster, the DTIC Group would be contributing to the following in the 2024/25 financial year:

Table 1: DTIC Group Contributions to the Economic Cluster 2024/25 Goals

Core Outputs	Cluster 2024/25 APP Base Targets	DTIC Contribution	Entity Contribution	DTIC Group Contribution	DTIC Group Share of Cluster Targets
Jobs Created	800 000	34 000	201 328	235 328	29%
Investment	R600 billion	R355 billion	R53 billion	R408 billion	68%
SMMEs Supported	51 000	1 100	5 585	6 685	13%
Int. Tourist Arrival	3 million	0	206 779	206 779	7%
Work Experience	420 000	50 000	60 331	110 331	26%
Subsistence Farmers	88 200	0	2 358	2 358	2,6%
Transformation	50 Industrial Parks	12	R6,4 billion	12 Industrial Parks	24%
Exports	R200 billion	R9 billion	R22 billion	R31 billion	15%
Red Tape Reduction	N/A	117	23	140	N/A

Source: DTIC (2024b: 8)

The DTIC, as the lead department on economic development in South Africa, is the custodian of economic development policy formulation and planning.[3] The DTIC’s mission is to work with its entities to achieve inclusive economic growth by coordinating and enabling government-wide interventions to [4]:

- Promote structural transformation;
- Achieve stronger Industrialisation;
- Transformation in terms of skills for the economy and enterprise development;
- Increase trade, investment and exports; and
- Promote the ease of doing business.

The DTIC is responsible for administering 55 pieces of legislation; and overseeing 18 entities (see Figure 1 below) (excluding the Broad-Based Black Economic Empowerment Commission, which is an entity under the administration of the DTIC) that contribute towards fulfilling its mandate (see Figure 1 below). 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

[3] National Treasury (2024: 869)

[4] DTIC (2025b:18)

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 2024 TO 31 MARCH 2025

This section provides a comparison between what the DTIC targeted in its APP against its performance set out in the Annual Report for the 2024/25 financial year. It then provides an overview of the AGSA's audit outcomes and human resources as at 31 March 2025.

4.1. Non-financial performance

The section below details the DTIC's performance by programme for the 2024/25 financial year against its targets as set out in its revised APP.

For the 2024/25 financial year, the DTIC had a total of 56 key performance indicators (KPIs) based on its revised 2024/25 APP tabled in November 2024[5]. Initially, the DTIC had 118 KPIs planned for the 2024/25 financial year[6]. The DTIC indicated that these amendments intended to pave the way for its new Strategic Plan and to set the DTIC's work on a new trajectory. In addition, it had reported that while a number of outcome targets had been removed or adjusted downwards, these were reallocated to the relevant entities as appropriate. Of the 56 targets, 38 had been achieved; hence, the DTIC had achieved 67,9 per cent of its targets compared to 83,9 per cent in the previous financial year.[7]

Table 2: Summary of 2024/25 KPIs per Programme

Programme		Performance targets	Achieved
1	Administration	6	1
2	Trade	7	6
3	Investment and Spatial Industrial Development	6	4
4	Sectors	11	10
5	Regulation	6	5
6	Incentives	5	4
7	Exports	4	2
8	Transformation and Competition	7	2
9	Research	4	4
	Total	**56**	**38**

Source: DTIC (2025b)

[5] DTIC (2024b)

[6] DTIC (2024a)

[7] DTIC (2025b) and DTIC (2024b)

4.1.1 Programme 1: Administration[8]

The purpose of the Administration Programme is to provide strategic leadership, management and support services to the DTIC.[9] Under Programme 1, the DTIC had reported on six performance targets and its achievement in respect of these. It had only achieved one of these targets, namely: 40 per cent of the DTIC's procurement spend to be on women-owned business.

It had not achieved five of its targets, namely:

- The target for filling all of the advertised vacancies had not been achieved; however, by the end of the financial year, the DTIC had started the screening of potential candidates. It reported that the target had not been achieved because "*(t)here was a high volume of applications received, and the selection process took longer than anticipated*"[10].
- The target for 56 per cent of entities to obtain Clean Audit Outcomes had not been achieved. For the 2024/25 financial year, 50 per cent of the entities had received Clean Audit Outcomes. According to the DTIC, several reasons attributed to this, including: (i) ineffective controls in certain areas to ensure compliance with applicable legislation; (ii) financial statements submitted for auditing had not been fully prepared in accordance with the prescribed financial reporting framework; (iii) effective and appropriate steps had not been taken to prevent irregular expenditure; and (iv) inadequate oversight over the internal controls that ensure that the annual financial statements (AFS) submitted for audit had been prepared free from material misstatements as related parties.
- The target for entities to achieve 85 per cent (or more) of their planned targets had not been achieved. For the financial year, 47 per cent of the entities had achieved 85 per cent or more of their planned targets. This had been attributed to an overly ambitious upward revision of targets in the Revised APP targets, investigations that took longer than anticipated, and deals that look longer to close than anticipated.
- The procurement spent on youth-owned businesses had been at 24 per cent against a target of 30 per cent. It reported that this had been due to the low uptake by youth-owned businesses.
- The procurement spent on businesses owned by people with disabilities (PWDs) was at 1 per cent against a target of 2 per cent. It reported that this had been due to the low uptake of businesses owned by PWDs.

4.1.2 Programme 2: Trade[11]

Through Programme 2, the DTIC aims to "*build an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and fostering African development, including regional and continental integration and development cooperation in line with the African Union Agenda 2063*"[12].

Programme 2 had seven targets, and six of the targets had been achieved. The targets were as follows:

- Eleven countries have started trading under the AfCFTA.
- Two AfCFTA Protocols submitted for ratification approved, namely the Protocol on Competition Policy and the Protocol on Women and Youth. These have since been approved for ratification by Parliament.
- Approval of South Africa's offer on Trade in Services under the AfCFTA. According to the DTIC, South Africa's schedule of specific commitments on Trade in Services on the five priority sectors (namely Tourism, Communications, Financial, Transport and business services) had been submitted to and approved by Cabinet.
- The Draft International Trade Administration Amendment Bill had been submitted to the Executive Authority for consideration.
- Five Economic Interest Strategies and implementation plans had been developed for key trading partners.

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[8] DTIC (2025b:59-63)

[9] DTIC (2024b:36)

[10] DTIC (2025b:59)

[11] DTIC (2025b:75-78)

[12] DTIC (2024b:45)

- Two amendments to regulations to reduce red tape in the International Trade Administration Commission application process had been submitted to the Executive Authority for consideration. These had been the Antidumping Regulations and the Safeguards Regulations.

The target that had not been achieved was the publication of draft amendments to the Patents Act (No. 57 of 1978) and the Designs Act (No. 195 of 1993) for public comments. According to the DTIC, the Minister had requested further internal consultation before the Bills were published for comment.

4.1.3 Programme 3: Investment and Spatial Industrial Development[13]

This Programme supports foreign direct investment flows and promotes domestic investment by providing a one-stop shop for investment promotion, investor facilitation and aftercare support for investors as well as increased participation in industrialisation[14].

Under this programme, there had been six planned targets for attracting investment, developing Special Economic Zones (SEZs) and Industrial Parks, implementing the Energy One-Stop Shop, and commercialising innovation projects. Of these, four targets had been achieved, and two had not been achieved. The following targets had been achieved:

- A new model for spatial transformation had been developed as planned.
- The target for three projects to be processed through the Energy One Stop Shop had been exceeded as the DTIC had processed nine projects.
- A total of 14 red tape reductions had been processed through the Energy One Stop Shop against a target of ten.
- A prototype for the commercialisation of innovation projects had been achieved as planned.

Targets that had not been achieved were:

- Only R310,1 billion of domestic and foreign direct investment had been attracted through greenfield and brownfield investments against a target of R330 billion.
- A total of 54 investor facilitation and red tape reduction interventions had been provided against a target of 100 interventions. The DTIC reported that the reason that this target had not been met was because of "*an increase in new applications being received due to perceived opportunities in the services sector and ZEP*[15] *holders applying for Business Visas*"[16].

4.1.4 Programme 4: Sectors[17]

The Sectors Programme is responsible for "*designing and implementing policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs, promote inclusion, and increase value addition and competitiveness, in both domestic and export markets*"[18].

Under this programme, there had been 11 performance targets relating to securing investment, job creation, manufacturing exports, and policy development. Of the performance targets, 10 targets had been achieved or exceeded, while one target had not been achieved. The key achievements had been:

- Investments to the value of R8 billion had been secured against a target of R5 billion. The DTIC had exceeded this target by R3 billion in secured investment.
- Localisation had been increased by the 20 per cent target for both public and private sectors through key sectoral interventions. The DTIC noted that its annual target had been achieved, but the actual percentage by which localisation increased had not been stated. This achievement had been attributed to "*(l)arge localisation value (approximately R5,2 billion)*

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[13] DTIC (2025b:89-90)

[14] DTIC (2024b:54)

[15] Zimbabwean Exemption Permits

[16] DTIC (2025b:90)

[17] DTIC (2025b:108-113)

[18] DTIC (2024b:63)

obtained through tenders awarded and verified by SABS (South African Bureau of Standards)”[19].
- A total of 296 SMMEs had been provided with market access instruments against a target of 200 SMMEs.
- Manufacturing exports had exceeded the R3 billion target and had reached R7 billion by the end of the financial year. The DTIC noted that this had been due to “*larger than expected manufacturing export value obtained from boat building & sugar*”[20].

Other targets that had been achieved were the:
- Review of the Automotive Masterplan;
- Development of a draft National Industrial Policy;
- Approval of the Hemp and Cannabis Commercialisation Policy;
- Development of a draft Regional Critical Minerals Strategy and funding proposal in partnership with the Department of Mineral and Petroleum Resources;
- Finalisation of a decarbonisation strategy for the industry by Cabinet; and
- Establishment of a Decarbonisation Project Coordination Office.

However, the following target for the creation of 3 000 new jobs had not been achieved, only 1 047 new jobs had been created through the sectoral interventions.

4.1.5 Programme 5: Regulation[21]
The purpose of the programme is to “*develop and implement coherent, predictable, and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens*”[22].

Of the six performance indicators under this programme, five had been achieved and one had not been achieved. The following targets had been achieved:
- The submission of two legal and technical reports into the amendment of the Companies Act (No. 71 of 2008) had been finalised.
- Two documents or notices for the Proclamation of the 2024 Companies Amendments Acts had been developed and submitted to the Executive Authority.
- Two codes on Consumer Goods and Services, and the Motor Industry had been developed and submitted to the Executive Authority for publication in the government gazette.
- Two action plans and actions taken on measures related to business rescue and reports had been developed and submitted to the Executive Authority for approval.
- The E-commerce strategy and action plan had been developed and submitted to the Executive Authority for approval.

The DTIC had planned to develop and submit two Draft Regulations to the Executive Authority for publication in the Government Gazette. However, only one Draft Regulations had been developed and submitted, as the draft Consumer Protection Amendment Regulations had yet to be finalised for gazetting.

4.1.6 Programme 6: Incentives[23]
Programme 6 is responsible for stimulating and facilitating the development of sustainable and competitive enterprises, through the efficient provision of effective and accessible incentive measures that support national priorities[24]. It is one of the key programmes with six performance indicators including the value of industrial financing, disbursement, services exports, and job creation.

The DTIC had achieved or exceeded its main targets under this programme, in particular:

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[19] DTIC (2025b:109)

[20] DTIC (2025b:110)

[21] DTIC (2025b:120-122)

[22] DTIC (2024b: 75)

[23] DTIC (2025b: 130-131)

[24] DTIC (2024b: 84)

- Almost R13,2 billion in investments had been facilitated through industrial financing against a target of R13 billion.
- More than R11,0 billion of export revenue of Global Business Services had been leveraged against a target of R5 billion, more than double the target.
- Almost R4,1 billion in incentives had been disbursed to projects/enterprises against a target of R4,0 billion.
- A total of 11 656 new jobs had been created against a target of 6 000 new jobs.

However, in terms of the implementation of an integrated Industrial Financing single-access, only phase 1 had been implemented. There had been insufficient time for implementation since the targets had been introduced in November 2024 through the revisions to the APP.

4.1.7 Programme 7: Exports[25]

The purpose of this Programme is to "*increase export capacity and support direct investment flows, through targeted strategies, and an effectively managed network of foreign trade and investment offices*" [26].

Under this programme, there had been four performance targets, two of which had been achieved. Targets that had been achieved were:

- There had been South African outward investment of R31,2 billion in the rest of Africa against a target of R25 billion.
- Exports to the rest of the world to the value of R905,5 million had been funded through the Export Marketing and Investment Assistance (EMIA) Scheme against a target of R850 million.

Targets that had not been achieved were:

- The approval of an additional Trade Finance Mechanism by Cabinet had not been approved. The Cabinet Memo outlining the additional trade finance mechanism, namely the African Export-Import Bank had been submitted to Cabinet but had not been considered within the financial year. Further consultations with National Treasury had been undertaken before re-submission to Cabinet processes.
- The Global Export Strategy had been developed but had not been submitted for approval by Cabinet as had been planned. According to the DTIC, the "*Global Export Strategy needed to respond to and implement the new Industrial Policy*"[27] and therefore the target had since been revised.

4.1.8 Programme 8: Transformation and Competition[28]

Through this Programme, the DTIC aims to develop and roll out policy interventions that promote transformation and competition issues through effective economic planning, aligned investment, and development policy tools[29].

Under this programme, there had been seven planned targets. Only one target had been achieved. The target that had been achieved was the Black ownership in critical sectors which had been reported as 32 per cent against a target of 30 per cent.

Targets that had not been achieved were:

- A total of 1 215 job opportunities had been created through transformation and competition interventions against a target of 200 000 opportunities.
- A total of 3 030 additional workers with shares in their companies had been facilitated by the DTIC Group's interventions including but not limited to competition initiatives against a target of 10 000 workers.
- Approximately R1,9 billion in investment had been leveraged from competition and transformation interventions against a target of R15 billion.

[25] DTIC (2025b:141-142)

[26] DTIC (2024b:92)

[27] DTIC (2025b:141)

[28] DTIC (2025b:161-163)

[29] DTIC (2024b:100)

- No transformation funds had been fundraised while the DTIC had planned to raise R10 billion. According to the DTIC, "*(t)he Fund could not be raised because it is dependent on the finalisation of the concept document, which is still published for public comments. Institutions stated that they are waiting for the Concept to be finalised*"[30].
- No commitments had been made for the Transformation Fund for the same reasons as stated above against a target for 10 commitments.

4.1.9 Programme 9: Research[31]

The purpose of this programme is to undertake economic research; contribute to the development of trade and industrial policies and guide policy, legislative and strategy processes to facilitate inclusive growth[32].

Programme 9 had four planned targets, all of which had been achieved.

