PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

2026 BUDGET

TRADE AND ECONOMIC AFFAIRS CLUSTER

HIGHLIGHTS OF THE 2026 BUDGET: TRADE AND ECONOMIC AFFAIRS CLUSTER

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1. 2026 BUDGET HIGHLIGHTS

The 2026 Budget Review states that the economic development function of the Budget supports inclusive growth, industrialisation and competitiveness. Over the medium term, expenditure grows at an average of 5.8 per cent, from R269.1 billion in 2025/26 to R319.1 billion in 2028/29.

Economic regulation and infrastructure grow fastest over the medium term as investments in water infrastructure and roads are prioritised. Business incentive programmes are allocated R18.9 billion over the medium term to create 18 000 new jobs and R134.2 million is allocated to assist 9 000 informal traders and enterprises. A further R551.3 million is allocated to support 180 micro, small and medium enterprise hubs.

Of the overall budget of R1.2 trillion, a total of **R38 billion (3.1%) *** is allocated to departments within the Trade and Economic Affairs Cluster

* Excludes direct charges against National Revenue Fund (NRF).

There are notable additions to key programmes in the function including the Industrial Development Corporation which is allocated an additional R1.5 billion in 2026/27 for the Social Employment Fund as part of the presidential employment initiative. This function supports inclusive growth, industrialisation and competitiveness. It is allocated R181.4 billion in 2026/27, R183.5 billion in 2027/28 and R199.2 billion in 2028/29. The net decrease in the function's baseline is R2.8 billion (0.5 per cent), from R566.9 billion in the 2025 MTEF period to R564.1 billion in the 2026 MTEF period.

The Cluster has seven Departments under its purview. Table 1 shows the adjusted appropriation[1], the 2026/27 allocation[2] and percentage increases for each vote under the Trade and Economic Affairs Cluster as well as the share of total appropriated funds.

Table 1: Departments within the Trade and Economic Affairs Cluster

Vote	Department R million	Adjusted Appropriation 2025/26	Appropriation 2026/27	Percentage Increase/ Decrease 2025/26-2026/27	2026/27 Percentage Share of Total Appropriated Funds per Vote
6	International Relations and Cooperation	7 309.1	7 227.1	-1.1%	0.6%
10	Electricity and Energy	6 675.5	6 061.2	-9.2%	0.5%
30	Communications and Digital Technologies	4 439.4	2 549.0	-42.6%	0.2%
31	Employment and Labour	4 285.2	4 578.2	6.8%	0.4%
34	Mineral and Petroleum Resources	2 860.6	2 856.9	-0.1%	0.2%
36	Small Business Development	2 918.1	3 036.5	4.1%	0.3%
39	Trade, Industry and Competition	11 128.6	11 698.5	5.1%	1.0%

[1] An adjusted appropriation is a modification to a government's main budget, increasing or decreasing funds during a financial year through an Adjustments Appropriation Bill.
[2] ENE, 2026

2. VOTE 6: INTERNATIONAL RELATIONS AND CO-OPERATION

The overall budget of the DIRCO has experienced an **increase** in allocation from the 2025/26 adjusted appropriation of R7.2 billion to the main appropriation budget of R7.3 billion for 2026/27.

The Vote has five Programmes:

- Administration
- International Relations
- International Co-operation
- Public Diplomacy and Protocol Services
- International Transfers

2.1. MTEF FOCUS AREAS[3]

DIRCO will focus on the following areas over the MTEF:

- Strengthening bilateral relations
- Advancing the African Agenda and promoting regional development
- Participating in global forums
- Managing infrastructure projects and foreign properties

2.2. ALIGNMENT TO THE 2026 SONA FOCUS AREAS AND MTEF PRIORITIES

During the 2026 State of the Nation Address, President Cyril Ramaphosa spoke on various International Relations issues that can be summarised as follows:[4]

African Agenda – The central role of the African continent in South Africa's foreign policy

- For South Africa to be strong, our continent, must be at peace and it must prosper.
- In an increasingly volatile world, South Africa holds firm to the principles that defined our G20 Presidency and underpin our foreign policy: Solidarity, Equality, Sustainability.
- Through our position in the African Union and the Southern African Development Community, South Africa is advancing regional integration, peace and stability.
- South Africa is using international relations to support domestic economic priorities, including manufacturing, value addition and export growth.
- South Africa is contributing to the implementation of the African Continental Free Trade Area to expand trade between African countries, drive industrialisation and create jobs.
- South African firms, our banks, our farmers, our manufacturers will be leading suppliers to the African market of 1.4 billion people, whose working age population will double in the next 25 years.

The sovereignty of South Africa as it strives to pursue its imperatives

- South Africa is building mutually beneficial relationships with all countries on terms of equality and respect.
- South Africa will forge strong partnerships with like-minded countries to increase our shared resilience to global disruptions.

[3] ENE, 2026
[4] State of the Nation Address 2026

South-South Cooperation and Multilateralism

- Building on South Africa's Presidency of the G20, which all attest to have been successful, South Africa will continue to advance the priorities of the Global South. These include inclusive growth, debt relief, climate action, reform of global governance institutions and the beneficiation of critical minerals at source.
- Drawing on the work of the G20 Extraordinary Committee on Global Inequality we are working with our international partners towards launching the International Panel on Inequality. This is an important pillar of the global effort to reduce inequality within and between countries.
- South Africa will continue to champion multilateralism and strengthen humanitarian diplomacy.

