

Trade & Economic Affairs

2025 Allocation for Trade & Economic Affairs



Table 7: Trade & Economic Affairs Adjusted Allocation 2025/26

R million	Main appropriation	Adjusted	Increase/decrease	Increase/decrease
	2025/26	appropriation 2025/26	2025/26	(%) 2025/26
Vote 6: International Relations and Cooperation	7 090.2	7 309.1	218.9	3.1%
Vote 10: Electricity & Energy	6 669.3	6 675.5	6.2	0.1%
Vote 30: Communications and Digital Technologies	2 545.6	3 550.4	1 004.8	39.5%
Vote 31: Employment and Labour	4 153.1	4 285.2	132.1	3.2%
Vote 34: Mineral & Petroleum Resources	2 859.6	2 860.6	1.0	0.0%
Vote 36: Small Business Development	2 918.1	2 918.1	0.0	0.0%
Vote 39: Trade, Industry and Competition	11 071.7	11 128.6	56.9	0.5%

Medium Term Priorities for the Trade and Economic function

According to the MTBPS, medium term priorities for the trade and economic affairs function include:

- ✓ This function implements programmes for economic growth and job creation, focusing on agriculture, tourism, industrialisation, export promotion, small business development, science and innovation, economic regulation and infrastructure.
- ✓ Over the MTEF period, expenditure in this function grows by 5 per cent, mainly for road infrastructure.
- ✓ Over the medium term, Government will restructure existing business incentives to stimulate investment, address inefficiencies in industrial support programmes, improve competitiveness and expand access to markets. A review of these incentives is under way.

VOTE 6: DEPARTMENT OF INTERNATIONAL RELATIONS AND COOPERATION

Main Appropriation

R7 090.2 million

Adjusted Appropriation

R 7 309.1 million

Budget increased by

R 218.9 million

Percentage Change

3.1

Funds shifted between votes

R100 million is transferred from other departments' declared savings to cover a budget shortfall for the G20 Leaders' Summit.

Self-financing expenditure

Programme 1: Administration - Revenue of R118.955 million was expected to be generated from the sale of properties in Namibia, Switzerland and Portugal. Of this amount, R9.488 million has been paid to the department from the sale of a property in Portugal, while the remaining R109.467 million is expected to be generated from the sale of properties in Namibia and Switzerland. These funds will enable the department to finance construction, refurbishment and acquisition projects in India, Botswana, Denmark, Angola, Ethiopia and Belgium.

Key areas for oversight

- Total **expenditure** in 2024/25 was R7 billion, 99 per cent of the adjusted appropriation of R7.1 billion for the year. Mid-year expenditure in 2024/25 was R3.6 billion, 51.3 per cent of the adjusted appropriation, whereas expenditure in the first half of 2025/26 was R3.9 billion, 53.6 per cent of the adjusted appropriation of R7.3 billion. Compared to the first half of 2024/25, expenditure over the same period in 2025/26 increased by R289.5 million, 8 per cent. This was mainly due to expenditure on the G20 summit, cost-of-living adjustments and ICT.
- Mid-year **revenue** in 2024/25 was R30.3 million, 51.8 per cent of the adjusted estimate, whereas revenue for the first half of 2025/26 was R47.2 million, 65.5 per cent of the adjusted estimate of R71.9 million. Compared to the first half of 2024/25, revenue over the same period in 2025/26 increased by R16.9 million, 55.8 per cent. This was mainly due to revenue generated through the sale of state properties abroad
- As a result of hosting events related to South Africa's G20 presidency, the department conducted more **domestic development activities** than planned during the period under review. Additional opportunities through these activities were identified to promote tourism, trade and investment, resulting in the department hosting 80 engagements by mid-year against an annual target of 60. Similarly, the department hosted 8 engagements by mid-year against an annual target of 5 to promote peace and stability, socioeconomic development, good governance, democracy and regional integration on the continent. As part of G20-related activities, the department also hosted more public participation

programmes than planned to inform and promote South Africa's foreign policy to domestic and international audiences.