- Five discussion papers had been produced to influence economic policy debates.
- A programme to increase training for unemployed youth had been designed.
- Two bi-monthly barometer publications had been produced covering manufacturing employment, trade, Gross Domestic Product (GDP), investment and economic modelling forecasts.
- Six market intelligence and trade opportunities reports had been commissioned and had been made accessible to exporters.

4.2. Financial performance

4.2.1 Allocated Budget for the 2024/25 Financial Year

The DTIC was appropriated approximately R9,67 billion for the 2024/25 financial year (after adjustments), down from the R10,7 billion budget in the 2023/24 financial year. A significant share of its appropriated budget goes to transfers to its entities, businesses (as incentives), external programmes, public entities, and other organisations. Of the R9,67 billion, its operational expenditure was R1,7 billion or 17,9 per cent of the total allocation.

The budget allocation was divided according to the nine programmes, namely, the Administration Programme (R952,6 million), Trade Programme (R240,8 million), Investment and Spatial Industrial Development Programme (R140,3 million), Sectors Programme (R1,3 billion), Regulation Programme (R346,2 million), Incentives Programme (R4,2 billion), Export Programme (R358,4 million), Transformation and Competition Programme (R2,0 billion), and Research Programme (R57,8 million). During the Adjusted Estimates of National Expenditure process, the total allocated budget had increased from R9,6 billion to R9,67 billion. In addition, there had been adjustments and virements within programmes during the financial year. These are discussed below.

4.2.1.1. Virements[33]

There had been virements within eight of the nine programmes, namely from three programmes (the Administration, Sectors, and Research Programmes) to five programmes (the Trade, Investment and Spatial Industrial Development, Regulation, Incentives, and the Transformation and Competition Programmes). A detailed account of the virements is shown in the table below.

Table 3: Virements by Programme (R'000)

Programme	Adjusted Appropriation	Virements	Reason for Virement	Final Budget
Administration	R952 657	-R76 212	Procurement bottlenecks on certain information and communication technology initiatives through the State Information Technology Agency (SITA), use of virtual platforms for training and development initiatives.	R876 445
Trade	R240 820	R2 012	To cover the Trade work programme	R242 832

[30] DTIC (2025b:161)

[31] DTIC (2025b:171)

[32] DTIC (2024b:112)

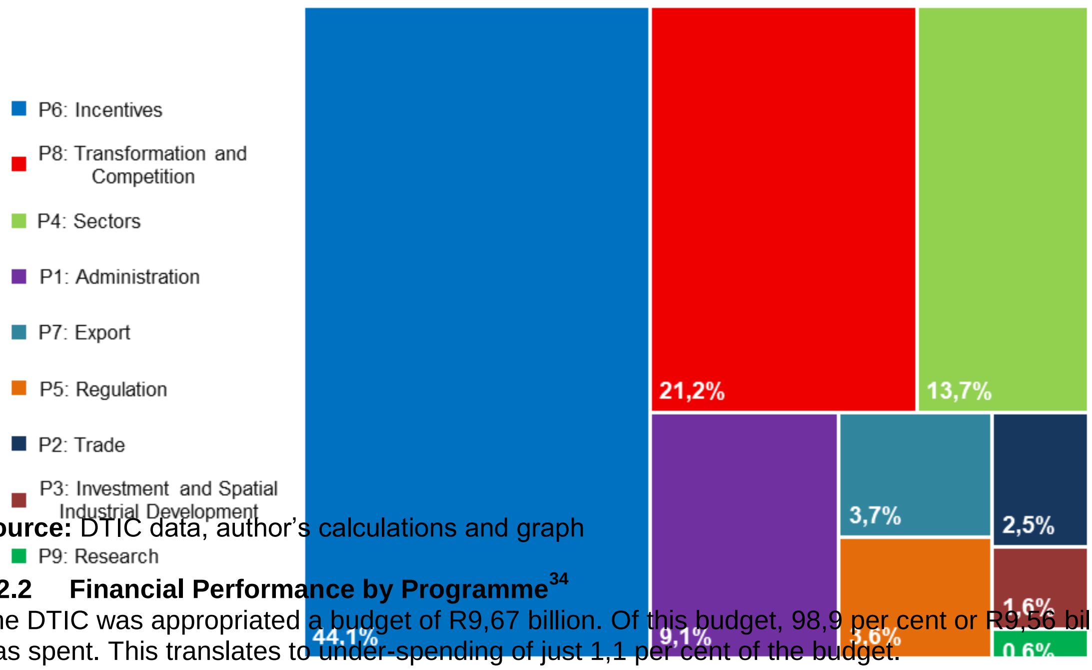
[33] DTIC (2025b:15-16)

Programme	Adjusted Appropriation	Virements	Reason for Virement	Final Budget
Investment and Spatial Industrial Development	R140 281	R9 807	Realignment of the personnel budget	R150 088
Sectors	R1 328 954	-R8 119	Delays in the filling of funded senior-level (key) positions, as the process involves complex hiring criteria and extended requirements were introduced under the Department of Public Service and Administration (DPSA) Directive on the Implementation of Control Measures, aimed at supporting Executive Authorities in managing the public service wage bill.	R1 320 835
Regulation	R346 233	R4 980	Realignment of the personnel budget and to cover urgent operational and enforcement needs in response to the food poisoning crisis	R351 213
Incentives	R4 200 678	R63 204	High uptake of some of the incentive programmes and realignment of the personnel budget	R4 263 882
Export	R358 360	-	-	R358 360
Transformation and Competition	R2 041 864	R8 683	To cover legal representation costs	R2 050 547
Research	R57 797	-R4 355	Realignment of the personnel budget	R53 442

Source: DTIC (2025b:15-16 and 267)

As previously mentioned, the DTIC has nine programmes through which its budget is allocated. The allocations vary by programme and what it seeks to do. In its revised APP, the DTIC had identified its key outcomes as industrialisation, transformation, and building a capable state. Therefore, it had committed to implementing activities that would facilitate the achievement of these outcomes. Evidently, the allocation of the budget also shows this, with 79 per cent of the budget allocated to three programmes, namely, the Incentives Programme, the Transformation and Competition Programme, and the Sectors Programme. These are the largest programmes accounting for 44,1 per cent, 21,2 per cent, and 13,7 per cent of the total budget respectively. These programmes capture the core of the DTIC's mandate as it relates to industrialisation and transformation. The breakdown of each programme's share of the total budget is shown in Figure 2 below.

Figure 2: Budget Allocation by Programme



Source: DTIC data, author's calculations and graph

4.2.2 Financial Performance by Programme[34]

The DTIC was appropriated a budget of R9,67 billion. Of this budget, 98,9 per cent or R9,56 billion was spent. This translates to under-spending of just 1,1 per cent of the budget.

[34] DTIC (2025b: 267, 278-280)

Within most of the programmes, expenditure had been well above 90 per cent, except in the Research Programme, where expenditure had been 69,5 per cent. It was important to note that the budget of the Research Programme had been reduced by approximately R4,4 million during the financial year through a virement. In addition, there had been an underspending of R16,3 million in this programme.

In terms of rand value, the key drivers of under-spending in terms of programmes had been the Administration Programme with under-expenditure of R27,7 million, followed by the Export Programme (R18,7 million), Research Programme (R16,3 million), Incentives Programme (R12,6 million), and Transformation and Competition Programme (R10,9 million). A detailed explanation of the under-spending in each programme is provided below.

Table 4: Expenditure against Budget by Programme (R'000)

Programme	Final Budget	Actual Expenditure	Actual Expenditure (%)	Under Expenditure
Administration	876 445	848 713	96,8%	27 732
Trade	242 832	237 079	97,6%	5 753
Investment and Spatial Industrial Development	150 088	147 111	98,0%	2 977
Sectors	1 320 835	1 312 230	99,3%	8 605
Regulation	351 213	345 911	98,5%	5 302
Incentives	4 263 882	4 251 220	99,7%	12 662
Export	358 360	339 688	94,8%	18 672
Transformation and Competition	2 050 547	2 039 659	99,5%	10 888
Research	53 442	37 118	69,5%	16 324
TOTAL	**9 667 644**	**9 558 729**	**98,9%**	**108 915**

Source: DTIC (2025b)

There had been underspending in all programmes; some of the reasons cut across different programmes and are shown in Table 5 below. The reason for underspending that applies to each programme is marked with an X.

LEGEND		
P1: Administration	P4: Sectors	P7: Export
P2: Trade	P5: Regulation	P8: Transformation and Competition
P3: Investment and Spatial Industrial Development	P6: Incentives	P9: Research

Table 5: Reasons for Underspending by Programme

Reason	P1	P2	P3	P4	P5	P6	P7	P8	P9
Lower than the budgeted compensation of employees because of service terminations, delays in the filling of funded senior-level positions, and a directive on the filling of vacancies	X	X		X			X	X	X
Administrative processes on the procurement of certain ICT initiatives could not be finalised as planned because of delays by SITA	X								
Goods and services that the DTIC had received or been supplied with but had not yet been invoiced for by the suppliers/service providers	X		X		X	X			
Compliance documents that were required for funds to be disbursed towards the Black Business Council were not submitted to the department; therefore, the funds could not be paid out								X	
Compliance documents that were required for funds to some of the Provincial One Stop Shops had not submitted to the DTIC; therefore, the funds could not be paid out			X						
Some of the initially planned activities were deferred to ensure alignment with the revised APP and operational plan					X				
Currency exchange rate fluctuations on foreign payments to the World Intellectual Property Organisation and the International Financial Reporting Standards Foundation					X				
Timing difference in recognising expenditure for the advance payment made						X			

Reason	P1	P2	P3	P4	P5	P6	P7	P8	P9
towards the revitalisation of industrial parks									
Timing difference in recognising expenditure for EMIA related goods and services that have been received or supplied but were not yet invoiced by the suppliers/service providers						X			
Some EMIA anticipated flagship projects that could not take place during the financial year, and early bird discounts and other savings that were realised						X			
Vacant foreign economic representative (FER) posts at various trade offices							X		
Reduced costs for the utilisation of information technology, information systems and related services at the foreign offices							X		
Work on certain commissioned studies, which were yet to be finalised and are payable on achievement of the set milestones									X
Continued use of the virtual platforms for the meetings and engagements									X

4.2.3 Expenditure by economic classification[35]

In terms of expenditure by economic classification, the largest expenditure item of the DTIC from its R9,66 billion budget had been transfers and subsidies of R7,88 billion (this included transfers to entities, foreign governments and international organisations, public corporations and private enterprises, non-profit institutions, and households).

Table 6: Expenditure against Budget by Economic Classification (R'000)

Economic Classification	Final Budget	Actual Expenditure	Actual Expenditure (%)	Variance
Current payments	**1 734 507**	**1 641 090**	**94,6%**	**93 417**
Compensation of employees	1 041 180	1 004 243	96,5%	36 937
Goods and services	693 045	636 566	91,9%	56 479
Interest and rent on land	282	281	99,6%	1
Transfers and subsidies	**7 897 363**	**7 881 981**	**99,8%**	**15 382**
Departmental agencies and accounts	1 212 746	1 212 746	100,0%	-
Foreign governments and international organisations	40 511	40 135	99,1%	376
Public corporations and private enterprises	6 477 146	6 463 818	99,8%	13 328
Non-profit institutions	161 150	159 542	99,0%	1 608
Households	5 810	5 740	98,8%	70
Payments for capital assets	**18 520**	**18 405**	**99,4%**	**115**
Machinery and equipment	16 028	15 949	99,5%	79
Software and other intangible assets	2 492	2 456	98,6%	36
Payment for financial assets	**17 254**	**17 253**	**99,9%**	**1**
TOTAL	**9 667 644**	**9 558 729**	**98,9%**	**108 915**

Source: DTIC (2025b)

Transfers and subsidies had accounted for 82,5 per cent of total expenditure. This had been followed by the compensation of employees at R1,0 billion or 10,5 per cent of total expenditure. Expenditure on goods and services had accounted for 6,7 per cent of total expenditure or R636,6 million.

In terms of under-expenditure, less than budgeted expenditure in goods and services, as well as in the compensation of employees, had been significant contributors. In the goods and services budget, there had been an under-expenditure of approximately R56,5 million. The reported reasons for this are captured in Table 5 above.

While in terms of the compensation of employees, there had been an under-expenditure of R36,9 million. It reported that this had been due to:

- Service terminations;
- Delays in filling the funded key positions; and
- A directive regarding the filling of vacancies to manage the wage bill.

[35] DTIC (2025b:268)

There had been underspending in transfers and subsidies, approximately R15,3 million. Transfers to public corporations and private enterprises had contributed R13,3 million to this. Factors that contributed to this underspending included:

- Outstanding compliance documents that had been required for funds to be disbursed towards the Black Business Council and some of the Provincial One Stop Shops; therefore, the funds could not be paid out.
- Currency exchange rate fluctuations on foreign payments to the World Intellectual Property Organisation and the International Financial Reporting Standards Foundation.
- Timing difference in recognising expenditure for the advance payment made towards the revitalisation of industrial parks.
- Timing difference in recognising expenditure for EMIA related goods and services that had been received or supplied but had not yet been invoiced by the suppliers/service providers.
- Some EMIA anticipated flagship projects that could not take place during the financial year, and early bird discounts and other savings that had been realised.[36]

4.2.3.1 Transfers to Entities[37]

The DTIC has 18 entities; of these entities, five are self-funded, while 13 receive an appropriation through the DTIC annually. The self-funded entities are the Companies and Intellectual Property Commission (CIPC), Industrial Development Corporation (IDC), National Empowerment Fund, National Lotteries Commission (NLC) and the Takeover Regulation Panel (TRP). Of the R9,56 billion expenditure by the DTIC, approximately R1,7 billion had been transferred to its entities.

As shown in the table below, transfers to entities had been R3,2 million more than budgeted. This had been due to additional transfers of R2,1 million to the National Consumer Commission for market monitoring inspections in response to the crisis of foodborne illnesses, as well as a R1,1 million transfer to the National Regulator for Compulsory Specifications.

