OFFICIAL GUIDE TO

South Africa

2018/19

Economy and Finance

The central economic policy goal of the South African Government is to accelerate inclusive growth and create jobs.

Its main fiscal objective is to ensure sustainable finances by containing the budget deficit and stabilising public debt.

Economic growth is projected to improve moderately from 1,5% in 2019 to 2,1% in 2021. In the longer term, South Africa requires higher and more inclusive growth to address unemployment and poverty.

Government is implementing growth-enhancing reforms in line with President Cyril Ramaphosa's Economic Stimulus and Recovery Plan, which aims to, among other things, ignite economic activity, restore investor confidence, prevent further job losses and create much-needed jobs.

Additional steps to strengthen policy certainty, improve the effectiveness of infrastructure spending and rebuild public institutions will encourage private-sector investment and bolster confidence.

Chapter 3 of the country's socio-economic roadmap, the National Development Plan (NDP), sets out a vision for South Africa to build an inclusive economy that advances social equality.

This vision is expressed in terms of Outcome 4 (decent employment through inclusive growth), Outcome 8 (sustainable human settlements and improved quality of household life), Outcome 9 (responsive, accountable, effective and efficient developmental local government) and Outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 Medium Term Strategic Framework (MTSF), which are closely aligned with the work of National Treasury.

The NDP recognises that faster, broad-based growth is needed to transform the economy, create jobs, and reduce poverty and inequality by 2030. The department's continual focus remains on:

- reviewing tax policy and strengthening regulation in the financial sector;
- managing future spending growth and fiscal risk;
- managing government's assets and liabilities;
- making government procurement more efficient;
- strengthening government financial management;
- facilitating regional and international cooperation;
- supporting sustainable employment, and
- supporting infrastructure development and economically integrated cities and communities.

National Treasury

National Treasury's legislative mandate is based on section 216(1) of the Constitution of the Republic of South Africa of 1996, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances.

This role is further elaborated in the Public Finance Management Act (PFMA) of 1999. The department is mandated to:

- promote national government's fiscal policy and the coordination of macroeconomic policy
- ensure the stability and soundness of the financial system and financial services
- coordinate intergovernmental financial and fiscal relations
- manage the budget preparation process
- enforce transparency and effective management of national revenue and expenditure, assets and liabilities, public entities, and constitutional institutions.

The NDP recognises that faster, broad-based growth is needed to transform the economy, create jobs, and reduce poverty and inequality in South Africa. Outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 MTSF gives expression to this vision, with National Treasury's work contributing to its realisation.

The total allocation to National Treasury in 2019/20 financial year is R30.8 billion. This allocation allows the department to conduct research on the economy together with its partners in and outside of government, and develop policies to maintain fiscal stability and promote growth.

This allocation includes transfers to the South African Revenue Service (SARS), Financial Intelligence Centre (FIC), State Security Agency and commitments to multilateral finance institutions. It also includes contributions to civil and military pensions.In rebuilding institutions, is expected to entrench institutional culture of professionalism, transparency, accountability and sustainability. These values are critical for building of a developmental state.

National Treasury will continue developing and updating the In-Year Monitoring system to monitor the spending by all national and provincial departments monthly. In line with Section 32 of the PFMA of 1999, the spending numbers of all departments will be published quarterly.

During the 2019/20 financial year, National Treasury was expected to table a new Procurement Bill as a single overarching legislation for public procurement in the country.

It was expected to introduce a procurement data transparency portal where all procurement data would be easily accessible for the monitoring of government projects.