The important role played by Institutions of Global Governance

- South Africa will continue to support conflict prevention and peace keeping efforts of the United Nations, African Union and SADC. South Africa is proud of the participation of South African soldiers in peacekeeping missions in many parts of the African continent since the advent of democracy.
- South Africa has requested the United Nations to allow us to withdraw our troops from the UN mission in the Democratic Republic of the Congo with a view to consolidating our defence force.

Table 2: SONA[5] and MTEF priorities for Vote 6 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET[6]
South Africa will continue to pursue multilateral interests at the continental level through its membership of and participation in the African Union (AU) and will continue to advance the implementation of the African Continental Free Trade Area and the AU's Agenda 2063.	Advancing the African Agenda and promoting regional development	• To support continental and regional obligations, the department plans to spend R1.1 billion over the medium term on AU membership fees • R556.9 million to be spent on SADC membership contributions through the Membership Contribution subprogramme in the International Transfers programme.
The Department will continue to strengthen political, economic and social relations by maintaining a diplomatic presence in 114 missions across 102 countries, and by advancing investment-led economic diplomacy initiatives through its missions abroad.	Promoting South Africa's bilateral relations.	• The Department plans to facilitate 60 structured bilateral engagements and high-level visits and implement 60 economic diplomacy initiatives. • These activities are undertaken through the International Relations programme, which is allocated R11.1 billion over the MTEF period.
Through its active membership and participation in global governance structures such as the United Nations, the Non-Aligned Movement, the Group of 77, the Commonwealth and	These engagements, multilateral negotiations and strategic diplomacy interventions will be leveraged to promote the African Agenda	Expenditure for this work is in the Public Diplomacy and Protocol Services programme's allocation of R1 billion over the medium term

[5] SONA, 2026

[6] Figures from the ENE

related forums, the Department will advance South Africa's strategic interests and influence at the global level.		
South Africa has also been elected president of the first review conference of the parties to the Treaty on the Prohibition of nuclear weapons and will host the meeting from 30 November 2026 to 4 December 2026 at the United Nations headquarters in New York	As president, South Africa would be responsible for guiding the intersessional process leading up to the review conference, including meetings and workshops.	These activities will be carried out through the Membership Contribution subprogramme in the International Transfers programme, which has a total estimated budget of R2.7 billion over the next 3 years
The Department will continue implementing measures to reduce rental costs and improve the condition of its global property portfolio.	Over the next 3 years, planned activities include acquiring select foreign properties; repurposing underused state-owned buildings into staff accommodation; and maintaining and upgrading identified properties	To undertake these activities, R697.4 million is allocated over the medium term in the Foreign Fixed Assets Management subprogramme in the Administration programme

2.3. CRITICAL ISSUES FOR OVERSIGHT

The following issues should be considered by the Committee:

- Over the next 3 years, the Department plans to purchase foreign properties for office and residential purposes to reduce rental costs. It also plans to repurpose underused state-owned properties in its global portfolio.
- Programme 1: Administration has experienced an increase in allocation from an appropriation of R 1.797 billion in 2025/26 to R 1.831 to 2026/27.
- Programme 2: International Relations has experienced an increase in allocation from R3. 451 billion in 2025/26 to R3. 570 billion in 2026/27.
- Programme 3: International Cooperation has experienced an increase in budget allocation from R550.4 million in 2025/26 to R608.8 million in 2026/27.
- Programme 4: Public Diplomacy and Protocol Services has experienced a significant decrease in budget allocation from R621.3 million in 2025/26 to R332.0 million in budget allocation in 2026/27.
- Programme 5: International Transfers has experienced a decrease in budget allocation from R888.9 million in 2025/26 to R848.8 million in 2026/27.
- Total expenditure for the African Renaissance Fund is expected to increase at an average annual rate of 3.6 per cent, from R55.5 million in 2025/26 to R61.8 million in 2028/29.

3. VOTE 10: ELECTRICITY AND ENERGY (DEE)

DEE receives a main appropriation budget of R6.1 billion for 2026/27, which is a decrease of R614.3 million or 9.2% compared to the 2025/26 adjusted budget of R6.7 billion, increasing to R7.1 billion in 2027/28 and R6.9 billion in 2028/29. The Vote has five Programmes:

- Administration
- Energy Planning and Policy Development
- Energy Programmes and Projects
- Nuclear Energy Regulation and Management
- State-Owned Companies Support Services

3.1. MTEF FOCUS AREAS[7]

DEE will focus on the following areas over the MTEF:

- Reforming the provision of electricity
- Expanding access to electricity and enhancing energy efficiency
- Regulating nuclear energy

3.2. ALIGNMENT TO THE 2026 SONA FOCUS AREAS AND MTEF PRIORITIES

The SONA of 2026 outlined the following areas pertaining to energy:

- Investment in renewable energy will be increased, enabled by regulatory changes.
- Restructuring of Eskom and establishment of a fully independent state-owned transmission entity.
- Eradication of load reduction by next year.
- First round of independent transmission projects to enable private investment in expanding the national grid.

Table 3: SONA[8] and MTEF priorities for Vote 6 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET[9]
Restructuring of Eskom and establishment of a fully independent state-owned transmission entity.	Reforming the provision of electricity.	R216.6 million is made available for regulatory support activities over the MTEF.
Investment in renewable energy.	Expanding access to electricity and enhancing energy efficiency.	R770.2 million has been allocated for non-grid component of the Integrated National Electrification Programme over the medium term.