Table 7: Transfers to entities (R'000)

Entity		Approved Transfer	Adjustments	Actual Transfer
1	Companies and Intellectual Property Commission	**Self-Funded**		
2	Companies Tribunal	29 497	-	29 497
3	Competition Commission	426 193	-	426 193
4	Competition Tribunal	40 159	-	40 159
5	Export Credit Insurance Corporation	162 488	-	162 488
6	Industrial Development Corporation	**Self-Funded**		
7	International Trade Administration Commission	113 430	-	113 430
8	National Consumer Commission	69 120	2 100	71 220
9	National Consumer Tribunal	52 000	-	52 000
10	National Credit Regulator	79 051	-	79 051
11	National Empowerment Fund	**Self-Funded**		
12	National Gambling Board	34 641	-	34 641
13	National Lotteries Commission	**Self-Funded**		
14	National Metrology Institute of South Africa	177 312	-	177 312
15	National Regulator for Compulsory Specifications	144 634	1 100	145 734
16	South African National Accreditation System	32 118	-	32 118
17	South African Bureau of Standards	354 782	-	354 781
18	Takeover Regulation Panel	**Self-Funded**		
Total		**1 715 425**	**3 200**	**1 718 624**

Source: DTIC (2025b:319-321)

4.2.3.2 Transfers for Incentive Programmes and Private Enterprises

In the 2024/25 financial year, the DTIC transferred approximately R3,7 billion of its budget for incentives and R3,9 billion to private enterprises. These transfers had mainly been incentives under

[36] DTIC (2025b:281)

[37] DTIC (2025b: 319-321)

its various incentive programmes. Transfers to these incentive programmes had accounted for 39 per cent of the total expenditure. Transfers are detailed in the table below.

Table 8: Transfers to Incentive Programmes and Private Enterprises (R'000)

Incentive Programmes	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer
Automotive Production and Development Programme: Production Allowance	1 432 099	28 355	-	1 460 454	1 460 454
Supplier Cluster Development	8 722	-8 722	-	-	-
Technology and Human Resources for Industrial Programme	57 730	-	-	57 730	57 197
Business Process Service Incentive	555 811	470	253 353	809 634	809 633
Enterprise Investment Programme	62 354	-930	-34 000	27 424	27 424
Film and Television Production Incentive	546 423	-470	181 855	727 808	727 807
Manufacturing Competitiveness Enhancement Programme	658 050	-18 703	-16 000	623 347	623 347
Private enterprises	**3 612 270**	**-**	**346 881**	**3 959 151**	**3 955 316**
Total	**6 417 146**	**-**	**60 000**	**6 477 146**	**6 463 816**

Source: DTIC (2025b:323)

4.3. Audit outcomes

The AGSA audited the DTIC and seven of its entities[38] in line with section 4(1) of the Public Audit Act (Act No. 25 of 2004), which states that "*the Auditor-General must audit and report on the accounts, financial statements and financial management of- (a) all national and provincial state departments and administrations*". Private auditors audited the other entities in line with section 4(3) of the Act, which states that "*the Auditor-General may audit and report on the accounts, financial statements and financial management of-*

(a) any public entity listed in the public finance management act; and
(b) any other institution not mentioned in subsection (1) and which is-
(i) funded from the national revenue fund or a provincial revenue fund or by a municipality; or
(ii) authorised in terms of any legislation to receive money for a public purpose".

In the case of these entities, the AGSA is not required to but may audit these entities. Hence, these entities are audited by private auditors.

Table 9: AGSA's Audit Outcome Categories

Unqualified with no findings	The financial statements are free from material misstatements and there are no material findings on reporting on performance objectives (PDO) or non-compliance with legislation.
Unqualified with findings	The financial statements contain no material have been raised on either reporting on PDO or non-compliance with legislation, or both misstatements findings
Qualified	The financial statements contain material misstatements in specific amounts, or there is insufficient evidence for us to conclude that specific amounts included in the financial statements are not materially misstated
Disclaimer	The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

The DTIC received an unqualified audit opinion with no findings for the observed financial year.

In terms of its annual performance report, Programme 4, Sectors, and Programme 6, Incentives, had been assessed to determine whether the reported performance information was useful and

[38] AGSA (2025)

reliable. The outcome of this assessment had been that the AGSA "*did not identify any material findings on the reported performance information of the selected programmes*"[39].

Furthermore, 13 of the 18 entities received clean audit outcomes, and four received unqualified audit opinions with material findings, namely the National Credit Regulator (NCR), the NLC, the TRP and the IDC. However, the SABS' audit outcome had still been outstanding at the time due to delays in finalising its financial statements after a ransomware attack experienced in November 2024.

4.4. Human resources[40]

The DTIC has an organisational structure of 1 182 posts. By the end of the financial year, 998 posts had been filled, and 184 had been vacant. Of the vacant posts, 179 posts had been subject to the directive on the filling of vacancies to manage the wage bill. This translated to a vacancy rate of 15,5 per cent, which was more than the 10,7 per cent vacancy rate in the previous financial year.

Table 10: DTIC's Employment Statistics

Organisational Structure	1 182
Number of employees additional to the approved structure	35
Filled Posts	998
Vacant Posts	184 (of which 179 have a moratorium on the filling of vacancies)
% Vacancy Rate	15,6%
% of Persons with Disabilities	4,5%
% of Women in Senior Management	55%

Source: DTIC (2025b)

According to the DTIC, because of the moratorium on the filling of vacancies, only five vacancies could be filled during the financial year. These included the position of the Director-General, which had since been filled, and for Deputy Director-General (DDG) positions, namely, DDG: Exports, DDG: Investment and Spatial Industrial Development, DDG: Sectors, and DDG: Transformation and Competition. These vacancies had been advertised during the financial year; however, it had been reported that due to the "*high volume of applications received and the selection process took longer than anticipated*"[41]. Therefore, these positions had not been filled by the end of the financial year. The table below shows employees per programme against the approved structure, as well as the vacancy rate per programme.

Table 11: Employment and vacancies per programme as of 31 March 2025

Programme	Number of Approved Posts	Number of Filled Posts	Vacancy Rate
Administration	414	355	14,3%
Trade	84	75	10,7%
Investment and Spatial Industrial Development	92	69	25,0%
Sectors	125	106	15,2%
Regulation	65	59	9,2%
Incentives	179	162	9,5%
Exports	116	92	20,7%
Transformation and Competition	66	48	27,3%
Research	41	32	22,0%
Total	**1 182**	**998**	**15,6%**

Source: DTIC (2025b:205)

[39] DTIC (2025b: 260)

[40] DTIC (2025b:202-245)

[41] DTIC (2025b:59)

The employee race profile for the year had been 84,2 percent African, 4,8 percent coloured, 5,1 percent Indian, and 5,8 per cent white. Female representation had been at 61,3 per cent. Female representation at top management had been 70 per cent, 54,5 per cent in senior management, 53,9 per cent at the professional and specialist level, and 73,3 per cent at the skilled and technical levels.[42] The representation of PWDs had been 4,5 per cent of the total headcount.[43]

Table 12: Employment equity breakdown as at 31 March 2025

Racial Breakdown	Male	Female	Total
African	345	525	**870**
Coloured	28	22	**50**
Indian	16	37	**53**
White	11	49	**60**
Total	**400**	**633**	**1 033**

Source: DTIC (2025b:221)

In addition, the significant number of vacancies in economic offices in various countries remained. The AGSA indicated that there were 65 vacancies across the 45 foreign offices in the current DTIC structure[44]. The DTIC recorded 29 vacant foreign economic representatives and 22 vacant marketing offices with only 4 FERs employed as at 31 March 2025[45]. This is concerning given the DTIC's drive to create market access for South African products and services as well as to profile South Africa as an investment destination of choice in foreign markets. South Africa's international representation is therefore important. The DTIC indicated that it has identified strategic and priority foreign offices to be capacitated. These included (i) New York in the United States, (ii) the United Arab Emirates; (iii) Ghana; (iv) Ethopia; (v) three posts in Geneva; (vi) Nigeria; (vii) Brazil; (viii) France; and (ix) Japan.[46]

There had been 88 disciplinary actions taken during the 2024/25 financial year. The majority of cases had related to the provision of false, incomplete or inaccurate disclosure (51 cases) and failure to fully disclose financial interest (nine cases). The outcomes of the disciplinary actions had been four employees had undergone correctional counselling, 39 verbal warnings, 13 written warnings, five final written warnings, and one dismissal. Furthermore, 20 disciplinary cases had been withdrawn and the outcomes of six disciplinary cases had still been pending. There had also been 30 grievances lodged, of which 27 grievances had been resolved.[47]

5. OVERVIEW AND ASSESSMENT OF THE FINANCIAL AND NON-FINANCIAL PERFORMANCE FOR THE PERIOD 1 APRIL TO 30 JUNE 2025

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 2025/26 financial year.

5.1. Non-financial performance[48]

In the first quarter, 80 per cent of the 25 planned quarterly targets (or 20 targets) had been achieved while 20 per cent of the planned quarterly targets (or five targets) had not been achieved. This had been an improvement in performance from the previous financial year's first quarter. In the first quarter of the 2024/25 financial year, the DTIC had achieved 57,8 per cent of its 64 quarterly performance targets. The table below shows the performance for the first quarter of the 2025/26 financial year by programme.

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[42] DTIC (2025b:221-222)

[43] DTIC (2025b:221)

[44] AGSA (2025)

[45] DTIC (2025b:363)

[46] DTIC (2025d:12)

[47] DTIC (2025b:236-237)

[48] DTIC (2025a), (2025c) and (2025d)

Table 13: Summary of Performance by Programme

Programme	Targets	Achieved	% Achieved
Administration	2	1	50%
Trade	1	1	100%
Investment and Spatial Industrial Development	5	3	60%
Sectors	9	9	100%
Regulation	1	1	100%
Incentives	2	2	100%
Exports	0	0	N/A
Transformation and Competition	4	2	50%
Research	1	1	100%
Total	**25**	**20**	**80%**

Source: DTIC (2025a and 2025d)

Targets that had not been achieved were under:

- **Programme 1: Administration** – The target had been for 100 per cent of entities achieving a minimum of 80 per cent performance on its non-financial targets. Only 58 per cent of entities (or 11 of 19 entities) had achieved the minimum of 80 per cent.
- **Programme 3: Investment Spatial Industrial Development** –
  - The first target had been to develop an implementation plan for two high priority sector demand-led skills plan related to the Masterplans. Achievement of the target had been delayed due to consultations with internal and external stakeholders. However, work on the implementation plan has commenced.
  - The second target had been to attract R20 billion in investment through greenfield and brownfield investments in targeted sectors including in SEZs and industrial Parks. Only R9,3 billion of investment had been attracted. This had been attributed to several investments still being in the pipeline and pending verification or awaiting formal confirmation of the investment commitment.
- **Programme 8: Transformation and Competition –**
  - The first unachieved target had been to aggregate and disburse R3 billion from the Transformation Fund. Due to the finalisation of stakeholders' specific agreements and the implementation model, there had been delays in the aggregation of funds for the Transformation Fund. To address this, stakeholder engagements have been prioritised and partnership agreements for the aggregation of funds were being finalised.
  - The second unachieved target had been to train 20 000 unemployed youth under the Youth Employment Service (YES). There had been a low recruitment season for YES and only 4 793 youth had been trained. To address this, the DTIC in collaboration with stakeholders would have a more intensive recruitment process in the subsequent quarters.

In terms of the eight entities that had not achieved the minimum of 80 per cent performance, the DTIC reported the following:

Table 14: Entity Non-financial Performance Against Planned Targets

Entity	Performance	Reason(s) for deviation	Corrective action
Companies Tribunal	63%	Target on percentage of decisions and orders issued on opposed application within 30 working days was not achieved due to the complexity of one matter. Target on percentage of decisions and orders issued on unopposed applications within 20 working days was not achieved due to the complexity of matters. Target on percentage increase in workplace-based internship was not achieved due to resignation of one intern.	Performance monitoring will be strengthened for Tribunal members and escalated to the Chairperson for corrective measures. Recruitment process is under way to appoint interns and will be finalised during Q2.

Entity	Performance	Reason(s) for deviation	Corrective action
Export Credit Insurance Corporation	50%	Target on Only Gross Written Premium of R1 million was achieved against the R100 million target for the quarter because there were no new policies incepting during the quarter. ECIC does not receive monthly premiums on a straight-line basis. Premiums are received either annually or upfront at the start of the transaction. The medium- to long-term transactions take multiple years to reach financial close which is not in the control of ECIC.	ECIC is working on a pipeline of medium- to long-term transactions which would bring in Gross Written Premium and SA Content over the strategic period. It is expected that the TotalMozLNG and Yellow Equipment premiums will be received this year. This would be more than $80 million and would see the R400 million target achieved for the year.
National Credit Regulator	65%	Target on conduct 1 consumer education, awareness campaigns and activities on the NCA targets was not achieved because the indicator requires the activity to be at a scale of an indaba/imbizo. The activity conducted was a business breakfast session with no attendance register, minutes nor presentation by the NCR. Target on appointment of a service provider to conduct the impact study because at the time of the internal budget allocation (April) a shortfall of funding was noted for the planned procurement in relation to delivery of the indicator. Target on the finalization of the diagnostic study report and submission of the final report to the DTIC was partially achieved because the initial diagnostic report prepared by the service provider did not meet the requirements. The draft report under review by International Finance Corporation (IFC) of the World Bank and the NCR. Target on the review and finalisation of the feasibility study was partially achieved. Although the review has been conducted, the Round table discussions are underway. Target on the service provider to develop an education strategy and plan was not appointed because the project is not funded. Target on the appointment of the service provider to develop an education strategy and plan was not achieved due to project not been funded Target on Funding model documents approved and submitted to the DTIC	A catch-up plan is in place with one activity already conducted on 26 July 2025 and another planned for 09 Aug 2025. The NCR Department responsible for this activity has reviewed the terms of reference for the procurement activity and aligned budget allocated to ensure that targets are achieved. The procurement process commenced in Q2. The IFC has appointed a new service provider, who is in the process of finalising the report. The report is anticipated to be completed by the end of July 2025. The IFC has appointed a new service provider, who is in the process of finalizing the report. The report is anticipated to be completed by the end of July 2025. The NCR has revised its approach and initiated round table discussions scheduled for July 2025. The strategy will be developed internally. A final document was submitted in June. This will be tabled at EXCO for approval and submitted to DTIC for