VOTE 10: DEPARTMENT OF ELECTRICITY & ENERGY

Main Appropriation

R6 669.3 million

Adjusted Appropriation

R 6 675.5 million

Budget increased by

R6.2 million

Percentage Change

0.1

Rollovers (total):

R6.2 million

R1.2 million for Programme 3: Energy Programmes and Projects, R575 000 for the payment of invoices for non-grid electrification projects, and R593 000 for their oversight, monitoring and evaluation.

R5 million for Programme 1: Administration is rolled over for the payment of the Cape Town and Sun City venues for the G20 second and third transitions working group meetings.

Virements and shifts (total):

R17.1 million

Key areas for oversight

- The National Integrated Electrification Programme needs to be monitored closely, as only 38 805 homes were electrified through the grid by September 2025, to ensure that the 100 000 electrified homes are achieved by the end of the financial year. Similarly, no homes were electrified through non-grid connections by the end of September 2025.
- Various legislative amendments are due to be submitted to Parliament for approval. Parliament should ensure that the Department meet timelines with regards to the submission of these legislative amendments.
- The implementation of the Transmission Development Plan should be monitored closely to ensure that the vision of the Integrated Resource Plan is met successfully.
- Parliament should continue to monitor Eskom's performance, financial sustainability and its legal separation to enable a competitive electricity market as envisioned by the Electricity Regulation Amendment Act 38 of 2024.
- Eskom has reported a profit but financial performance remains at risk partly due to escalating municipal debt arrears

VOTE 30: DEPARTMENT OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES

Main Appropriation

R 2 545.6 million

Adjusted Appropriation

R3 550.4 million

Budget Increased by

R1 004.8 million

Percentage Change

39,5%

Adjustments

This is the largest percentage increase in the entire Trade and Economic Affairs Cluster. A 39.5% upward adjustment is exceptionally high when compared to other cluster votes, which average below 5%.

Rollovers

R1.005 billion is rolled over for costs related to the rollout of the South Africa Connect project.

Virements and shifts within the vote

R 54 412 000

Gifts, donations and sponsorships

R2.2 million to the International Telecommunication Union for activities related to the World Summit on Information Society.

Key areas for oversight

- Total expenditure in 2024/25 was R2.9 billion, 73.5 per cent of the adjusted appropriation for the year. Midyear expenditure in 2024/25 was R1.4 billion, 35.1 per cent of the adjusted appropriation, whereas expenditure in the first half of 2025/26 was R1.6 billion, 44.5 per cent of the adjusted appropriation of R3.6 billion. Compared to the first half of 2024/25, expenditure over the same period in 2025/26 increased by R185.5 million, 13.3 per cent. This was mainly due to higher transfers to the Independent Communications Authority of South Africa as additional funds were provided for the licensing of spectrum, and the payment of invoices for phase 1 of the South Africa Connect project that were processed earlier than in the previous year.
- Mid-year **revenue** in 2024/25 was R1.7 million, 67.5 per cent of the adjusted estimate, whereas revenue for the first half of 2025/26 was R542.4 million, 99.8 per cent of the adjusted estimate of R543.6 million. Compared to the first half of 2024/25, revenue over the same period in 2025/26 increased by R540.7 million, 31.9 per cent, mainly due to the receipt of a dividend payment of R540.1 million from Telkom.

VOTE 31: DEPARTMENT OF EMPLOYMENT AND LABOUR

Main Appropriation

R 4 153. 1 million - (of which R1 739 million is in Transfers and Subsidies)

Adjusted Appropriation

R4 285.2 million

Budget Increase by

R132.1 million

Percentage Change

3.2%

Programme Adjustments

- Programme 1: Administration
Original Appropriation: R1,098,733,000
An additional R40,000,000 was added through virements and shifts.
Adjusted Appropriation: R1,138,733,000
- Programme 2: Inspection and Enforcement Services
Original Appropriation: R664,352,000
Decreased by R40,000,000 due to virements and shifts to Programme 1.
Adjusted Appropriation: R624,352,000
- Programme 3: Public Employment Services
Original Appropriation: R1,056,556,000
No changes made to this programme in the Adjustments Budget.
Adjusted Appropriation: R1,056,556,000
- Programme 4: Labour Policy and Industrial Relations
Original Appropriation: R1,333,496,000
An additional R132,029,000 was allocated to the National Economic Development and Labour Council (NEDLAC) for the National Dialogue initiative.
Adjusted Appropriation: R1,465,525,000
- The **mid-year expenditure trend** shows that **compensation of employees** accounted for 36.3% of the adjusted budget (R1.556 billion), reflecting a controlled approach to personnel spending and vacancy management.