3.3. CRITICAL ISSUES FOR OVERSIGHT

The following issues should be considered by the Committee:

- Programme 3 sees a reduction of R714.8 million or 15 per cent from R4.8 billion in the 2025/26 financial year to R4.0 billion in the 2026/27 financial year. The reductions are in the Clean Energy projects amounting to R240.8 million and a reduction of R476.1 million in the Integrated National Electrification Programme from 2025/26 to the 2026/2027 financial year. The Committee should

[7] ENE, 2026
[8] SONA, 2026
[9] Figures from the ENE

seek clarity from the Department on why these reductions were affected and how it will impact on the Department's performance going forward. The Programme's budget increases at an annual average rate of 2.9 per cent to R5.2 billion over the medium term.

- Over the medium term, R4.3 billion is transferred to the Department's nuclear entities. This is mostly for the operational costs of the South African Nuclear Energy Corporation and the decommissioning and decontamination of old nuclear facilities.
- Included in this amount, is R437.7 million allocated for 2026/27 and R409.8 million for 2027/28, respectively, for the replacement of the SAFARI-1 nuclear research reactor by 2030 as it is approaching the end of its useful life.

4. VOTE 30: COMMUNICATIONS & DIGITAL TECHNOLOGIES

The Department of Communications and Digital Technologies (DCDT) receives a main appropriation budget of R2.5 billion for 2026/27, representing a significant decrease of 42.6% from the 2025/26 adjusted budget of R4.4 billion (due to the completion of temporary funding related to SA Connect Phase 2 and Sentech dual illumination and transmission support), and thereafter its estimated budget for 2027/28 and 2028/29 increases by R2.6 billion and R2.7 billion, respectively.

The Vote comprises six Programmes:

- Administration
- ICT Transformation, Global Partnerships and State-Owned Enterprises Governance
- Media and Content
- Digital Communication, Access and Services
- Digital Infrastructure and Technologies
- Digital Society and Economy

4.1. MTEF FOCUS AREAS[10]

DCDT will focus on the following areas over the MTEF:

- Sustain and expand digital connectivity through the SA Connect programme.
- Modernise the policy and regulatory environment for media, broadcasting and online content by revising the South African Broadcasting Corporation (SABC) Bill; develop the Audio & Audiovisual Media Services and Online Safety Bill; and implement a strategy to counter mis-/disinformation.
- Build a digitally enabled state and economy by implementing the Digital Transformation Roadmap; develop a National AI Policy and Implementation Plan; define a National Digital Competence Framework; and continue progress on the cost-to-communicate policy framework.
- Strengthen sector governance and oversight of entities to improve financial sustainability, service quality, spectrum readiness, and delivery on universal service obligations.

4.2. ALIGNMENT TO THE 2026 SONA FOCUS AREAS AND MTEF PRIORITIES

The 2026 SONA emphasized priorities directly aligned to Vote 30's mandate, including:

- The Digital Identity initiative, covering MyMzansi and the wider e-Services ecosystem, will be supported by the State Information Technology Agency's (SITA's) expansion of e-government platforms and cloud infrastructure. The State Information Technology Agency's revenue is projected to increase from R8.56 billion to R12.72 billion, and its capital expenditure allocation amounts to R2.3 billion over the Medium-Term Expenditure Framework (MTEF) period. Furthermore, the DCDT Digital Society and Economy Programme will provide the policy frameworks and institutional capabilities required to advance this work.
- Digital Public Infrastructure (DPI) and the broader investment climate are strengthened by the macro-fiscal stance set out in Budget 2026, particularly through its focus on infrastructure and public–private partnerships (PPPs). At the same time, DCDT Programme 5 continues to guide broadband policy and provide oversight of digital infrastructure. The once-off Sentech allocation for dual illumination and operations amounting to R889 million in 2025/26, has now been completed, creating space for a transition towards post-migration digital investments.

[10] ENE, 2026

- Artificial Intelligence (AI) and analytics for governance will advance through several initiatives across the communications and digital technologies sector. The DCDT will table both a National Artificial Intelligence Policy and Implementation Plan, as well as a Digital Competence Framework. The Film and Publication Board (FPB) is deploying AI-enabled monitoring tools to strengthen the detection and management of online harms. In parallel, the Independent Communications Authority of South Africa (ICASA) is proceeding with the licensing of high-demand spectrum in the 700-megahertz (MHz), 800-megahertz (MHz), 2.6 gigahertz (GHz), and 3.5 gigahertz (GHz) bands which are essential for AI and data-driven services, as well as for the expansion of Fifth-Generation (5G) mobile networks.
- Skills development and digital inclusion efforts will be strengthened through the work of the National Electronic Media Institute of South Africa (NEMISA), which will train more than 200 000 learners in priority digital skills areas. In addition, the Universal Service and Access Agency of South Africa (USAASA) and the Universal Service and Access Fund (USAF) will continue to carry out universal access functions and provide targeted broadband support in underserviced and rural areas.

Table 4: SONA[11] and MTEF priorities for Vote 6 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET[12]
Accelerate digital transformation and expand digital public services.	Maintain broadband connectivity in underserviced areas through SA Connect.	**R1.3 billion (2026/27)** – Digital Communication, Access and Services.
Build a competitive, inclusive digital economy.	Develop AI policy, digital competence frameworks and digital inclusion strategies.	**R166.9 million (2026/27)** – Digital Society and Economy.
Modernise regulatory frameworks for digital and media convergence.	Develop white paper and legislation on audio-visual media services and online safety.	**R396.9 million (2026/27)** – Media and Content.
Strengthen national digital infrastructure base.	Coordinate digital infrastructure and broadband initiatives.	**R299.1 million (2026/27)** – Digital Infrastructure and Technologies.