Entities under National Treasury

National Treasury is responsible for the folowing entities:

- The **Development Bank of Southern Africa** is a development finance institution with the primary purpose of promoting economic development and growth. The bank also promotes human resources development and building institutional capacity by mobilising financial and other resources from the national and international private and public sectors for sustainable development projects and programmes in South Africa and regions in the rest of Southern Africa.
- The **Land and Agricultural Development Bank of South Africa's** mandate, as a development finance institution, is to address agricultural and rural development in South Africa.
- **SARS** is mandated to collect all revenues due to the state and administer trade to support government in meeting its key growth developmental objectives. This involves facilitating legitimate trade, protecting South African ports of entry, and eliminating illegal trade and tax evasion. The organisation's purpose is to contribute to the socia-economic development of the country by collecting the resources needed by government to meet its policy and delivery priorities.
- The **Accounting Standards Board** develops uniform standards of generally recognised accounting practice for all spheres of government. It also promotes transparency in and the effective management of revenue, expenditure, assets and liabilities of the entities to which the standards apply.
- The **Cooperative Banks Development Agency's** mandate is to provide for the registration and supervision of deposit-taking financial services cooperatives, and savings and credit cooperatives, collectively referred to as cooperative financial institutions. The agency also facilitates, promotes and funds the education and training of these institutions.

- The **Financial and Fiscal Commission's** legislative mandate is to advise the relevant legislative authorities on the financial and fiscal requirements for the national, provincial and local spheres of government.
- The **FIC's** mandate is, among other things, to identify the proceeds of unlawful activities, combat money-laundering activities, combat the financing of terrorist and related activities, exchange information with law-enforcement and other local and international agencies.
- The **Financial Services Board** is an independent institution established by statute to oversee the South African non-banking financial services industry in the public interest.
- The **Government Pensions Administration Agency** provides pensions administration services to the Government Employees Pension Fund (GEPF).
- The **Government Technical Advisory Centre** is mandated to assist organs of state in building their capacity for efficient, effective and transparent financial management.
- The **Independent Regulatory Board for Auditors** develops and maintains auditing and ethical standards that are internationally comparable, provides an appropriate framework for the education and training of properly qualified auditors, inspects and reviews the work of registered auditors, and investigates and takes appropriate action against registered auditors who do not comply with standards and are guilty of improper conduct.
- The **Office of the Ombud for Financial Services Providers** is mandated to consider and dispose of complaints against financial services providers, primarily intermediaries selling investment products.
- The **Office of the Pension Funds Adjudicator** investigates and determines complaints lodged in terms of the Pension Funds Act of 1956. The office ensures a procedurally fair, economical and expeditious resolution of complaints in terms of the Act.
- The **Public Investment Corporation** is one of the largest investment managers in Africa, managing more than R2 trillion worth of assets in a well-diversified portfolio of investment. It manages the assets of the GEPF, social security funds and other smaller funds.
- The **South African Airways** is South Arica's national air carrier which operates a full service network in the international, regional and domestic markets.

- The **South African Special Risks Insurance Association** is mandated to support the insurance industry by providing cover for special risks such as riots, strikes, political unrest, terrorist attacks, civil commotion, public disorder and labour disturbances.

South African Reserve Bank (SARB)

The primary purpose of the SARB is to achieve and maintain price stability in the interest of balanced and sustainable economic growth in South Africa. Together with other institutions, it also plays a pivotal role in ensuring financial stability.

The primary function of the SARB, as the country's central bank, is to protect the value of South Africa's currency. In discharging this role, it takes responsibility for:

- ensuring that the South African money, banking and financial system as a whole is sound, meets the requirements of the community and keeps abreast of international developments
- assisting the South African Government, as well as other members of the economic community of southern Africa, with data relevant to the formulation and implementation of macroeconomic policy;
- informing the South African community and all stakeholders abroad about monetary policy and the South African economic situation.

The SARB is governed by the SARB Act of 1989, as amended. It has more than 600 shareholders.

Tax administration

National Treasury is responsible for advising the Minister of Finance on tax policy issues. As part of this role, National Treasury must design tax instruments that can optimally fulfil a revenue-raising function. These tax instruments must be aligned to the goals of government's economic and social policy. These instruments are then administered by SARS.

A single, modern framework for the common administrative provisions of various tax Acts administered by SARS, excluding Customs, was established by the Tax Administration Act of 2011, which commenced on 1 October 2012. The Act simplifies and provides greater coherence in South African tax administration law.