Entity	Performance	Reason(s) for deviation	Corrective action
		was not achieved due to a slight delay experienced by the service provider appointed by IFC of the World Bank on obtaining interviews and contact details of stakeholders for the benchmarking process.	further assessment and approval.
National Empowerment Fund	43%	Target on Funding of 45 SMEs was not achieved because of the timing of disbursements, mainly owing to the lead time in regulatory compliance precedents (registrations of bonds, zoning, certifications relating to various industries) with various departments. Target on 25% of investment made to investees operating in SEZ and Industrial Parks was not achieved due to the lag between business development initiatives and implementation. Target on 80% Collection ratio not achieved due to the incorporation of forward-looking information, which has been historically lacking from IAS39/GRAP104 coupled with poor performance of investees, low collections, and delays in legal recovery processes. Target on 35% of portfolio disbursed to businesses owned by women was not achieved. Target on 15% of portfolio disbursed to businesses owned by youth and people living with disability target was not achieved Target on R450 million of investments was not achieved as indicated in the KPI relating to number of SMEs funded Target on 3 150 of maintained and new jobs created was not achieved. The achievement of this target is highly dependent of first disbursement as all jobs are counted with the first payment. A significant portion of the disbursement were subsequent. Target on maximum of 30% impairment rate was not achieved.	The disbursement pipeline is valued at R419 million, which is intended to be converted in the current quarter. There is an additional pipeline of transactions within the adjudication process valued at just under R500 million that is also expected to boost Q2 achievements. The prospects are encouraging as the NEF participated in a seminar with all SEZs to identify investment opportunities. There are 2 large settlements expected during the current month that will increase the collections rate to 75%. Intensity of the implementation of the portfolio management strategy will also boost the collections ratio. The disbursement pipeline from transactions committed is indicative of an improvement in performance during the current quarter. The disbursement pipeline reflects 38.8% women ownership. The NEF pipeline and business development efforts indicate a need for further capacity-building support ahead of investment readiness in this segment. The approval and commitment pipeline is showing green shoots. As indicated on reasons for the previous target, the committed funds will be converted in Q2. The converted disbursement pipeline will be replaced by a pipeline from approvals of equivalent value. As the NEF converts on its new approval pipeline, the jobs figures will also increase. This is mainly due to the incorporation

Entity	Performance	Reason(s) for deviation	Corrective action
			of forward-looking information, which has been historically lacking from IAS39/GRAP104 coupled with soft credit assessment and inadequate monitoring.
South African Bureau of Standards	71%	Target on publishing of 95 Standards was not achieved because the cybersecurity incident at the SABS rendered Standards systems inactive i.e. (SABSTAN, Livelink and Network drives) including the loss of data for the period March 2023 to November 2024. Project information, Standards and NWIPs were lost and in cases irretrievable. This resulted in significant delays in progressing projects towards completion and publication. Target on 20% progress against the approved annual employee engagement action plan was not achieved because the Employee Engagement Plan was only approved at the end of June. Target on 6,1% year on year growth in revenue not yet measured due to system unavailability Target on Operating Margin of the SABS per annum = 5,6% not yet measured due to system unavailability Target on vacancy rate of 5% on critical positions not achieved due to delay in profiling of critical vacancies. This process was only completed formally at the start of Q2.	Conclude the restoration of SABSTAN to effectively manage all projects on the programme of work. Review of the current status of the projects and implement prioritized actions to address delayed projects and also weekly tracking of the progress on the progress of standards published by the Standards Approval Committee. Although activities related to the employee engagement plan have already started, they could only be quantified against the plan after approval. Activities will be accelerated in Q2. ERP systems slowly coming back online and Business Intelligence (BI) rebuild in progress, to allow measurement and reporting. ERP systems slowly coming back online and Business Intelligence (BI) rebuild in progress, to allow measurement and reporting Using a new methodology on identifying critical positions and obtaining approval from vacancy managers
National Lotteries Commission	71%	Target on 100% monitoring of eligible funded projects was not achieved due to inadequate M&E capacity within the provinces which has since been addressed Target on Review the digital transformation strategy and the plan (Obtain approval from the ICT Steering Committee EXCO) target was not achieved because the plan was not aligned to the strategy and not tabled to the ICT Steerco Target on number of applications adjudicated in Q1. Module 4 (adjudication) was at a User Acceptance Testing phase, and 10 newly appointed DA members joined	A plan developed to ensure that provincial monitoring and evaluation specialists execute visiting all projects. Additional measures include additional capacity in the Monitoring unit. New CIO has already tabled a plan to EXCO to ensure that the target gains traction to be on track Applications are being processed as Module 4 is now online and the DAs are able to adjudicate on the new system

Entity	Performance	Reason(s) for deviation	Corrective action
		the NLC effective 01 July 2025. Adjudication commenced on 16 July 2025.	
Industrial Development Corporation	15%	The quarterly targets on the value of on balance sheet funding disbursed, the value of off-balance sheet funding disbursed, and the value of funding crowded in from other funders were not achieved There are significant transactions in the current pipeline which are expected to disburse in the next two quarters of the financial year (DE-1). The disbursement of these follows different patterns based on the nature of the funds. For example, some funds disburse based on certain milestones which sometimes mean there are dependencies (DE-2). A few deals that are approved contribute significantly to the KPI, however finalising them is taking longer due to the complexity of the transactions requiring additional time, resources and consultations (DE-3). Business conditions over the next twelve months are not foreseen to improve, with manufacturing confidence declining during the first quarter of 2025 However, the Q 1 2025 BER Manufacturing Business Survey shows that investment in machinery and equipment over the next year is expected to increase, marking it as the second consecutive increase for two quarters in a row There are currently 5 approvals that will contribute to the exports KPI once closed Increased private sector participation in infrastructure development and operations could provide opportunities or relatively low risk long term funding in infrastructure for the IDC	The pipeline for relevant transactions remains robust, however complex transactions require additional time, resources and consultations resulting in longer turnaround times. Some of those are expected to be disbursed in the next two quarters of the financial year (DE-4). The jobs initiative that has been introduced is showing some traction as can be seen in the pipeline. Closing transactions will be prioritised in quarter 2 and 3 (DE-5&6). There are 2 transactions that have been approved which will contribute to the KPI and the pipeline also currently reflects Energy deals with contribution to megawatts(DE-7). Interventions on select Business Partners (BP) cool-off after some time 12 months) for BPs >R100 million. Strategies are being adjusted to decrease NPLs, and results will show in succeeding quarters
International Trade Administration Commission	77%	Target on R68,250 billion of manufactured exports facilitated under ITAC rebates 470.03 and 521 and Automotive Production and Development Programme (APDP) cannot be reported on because the APDP exports data for June is not available yet due to the time lag in releasing this trade data by SARS Target on 126 new jobs committed to by recipients of implemented ordinary tariff increases and rebate provisions created, administered by ITAC was not achieved because the target is dependent on number of tariff	Data available at the end of July Dependent on third party for information

Entity	Performance	Reason(s) for deviation	Corrective action
		amendments reports implemented by SARS and the number of jobs committed by applicants Target on 70% of the final determinations made within 6 months on Custom Tariffs Increase Investigations was not achieved due to the need to undertake further analysis and to secure the participation of firms whose input was deemed critical to make an informed decision within the Rails sector Target on 70% of the final determinations made within 6 months on Custom Tariffs Rebate Investigation was not achieved due to the following delays **Cookerhoods**: The domestic manufacturer's reluctancy in participating in the investigation, resulted in the target not being achieved **Copper sulphate used for animal feed**: Protracted engagements with domestic manufacturer and animal feed sector in terms of confirming domestic and international compliance with set standards Target for 60% Final determination made within 10 months of initiation of Trade Remedy Investigation was not achieved due to the following: The investigation was completed by ITAC in 10 months. Approval and implementation took an additional 5 months, extending the turnaround time to 15 months. [Hot rolled steel products (Safeguard)]	Data available at the end of July

Source: DTIC (2025c)

5.2. Financial performance[49]

The sub-sections below show expenditure by programme and by economic classification as at 30 June 2025.

5.2.1 Financial Performance by Programme

The DTIC had been allocated a budget of R11,1 billion in the 2025/26 financial year, an increase of R1,4 billion (14,5 per cent) from the R9,7 billion adjusted budget in the 2024/25 financial year (previous financial year). Of the R3,1 billion budget set aside for expenditure in the first quarter, R2,5 billion had been spent. This resulted in an under-expenditure of R580,4 million or 18,5 per cent of the first quarter projected expenditure. The main contributors to underspending in terms of programmes had been Programme 8: Transformation and Competition with underspending of R557,7 million; Programme 5: Regulation with R30,1 million underspending; Programme 1: Administration with R18,6 million underspending; Programme 7: Export with R15,2 million underspending; and Programme 3: Investment and Spatial Industrial Development with under-expenditure of R6,9 million.

[49] National Treasury (2025)

However, there had also been substantive over-expenditure mainly in Programme 6: Incentives of R43,5 million. In addition, Programme 9: Research, Programme 2: Trade and Programme 4: Sectors had overspent by R1,6 million, R1,5 million and R1,49 million respectively in the first quarter.

Table 15: First Quarter Expenditure by Programme (R'million)

Programme	Budget 2025/26	Projected Q1 Expenditure	Actual Q1 Expenditure	Variance (%)	Variance	Available Budget
Administration	972,3	222,9	204,4	8,3%	18,6	767,9
Trade	261,7	135,6	137,1	-1,1%	-1,5	124,6
Investment and Spatial Industrial Development	181,9	38,5	31,6	17,9%	6,9	150,3
Sectors	1 674,1	640,4	641,9	-0,2%	-1,5	1 032,2
Regulation	363,3	212,7	182,6	14,2%	30,1	180,7
Incentives	5 205,2	694,0	737,5	-6,3%	-43,5	4 467,7
Export	390,3	214,9	199,8	7,1%	15,2	190,5
Transformation and Competition	1 958,4	959,6	401,9	58,1%	557,7	1 556,5
Research	R64,6	10,7	12,3	-15,0%	-1,6	52,3
Total	**11 071,7**	**3 129,4**	**2 549,0**	**18,5%**	**580,4**	**8 522,7**

Source: DTIC (2025c)

Under-expenditure had incurred in the following programmes:

- **Programme 1: Administration**: There had been underspending of R18,6 million or 8,3 per cent of the projected quarterly spending. The lower-than-projected spending had been mainly due to the non-receipt of invoices for legal representations from the Department of Justice and Constitutional Development, ordered goods which were yet to be delivered by the service provider, and a timing difference in recognising expenditure for the advance payment made towards training and development interventions.
- **Programme 3: Investment and Spatial Industrial Development**: There had been underspending of R6,9 million or 17,9 per cent of the projected quarterly spending. This had been mainly due to vacant posts, which were at various stages of recruitment, while documentation required to effect the transfer for regional industrial development had still been outstanding by the end of the quarter.
- **Programme 5: Regulation**: The Programme had underspent by R30,1 million or 14,2 per cent of projected spending. The DTIC had attributed this to outstanding documentation required to effect the transfer to the National Consumer Commission and the Companies Tribunal.
- **Programme 7: Export**: There had been underspending of R15,2 million or 7,1 per cent. This had been due to vacant FER posts at various trade offices.
- **Programme 8: Transformation and Competition**: Under this programme, there had been underspending of R557,7 million. This equated to a variance of 58,1 per cent of the Programme's projected budget for the quarter. The underspending had been a result of the pending finalisation of the Memorandum of Agreement for the Social Employment Fund, which is a prerequisite for disbursement; lower-than-projected spending due to disbursements to the Tirisano Construction Fund, as this was dependent on the actual amounts received from construction companies; and vacant posts that were currently at various stages of the recruitment process.

Over-expenditure had incurred in the following programmes:

- **Programme 2: Trade**: The over-expenditure had been R1,5 million or 1,1 per cent of the projected spending. The higher-than-projected spending had been mainly due to the G20 Trade and Investment Working Group meetings.
- **Programme 4: Sectors**: The overspending had been 0,2 per cent of projected spending or R1,5 million. The higher-than-projected spending had been attributed to legal representation costs incurred, which are unpredictable in nature.
- **Programme 6: Incentives**: There had been overspending of R43,5 million, or 6,3 per cent. This had been largely due to the nature of incentives and the disbursement schedule. While a high volume of claims had been processed, actual disbursements are contingent upon approved entities meeting specific performance outputs such as investment, job creation, and localisation targets. These projects typically span multiple years and are influenced by various external factors, including market conditions, natural disasters, labour disruptions, and supply chain

challenges. Consequently, the timing and volume of claims remain variable and difficult to predict.

- **Programme 9: Research**: The Programme had overspent by R1,6 million or 15 per cent of projected spending. This had been attributed to a new study that had been commissioned during the reporting period earlier than expected.

5.2.2 Financial Performance by Economic Classification

In terms of expenditure by economic classification, transfers to entities had accounted for the largest share of expenditure at approximately R1,2 billion followed by incentive payments (R698,6 million), compensation of employees (R247,2 million), goods and services (R152,8 million), transfers to external programmes (R108,6 million) and payment to non-profit organisations (R95,1 million).

The main variances between projected expenditure and actual expenditure for the quarter had been over-expenditure in incentive payments. Under-expenditure had mainly been in transfers to external programmes and transfers to entities. A detailed explanation of the reasons for these variances were provided in the sub-section above.

Table 16: First Quarter Expenditure by Economic Classification (R'million)

Economic Classification	Budget 2025/26	Projected Q1 Expenditure	Actual Q1 Expenditure	Variance (%)	Variance	Available Budget
Current payments	**1 942,6**	**433,9**	**399,9**	**7,8%**	**33,9**	**1 542,7**
Compensation of employees	1 138,3	264,3	247,2	6,5%	17,1	891,2
Goods and services	804,3	169,6	152,8	9,9%	16,8	651,5
Transfers and subsidies	**9 110,2**	**2 687,1**	**2 148,9**	**20,0%**	**538,2**	**6 961,3**
Incentive Payments	5 020,8	648,3	698,6	-7,8%	-50,3	4 322,1
Department entities	1 752,8	1 273,3	1 242,4	2,4%	31,0	510,4
External Programmes	2 117,1	667,4	108,6	83,7%	558,8	2 008,5
Non-profit organisations (Partnerships with business associations, NEDLAC)	170,7	95,5	95,1	0,4%	0,4	75,6
Membership Fees (International Organisations)	47,8	2,4	2,4	0,9%	0,0	45,3
Households	1,1	0,2	1,8	-1 027,6%	-1,7	-0,7
Payments for capital assets	**18,9**	**8,4**	**0,1**	**98,6%**	**8,2**	**18,8**
Total	**11 071,7**	**3 129,4**	**2 549,0**	**18,5%**	**580,4**	**8 522,7**

Source: DTIC (2025c)

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 ***Failure to submit financial statements for audit***: During the briefing by the AGSA, it was revealed that the SABS failed to submit its financial statements for audit. This delay was attributed to a cyber-attack that severely compromised the institution's ICT systems and disrupted critical operations. Nearly a year later, the SABS remained unable to finalise and submit its financial statements, which presents reputational and operational risks. Furthermore, the recurring cyber-attacks and subsequent delays may indicate deeper structural and governance weaknesses at the SABS. The Committee enquired what measures have been implemented to ensure that the SABS recovers its systems, submits its financial statements, and prevents future cyber-attacks. It also enquired whether the DTIC has instituted any oversight or support mechanisms to expedite recovery and strengthen ICT governance at the SABS. The AGSA confirmed that the SABS had not yet submitted its financial statements for audit as a result of a cyber-attack that disrupted its ICT systems. It noted that the scope of its IT audit covers the adequacy of disaster recovery and ICT controls. Although the SABS had been previously flagged for weak ICT controls, the AGSA's office could not proceed with the audit until the institution recovered its systems and produced auditable financial statements. The Director-General informed the Committee that the SABS had restored most of its systems and continued to strengthen ICT security. Two older systems, critical for audit preparation, were yet to be replaced. He further stated that the DTIC had been working closely with SABS to expedite system recovery and that additional firewalls were in the process of being procured. The SABS has committed to submitting its financial statements by January 2026, and the DTIC would provide oversight to ensure compliance with this target.