4.3. CRITICAL ISSUES FOR OVERSIGHT

The following issues should be considered by the Committee:

- There's a decrease in the Vote baseline from the 2025/26 adjusted budget of R4.439 billion to a main appropriated budget of R2.549 billion in 2026/27. This is driven by the end of once-off allocations for SA Connect Phase 2 and Sentech dual-illumination costs. The Committee should ensure that service delivery is not compromised as the Department transitions to a lower baseline.
- ICASA requires close oversight on its 2026/27 high-demand spectrum licensing process (700 MHz, 800 MHz, 2.6 GHz, 3.5 GHz), including market-access, affordability, and competition implications.
- Sentech faces a post-dual-illumination transition as its R889 million allocation for 2025/26 is no longer available in 2026/27. There's a need to strengthen oversight on infrastructure upkeep, broadcast network reliability, digital TV coverage (99.8%), and tower/data-centre upgrades.
- The SABC remains financially fragile. Key risks include the pending SABC Bill (funding model reform), the viability of SABC+, increased spending on content and marketing, and the ability to meet audience-share targets while maintaining editorial independence.
- South African Post Office (SAPO) receives R1.9 billion over the MTEF for universal service obligations to maintain 553 access points. The Committee should evaluate progress towards exiting the business rescue process, improving operational performance, and reducing losses (expected improvements only by 2028/29).

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[11] SONA, 2026

[12] Figures from the ENE

- Broadband Infraco (BBI) continues to run deficits despite revenue growth; the planned 600 km expansion of fibre and upgrades to 713 sites require monitoring for financial sustainability.
- NEMISA must demonstrate capacity to deliver +200,000 digital-skills training outputs, aligned with national digital transformation, AI, cloud, and e-government skill demands.
- USAASA and USAF require strong oversight to ensure universal access funding reaches intended underserved communities, aligns with SA Connect priorities, and addresses persistent rural connectivity gaps.
- SITA must deliver secure, integrated e-government platforms, including support for Digital ID, MyMzansi, and cybersecurity. Oversight is required on cloud migration, uptime, interoperability, and long-standing service quality concerns.
- Oversight is needed on timely submission and implementation of National AI Policy & Implementation Plan (due by 2028/29), Audio and Audiovisual Media Services & Online Safety Bill, Digital Competence Framework, Strategy on mis-/disinformation and Cost-to-Communicate Policy Framework.
- Delayed second-generation (2G) and third-generation (3G) shutdown monitoring may affect market readiness and consumer protection, requiring stronger regulatory coordination between DCDT, ICASA, and operators.
- Several entities (SABC, SAPO, Broadband Infraco) have persistent deficits or structural financial challenges, requiring oversight of turnaround strategies, governance quality, and financial reporting accuracy.

5. VOTE 31: EMPLOYMENT AND LABOUR

The Department of Employment and Labour (DEL) receives a main appropriation budget of R4.6 billion in 2026/27, an increase of 6.8% from the 2025/26 adjusted budget of R4.28 billion. DEL set out the Department's allocation of R13 billion over the 2026 MTEF period. The vote is structured across four programmes:

- Administration
- Inspection and Enforcement Services
- Public Employment Services
- and Labour Policy and Industrial Relations

The Department's core mandate is to reduce unemployment, poverty and inequality by promoting decent work, regulating labour standards, protecting workers' rights and providing social protection. Over the medium term, emphasis is placed on workplace compliance, employment facilitation and strengthening labour market institutions. The Inspection and Enforcement Services programme focuses on improving compliance with labour legislation through inspections, advocacy and enforcement. Over the MTEF, the Department plans to conduct nearly 939 000 employer inspections and improve enforcement outcomes by increasing the proportion of non-compliant employers served with notices within 14 days to 97 per cent, and referrals for prosecution to 70 per cent.

This programme receives R2.2 billion over the medium term, reflecting the government's prioritisation of workplace regulation, occupational health and safety, and protection of vulnerable workers. Public Employment Services aims to enhance labour market access by registering 3.3 million work seekers over the MTEF period, providing counselling to 870 000 individuals, and facilitating 250 000 job placements.

In 2026/27, a once-off allocation of R459 million was made to support the Presidential National Pathway Management Network, contributing to an estimated 136 000 job opportunities. Transfers within this programme fund entities such as Productivity South Africa and Supported Employment Enterprises, which promote workplace productivity and employment opportunities for persons with disabilities. The Labour Policy and Industrial Relations programme supports stable labour relations and social dialogue, with the Commission for Conciliation, Mediation and Arbitration (CCMA) receiving most of its allocation. The National Minimum Wage Commission continues research and advisory work on wage setting and income differentials. Across the vote, compensation of employees remains a major cost driver, while transfers and subsidies account for a substantial share of expenditure.

5.1. MTEF FOCUS AREAS[13]

Over the MTEF period, DEL (Vote 31) will focus on the following priority areas:

- Increasing safety and fairness
- Providing support to work seekers
- Regulating the workplace

5.2. ALIGNMENT TO THE 2026 SONA FOCUS AREAS AND MTEF PRIORITIES

The SONA of 2026 outlined the following areas related to the Department of Employment and Labour (DEL)

- **Hiring of an additional 10,000 labour inspectors**

The President announced a major expansion of inspection capacity to strengthen enforcement of labour and immigration laws. This significantly increases DEL's operational responsibility to conduct

[13] ENE, 2026

workplace inspections, detect non-compliance, and ensure adherence to labour standards. The planned appointment of additional labour inspectors under Programme 2: Inspection and Enforcement Services of the Department has significant budget implications, with the expansion estimated to cost approximately R3.7 billion per year (about R10 billion over the Medium-Term Expenditure Framework).