It eliminates duplication, removes redundant requirements, and aligns disparate requirements that previously existed in different tax Acts administered by SARS.

The Act provides for common procedures across the various tax Acts, and strives for an appropriate balance between the rights and obligations of SARS and the rights and obligations of taxpayers in a transparent relationship.

Office of the Tax Ombud

The Office of the Tax Ombud is intended to provide taxpayers with an impartial and low-cost mechanism to address service, procedural or administrative difficulties that taxpayers have not been able to resolve through SARS's complaints management channels.

South African tax system

South Africa has a residence-based income tax system. Residents are, subject to certain exclusions, taxed on their worldwide income, irrespective of where their income was earned. Non-residents are taxed on their income from a South African source, subject to relief under Double Taxation Agreements (DTAs). Foreign taxes are credited against South African tax payable on foreign income.

Taxes on income and profits

Personal Income Tax (PIT), Company Income Tax (CIT) and Value-added Tax (VAT) in aggregate remain the largest source of tax revenue and comprise about 80.7% of total tax revenue collections.

This is the largest category of tax revenue and accounted for 58.5% of total tax revenue in 2017/18. This category comprises taxes on persons and Individuals; taxes on companies ((both inclusive of Capital Gains Tax and withholding tax on royalties)); interest on overdue income tax; Dividends Tax (DT) and withholding tax on interest.

Personal Income Tax

PIT is a tax levied on the taxable income of individuals and trusts, with PIT in 2017/18 accounting for more than 38.1% of total revenue. It is determined for a specific year of assessment. Taxable capital gains form part of taxable income.

The main contributors to PIT are employment income from salary earners and income generated from sole-proprietor activities. The tax rates applicable to PIT-related taxable income are progressive, marginal rates ranging from 18% to 45% since 2017/18.

As a means of collecting PIT from salary and wage income, a mechanism known as Pay-As-You-Earn is in operation that enables employers to withhold tax due to SARS from employees and pay this over to SARS monthly and reconciled biannually.

Company Income Tax

CIT is a tax levied on the taxable income of companies and close corporations. After PIT and VAT, CIT has been the largest contributor to total tax revenue for the past decade. Although the current headline CIT rate is 28%, some sectors of the economy have different effective tax rates due to sector-specific tax dispensations and deductions.

Exceptions to the rule are the lower, progressive tax rates that apply to small business corporations and micro-enterprises, as well as the reduced rate that applies to companies operating in designated special economic zones.

Dividends Tax

DT is a final tax at a rate of 20% on dividends paid by resident companies and by non-resident companies in respect of shares listed on the JSE. Dividends are tax exempt if the beneficial owner of the dividend is a South African company, retirement fund or other exempt person.

Non-resident beneficial owners of dividends may benefit from reduced tax rates in limited circumstances. The tax is to be withheld by companies paying the taxable dividends or by regulated intermediaries in the case of dividends on listed shares. The tax on dividends in kind (other than in cash) is payable and is borne by the company that declares and pays the dividend.

Taxes on payroll and workforce

Taxes on payroll and workforce comprise the Skills Development Levy (SDL) and Unemployment Insurance Fund contributions. SDL is a compulsory levy intended to fund training costs incurred by employers.

Skills Development Levy

Affected employers contribute to a Skills Development Fund that is used for employee training and skills development.

This SDL is payable by employers at a rate of 1% of the total remuneration paid to employees.

Employers paying annual remuneration of less than R500 000 are exempt from the payment of this levy.

Unemployment Insurance Fund (UIF)

The UIF insures employees against the loss of earnings due to termination of employment, illness or maternity leave. The contribution to the UIF is shared equally by affected employers and employees at a rate of 1% of remuneration each. The employee share of 1% is withheld by the employer and paid monthly to SARS, together with the employer share of 1%.

Taxes on property

Taxes on property comprise Donations tax, Estate Duty, Securities Transfer Tax (STT) and transfer duties.