Furthermore, the Committee questioned the reliability of the commitment for submission and sought clarity on the consequences or contingency measures should the SABS fail to meet the new deadline. The AGSA confirmed that the SABS and the DTIC were closely monitoring its ability to meet the January 2026 deadline. The AGSA informed the Committee that it has engaged directly with the SABS audit committee and the Minister to ensure that the entity was supported to recover its systems and deliver financial statements for audit. The Director-General reiterated the same commitment and confirmed that the DTIC has provided technical and governance oversight to the SABS.

6.2 ***Disaster recovery capabilities*:** The AGSA's presentation did not expand on the SABS's disaster recovery capabilities or its ability to restore critical systems following the major cyber incident. The Committee enquired whether the AGSA's audit scope included an assessment of entities' disaster recovery and business continuity systems. The AGSA confirmed that its audit scope includes an assessment of disaster recovery and business continuity planning. It was noted that the SABS had previously received recommendations to strengthen its disaster recovery systems, but implementation had been inconsistent. The Director-General informed the Committee that the SABS had restored most of its systems and continued to strengthen its ICT security. Two of fourteen modules of the older system, critical for audit preparation, were yet to be integrated with other systems. He further stated that the DTIC had been working closely with SABS to expedite system recovery and that additional firewalls were in the process of being procured to segment the network. The SABS has committed to submitting its financial statements by January 2026, and the DTIC would provide oversight to ensure compliance with this target.

6.3 ***National Lotteries Commission (NLC) investigations*:** The NLC has been under investigation by the Special Investigating Unit (SIU) following a Presidential Proclamation, which was subsequently extended to include procurement-related irregularities. However, the AGSA's report reflected only a limited number of financial and irregular expenditure items, which appeared inconsistent with the scale of the alleged procurement malpractices. Given the SIU's expanded mandate, the Committee enquired why the AGSA's report reflected only a limited number of irregular expenditures. The AGSA informed the Committee that the scope of its 2024/25 audit was limited to current-year transactions and did not include historical cases already under investigation by the SIU. This approach avoided duplication of work. It further clarified that the discrepancies between the SIU's findings and those reflected in the AGSA's report arose because some matters were being handled under the Presidential Proclamation, which deals with previous procurement cycles. They also indicated that certain procurement findings had been escalated to the National Treasury for final determination. The NLC indicated that its historical irregular expenditure opening balances recorded, were reported in the annual report as R611 million. This related to historical supply chain management matters and would be covered through the extended SIU proclamation. The new irregular expenditure was R6,8 million.

6.4 ***Procurement irregularities:*** The AGSA reported procurement irregularities and non-compliance at the NLC, which could be indicators of corruption and ethical breaches or a lack of qualified finance personnel to ensure effective internal controls. The Committee enquired why procurement processes at the NLC were bypassed and what disciplinary or corrective actions were being taken to address this. The AGSA noted that while the NLC has shown improvement in its overall audit outcome, material weaknesses persisted in procurement and grant management. Some procurement disputes were currently being assessed in consultation with the National Treasury. The NLC clarified that the current irregular expenditure arose due to capacity constraints, failure to comply with the delegation of authority (DOA) and poor contract management. However, there was no financial loss incurred by the NLC. Subsequently, it has implemented additional training, revised its policies to close any gaps identified, updated its DOA, and improved its contract management to address the root cause of the irregular expenditure. It has also enhanced its compliance before awards are made in the supply chain management space.

6.5 ***Delays in grant payments at the NLC*:** The AGSA reported prolonged delays in grant payments to service providers, noting that in some cases delays extended over multiple years despite work having been completed and verified. These failures negatively affected beneficiaries' cash flow, operations, and staff remuneration. The Committee enquired about the systemic causes of these delays and how they are being addressed. The AGSA acknowledged that although control improvements were underway at the NLC, weaknesses in the payment and verification processes persist. This has contributed to payment delays, especially in multi-year projects. The DTIC explained that delays have emanated due to: (i) additional compliance checks being introduced to manage the risk of fraud; and (ii) implementation of an automated grant management system. The NLC has developed and implemented a new grant management system, Thuthuka, that was now in use. Internal controls have been built into the system like the verification of non-profit organisations or companies and identity numbers to enable adherence to legislative timeframes.

6.6 ***Financial deficit at the CIPC*:** The AGSA noted that the CIPC's financial report showed a deficit where total expenditure exceeded revenue, reflecting a negative financial position. The Committee enquired how such a deficit could occur, what cost drivers or expenditure items were responsible, and whether the CIPC's annual performance and budget plans aligned with its financial commitments. The AGSA stressed the importance of in-year monitoring and effective budget oversight to prevent deficits. The DTIC clarified that the CIPC was a self-funded entity; thus, it did not receive transfer funding from National Treasury. In the past, the CIPC had surrendered surplus funds to the National Treasury via equity and not profit and loss, due to the amount not being a return of transfer funding. The AGSA had raised the accounting treatment as an issue requiring the CIPC to change its accounting treatment to reflect amounts paid to/provided as payment to National Treasury in terms of profit and loss. At 31 March 2025, the CIPC realised an operational surplus of R105 million. However, due to raising a provision for the cash surplus realised of R132 million, and that amount now going to profit and loss, the financials reflected a deficit of R28 million. The CIPC emphasised that it strictly adhered to ensuring that expenditure does not exceed approved budget and in every financial year, since 2011, it had made a surplus and has to date surrendered over R1,6 billion to National Treasury of this surplus. Therefore, it remained solvent, with a positive cash flow position.

6.7 ***Non-compliance by the NCR*:** The NCR had recorded over R23 million in fruitless and wasteful expenditure, and the AGSA made findings of conflicts of interest in procurement processes and non-compliance in financial reporting and revenue management. The Committee enquired about the specific timeframe for completing the investigation into the fruitless and wasteful expenditure recorded at the NCR. The AGSA informed the Committee that an investigation into the NCR's R23 million fruitless and wasteful expenditure had been concluded, with the report pending submission to management. The findings revealed that the expenditure largely arose from system licensing changes and capacity gaps caused by prolonged acting positions (for example the chief financial officer (CFO) was acting in the chief executive officer (CEO) position and the supply chain management manager was acting in the CFO position). The DTIC confirmed that the independent investigators had finalised the investigations report. The NCR's Legal Department had reviewed the report, and plans were underway to present the recommendation(s) in a meeting to the NCR Executive Committee in November 2025 to deliberate on and provide a way forward.

In terms of revenue collection, the amounts in revenue not collected comprised mostly penalty fees charged to late-paying registrants. Section 51(1)(d) of the National Credit Act (Act No. 34 of 2005) states that a penalty must be imposed by the NCR on registrants who fail to pay their prescribed annual renewal fees within 30 days from the date on which such fees were payable. Over the past four years, the NCR had shown significant improvement in revenue collection through several internal control improvements. The NCR now applied a structured and proactive debt recovery process and has a defined strategy and processes for accounts receivable collection through the NCR Accounts Receivables (AR) Policy that was improved and amended in February 2023. According to this policy, these receivables could only be lapsed based on an intensive investigation and thereafter an approval of the write-off by the Accounting Authority. Timelines prescribed in this policy for these investigations were affected by the requirement for intense manual reconciliation procedures. Unfortunately, the NCR has challenges in automating this function due to funding constraints.

The DTIC highlighted that the reconciliation process was mostly very successful, but some reconciliations between deposits paid and invoices billed provided challenges because of the intensive manual procedures involved in implementing the NCR Annual Return (AR) Policy. The process still took longer than expected and ran into a future period that seemed impractical. Consequently, the NCR had taken a decision to limit the time allowed for the follow-ups already being made on non-paying registrants and lapsing would be done on non-responsive registrants by December each year. This would be considered an improvement to the existing NCR AR Policy and ensured that the process envisaged in the NCR AR policy was concluded sooner.

In terms of compliance with key legislation on the financial statements, Generally Recognised Accounting Practice (GRAP) 1: Presentation of financial statements paragraph 17 states that "*(f)inancial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation.*"

The NCR migrated a Caseware file that is used to prepare the AFS from an external consultant and brought the preparation of the AFS in-house to save costs and to skill its internal human resources. The NCR, however, faced challenges with the updating of the licence for this Caseware file which caused the Accounting Policies to the AFS to be misaligned to those used in the prior financial year. Due to time constraints experienced as a result of the delay caused with the installation of the licence, some of the more significant corrections had not made in time for submission to the AGSA on 31 May 2025. This ultimately resulted in non-compliance to GRAP 1.

The NCR had submitted unaudited AFS on 31 May 2025 to the AGSA for audit and these remaining updates were made to the AFS post the submission due date. As per audit requirements, the AGSA should report any post adjustments/updates made to the AFS after submission. The unaudited financial statements submitted at the start of the audit were therefore not fully prepared in accordance with the prescribed financial reporting framework (GRAP 1), as required by section 55(1)(b) of the Public Finance Management Act (Act No. 1 of 1999). Therefore, the NCR obtained an unqualified audit opinion with findings.

6.8 ***Governance deficiencies*:** The AGSA's report highlighted significant governance weaknesses across several entities within the DTIC's portfolio. The Committee emphasised the importance of addressing foundational governance challenges and enquired what systemic governance reforms the AGSA has recommended to the DTIC and its entities to address the root causes of these failures, beyond technical compliance issues. The Director-General recognised that persistent governance weaknesses were systemic and informed the Committee that the DTIC was developing standard operating procedures (SOPs) for all entities to establish consistent governance frameworks, reporting lines, and compliance standards. This includes strengthening audit committees, performance monitoring, and board induction processes.

6.9 ***Vacancies at the DTIC*:** There were ongoing vacancies within the DTIC, particularly at DDG level, which may have material impacted on its performance in the 2024/25 financial year. These leadership and management capacity gaps could have further implications on the DTIC's ability to deliver on its mandate. The Committee enquired about the root causes behind the delays in filling these senior positions. The Director-General acknowledged that vacancies at the DDG level had materially affected departmental performance. He confirmed that recruitment processes were underway and that the DTIC was seeking to 'reset and normalise' operations by reducing long-term acting appointments and finalising permanent appointments.

6.10 ***Vacancies among FERs*:** There was a high number of vacancies in foreign trade offices and this could impact on South Africa's economic and trade relations with foreign governments, organisations, and non-governmental bodies. The Committee enquired whether these vacancies arose from legislative, financial, or administrative constraints, and how the matter could be escalated for resolution at the highest level. The Director-General outlined that three senior FER posts have been submitted and await approval by the Department of International Relations and Cooperation (DIRCO), and 12 additional positions were in the process of being filled. Shortlisting was underway, with the expectation that appointments would be finalised in the next financial year. He attributed delays to funding constraints and security clearance processes required by DIRCO.

6.11 ***Governance framework and acting appointments*:** Continuous acting appointments compromised effective oversight and decision-making and could reflect weaknesses in leadership planning or political will to finalise appointments. It enquired what the governance framework (statutes, Treasury or DPSA directives, or departmental policies) stipulated regarding the permissible duration of acting appointments, and what mechanisms existed to enforce compliance. The AGSA informed the Committee that the governance framework, guided by the DPSA and Treasury regulations, generally limited acting appointments to six months, with possible extensions. Each entity was also required to maintain a clear succession and delegation policy. The Director-General indicated that the entities had their own policies in this regard but confirmed that the DTIC was working toward reducing the incidence of extended acting positions and to regularise leadership stability across entities.

6.12 ***Monitoring and oversight mechanisms*:** Weak oversight and recurring audit findings continued across several entities reporting to the DTIC. Notwithstanding the repeated audit findings and existing audit action plans, some entities remained consistently non-compliant, reflecting a lack of decisive corrective action. The Committee sought clarity on how the DTIC monitored and enforced the implementation of audit action plans, and whether a structured, measurable process existed to track corrective actions and intervene when entities fail to demonstrate progress toward compliance. The AGSA stated that while several entities under the DTIC have audit action plans, implementation thereof remained inconsistent, especially at the NLC and NCR. The Director-General indicated that a financial analysis and oversight recourse had recently been appointed in the Office of the CFO and would monitor the implementation of audit action plans by all entities. Monthly, quarterly reports and accountability meetings were also used to assist with the process.

6.13 ***Capacity and governance of financial oversight structures*:** The achievement of clean audits required not only compliance on paper but also institutional competence. Therefore, the capacity and functionality of audit committees and CFOs, and the overall effectiveness of internal audit mechanisms was important. The Committee enquired whether entities have adequately skilled CFOs and functional internal audit mechanisms to progress from unqualified audits with findings to clean audits. The Director-General indicated that the entities have competent CFOs and functional internal audit mechanisms. He further indicated that the CFO Forum, chaired by the CFO of the DTIC would assist in ensuring the sharing of best practice between the DTIC and its entities.

6.14 ***Consequences for non-compliance*:** Although overall compliance levels stand at approximately 89 per cent, the absence of meaningful consequences for entities that consistently (i) fail to submit financial statements timeously, (ii) receive qualified audits, or (iii) incur fruitless and wasteful expenditure was a concern. The Committee enquired what formal consequence management mechanisms exist for such entities, including penalties, sanctions, or administrative actions applied against accounting officers or boards. The AGSA informed the Committee that under the Public Audit Act, material irregularities were escalated progressively, from notification to remedial action, and finally to the issuance of a certificate of debt if remedial steps are not implemented. This mechanism ensures consequence management across accounting officers and boards.

6.15 ***Public Audit Act amendments*:** The 2018 amendments to the Public Audit Act empowered the AGSA to act decisively on material irregularities, including referring matters for investigation, prosecution, and recovery of losses from responsible accounting officers. The Committee enquired whether the AGSA has exercised these powers effectively, particularly in relation to the NLC and other entities within the DTIC portfolio. It further enquired how many certificates of debt have been issued to recover financial losses. The AGSA informed the Committee that since the 2018 amendments to the Act, over 292 material irregularities have been identified across government institutions, with approximately R1,4 billion in financial recoveries achieved through referrals to the SIU, Hawks, and the Public Protector.

They also confirmed that certificates of debt have been issued primarily in municipalities, but processes are underway to extend these to national entities where warranted. Within the DTIC portfolio, investigations have been referred for follow-up, though no certificates of debt have yet been finalised. The NLC informed the Committee that the three material irregularities raised by the AGSA had been as a result of the fraud and corruption perpetuated by the previous Board and management team and was being investigated by the SIU. These matters were with the SIU for recovery of funds.