- **Intensified enforcement against employers hiring undocumented foreign nationals**

DEL inspectors are expected to work closely with SAPS and Home Affairs to identify employers who contravene immigration and labour laws. This shifts DEL toward more coordinated, compliance-driven enforcement in high-risk sectors.

- **Expansion of public employment programmes**

The Presidential Employment Stimulus, EPWP and Community Works Programme will be expanded. While not all are directly managed by DEL, the Department's Public Employment Services must support work seeker registration, referrals and labour market activation.

- **Strengthening youth employment initiatives**

Regulatory changes will make it easier for businesses to participate in youth employment schemes. DEL must ensure labour regulations facilitate, rather than hinder, youth entry into the labour market.

- **Fundamental overhaul of the skills development system**

SONA announces reform of the skills architecture to improve governance and alignment with labour market demand. DEL is expected to support policy alignment between training outputs and employment outcomes.

- **Introduction of a dual training model**

The new model will integrate formal education with workplace-based learning. DEL must ensure employers participate meaningfully and that workplace conditions meet training standards.

- **Reform and rationalisation of SETAs**

Reducing and restructuring SETAs aims to improve governance and efficiency. DEL's oversight role is critical to ensure accountability and alignment with national employment objectives.

- **Increased return of the skills development levy to employers**

Raising the levy return to 40 per cent aims to incentivise workplace training. DEL must monitor whether this leads to measurable improvements in skills absorption and employment outcomes.

- **Transformation of the National Skills Fund**

The NSF is to become more outcomes-driven, supporting unemployed youth in workplace experience. DEL must ensure that funding translates into sustainable job placements rather than short-term training cycles.

- **Strengthening employment equity implementation**

SONA emphasises inclusive growth and greater participation of historically disadvantaged groups. DEL must enhance the monitoring and enforcement of the Employment Equity Act compliance.

- **Increasing disability employment targets to 7 per cent by 2030**

The public sector target reinforces inclusive labour market participation. DEL is responsible for monitoring compliance and promoting reasonable accommodation practices.

- **Enforcement of minimum working conditions and the National Minimum Wage**

Protection of workers' rights remains central. DEL must intensify enforcement to prevent wage suppression and exploitation, particularly in vulnerable sectors.

- **Protection of workers' rights and promotion of decent work**

Beyond inspections, DEL must promote stable labour relations through institutions such as the CCMA and ensure that labour standards support both worker protection and economic growth.

Table 5: SONA[14] and MTEF priorities for Vote 6 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET[15]
Expand labour inspections and enforce immigration and labour laws (hire 10,000 inspectors).	Conduct ~939,000 inspections over MTEF; improve compliance notices and prosecution referrals;	Approx. R2.2 billion over the MTEF for Inspection and Enforcement Services.

[14] SONA, 2026
[15] Figures from the ENE

	strengthen workplace enforcement.	
Crack down on the illicit economy and non-compliant employers.	Target high-risk sectors; strengthen enforcement coordination; improve turnaround time for serving notices.	Funded within the Inspection and Enforcement Services allocation (R2.2 billion MTEF).
Drive inclusive growth and job creation.	Register 3.3 million work seekers; facilitate 250,000 placements; implement the Presidential National Pathway Management Network.	Public Employment Services is funded within the total Vote allocation of approximately. R13 billion over MTEF (R4.6 billion in 2026/27).
Expand youth employment initiatives and workplace-based learning.	Improve labour market activation; align employment services with youth programmes; support skills-to-work transitions.	Funded within the Public Employment Services and Labour Policy programmes.
Overhaul skills development system (dual training model; SETA reform; levy reforms).	Support labour market policy reform; coordinate skills alignment; oversight of skills-related entities.	Policy and coordination funded within the Labour Policy and Industrial Relations programme (within total Vote allocation).
Strengthen employment equity and disability inclusion (7% target by 2030).	Monitor Employment Equity Act compliance; promote equitable workplace participation.	Funded within the Inspection and Enforcement Services and Labour Policy programmes.
Protect workers' rights and enforce the National Minimum Wage.	Strengthen dispute resolution (CCMA); enforce minimum conditions of employment; improve compliance rates.	Transfers to CCMA and related entities form a significant share of Vote 31 within approximately. R13 billion MTEF allocation.

5.3. CRITICAL ISSUES FOR OVERSIGHT

The Committee should focus on the following issues:

- The Committee must assess whether the current allocation is adequate to support the expansion of labour inspections announced in the SONA 2026. The Committee should determine whether the R2.2 billion MTEF allocation for Inspection and Enforcement Services is sufficient to operationalise the hiring of additional inspectors.
- The Committee must examine whether rising compensation costs are crowding out operational funding required for travel, ICT systems, litigation support and enforcement activities.
- The Committee should evaluate whether inspection targets prioritise quality compliance outcomes rather than merely achieving numerical targets.
- The Committee must scrutinise prosecution rates and the effectiveness of enforcement actions following inspections.
- The Committee should assess the capacity of labour centres to deliver frontline services efficiently, particularly in rural and high-unemployment areas.
- The Committee must review the functionality and reliability of ICT systems, including ESSA and inspection management systems, to ensure effective service delivery.
- The Committee should evaluate whether Public Employment Services are successfully converting high volumes of work seeker registrations into sustainable job placements.
- The Committee must examine the cost per job placement and the long-term employment retention of placed work seekers.
- The Committee should assess whether DEL has sufficient authority and coordination mechanisms to implement skills reform commitments linked to SETAs and the National Skills Fund.
- The Committee must review the sustainability of transfers to entities such as the CCMA and Supported Employment Enterprises, considering potential caseload increases.
- The Committee should evaluate whether CCMA funding and capacity are adequate to manage rising labour disputes during economic restructuring.