Donations tax

Donations tax is levied at a rate of 20% and at 25% on the value of cumulative donations exceeding R30 million effective from 1 March 2018. An annual exemption of R100 000 is available to natural persons.

Estate duty

Estate duty is levied at a flat rate of 20% and at 25% on the dutiable amount of the deceased estate that exceeds R30 million from 1 March 2018. Specific deductions and abatements are allowed from the total value of the estate.

Securities Transfer Tax

STT is levied at a rate of 0,25% on the transfer of listed or unlisted securities. Securities consist of shares in companies or members' interests in close corporations.

Transfer duty

Transfer duty is the largest source of revenue in this category. It is levied on the acquisition of property at progressive rates from 0% to 13% for all persons including companies, close corporations and trusts. The marginal rate of 13% applies to the portion of the value of property exceeding R10 million.

Domestic taxes on goods and services

Domestic taxes on goods and services comprise VAT, specific excise duties, ad valorem excise duties, fuel levy, Road Accident Fund (RAF) levy, environmental levies and health promotion levy. VAT is the largest source of revenue in this category with a share of 71,8% in 2017/18.

Value-added Tax

VAT is levied at a rate of 15% on goods and services with some exemptions and zero-ratings, and is also levied on the importation of goods and services into South Africa. The quoted or displayed price of goods and services must be VAT-inclusive.

A person who supplies goods or services is liable to register for VAT, if the supplies are more than R1 million in a 12-month period, or when there is a reasonable expectation that the income will exceed this amount. A person can also register voluntarily for VAT, if the supply of goods or services for 12 months exceeded R50 000.

Fuel taxes

The fuel levy is imposed on petrol and diesel (including biodiesel) manufactured in or imported into South Africa. The fuel levy is not earmarked, but it implicitly increases the cost of road transport to encourage more efficient and sustainable road use.

The increased fuel levy is R3.52/litre for petrol and R3.37/litre for diesel from 3 April 2019. The RAF levy is imposed on petrol and diesel manufactured in or imported into South Africa. The RAF levy funds the RAF's motor vehicle accident insurance scheme. The increased RAF levy is R1.98/litre for both petrol and diesel from 3 April 2019.

Environmental levies

The South African Government has responded to the serious global challenge of environmental pollution and climate change by introducing several environmental taxes that are intended to modify behaviour of the country's citizens for sustainable development of the economy.

International air passenger departure tax

The tax imposed on international air travel was introduced in November 2000 and was last increased on 1 October 2011.
Passengers departing on flights to Botswana, Lesotho, Namibia and Eswatini are paying a departure tax of R100 per passenger while passengers on other international flights are paying R190 per passenger.

Plastic bag levy

The plastic bag levy was introduced to reduce litter and encourage plastic bag reuse. It was increased to 12 cents per bag as from 1 April 2018.

Electricity generation levy

The electricity generation levy was Introduced to encourage sustainable electricity generation and use. The levy is applied to electricity generated from non-renewable sources and was increased in 2012 to 3,5 cents per kWh.

Incandescent bulb levy

This levy was introduced to promote energy efficiency by discouraging the use of incandescent light bulbs. The levy increased to R8 a bulb on 1 April 2018.

CO2 motor vehicle emissions levy

The CO2 motor vehicle emissions levy on passenger and double-cab vehicles was introduced to encourage the manufacture and purchase of more energy efficient motor vehicles. The rate was last increased on 1 April 2018 to R110 for every gram above 120gCO2/km for passenger vehicles and R150 for every gram above 175gCO2/km for double cab vehicles.

Tyre levy

The tyre levy on new pneumatic tyres was introduced to encourage efficient tyre use. Although the tyre levy is not earmarked, it indirectly supports the responsible recycling of obsolete tyres. The levy was implemented on 1 February 2017 at a rate of R2,30/kg.