6.16 ***Performance bonuses and perverse incentives*:** Where performance bonuses are paid to accounting officers and senior management despite poor audit outcomes or failure to meet key performance indicators, this could create perverse incentives within public entities. In the absence of compliance-linked performance assessments, entities may continue to operate without accountability for poor performance. The Committee enquired whether, in instances where entities received qualified or adverse audit opinions, performance bonuses were paid to executives, and whether the DTIC requires that audit outcomes be factored into performance evaluations of accounting officers and senior managers. The DTIC indicated that its senior managers did not receive performance bonuses, as the DPSA has indefinitely suspended payment thereof. Furthermore, no performance bonuses have been paid to heads of entities reporting directly to the Minister. The information relating to entities with boards, would be requested.

6.17 ***Forensic investigation of the Capital Projects Feasibility Programme (CPFP)*:** In terms of the management of incentive funds, the AGSA identified fraud risk indicators within the CPFP, which triggered a forensic investigation. The Committee enquired about the status and progress of this forensic investigation. The AGSA confirmed that fraud risk indicators were detected within the CPFP, prompting a forensic investigation which has since been finalised. The report was pending formal tabling to management. The DTIC indicated that the CPFP Investigation had been outsourced to one of the Forensic Panel of Investigators. The investigation was in the final execution phase, and feedback thereon was to be given at the next pre-Audit Committee meeting set for 13 November 2025. The final execution phase meant the conclusion of the investigation and in the next phase the Report would be prepared. The draft report was expected to be ready by the end of November 2025.

6.18 ***Financial management and performance improvements*:** The AGSA's presentation indicated that between 57 per cent and 60 per cent of the DTIC's entities reflected good financial management performance. The Committee enquired whether the AGSA has provided specific recommendations to strengthen internal financial systems and whether any measurable improvements have been observed where such recommendations were implemented. The AGSA confirmed that between 57 per cent and 60 per cent of entities under the DTIC's portfolio demonstrated good financial management performance, an improvement from previous years. In addition, it attributed this progress to the implementation of prior audit recommendations and improved internal controls at certain entities. However, entities such as the NLC and NCR continued to show weaknesses in supply chain and expenditure management.

6.19 ***Industrial parks site visits:*** The AGSA presented on its site visits to various SEZs and industrial parks. However, it appeared to focus on only positive images of certain SEZs or parks, which could obscure challenges affecting underperforming or neglected parks. The Committee enquired what criteria the AGSA used to select SEZs or industrial parks for site visits, and how it ensured that these visits provided a representative assessment of performance and infrastructure conditions across all sites. The AGSA informed the Committee that its assessments are guided by a risk-based methodology, focusing on sites with high disbursement levels or those that previously showed weaknesses. The selection was therefore not random but designed to test whether control environments function effectively where financial exposure was greatest. Furthermore, the AGSA acknowledged the concern that only well-maintained industrial parks had been presented and confirmed that the DTIC was aware of uneven performance across different parks. The DTIC has directed provincial counterparts to develop turnaround plans for underperforming SEZs and industrial parks and to strengthen maintenance and infrastructure development.

6.20 ***Impact of grey listing on investment:*** South Africa's inclusion on the Financial Action Task Force's (FATF) grey list constrained the country's investment climate, which likely amplified perceived investment risk, deterring potential investors and affecting capital flows. There has been recent progress toward South Africa's removal from the grey list, which should have a positive impact on investment. The Committee enquired to what extent did the FATF's grey listing impact on the DTIC's investment targets, and what measures were being considered to leverage the lifting of the grey list to revitalise investment flows and restore investor confidence. The Director-General informed the Committee that South Africa's inclusion on the FATF 'grey list' was particularly damaging in terms of the withdrawal of institutional investors such as foreign pension funds, which typically have investment covenants requiring immediate disinvestment if a country is placed on the grey list. South Africa's removal from the grey list was likely to see these institutional investors returning to invest in domestic bonds and stocks. This would lower Government's cost of borrowing through the bond market and also diversify South Africa's borrowing beyond only domestic institutional investors.

In addition, investor confidence was likely to rise as foreign investors have greater certainty that their investments are safe, capital flows are appropriately regulated and the risk of the FATF imposing direct sanctions on South Africa were now extremely low. These factors were likely to have a significant and positive impact on South Africa's economic outlook but it must be stressed that structural reforms – for example in energy, freight and logistics and the cost of doing business – which fundamentally improve the domestic business environment were key to ensure sustained, long-term economic development.

6.21 ***Gross fixed capital formation:*** The DTIC indicated that South Africa's gross fixed capital formation remained on average at 14 per cent of GDP, well below the benchmark of over 20 per cent. Currently, private sector investment outpaced public sector investment, raising concerns around the state's ability to drive infrastructure led-growth. Furthermore, a goal of Infrastructure South Africa (ISA) was to close the country's infrastructure investment gap. The Committee enquired what specific inter-ministerial collaboration mechanism existed to align infrastructure investment efforts between the DTIC, the Department of Public Works and Infrastructure, ISA, and other economic departments, and whether these mechanisms were contributing to improving the country's gross fixed domestic capital ratio. According to the Director-General, there was currently limited structured collaboration between the DTIC through InvestSA and ISA on the joint promotion of large-scale infrastructure projects. However, in the renewable energy space, there was active coordination between the Energy One Stop Shop (EOSS) and ISA to address and unblock regulatory challenges affecting Independent Power Producers (IPPs). InvestSA also profiled infrastructure-related projects sourced from Transnet and provincial investment promotion agencies within the National Investment Project Booklet. The Presidency's Economic Advisor has identified the need to strengthen coordination mechanisms between InvestSA and ISA to ensure that investment-ready infrastructure projects were better integrated into the national investment pipeline.

In terms of the 2024 Transmission Development Plan and the Independent Transmission Project Programme, it outlined an ambitious plan for the country to expand the current infrastructure on electricity transmission with more than 14 000 km of new transmission lines and associated infrastructure over the next ten years. To this end, the DTIC has several targeted interventions under way, namely:

- Collaboration with the Department of Energy and Electricity, National Treasury, the IDC, the Independent Power Producers Office, the National Transmission Company of South Africa and Eskom to build domestic manufacturing capability for the transmission build programme; and
- Joint workstreams have been established to incubate and accredit local suppliers for critical transmission components e.g. (towers, conductors, insulators, transformers, pumps and hardware).

This initiative was to ensure that local firms can meet both quality and volume requirements for the programme.

6.22 ***Industrial Policy and Private Sector Investment:*** There was a contradiction between low capital investment levels and the private sector's R1,9 trillion cash reserves, particularly, in that private sector investment remained insignificant in the absence of a credible industrial policy. Delays in finalising and presenting the Industrial Policy to Cabinet, undermines investor confidence and delays activating private capital into productive sectors. The Committee enquired when the DTIC would be finalising and presenting the new Industrial

Policy to Cabinet, and how it would address the private sector's hesitance to invest despite their substantial capital reserves. The Deputy Minister acknowledged the concern about stagnant private investment and informed the Committee that the Industrial Policy was still being refined. He further stated that certain elements of the policy were already being implemented, particularly those linked to industrial diversification, localisation, and green industrialisation initiatives. The Industrial Policy, however, had not yet been formally adopted by Cabinet, but he assured the Committee that the policy framework would soon be tabled for approval.

Furthermore, during the development phase of the National Industrial Policy, the Director-General informed the Committee that the engagements with key stakeholders demonstrated their willingness to collaborate and collectively develop solutions to grow the economy. The common threads that emerged revealed that as government, we need to create a stable and predictable policy and regulatory environment; focus on network industries; improve access to finance to de-risk projects; develop a skilled workforce to respond to the needs of industry; and focus on environmental sustainability, among others.

Therefore, the industrial policy seeks to counteract a rapidly changing global and domestic economic environment that is uncertain by providing a clear and credible framework for long-term economic priorities—reducing uncertainty and creating a more predictable investment environment. Through targeted fiscal incentives, public-private partnerships which were key in industrialisation efforts, and strategic support for strategic industries, it is envisaged that the industrial policy would help cajole the private sector by removing regulatory barriers and thus de-risking large-scale investments. In doing so, it was hoped that industrial policy would not only mobilise private capital but would also align with national development objectives, improving competitiveness, and sustainable economic growth.

6.23 ***Transformation Fund:*** While the Transformation Fund concept document had been revised to improve the concept after public comments, the viability of a centralised funding model was questioned given the DTIC and the NEF's capacity to disburse such a quantum of financing, as it was substantially larger than the current annual disbursements of the DTIC and the NEF. The Committee enquired whether the DTIC should reconsider whether a centralised Transformation Fund should be established, and should rather prioritise the governance and data-driven monitoring of existing funding streams, as well as efficiency improvements to maximise the impact of these funds. The Deputy Minister acknowledged that the Transformation Fund concept has been refined and several design weaknesses identified in the original proposal were under review. The DTIC agreed that governance and oversight, particularly addressing information asymmetry between government and industry, were key focus areas. However, the Deputy Minister maintained that the Fund remained a strategic intervention within the transformative framework. The Director-General added that engagements with National Treasury were ongoing to explore sustainable funding options. However, no firm decision had yet been taken on abandoning or restructuring the centralised model.

6.24 ***Implementation Timeline for the Transformation Fund:*** Despite the policy progress, the Transformation Fund remained underfunded and unimplemented. The delay in operationalising the Transformation Fund raised questions about resource mobilisation, institutional readiness and inter-departmental coordination. Furthermore, it limited the DTIC's ability to advance inclusive participation in industrialisation and transformative initiatives. The Committee enquired what the DTIC's revised timeline and operational plan for finalising and implementing the Transformation Fund was. The Director-General informed the Committee that the Transformation Fund remained a key policy commitment, but financial constraints persisted. In addition, the Deputy Minister elaborated that policy proposals and the implementation model were still under review. However, the DTIC did not intend to abandon the Fund but aimed to ensure that it effectively addressed information asymmetry and access to finance challenges faced by black industrialists.

6.25 ***Trade facilitation frameworks:*** While there has been progress under the AfCFTA, several trade facilitation targets, including the Global Export Strategy was still awaiting Cabinet approval. This delayed South Africa's ability to fully leverage continental and global market opportunities. The Committee enquired about the main obstacles delaying Cabinet approval, and how the DTIC would ensure that South African exporters benefit effectively from the

AfCFTA and other global trade frameworks. The Deputy Minister acknowledged delays in the approval process, noting that this was a scheduling issue rather than a policy regression. He informed the Committee that the Export Strategy work continued operationally, with certain elements already rolled out through the National Exporter Development Programme and market prioritisation initiatives. He confirmed that Cabinet approval would be pursued in subsequent cycles. Key amongst the areas already being implemented was the acceleration of the diversification of markets and products of South African exports through a ‘butterfly approach’ which prioritised the AfCFTA implementation as the ‘body’ and expanded export initiatives in the ‘wings’ representing established and emerging markets globally. In addition to priority markets in Africa, the Americas, Europe, Asia and the Middle East, there was also a renewed focus on markets such as ASEAN countries and Turkey. The aim was not only to expand export opportunities through diversification but also to support increased resilience of South African exports in dynamic global markets.

6.26 ***US Framework Package (Trade negotiations):*** The DTIC had recently submitted a proposal for the US Framework Package, and had emphasised the importance of bilateral trade diplomacy in sustaining market access and export competitiveness. The Committee enquired when the US Framework Package would be finalised and if it would achieve the targeted reduction of 30 per cent on tariffs for South African exports, and what progress has been made in concluding the negotiations. The Deputy Minister informed the Committee that negotiations were ongoing, and the DTIC continued to engage with the US Trade Representatives to ensure mutually beneficial outcomes. However, he cautioned that tariff reductions were dependent on reciprocal concessions and broader diplomatic negotiations. The Director-General added that the DTIC remained optimistic that partial tariff relief would be secured but could not confirm quantitative outcomes at this stage.

6.27 ***European Union (EU) Steel Tariffs:*** The EU has recently imposed a 50 per cent tariff on South African steel, which has crippled the domestic steel manufacturing industry. During the Committee’s recent oversight visit to Saldanha, it had noted the underutilised production lines and low operational capacity of a steel processor, signalling a sector in distress. This raised questions about the DTIC’s strategy to mitigate trade barriers and provide support for affected industries through policy or trade remedy interventions. The Committee enquired what interventions the DTIC was pursuing to address the impact of the EU’s 50 per cent tariffs on South African steel exports and to revitalise the domestic steel manufacturing sector. The Deputy Minister acknowledged the steel industry’s distress and noted that the DTIC was working with the EU and National Treasury to negotiate fair trade conditions and consider domestic relief measures. He further emphasised that South Africa’s stance would continue to prioritise local industry protection and export diversification.

In relation to the proposed 50 per cent duty on steel by the EU, it should be noted that the proposal was for this duty to come into effect once the safeguard duty on steel imposed by the EU in 2018 comes to an end in June 2026 and the tariff was, thus, not yet in force. South Africa has raised its concerns with the EU during the G20 Trade and Investment Ministers meeting. The EU aimed to limit tariff-free import volumes to 18,3 million tons a year (a reduction of 47 per cent compared to 2024 steel quotas), double the level of out-of-quota duty to 50 per cent (compared to the 25 per cent under the safeguard) and strengthen the traceability of steel markets by introducing a Melt and Pour requirement to prevent circumvention. South Africa was concerned with the impact of these measures on the domestic steel industry. The EU has indicated that they would consult on the proposed measures through the World Trade Organization (WTO) process. South Africa would continue to raise its concerns bilaterally and would also engage with the EU through the WTO process.

In addition, the current ITAC Steel Tariff Review which was underway, provided a policy instrument aimed at re-balancing the domestic market and protecting the local steel industry from global protectionist measures, like the EU tariff. The review sought to:

- Reassess existing tariff lines across the steel value chain to ensure appropriate levels of protection against unfair import competition;
- Enable downstream competitiveness by revising duties that constrain fabricators and engineering firms; and
- Integrate localisation and export readiness into the tariff framework.

Furthermore, industrial and localisation support was offered to the industry to:

- Fast-track local demand creation interventions, particularly in infrastructure programmes such as the Transmission Development Plan and Independent Transmission Project to absorb local excess steel capacity through public procurement;
- Enforce local content designations for steel, towers, fasteners, and substation structures to increase internal demand (the DTIC was currently reviewing previously designated sectors in anticipation of the Public Procurement Act (Act No. 28 of 2024) regulations); and
- Using the National Industrial Participation Programme and specific goals as levers for industrial development.