- The Committee must assess DEL's effectiveness in enforcing employment equity and disability inclusion targets.
- The Committee should examine the effectiveness of coordination between DEL, SAPS and Home Affairs in enforcing immigration and labour compliance laws.
- The Committee must consider whether inflation and wage pressures are eroding the Vote in real terms, thereby limiting service delivery capacity.
- The Committee should require measurable evidence of DEL's contribution to national job creation and inclusive growth objectives beyond administrative outputs.

6. VOTE 34: MINERAL & PETROLEUM RESOURCES

The Department of Mineral and Petroleum Resources (DMPR) receives a main appropriation budget of R2.856 billion in 2026/27 which is a decrease of 0.1 percent compared to the adjusted appropriation of R2.860 billion 2025/26. The allocations increase to R2.976 billion in 2027/28 and thereafter increase to R3. 068 billion for the 2028/29 financial year to.

In 2026/27, compensation of employees amounts to R947.5 million, with 1 142 funded posts in the Department. Transfers and subsidies total R1.212 billion, accounting for the largest share of the Department's expenditure.

The Vote has four Programmes:

- **Administration** – Provides strategic leadership, governance, financial management and institutional support to ensure departmental stability and compliance.
- **Mine Health and Safety** – Regulates and enforces mine health and safety standards to reduce fatalities, injuries and occupational diseases
- **Mineral and Petroleum Regulation** – Administers mineral and petroleum licensing, ensures regulatory compliances and implements the upstream petroleum framework
- **Mining and Minerals Policy Development** – Develops mineral policy, promotes investment and beneficiation including supporting strategic mineral development and industrialisation.

6.1. MTEF FOCUS AREAS[16]

DMPR will focus on the following areas over the MTEF:

- Strengthening mineral and petroleum regulation to move from reform design to regulatory efficiency and investor confidence;
- Expanding oil and gas development. A focus on petroleum regulation becoming a central economic growth lever over the outer years;
- Regulatory enforcement, rehabilitation of ownerless and derelict mines, and co-ordination with relevant government departments to address illegal mining;
- Improving mine health and safety outcomes through continued safety performance and stable funding;
- Geological mapping and exploration promotion to position South Africa as an attractive exploration destination;
- Mineral beneficiation and industrialisation;
- Ensuring transformation in the mining sector; and
- Governance and institutional stability.

6.2. ALIGNMENT TO THE 2026 SONA FOCUS AREAS AND MTEF PRIORITIES

The 2026/27 budget does not represent expansionary growth but reflects fiscal protection of core regulatory, safety and petroleum oversight functions in line with national energy security and industrialisation priorities stated in the 2026 SONA.

The SONA of 2026 reinforces Vote 34 priorities through:

- Expansion of domestic gas and upstream petroleum development.
- Investment friendly regulatory reform.
- Improved state capacity to enable enforcement and combatting illegal mining and organised crime.
- Leveraging mineral wealth for industrialisation and energy security.

[16] ENE, 2026

Table 6: SONA[17] and MTEF priorities for Vote 6 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET[18]
The finalisation and implementation of the Mineral Development and Beneficiation Strategy.	Mineral beneficiation and industrialization.	Mining and Minerals Policy Development programme allocation of R3.6 billion over the medium term which includes activities of mineral beneficiation and industrialisation policy.
Transformation of the mining sector.	Ensuring transformation in the mining sector.	R400 million towards Junior Mining Exploration Fund and projected to grow to R1 billion over the medium term through private sector investment.
Attracting new mining investment through regulatory reform, Modernisation and digitalisation of mining cadastral system.	Strengthening mineral and petroleum regulation to move from reform design to regulatory efficiency and investor confidence.	Mining and minerals policy development programme is allocated R1.1 billion over 2026/27.
Leveraging South Africa's critical minerals for global energy transition markets.	Geological mapping and exploration promotion to position South Africa as an attractive exploration destination.	• R3.6 billion over the medium term for activities in line with the critical minerals strategy implementation plan. • State Owned Entity AEMFC allocated activities for advancing critical minerals exploration efforts.
Accelerated development of domestic oil and gas resources	Expanding oil and gas development. A focus on petroleum regulation becoming a central economic growth lever over the outer years.	• Shale gas exploration allocated R148.2 million over a 3-year period. • State Owned Entity CEF Group expenditure of R183.9 billion over the medium term for oil and gas exploration activities.
Combatting illegal mining	Regulatory enforcement, rehabilitation of ownerless and derelict mines, and co-ordination with relevant government departments to address illegal mining.	• R434.1 million over the medium term allocated for rehabilitating nine (9) derelict and ownerless mine sites including asbestos sites. • Research on mine rehabilitation by Council for Geoscience allocated R72.3 million • R720 million over medium term on enforcement activities

6.3. CRITICAL ISSUES FOR OVERSIGHT

The Committee should focus on the following issues:

- The 2026/27 allocation reflects a marginal decrease of 0.1 percent from the 2025/26 adjusted budget, indicating a constrained fiscal environment despite expanded responsibilities in petroleum regulation and enforcement. Critical issues for oversight

[17] SONA, 2026
[18] Figures from the ENE

should focus on whether the Department can sustain service delivery and implement SONA priorities within the allocated budget.