Virements and Shifts Within the Votes

R49 810 000

Key areas for oversight

- The Committee should assess the impact of the National Dialogue initiative under NEDLAC and its alignment with employment creation and social compact objectives.
- Oversight should focus on the effect of virements, particularly the movement of funds from Inspection and Enforcement Services to Administration.
- Continued monitoring of the Nasi iSpani labour activation programme, job fairs, and employment counselling initiatives is crucial to evaluate their contribution to employment opportunities.

- The Committee should prioritise the execution of budget allocations, especially in inspection, enforcement, and public employment programmes, to ensure that spending patterns translate into measurable employment and labour market outcomes.

VOTE 34: DEPARTMENT OF MINERAL & PETOLEUM RESOURCES

Main Appropriation

R2 859.6 million

Adjusted Appropriation

R2 860.6 million

Budget increase by

R1 million

Percentage Change

0.0%

Virements and Shifts Within the Vote: R130 million.

- From Programme 1 (Administration) total virement of R10 million for Compensation of Employees (CoE) to the programmes below;
 - To Programme 2 (Minerals and Petroleum Regulation) R6.4 million.
 - To Programme 3 (Mine Health and Safety Inspectorate) R2.6 million.
 - To Programme 4 (Mining and Minerals Policy Development) R1 million.
- Virement within Programme 4 of R120 million for reclassification of Junior Mining Exploration Fund which moved to Public Corporation and Private Enterprises. Shift within this programme as a percentage of the programme budget is 9.8 percent therefore required approval by National Treasury which was obtained.

Rollovers (total): R963 000

- Programme 1 (Administration): R963 000 is rolled over for the purchase of laptops

Key areas for oversight

- The virement from Programme 1 (Administration) is 1.7 percent or R10 million out of the programme budget. Therefore, Parliament must ensure that the large downward shift in Programme 1 did not weaken administrative capacity, and that the receiving programmes used the funds for their stated compensation pressures.
- The oversight committees of Parliament must monitor performance of the Junior Mining Exploration Fund. The R120 million intra-programme shift is 9.8 percent of Programme 4 budget, therefore the Portfolio Committee must monitor the purpose, governance and performance of the Junior Mining Fund particularly as the reclassification changes how the funds are managed (from departmental spending to a transfer to an external institution, the Industrial Development Corporation)
- The R963 000 rollover for laptops in Programme 1 is small relative to the vote however it signals that the Department did not complete planned spending on time therefore

oversight on administrative and procurement processes of the department to ensure minimal rollovers.

VOTE 36: DEPARTMENT OF SMALL BUSINESS DEVELOPMENT

Main Appropriation

R2 918.1 million

(comprising R2.45 billion (84 %) in transfers and subsidies, R397.4 million (15.8 %) in current payments, R4.9 million (0.21%) in payments for capital assets)

Adjusted Appropriation

R2 918.1 million

Budget Increased by

(no change)

Percentage Change

0%

Virements and shifts within the vote (total):

Virements are R408 million

- Programme 1: Administration – approx. **-R4.51 million**
- Programme 2: Sector Policy and Research – approx. **-R14.98 million**
- Programme 3: Integrated Cooperatives and Micro Enterprise Development – approx. **-R158.5 million.**
- Programme 4: Enterprise Development, Innovation and Entrepreneurship – approx. **R230.1 million**

Virements to other programmes

According to Section 43 of the PFMA, departments can only move funds up to 8% from one programme to another on their own. Anything above 8% must be approved by Parliament, because virements change what Parliament originally intended the funds to be used for and therefore require explicit parliamentary approval when they exceed the 8 per cent limit. The following exceeds the 8 per cent threshold,

- **R14.98 million (17.9%)** in Programme 2: Sector Policy and Research

Key areas for oversight

- **Unauthorised 17.9% Virement (Programme 2):** The Department shifted 17.9% of Programme 2 funds without seeking the legally required Parliamentary approval. The PC should interrogate the Department's budget discipline, planning credibility, and PFMA compliance, given that this virement exceeds the 8% limit.