Health promotion levy

The sugary beverages levy took effect on 1 April 2018 at a rate of 2,1 cent/gram of the sugar content that exceeds 4g/100 ml. The levy applies to specific sugary drinks and concentrates used in the manufacture of sugary drinks to combat obesity and promote healthier consumer beverage choices.

Diamond levy

A diamond export levy on unpolished diamonds exported from South Africa was introduced, effective from 1 November 2008 at a rate of 5% of the value of such diamonds.

Trade agreements

SARS administers a number of trade agreements or protocols or other parts or provisions thereof, and other international instruments, in terms of the Act, which are enacted into law when published by notice in the *Government Gazette*. The full texts of these types of agreements are contained in Schedule No. 10 to the Act and contain the following:

- Treaty of the Southern African Development Community (SADC) and Protocols concluded under the provisions of Article 22 of the Treaty (SADC Treaty and Protocols).
- Agreement between the Government of the Republic of South Africa and the Government of the United States of America regarding Mutual Assistance between their Customs Administrations.
- Southern African Customs Agreement between the governments of the Republic of Botswana, the Kingdom of Lesotho, the Republic of Namibia, South Africa and the Kingdom of Eswatini.
- Memorandum of Understanding between the Government of the Republic of South Africa and the Government of the People's Republic of China (PRC) on promoting Bilateral Trade and Economic Cooperation.
- Free Trade Agreement between the EFTA States and the SACU States.
- Common Market of the South (Mercosur) comprising Argentina, Brazil, Paraguay and Uruguay, and the South African Customs Union (SACU) comprising of Botswana, Lesotho, Namibia, South Africa and Eswatini which was implemented on 1 April 2016 (Mercosur-SACU)
- Economic Partnership Agreement between the SADC Economic Partnership Agreement states, of the one part, and the European Union and its member states of the other part which was implemented on 10 October 2016 (SADC – EPA).

In terms of the above-mentioned agreements preferential rates as contained in the rate of duty columns in Part 1 of Schedule No. 1 may apply in each case.

Southern African Customs Union

SACU consists of Botswana, Lesotho, Namibia, South Africa and Eswatini. The SACU Secretariat is located in Windhoek, Namibia. SACU was established in 1910, making it the world's oldest Customs Union.

Negotiations to reform the 1969 Agreement started in 1994, and a new agreement was signed in 2002. The member states form a single customs territory in which tariffs and other barriers are eliminated on substantially all the trade between the member states for products originating in these countries; and there is a common external tariff that applies to non-members of SACU.

Excise duties

Excise duties are levied on certain locally manufactured goods and their imported equivalents. Specific excise duties are levied on tobacco and liquor products. Ad valorem excise duties are levied on products such as motor vehicles, cellular telephones, electronics and cosmetics.

Customs duty

Customs duties are imposed by the Customs and Excise Act of 1964. Ordinary customs duty is a tax levied on imported goods and is usually calculated on the value of goods imported and collected by the customs unit within SARS.

Customs duty rates in Part 1 of Schedule No. 1 and trade remedies relating to the importation of goods such as anti-dumping, countervailing and safeguard duty are set out in Schedule No. 2 of the Schedules to the Act and are determined through trade policy in terms of the International Trade Administration Act of 2002 administered by the International Trade Administration Commission.

Other taxes

Rates on property

Property-related taxes include municipal rates and charges for refuse and sewerage, which are collected by municipalities.

Payment channels

The majority of taxpayers are now using electronic payment platforms which significantly improve turnaround times. Cash collections at branches have been reduced as have the risks associated with them.

Payment methods other than branch payments are:

- eFiling: this required a taxpayer to register as an eFiling client in order to make electronic payments using this channel; and
- Payments at banks: taxpayers can make either an internet banking transfer or an over-the-counter deposit.

Voluntary Disclosure Programme (VDP)

A permanent VDP was introduced in terms of the Tax Administration Act of 2011, in October 2012. The permanent VDP is part of a package of compliance measures aimed at encouraging non-compliant taxpayers to regularise their tax affairs.