6.28 ***Nkomazi SEZ:*** The Nkomazi SEZ remained non-operational despite significant public funds invested in the SEZ's preparatory stages and the assurances of progress. Under the previous Administration, progress was touted and it was indicated that the SEZ would soon be fully operational. Yet, challenges, including disputes involving traditional leaders over land negotiations, continued to stall development. The Committee enquired whether the feasibility study and business case for the Nkomazi SEZ had been completed and submitted as scheduled, and what was the updated timeline and implementation plan, and whether the outstanding issues have been resolved. The Director-General confirmed that the operationalisation of the Nkomazi SEZ remained a challenge, though a new board had been appointed. He noted key challenges included infrastructure access and the need to redefine the SEZ within a regional corridor context linking Mpumalanga, Eswatini, and Mozambique. He stated that national government's new SEZ approach aimed to strengthen coordination with provinces. In this regard, the IDC was finalising an evaluation report, and a joint meeting with the province was scheduled in November 2025 to address the identified bottlenecks.

6.29 ***Musina-Makhado SEZ (MMSEZ) Viability:*** The termination of the Shenzhen Hoi Mo Resources contract, designating it as the operator of the MMSEZ, raised concerns around the continued viability of the MMSEZ. There were significant environmental challenges, particularly water scarcity and carbon emissions, which reflected broader questions around policy coherence between industrial development and climate commitments. The Committee enquired, that given the environmental and operational concerns at the MMSEZ, whether the DTIC intended to review the SEZ's viability and alignment with South Africa's decarbonisation and sustainability objectives. The Director-General acknowledged the challenges at the MMSEZ and confirmed that the DTIC was reviewing the SEZ's feasibility and sustainability. He informed the Committee that negotiations were ongoing with the Limpopo Provincial Government and the IDC to reassess project design and compliance with environmental and water-use regulations. He further emphasised that the DTIC supported SEZs that were sustainable and aligned with green industrialisation. He also expressed his support for the SEZ model, noting that while some SEZs were underperforming, others such as the Tshwane Automotive SEZ, demonstrated significant success. He stated that the projects, co-funded by the state and private sector, mobilised over R21 billion in investment and created 3 000 permanent jobs in the Mamelodi area. Furthermore, he informed the Committee that the DTIC was collaborating with National Treasury and the World Bank to conduct an impact study on SEZ performance, focusing on strengthening governance, investment attraction, and value-chain integration.

6.30 ***Cannabis commercialisation:*** There have been ongoing delays in amending the Drugs and Drug Trafficking Act (Act No. 140 of 1992), which continued to criminalise cannabis despite ongoing government initiatives to develop a commercialisation strategy for the sector. The contradiction between legislation and policy intent hindered investment and formalisation in the cannabis industry. The Committee enquired about the current status of interdepartmental engagements on amending the Drugs and Drug Trafficking Act, and how the delay affected the implementation of the cannabis commercialisation strategy. The Director-General informed the Committee that the Cannabis for Private Purposes Act (Act No. 7 of 2024) (CfPPA) amended the Drugs and Drug Trafficking Act by deleting references to cannabis and THC from that Act. The CfPPA was unfortunately not yet in effect, as its implementation was contingent upon the publication of regulations by the Minister of Justice and Constitutional Development, which would prescribe the permissible quantities of cannabis that may be possessed, transported and cultivated for private purposes. The Deputy Minister confirmed that interdepartmental discussions were underway with the Department of Justice and Constitutional Development to finalise this outcome and the South African Police Service to harmonise the regulatory framework. In the meantime, the DTIC was proceeding with the development of a hemp and cannabis commercialisation policy, which would inform the regulation of the commercialisation of cannabis.

A draft has been subjected to internal government consultation and consultation with key stakeholders and amendments were being made to the draft policy to take these inputs into account. It would then be submitted to the Minister for approval to publish for public comment. The delays stem from legal complexities, as no less than ten pieces of legislation would have to be amended to effectively implement the strategy and align industrial use with public health and safety laws. the DTIC reaffirmed its commitment to promoting the hemp and cannabis industry while resolving the regulatory matters.

6.31 ***Spaza Shop Support Fund implementation:*** There appeared to have been no disbursement from the Spaza Shop Support Fund due to administrative delays in registering spaza shops. Furthermore, the Spaza Shop Support Fund excludes foreign-owned spaza shops, which raises the question of the inclusivity and practicality of the programme. The Committee enquired why the Spaza Shop Fund had not yet disbursed any funds, and how the DTIC sought to address the exclusion of foreign-owned spaza shops from the programme. The Director-General acknowledged the slow rollout, citing verification and compliance delays as the primary cause. The Deputy Minister reiterated that the Fund’s design was intended to empower South African citizens under the government’s transformation and localisation objectives. However, the Deputy Minster conceded that the implementation challenges were under review, with the DTIC considering more simplified registration processes to expedite disbursements. The Director-General explained that the delays in disbursement were largely due to registration and licensing challenges, particularly where foreign nationals were involved. The DTIC was exploring whether the COVID-era municipal licensing provisions could be reactivated or if a conditional waiver system could be introduced, allowing conditional operation pending compliance within a specified time period.

6.32 ***Economic Impact of flagship programmes:*** The Committee sought clarity on the economic impact of the DTIC’s flagship programmes, namely the Black Industrialist and the SEZ Programmes. These programmes represent the DTIC’s most significant instruments for industrial and economic transformation, and enterprise development. However, metrics and impact evaluation frameworks that demonstrate the actual economic returns on investment appeared to be absent. The Committee enquired what measurable economic impacts have the DTIC’s flagship programmes, such as the Black Industrialist and the SEZ Programmes, delivered in terms of sustainable jobs created and private sector investment. The DTIC indicated that both programmes continued to contribute to industrialisation, localisation, and employment creation, with over 200 black industrialists supported and investments exceeding R60 billion attracted across multiple sectors. The SEZ Programme has mobilised private investment of more than R20 billion, generating several thousand direct and indirect jobs.

6.33 ***Internal Financial Controls:*** The AGSA’s presentation highlighted the recurring irregularities around expenditure, and weaknesses in financial governance across the DTIC and its entities. This demonstrates a systemic issue of non-compliance with supply chain management, inadequate internal controls, and exposure to irregular and fruitless and wasteful expenditure. The Committee enquired what measures the DTIC was implementing to strengthen internal financial controls and procurement processes to prevent recurrence of irregular expenditure and to enhance financial governance across its entities. The CFO informed the Committee that the DTIC was monitoring entities’ audit action plans to ensure that all control deficiencies as identified by the AGSA were addressed and all recommendations were implemented.

6.34 ***Assessing the Real-World Effects of Departmental Targets:*** There was a need for the DTIC to move beyond numerical target achievement toward understanding the real-world socioeconomic effects of those targets. While the performance reports demonstrate the percentage of targets achieved, there was limited evidence on how such achievements translate into tangible economic outcomes, such as GDP growth, job creation, industrial productivity, and investor confidence. The Committee enquired how the DTIC assessed the real-world impact of achieving its performance targets on key national outcomes. The Director-General informed the Committee that South Africa’s economy was deeply integrated into global markets and was influenced by a complex mix of both global and domestic factors, many of which fell outside its direct control. Therefore, assessing the DTIC's impact required a careful evaluation of the direct and indirect impact of its policy interventions across various economic sectors.

For example, trade policy interventions such as the negotiations to establish the AfCFTA have created a substantial and lucrative export market for South African manufactured goods, agriculture and services. The benefits of the AfCFTA would, however, only directly impact jobs and economic growth when South African exporters were able to move their goods efficiently and cost-effectively through South Africa's freight and logistics infrastructure. Consequently, the DTIC was working closely with the Department of Transport to reform South Africa's ports and rail markets, so as to unlock the opportunities offered by the AfCFTA.

In the manufacturing sector, the DTIC has provided significant investment and production support to sectors such as automotives, clothing and textiles, global business services, and furniture, among others. These support measures have enabled sectors to withstand global competition and to weather domestic challenges as they arose, such as electricity supply interruptions. This has contributed to the retention of key industrial capabilities and production capacity and has positioned these sectors for a new period of growth. However, sustained growth depended on much stronger investment across South Africa and faster-growing domestic demand to absorb the products produced by the South African manufacturing sector. This, in turns, required a robust suite of investment incentives and structural reforms, and a supportive environment for domestic consumers, who continue to face relatively high real interest rates while inflation remained well within Government's inflation target.

6.35 ***Weak Governance:*** Thirteen out of 17 audited entities obtained clean audits, while only five out of 17 audited entities had achieved 85 per cent of their performance targets. This trend reflected ongoing governance and accountability limitations within the entities. The Committee enquired what mechanisms the DTIC would introduce to strengthen governance and accountability across its entities to ensure improved audit outcomes and higher levels of target achievement. The Director-General informed the Committee that the DTIC had intensified oversight over its entities through monthly reporting, the review of governance structures, and performance alignment between CEOs and departmental targets. He further confirmed that CEO performance agreements were now incorporating DTIC-approved indicators, allowing the DTIC to hold entity leadership accountable for missed targets. Additionally, appointments to boards and CEO positions were being expedited to address leadership instability.

6.36 ***Under-expenditure in the Research Programme:*** The Research Programme had an underspending of 30,5 per cent of its allocated budget. This under-spending may reflect weaknesses in planning and supply-chain management where reliance on external training or research partners causes bottlenecks/delays. The Committee enquired what reforms the DTIC was considering to address administrative inefficiencies and improve planning, procurement, and implementation processes in the Research Programme. The DTIC informed the Committee that the research under-expenditure was largely due to milestone-based payments. Certain deliverables were completed only after year-end, leading to delays in expenditure recognition. Despite this, the DTIC was of the view that the performance achievement under the Programme was high (around 90 per cent). Additionally, the Director-General noted that the DTIC was centralising the research budget to consolidate oversight and streamline coordination across branches.

6.37 ***Under-expenditure in Quarter 1 of 2025/26 financial year:*** In the first quarter of the 2025/25 financial year, the DTIC's expenditure was R580,4 million, with underspending mainly in the Transformation and Competition Programme. This raised concerns about potential slippage in meeting annual targets, especially within programmes central to transformation and competition policy enforcement. The Committee enquired how the DTIC would ensure that underspending in the first quarter of 2025/26 financial year, particularly in the Transformation and Competition Programme, did not compromise the achievement of its annual performance targets. The DTIC clarified that the under-expenditure related to delayed disbursement under the Transformation and Competition Programme due to pending tripartite approval between the DTIC, the IDC and the Presidency for the Social Employment Fund.

However, funds were subsequently disbursed in the second quarter. The DTIC assured the Committee that annual targets would not be affected.

6.38 ***Weak Performance in Transformation and Administration Programmes:*** Despite reporting an 84 per cent of overall targets achieved, performance in the Administration and Transformation and Competition Programmes remained weak, undermining the broader policy credibility and consistency. The Committee enquired how the DTIC would ensure consistent quarterly performance and address the persistent weaknesses in these Programmes. The DTIC acknowledged capacity constraints linked to vacant posts and delayed appointments but expressed confidence that its 80 per cent performance rate in the first quarter provided momentum for improvement. The Deputy Minister further added that transformation interventions, including the Transformation Fund and targeted industrial financing, were being refined to enhance impact and delivery consistency. With regard to the performance of its entities, it indicated that the 80 per cent achievement of targets was included in the Shareholder Compacts and letters had also been written to all entities regarding the need to ensure the achievement of the targets. Monthly and quarterly governance meetings were also held to monitor their performance.

6.39 ***Performance versus expenditures***: The DTIC reported that it had only achieved 68 per cent of its planned targets, yet reported an expenditure rate of 99 per cent of its budgeted allocation. This mismatch between expenditure and performance raises questions about efficiency, planning and fiscal discipline, as it could suggest fiscal dumping. The Committee enquired how the DTIC accounted for its poor performance against its APP targets while spending 99 percent of its budget. Furthermore, what internal mechanisms are in place to prevent fiscal dumping across the DTIC and its entities. The CFO informed the Committee that the DTIC's budget comprised, on average, 80 per cent transfers. The performance from transferred funds were reported from other structures, such as entities. All payments for the incentives were only processed once all deliverables had been finalised. The incentives were reimbursable in nature and therefore no dumping was possible. All other transferred funds were monitored, and the corresponding deliverables were tracked.

6.40 ***Job creation and quality of employment:*** Under the Incentives Programme, the DTIC had set a target of 6 000 jobs created and reported actual performance of 11 656 jobs created in the 2024/25 financial year. However, similar targets for the creation and retention of 200 000 jobs or job opportunities under the Transformation and Competition Programme led to only 15 282 jobs/job opportunities being created and retained, indicating substantial under-performance. The Committee was of the view that, given South Africa's unemployment crisis, short-term job opportunities may not significantly contribute to meaningful economic transformation or long-term poverty alleviation. Therefore, a more strategic focus on sustainable, long-term employment is required. The Committee enquired whether the DTIC has specific targets for creating long-term, decent jobs beyond temporary job opportunities. If so, what progress has been made toward achieving these, and how does it measure the sustainability and quality of the employment created through its programmes. The Director-General informed the Committee that the creation of jobs was dependent on companies' ability to generate employment through economic growth. The DTIC would continue to negotiate with companies to encourage the creation of additional jobs. Greater emphasis would also be placed on 'no retrenchment' conditions during the merger filings.

The 11 656 jobs created by beneficiaries of the DTIC's incentives in the 2024/25 financial year consisted of permanent jobs and did not include temporary employment opportunities. In addition to this, all manufacturing incentives require beneficiaries to maintain existing jobs. During the 2024/25 financial year, incentive beneficiaries maintained over 63 000 existing jobs, even though this was not targeted through the APP. This, therefore, contributed to long-term employment and poverty alleviation.

6.41 ***Economic Policy Debate:*** The DTIC achieved a 100 per cent performance rate within its Research Programme. While the Annual Report highlighted ongoing policy research and dialogue, there appeared to be limited visibility regarding the content, structure and participants in the debate. This was a potential concern as policy research must translate into participatory discourse capable of influencing industrial, trade, and investment strategies across government and the private sector. Furthermore, other strategies, such as the Industrial Policy and the 'Butterfly Strategy' were incomplete while some of their elements were reportedly being implemented. The Committee enquired whether the DTIC could provide detailed information on the form, content, and stakeholder composition of the 'economic policy debate' referred to in its Annual Report and clarify the current status and implementation frameworks for the Industrial Policy. The Deputy Minister reinforced the DTIC's commitment to transparency, evidence-based policy, and public accountability, particularly regarding transformation narratives. He expressed his concern about misinformation in the public domain and underscored the need for data-driven research to counter distorted claims about BEE fund allocations. He further discussed industrial policy implementation delays, noting that while some programmes missed scheduling cycles, certain components thereof (like the Export Strategy) were already being rolled out. He further stated that efforts to secure long-term industrial jobs, including engagements with the Department of Electricity and Energy to utilise 4 000 MegaWatts of surplus grid capacity to revive smelters, potentially restoring 100 00 long-term jobs, were ongoing.