- **0% Support to 1,000 Crafters:** Although the APP commits to supporting 1,000 crafters this year, no support was delivered. National Treasury notes that the indicator was prematurely included and belongs in the 2026/27 plan. The PC should probe performance planning accuracy and internal quality control.
- **Delays in implementation:** Expenditure for the first half of 2025/26 is R287.5 million (17.7%) lower than the same period last year. This stems from delays in launching the Small Business Exporters Development Scheme and slow progress on infrastructure projects. Oversight should focus on implementation delays and project readiness.
- **Vacancy Rate Near 20%:** One in five funded posts remains vacant. This undermines delivery capacity. The PC should assess whether the Department has a credible HR plan, recruitment strategy, and timelines to fill critical posts.

VOTE 39: DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

Main Appropriation

R11 071.7 million

Adjusted Appropriation

R11 128.6 million

Budget increased by

R56.9 million

Percentage Change

0.5%

Self-Financing Expenditure

The increase amounted to R56.9 million which was revenue generated from rental income.

Increase to Programme 1: Administration: The R56.9 million had been channelled to programme 1 for goods and services.

Virements and Shifts within the vote (total):

R230 846 million (representing 2% of the adjusted appropriation)

Virements and shifts requiring Parliamentary approval:

- R22.5 million virement from **Programme 3: Investment and Spatial Industrial Development** from transfers for Industrial Development Zones to **Programme 1: Administration** for goods and services, particularly venues and facilities.

National Treasury approval was obtained for:

- A shift within **Programme 1: Administration** of R20.2 million, shifted from a budget for goods and services, machinery and equipment, compensation of employees, and intangible assets to other goods and services.
- A virement of R5.0 million sifted from **Programme 1: Administration** to **Programme 2: Trade** for goods and services.
- A shift of R43.2 million in within **Programme 3: Investment and Spatial Industrial Development** originally budgeted for various institutions in support of

One-stop-shop to external services, travel and subsistence, and business and advisory services.

- A shift of R10.0 million within **Programme 4: Sectors** from the budgeted transfer to Council for Industrial Development Corporation: Sector programmes to the National Metrology Institute of South Africa.
- A virement from **Programme 4: Sectors** of R150 million to various programmes, including R7.8 million to **Programme 1: Administration** for goods and services; R54.0 million to **Programme 2: Trade** for International Trade Commission and Administration, and goods and services; **Programme 5: Regulation** for transfers to entities, namely National Credit Regulator, National Consumer Tribunal, National Consumer Commission, and Companies Tribunal; **R30.0 million to Programme 6: Incentives**; and R4.2 million to **Programme 8: Transformation and Competition** for transfer to the Competition Tribunal.
- A shift of R902 000 within **Programme 5: Regulation** from venue and facilities, travel and subsistence, and business and advisory services to payments to foreign governments and international organisations (World Intellectual Property Organisation and International Financial Reporting Standards).
- A R5.0 million virement from **Programme 6: Incentives** which was originally budgeted for goods and services was shifted to **Programme 1: Administration** for goods and services.
- A shift within **Programme 7: Export** of R1.5 million budgeted for goods and service to payments to households.
- A virement of R5.0 million from **Programme 7: Export** which was originally budgeted for compensation of employees, however, due to vacant posts, it was shifted **Programme 1: Administration** for goods and services.

Key areas for oversight

The impact of the key virements and shifts including the:

- Virement of R22.5 million from Industrial Development Zones to goods and services.
- Virement from the Industrial Development Corporation: Sector programmes to the department's entities including the International Trade Commission and Administration, National Credit Regulator, National Consumer Tribunal, National Consumer Commission, Companies Tribunal, the Competition Tribunal.
- Shift within programme 4 from the Industrial Development Corporation: Sector programmes to National Metrology Institute of South Africa.

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