- The expansion of domestic oil and gas resources is positioned as a key economic growth lever aligned to SONA 2026. Oversight on regulatory readiness, coordination with state-owned entities, and progress in exploration and shale gas initiatives.
- Medium-term allocations for enforcement and coordination seek to address illegal mining and organised crime in the sector. Oversight on the effectiveness of intergovernmental coordination, enforcement outcomes specifically on mine inspections and effective implementation of rehabilitation of ownerless and derelict mines.
- The finalisation and implementation of the Mineral Development and Beneficiation Strategy is aligned to industrialisation and energy security priorities. Critical oversight on the progress of value-addition initiatives and alignment with critical minerals strategy objectives.

7. VOTE 36: SMALL BUSINESS DEVELOPMENT

The Department of Small Business Development (DSBD) receives a main appropriation budget of R3.04 billion in 2026/27, which is an increase of 4,1% compared to the 2025/26 adjusted budget of R2.92 billion. Thereafter, the estimated budget increases to R3.16 billion in 2027/28 and R3.26 billion in 2028/29. The Vote has four Programmes:

- Administration
- Sector Policy and Research
- Integrated Cooperatives and Micro Enterprise Development
- Enterprise Development, Innovation and Entrepreneurship

7.1. MTEF FOCUS AREAS[19]

The Department's budget is projected to grow modestly from R2.9 billion in 2025/26 to R3.3 billion in 2028/29, with the majority of funding (63.3 per cent) transferred to the Small Enterprise Development and Finance Agency to implement MSME support programmes.

DSBD will focus on the following areas over the MTEF: (2025/26 – 2027/28):

Programme 3 : Integrated Cooperatives and Micro-enterprise Development.

- **Establish 30 (micro, small and medium enterprises) MSMEs hubs** to provide accommodation, shared equipment and common infrastructure for formal and informal businesses through an allocation of R555 million over the MTEF.
- **Support 150 MSMEs and cooperatives** by means of equipment, tools, machinery, technology and energy-related interventions through an allocation of R424.5 million. over the MTEF period.
- **Expose 600 MSMEs and cooperatives** to global market opportunities and provide targeted **support to 9 000 informal** businesses through an allocation of R204.6 million.

Programme 4: Enterprise Development, Innovation and Entrepreneurship

- This programme's adjusted appropriation was approximately R2.17 billion in the 2025 financial year. Expenditure is expected to increase on average by 3.4% over the MTEF to approximately R2.4 billion in the outer year (2028/29).
- **Support 2 700** enterprises in rural, township and peri-urban areas with machinery, equipment, working capital and the acquisition of raw materials through an allocation of R675 million over the MTEF.

7.2. ALIGNMENT TO THE 2026 SONA FOCUS AREAS AND MTEF PRIORITIES

The SONA of 2026 outlined the following areas pertaining to MSMEs and cooperatives relations:

- **Access to Finance:** SONA's R2.5 billion funding commitment and R1 billion in guarantees is partially reflected in the 2026 Estimates of National Expenditure (ENE) through R675 million for enterprise funding support, R424.5 million for equipment and technology assistance, as well as informal and township enterprises over the MTEF.
- **Market Access & Inclusion**: R204.6 million is allocated to expose 600 SMMEs to global markets and support 9,000 informal businesses, aligning with SONA's commitment to improve market access, particularly for women, youth and persons with disabilities.
- **Job Creation Linkages:** While SONA projects the potential for 3 million jobs if each MSME employs one additional worker, the ENE does not specify direct job creation targets, instead supporting employment indirectly through enterprise support interventions.

[19] ENE, 2026

- **Infrastructure for Growth:** The ENE allocates R555 million to establish 30 SMME hubs across districts, supporting SONA's broader objective of enabling MSME expansion and job creation through shared infrastructure and business support.
- **Regulatory & Procurement Reform**: Commitments relating to the Business Licensing Bill, National Credit Act amendments, and Public Procurement Act regulations are policy-driven reforms and are not explicitly costed within the ENE allocations.
- **Crime:** During the SONA debates, Members highlighted the issue of crime which poses a serious economic threat to small businesses, destroying enterprises, deterring investment and tourism, increasing operating costs, and disproportionately affecting township and informal operators.

Table 7: SONA[20] and MTEF priorities for Vote 6 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET[21]
3 million new jobs could be created nationwide if every MSME were to employ one additional person.	Government will support small businesses and entrepreneurs across the spectrum, from informal enterprises to high-growth, high-tech start-ups.	An estimated R3.8 billion or 63.3% of the department's budget (R6 billion) over the MTEF will be transferred to the Small Enterprise Development and Finance Agency (SEDFA) for operations and implementation of MSME and cooperatives programmes

7.3. CRITICAL ISSUES FOR OVERSIGHT

The following issues should be considered by the Portfolio Committee:

- Programme 3 faces a R12 million reduction, from R532.2 million in 2025/26 to R520 million in 2026/27, affecting the Economic Transformation and Value Chain and Market Access sub-programmes. The Committee should seek clarity on the reasons for this reduction, its potential impact on MSMEs and cooperatives, and the measures the Department will take to ensure entrepreneurs are not unfairly disadvantaged.
- The Committee should assess how the DSBD responds to the impact of crime on entrepreneurship, MSMEs and cooperatives, particularly in township and other crime hot spots, and whether the DSBD's interventions effectively mitigate these risks and strengthen enterprise resilience.
- While SONA acknowledged that many small and medium enterprises particularly those owned by black farmers, women and young people continue to struggle to access funding, resources and markets, the Committee should interrogate whether current allocations and programme targets are adequate to address these structural barriers at scale.
- The Department's high vacancy rate, which leads to underspending, raises serious concerns about the adequacy of the Department's capacity to deliver on MTEF commitments and translate SONA ambitions into measurable outcomes.
- A significant portion of the Department's budget (approximately 63.3% over the MTEF) is transferred to SEDFA for programme implementation, necessitating strengthened oversight of governance, performance monitoring, and value-for-money outcomes.
- The legislative and regulatory reform agenda requires close monitoring, including the introduction and finalisation of the Business Licensing Bill, amendments to improve access to credit, and the finalisation of the new Public Procurement Act regulations by mid-2026 to end corruption and strengthen oversight. Parliament should assess whether these reforms are being implemented within set timelines and are adequately supported by budget allocations.

[20] SONA, 2026
[21] Figures from the ENE

8. VOTE 39: TRADE, INDUSTRY & COMPETITION

Trade, Industry, and Competition (DTIC) receives a main appropriation budget of R11.69 billion for 2026/27, which is an increase of 5.1% compared to the 2025/26 adjusted budget of R11.1 billion. Thereafter, the estimated budget decreases to R10.6 billion in 2027/28, then increasing to R10.9 billion in 2028/29. The Vote has nine Programmes:

- Administration (R1.0 billion)
- Trade (R266.4 million)
- Investment and Spatial Industrial Development (R189.9 million)
- Sectors (R1.68 billion)
- Regulation (R376.6 million)
- Incentives (R5.4 billion)
- Export (R430 million)
- Transformation and Competition (R2.19 billion)
- Research (R68 million)

8.1. MTEF FOCUS AREAS[22]

DTIC will focus on the following areas over the MTEF:

- Supporting business and developing industrial corridors.
- Enhancing the capacity of manufacturing and related sectors.
- Increasing value addition.
- Improving competitiveness in domestic and export markets.

8.2. ALIGNMENT TO THE 2026 SONA FOCUS AREAS AND MTEF PRIORITIES

The SONA of 2026 outlined the following areas for trade, industry and competition:

- Increasing investment through improving investor confidence, lowering the cost of doing business, a clear and stable macroeconomic and industrial policy framework, investing in infrastructure, and creating a conducive regulatory framework that supports growth and enables competition.
- Amending credit regulations to make it easier to access credit at a lower cost.
- Improve access to new markets for South African exports. Implement support measures such as tariffs to protect domestic manufacturing sectors.
- Refining, realigning and strengthening the Broad-Based Black Economic Empowerment (B-BBEE) framework to ensure that it supports greater transformation and inclusive growth, focusing on women- and youth-led businesses.
- Increasing support for the green economy.

Table 8: SONA[23] and MTEF priorities for Vote 6 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET[24]
Increasing investment through improving investor confidence, lowering the cost of doing business, a clear and stable macroeconomic and industrial policy framework.	Enhancing the capacity of manufacturing and related sectors.	Over the MTEF: • R16.9 billion allocated to the Incentives programme, including: o Manufacturing development incentives (R9.1 billion)

[22] ENE, 2026
[23] SONA, 2026
[24] Figures from the ENE

		○ Infrastructure investment support (R3.6 billion) ○ Services sector development (R3.2 billion).
Investing in infrastructure	Supporting business and developing industrial corridors.	Over the MTEF: • R3 billion is allocated for special economic zones • R156.5 million for industrial parks • R498 million for critical bulk infrastructure (water, electricity and sewerage in industrial parks)
Increasing support for the green economy	Enhancing the capacity of manufacturing and related sectors.	R170.7 million to the National Cleaner Production Centre over the next 3 years.
Improve access to new markets for South African exports.	Improving competitiveness in domestic and export markets.	• R769.1 International Trade Development in the MTEF • R59.5 in support of African Multilateral Economic Development in the MTEF

8.3. CRITICAL ISSUES FOR OVERSIGHT

The following issues should be considered by the Committee:

- Monitoring the impact of the Incentive Programme on stimulating and facilitating the development of sustainable and competitive enterprises. The Incentive Programme is the Department's largest programme, accounting for approximately R5.4 billion (46% of the total budget allocation) in 2026/27. In the medium term, allocation to this Programme will increase to R5.6 billion and R5.8 billion in the 2027/28 and 2028/29 financial years, respectively. Given its size in relation to the Department's total budget as well as what the programme seeks to achieve, close monitoring and oversight are important.
- Over the medium term, there will be a 27% decrease in the allocation of the Transformation and Competition Programme from approximately R2.2 billion in 2026/27 to R739,7 million in 2028/29. The impact of this planned decrease on this programme should be robustly monitored since the transformation it's one of the main priorities; the reduction of the budget may adversely affect it.
- The Department will be introducing and implementing the new industrial policy. Oversight over industrial policy once implementation commences.
- The Committee should continue to oversee initiatives aimed at increasing trade through the African Continental Free Trade Agreement (AfCFTA) as well as improving access to new markets for South Africa's products, particularly given the changing global trading environment.

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