6.42 ***Corrective Action on Missed Targets:*** A number of targets have been repeatedly missed over the last few financial years. The Committee enquired what corrective actions has the DTIC implemented to address performance deficiencies and prevent their reoccurrence in subsequent APP cycles, and how was progress in this area being monitored. The Department informed the Committee that the following corrective actions were implemented per target missed in the 2024/25 financial year:

- Five unachieved targets related to Competition and Transformation Programme:
  - *Transformation Fund*: R10 billion raised and ten commitments for Transformation Fund – The concept document has been prioritised to be finalised to enable the unlocking of commitments and fundraising.
  - *200 000 job opportunities created through transformation and competition interventions* – Greater emphasis will be on 'no retrenchment' conditions as part of merger and acquisition transactions.
  - *10 000 additional workers with shares in their companies as a result of the DTIC group's interventions including but not limited to competition initiatives* – No corrective measure were required, as commitments for additional workers with shares were influenced by the merging parties and applications received.
  - *R15 billion of investments leveraged from competition and transformation interventions* – The improved definition of the indicator would be implemented
- Five unachieved targets related to the Trade, Investment and Sectors Programmes:
  - *Draft amendments for Patents Act and Designs published for public comments* – The Patents Bill and the Designs Amendment Bill will be published for comment in 2025. This work has been included in the new APP of the Department.
  - *R330 billion of domestic and foreign direct investment attracted through greenfield and brownfield investments* – To attract investors, a key component of its strategy was the Investment Project Book, a portfolio of bankable and feasible projects ready for investment.
  - *100 investor facilitation and red tape reduction interventions provided* – Attention would now shift toward enhancing business visa requirements, improving the processing of applications, streamlining procedures, and strengthening coordination with the Department of Home Affairs.
  - *30 per cent of procurement spent on youth-owned businesses and 2 per cent of procurement spent on businesses owned by persons with disability* – For procurement contracts awarded to businesses owned by youth and persons with disability, the DTIC aimed to increase awareness by promoting procurement opportunities to these designated groups through various channels.
- Three unachieved targets in relation to the Export, Incentives and Regulation Programmes:
  - *One Global Export Strategy approved by Cabinet* – The document was currently undergoing internal approval processes before submission to the relevant Cluster and Cabinet.
  - One Additional Trade Finance Mechanism approved by Cabinet – Cabinet memorandum would be updated and re-submitted for Cabinet approval.
  - Two Draft Regulations developed and submitted to the Executive Authority for publication in the Government Gazette - The approach and strategy would be reviewed, and ongoing engagements with relevant internal and external stakeholders would continue on the outstanding draft Regulations.

6.43 ***Standardised Accounting and Financial Management:*** A standardised accounting and financial management system is important to prevent anomalies across the DTIC's entities. The lack of standardisation undermines reporting as well as audit reliability across the entities thereby increasing the risk of irregular or fruitless and wasteful expenditure. The Committee enquired whether there was a uniform accounting and financial management framework prescribed by National Treasury being applied and monitored by the AGSA to ensure consistency and prevent anomalies across all entities reporting to the DTIC. The Director-General informed the Committee that there are legislated reporting standards for the public sector. The public sector is governed by the financial reporting standards developed by the Accounting Standards Board, namely: the GRAP, the International Financial Reporting Standards for schedule 2 entities, and Modified Cash Standard to the department. National Treasury has already issued the Irregular and Fruitless and Wasteful Expenditure framework for the public sector. The AGSA audits were conducted against these standards.

6.44 ***Rationalisation of entities:*** There have been delays in releasing the report on the evaluation of the rationalisation of entities including technical institutions such as the SABS and related entities. The Committee enquired whether progress has been made regarding the potential consolidation of technical infrastructure institutions in South Africa. The Director-General indicated that the DTIC was considering the report on the rationalisation of entities including the technical infrastructure institutions, to reduce duplication and strengthen coordination. The process was currently at the evaluation and consultation phase, and no final decision has been made at this stage.

6.45 ***Forensic investigation at the SABS:*** There have also been delays in releasing the TSU Investigations report on the forensic investigation at the SABS. The Committee enquired when the TSU report would be made available. The Director-General confirmed that some of the forensic investigation reports have been completed and are currently undergoing an internal review before submission to the Minister.

7. CONCLUSIONS

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

7.1 The Committee noted with concern that the DTIC's final appropriation declined by 10,3 per cent from R10,7 billion in the 2023/24 financial year to R9,6 billion in the 2024/25 financial year, due to National Treasury's fiscal consolidation and expenditure ceilings measures. This reduction directly hampered the DTIC's policy space to aggressively pursue industrialisation, localisation, and transformation programmes. While the Committee observed that this reduction partly explained much of the DTIC's underperformance, it was concerned that, even with a reduced final appropriation, the DTIC's underspending increased by 113 per cent from R51 million in the 2023/24 financial year to R108,9 million in the 2024/25 financial year. This highlighted its reduced efficiency in converting expenditure into outputs.

7.2 The Budget Review and Recommendation Report reflects commendable delivery in parts of the DTIC portfolio, including a clean audit for the DTIC and measurable performance in several sector and incentive programmes. The Committee also noted that only five of the 17 audited entities had achieved over 85 per cent of their performance targets and 13 of these entities had obtained clean audits. The poor performance was partially attributable to the revision of targets in November 2024; however, it may also highlight systemic governance and delivery risks that require urgent and assertive parliamentary oversight. While the positive audit outcomes at departmental level are acknowledged, there remain persistent institutional weaknesses across key entities and programmes that threaten the integrity, credibility, and developmental impact of public spending.

7.3 In this regard, the Committee welcomed the DTIC's intensified oversight efforts over its entities, including the introduction of monthly entity reporting, the review of governance structures, and performance alignment between Chief Executive Officers and departmental targets. These interventions are expected to improve accountability and enhance governance practices across the portfolio.

7.4 The Committee noted with concern that the DTIC's most strategic programmes, particularly Programme 4: Sectors and Programme 6: Incentives, achieved only 29 per cent of their planned targets, despite 99,3 per cent budget utilisation. This underperformance, flagged by the Auditor-General, reinforced a persistent 'near-full budget expenditure, poor outcomes' paradox which contradicted the DTIC's mandate as a catalyst for inclusive growth, reindustrialisation, and structural transformation.

7.5 While the Committee welcomed the alignment of the DTIC's revised 2024/25 Annual Performance Plan with the national priorities of the 2024-2029 Medium-Term Development Plan, it stressed that this alignment remained visible in language rather than operational in practice, implying that there was a disjuncture between the government's national priorities and the DTIC's performance.

7.6 The Committee noted with concern the recurring governance, compliance, and systems weaknesses across several entities under the DTIC portfolio. Key issues included delayed financial reporting at the SABS, procurement and grant management irregularities at the NLC, and fruitless and wasteful expenditure coupled with system challenges at the NCR. These key issues, the Committee observed, eroded public trust and undermined the integrity of public finances.

7.7 The Committee is particularly concerned about the impact of the cyber-attack and subsequent systems failure at the SABS, which resulted in its inability to submit its financial statements for auditing by the legislated deadline. This represents a serious governance failure affecting the SABS' reputation, which undermines business confidence in South Africa's standards and quality-assurance infrastructure. The Committee urged the DTIC to ensure that the SABS develops a clearly defined, time-bound remediation plan and implements appropriate consequence management measures to ensure organisational preparedness and accountability. The Committee requires that the SABS should provide it with (i) firm deadlines to address the systems failure, and (ii) an assurance that an independent cyber-security assessment was conducted. In addition, that the DTIC and the SABS Board should undertake that explicit consequence measures would be implemented for any further non-compliance with auditing requirements.

7.8 Ongoing governance and procurement concerns at the NLC, together with unresolved historic irregularities subject to Special Investigating Unit investigations, point to continued weaknesses in oversight across the institution. The Auditor-General's limited scope regarding prior-year irregularities leaves accountability gaps that must be addressed. Parliament must insist on transparent reporting on all forensic and Special Investigating Unit matters, ensure consequence management where wrongdoing is established, and prioritise the recovery of public funds. Furthermore, the process for making the reparations payments to former and current staff has taken over a year and has still not been finalised, placing a heavy burden on the affected individuals whose lives have been badly affected. The Committee urged the Board to finalise this matter without delay.

7.9 Notwithstanding the existence of audit action plans, ineffective/inconsistent implementation and recurrence of findings at certain entities implied deficiencies in consequence management. The Committee remained concerned over the continuation of ineffective monitoring, oversight, and accountability mechanisms across several DTIC entities. It welcomed the establishment of enhanced oversight measures within the DTIC, including the revitalisation of the Chief Financial Officer Forum to promote best practices.

7.10 The Committee further encouraged the DTIC and the identified entities to ensure full implementation of audit recommendations, prioritise accountability, and demonstrate measurable progress by the next reporting period.

7.11 Persistent vacancies, particularly at senior management and Foreign Economic Representative levels, together with the prolonged acting appointments, in the view of the Committee, continue to undermine leadership stability, institutional performance, and effective oversight within the DTIC portfolio.

7.12 While the DTIC has committed to finalising the various recruitment processes, the Committee emphasised the urgency of filling critical posts. Failure to do so would continue to compromise strategic continuity, weaken accountability, and delay the implementation of key policy programme priorities.

7.13 The Committee noted, that despite the progress in strengthening legislative instruments such as the Public Audit Amendment Act, the persistent absence of consequences for repeated non-compliance, audit qualifications, and irregular and fruitless and wasteful expenditure at certain entities remains a concern. It welcomed the Auditor-General's use of its powers under the amended Act, such as the issuance of certificates of debt, which was currently being considered for extension to national entities, where no corrective action has been taken.

7.14 Although no certificates of debt have been issued within the DTIC portfolio, the Committee urged the DTIC to ensure that consequence management is applied consistently, and that accountability for financial misconduct is both visible and effective across all entities within the portfolio. In addition, where entities consistently fail to show that appropriate remedial actions were taken, the Committee should consider implementing sanctions in terms of budget support.

7.15 The Committee welcomed the progress in finalising the forensic investigation into the Capital Projects Feasibility Programme. It urged the DTIC to implement remedial and disciplinary measures, where necessary, and to strengthen internal controls to protect the integrity of this incentive programme.

7.16 The Committee noted the criteria used by the Auditor-General in selecting Special Economic Zones and Industrial Parks for site visits; however, it emphasised the need for a more balanced and representative selection that reflects both successes and challenges.

7.17 It welcomed the DTIC's directive for provincial counterparts to develop turnaround strategies for underperforming parks.

7.18 Furthermore, it was concerned by the slow progress in developing certain Special Economic Zones, such as the Nkomazi and Musina-Makhado Special Economic Zones, as well as whether the value propositions for these Zones were still feasible. It welcomed the work that the DTIC was undertaking to reevaluate certain Special Economic Zones, as well as the collaboration with National Treasury and the World Bank to conduct an impact study on SEZ performance.

7.19 The Committee welcomed the progress toward South Africa's removal from the Financial Action Task Force's grey list, as it would restore investor confidence and reduce government's cost of borrowing.

7.20 However, it noted the relatively low levels of gross fixed capital formation, which was on average at 14 per cent of gross domestic product, compared to the global benchmark of 20 per cent, which curtails economic growth, productivity and job creation. It welcomed the collaboration between the DTIC and Infrastructure South Africa in terms of energy infrastructure. However, it stressed the need for greater inter-ministerial collaboration and cooperation to advance investment in public infrastructure.

7.21 In terms of private sector investment, the Committee emphasised the importance of finalising the new Industrial Policy to create a stable, predictable and enabling policy environment that boosts investor confidence. The delay in finalising the policy is causing uncertainty across the economic ministerial cluster as well as the business community, which are seeking clear signals and direction in terms of the DTIC's vision for how South Africa can revive its industrial base and stimulate new economic, high-growth sectors. Therefore, it urged the DTIC to conclude the development and approval of this policy timeously.

7.22 The Committee welcomed the improved revision of the Transformation Fund concept document. It encouraged the DTIC, in collaboration with National Treasury, to finalise the implementation model and sustainable funding options to operationalise the Fund, as it would play a critical role in industrial participation and advancing transformation objectives, particularly black management and ownership.

7.23 While the Committee supports the broad trade strategy expressed by the DTIC, it was concerned that the Global Export Strategy has not yet been formalised; therefore, constraining South Africa's ability to optimise trade opportunities. It also welcomed the DTIC's efforts to expand export opportunities through diversification and to support increased resilience of South African exports in dynamic global markets.

7.24 The Committee noted the ongoing negotiations regarding the United States Framework Package and underscored the importance of securing favourable tariff reductions to strengthen South Africa's export competitiveness. It encouraged the DTIC to pursue a balanced approach that safeguards the national interest while strengthening bilateral trade relations with the United States and advancing mutually beneficial market access outcomes.

7.25 The Committee noted the European Union's proposed 50 per cent duty on steel. It welcomed the DTIC's efforts to explore domestic relief measures to mitigate the impact of this duty on the domestic steel industry and to support the long-term sustainability and competitiveness of the industry.

7.26 The Committee remained concerned about the ongoing delays in amending the Drugs and Drug Trafficking Act and other related legislation, as provisions in these legislation impeded the implementation of the Hemp and Cannabis Commercialisation Strategy. The Committee welcomed the DTIC's commitment to advance a coherent regulatory and policy framework to unlock the industry's economic potential.

7.27 In terms of the Spaza Shop Support Fund, the Committee urged the DTIC, in collaboration with the relevant government departments and/or agencies, to resolve the registration and licensing challenges hindering the implementation of this Fund.

7.28 Given South Africa's unemployment crisis, the Committee emphasised that the DTIC's focus should shift from short-term job opportunities to decent, sustainable long-term jobs that can contribute to meaningful economic transformation or long-term poverty alleviation.

7.29 The Committee noted the delay in releasing the report on the evaluation of consolidating the DTIC entities. This work was critical to determine the extent to which the entities could be rationalised in order to maximise the utilisation of existing resources and strengthen coordination among the entities.

7.30 The Committee was also concerned by the delays in releasing the investigation report by TSU Investigations into governance failures at the SABS. The DTIC should submit the report to it as soon as possible.

7.31 The Committee urged the DTIC and its entities to consider measuring tangible economic outcomes, such as gross domestic product growth, job creation, industrial productivity, innovation, business creation and longitudinal growth, and investor confidence, as part of their performance reporting. There is a tendency in government to measure inputs and activities and to translate these into key performance indicators, but these on their own provide little information on their impact.

8. APPRECIATION

The Committee would like to thank the Minister of Trade, Industry and Competition, Mr P Tau, the Deputy Minister, Mr Z Godlimpi, and the Director-General, Mr S Hamilton, 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.

Report to be considered.

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