International tax treaties

South Africa is a party to a wide range of DTAs, tax information exchange agreements and other agreements. In 2014, the Organisation for Economic Cooperation and Development (OECD), working with G20 countries, developed the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the Standard) also known as the OECD's Common Reporting Standard (CRS).

The Standard requires the reporting to tax authorities by financial institutions of information in relation to financial accounts they hold for non-resident taxpayers. This information is then automatically exchanged between tax authorities each year in order to tackle cross-border tax evasion.

South Africa is an early adopter of the Automatic Exchange of Information, which includes both the initiatives stemming from South Africa signing an Inter-Governmental Agreement with the US Internal Revenue Service (on their Foreign Account Tax Compliance Act) as well as the CRS.

Why invest in South Africa

South Africa is one of the most sophisticated, diverse and promising emerging markets globally. Strategically located at the tip of the African continent, the country is a key investment location, both for the market opportunities that lie within its borders and as a gateway to the rest of the continent, a market of about one billion people.

South Africa is the economic powerhouse of Africa and forms part of the BRICS group of countries with Brazil, Russia, India and China.

It has a wealth of natural resources (including coal, platinum, coal, gold, iron ore, manganese nickel, uranium and chromium) and it enjoyes increased attention from international exploration companies, particularly in the oil and gas sector.

The country has world-class infrastructure, exciting innovation, research and development capabilities and an established manufacturing base.

It is at the forefront of the development and rollout of new green technologies and industries, creating new and sustainable jobs in the process and reducing environmental impact. South Africa has sophisticated financial, legal and telecommunications sectors, and a number of global business process outsourcing operations are located in the country.

It has a host of investment incentives and industrial financing interventions that are aimed at encouraging commercial activity and its trade rules favour a further expansion in South Africa's burgeoning levels of international trade.

Department of Public Enterprises (DPE)

The DPE is government's shareholder representative for the state-owned companies (SOCs) in its portfolio. The department's mandate is to fulfil oversight responsibilities at these companies to ensure that they contribute to the realisation of government's strategic objectives, as articulated in the NDP, government's 2014-2019 MTSF and the Industrial Policy Action Plan.

SOCs are crucial to driving the state's strategic objectives of creating jobs, and enhancing equity and transformation. The department does not directly execute programmes, but seeks to use state ownership in the economy to support the achievement of these objectives.

The NDP identifies the potential of SOCs in building a capable and developmental state. In performing their mandates, SOCs contribute to Outcome 4 (decent employment through inclusive growth) and Outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 MTSF.

The DPE oversees the following six SOCs, which are key drivers of economic growth:

- **Alexkor** – A diamond mining company primarily operating in Alexander Bay and the greater Namaqualand.
- **Denel** – A defence company and although it is established as a private company in terms of the Companies Act of 2008, government exercises full control over it.
- **Eskom** – It generates, transmits and distributes electricity to industrial, mining, commercial, agriculture and residential customers and redistributors.
- **South African Forestry Company** – It is the government's forestry company, conducting timber harvesting, timber processing and related activities both domestically and regionally.

- **South African Express Airways** – South African Express Airways is a domestic and regional air carrier with a mandate to be an African airline.
- **Transnet** – It is a freight and logistics company responsible for pipelines, ports and rail transport infrastructure operations in South Africa.

Department of Trade, Industry and Competition (the dtic)

The dtic (formerly the Department of Trade and Industry) works to promote industrialisation and transformation, and respond to unemployment, poverty and inequality.

The strategic direction of this work is derived from the NDP, and is underpinned by Outcome 4 (decent employment through inclusive growth), Outcome 7 (comprehensive rural development and land reform) and Outcome 11 (create a better South Africa and contribute to a better Africa and a better world) of government's 2014-2019 MTSF.

Through the implementation of its higher-impact IPAP, the department will focus over the medium term on providing industrial financing, strengthening export capabilities, and developing industrial infrastructure.

Other drivers include the rapid acceleration of the Black Industrialist Programme, and a much stronger and ongoing focus on labour intensity across the value chains that link the primary sectors of the economy to the manufacturing and services sectors.

Department of Small Business Development (DSBD)

The DSBD promotes and develops small businesses and cooperatives, and its work in this regard focuses on the economic and legislative drivers that stimulate entrepreneurship and contribute to radical economic transformation.

The department provides support for small enterprises directly and indirectly through the Small Enterprise Development Agency (SEDA) and the Small Enterprise Finance Agency (SEFA). However, the black business supplier development programme and the national informal business upliftment scheme are implemented directly by the department.

The Black Business Supplier Development Programme (BBSDP) offers a cost-sharing grant for small enterprises to acquire tools, machinery, equipment and training to a maximum of R1 million per applicant, while the national informal business upliftment scheme aims to develop and grow informal businesses by providing financial, non-financial and infrastructure support services.

The NDP identifies the pivotal role of small, medium and micro enterprises (SMMEs) and cooperatives in contributing to inclusive economic growth and employment. In doing so, the plan highlights the benefits of providing incentive schemes, and reducing the costs of doing business and regulatory burdens for small enterprises.

The work of the DSBD is aligned with and aims to give expression to this vision. Accordingly, over the medium term, the department will focus on: developing, evaluating and reviewing strategies and legislation for small enterprises and cooperatives; increasing support for small enterprises; and developing and supporting cooperatives.

Over the medium term, 2 360 small enterprises are expected to benefit from the BBSDP.

Over the same period, 5 612 informal businesses are expected to benefit from the National Informal Business Upliftment Scheme and 45 informal business structures are expected to be supported through the scheme's infrastructure facility, which provides a 50-50 cost-sharing grant for public and private sector investments in economic infrastructure.

The department continues to provide financial support to cooperatives through the Cooperatives Incentive Scheme. The scheme provides a 100% grant to the maximum of R350 000 per registered primary cooperative and R11 million per registered clustered cooperatives. In doing so, the scheme intends to improve the viability and competitiveness of cooperatives by lowering the cost of doing business.

The SEDA is mandated to implement government's small business strategy, design and implement a standard and common national delivery network for small enterprise development, and integrate government funded small enterprise support agencies across all tiers of government.

The SEFA, which is a wholly owned subsidiary of the Industrial Development Corporation, provides financial products and services to qualifying SMMEs and cooperatives, which can get credit facilities from R500 up to R5-million when applying through any of SEFA's intermediaries or partnerships.

Banking industry

By end of December 2018, 34 banking institutions were registered and supervised by the Prudential Authority of the SARB: 19 banks and 15 local branches of international banks.

Five largest commercial banks are Capitec Bank, FirstRand, Absa, Nedbank and Standard Bank. Other major players in the banking sector include African Bank, SASFIN and Bidvest Bank.

Johannesburg Stock Exchange Limited (JSE Ltd)

The JSE Ltd is the largest exchange on the African continent and the 19th largest in the world.

In keeping with international practice, the JSE Ltd regulates its members and ensures that markets operate in a transparent way, ensuring investor protection.

The JSE Ltd's roles include regulating applications for listing and ensuring that listed companies continue to meet their obligations.

Jobs Fund

The Jobs Fund was launched in June 2011 to co-finance projects by public, private and non-governmental organisations that will significantly contribute to job creation.

This involves the use of public money to catalyse innovation and investment on behalf of a range of economic stakeholders in activities that contribute directly to enhanced employment creation in South Africa.

The Jobs Fund will consider proposals that perform competitively within enterprise development, infrastructure, institutional capacity building and support for work seekers categories.

As at June 2019, the fund had a portfolio of 125 contracted projects with a total allocation of R6.6 billion in grant funds.

These projects committed to leverage an additional R9.4 billion from partners to create 221 245 permanent jobs.

The Jobs Fund is one of government's key employment facilitation programmes that help address unemployment in South Africa.

Its ultimate goal is to identify and learn from effective interventions and programmes that contribute to accelerated job creation and a better functioning labour market.