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GOVERNMENT NOTICE GOEWERMENTSKENNISGEWING

DEPARTMENT OF TRADE AND INDUSTRY DEPARTEMENT VAN HANDEL EN NYWERHEID

No. 805

13 June 1997

REGIONAL INDUSTRIAL DEVELOPMENT ACT, 1993

IMPLEMENTATION OF THE SMALL MEDIUM MANUFACTURING DEVELOPMENT PROGRAMME

I, Alexander Erwin, Minister of Trade and Industry, in terms of section 10 (1) of the Regional Industrial Development Act, 1993 (Act No. 187 of 1993), hereby give notice that the Small Medium Manufacturing Development Programme is implemented with effect from 1 October 1996.

The programme consists of the following:

1. Incorporated legal entities as well as sole proprietorships and partnerships (excluding trusts) qualify for assistance.
2. Only new, secondary operations engaged in manufacturing as well as processing or assembly, commencing production on or after 1 October 1996, may be considered for incentives. Qualifying industries are as classified in "Major Division 3: Manufacturing" of the Standard Industrial Classification of all Economic Activities (Fifth Edition) issued by the Central Statistical Services in January 1993.
3. The six year incentive package consists of—
 - (a) an establishment grant payable in cash for three years calculated at 10,5% per year on qualifying assets up to a maximum of R3 million per enterprise per project;
 - (i) Qualifying assets are—
 - > land and buildings owned at cost;
 - > land and buildings leased (capitalised at 15% per annum);
 - > plant and machinery owned at cost;
 - > capitalised leased plant and machinery.

- (ii) Payment of the establishment grant is subject to the demonstration of a minimum equity of 10%;
- (b) a profit/output incentive payable in cash for an additional one year, calculated at 25% of profit before tax not to exceed the annual establishment grant up to a maximum of R315 000 per year per undertaking, whichever is the lesser;
- (c) an additional two years profit/output incentive provided that the industrialist can meet or exceed the labour remuneration to value-added ratio of 55% measured in the fourth and fifth financial year. The labour remuneration to value-added ratio shall be determined in accordance with the formula as set out hereunder and with all the accounting terms referred to given their meaning as understood under General Accepted Accounting Practice (GAAP).

$$\text{Formula: } V = \frac{B}{A + B} \times 100$$

in which formula—

- (i) "V" is the percentage to be determined;
- (ii) "A" is the gross operating surplus; and
- (iii) "B" is the total labour remuneration;
- (d) a productivity improvement programme on merit and at the discretion of the Board for Regional Industrial Development; and
- (e) a foreign investment grant to a maximum value of US\$50 000 for qualifying transport costs of new machinery. This grant is not available to foreign investment from the South African Custom Union Countries and the Southern African Development Community.

4. All areas in the RSA qualify for the incentives.

5. Further enquiries can be made to:

The Chief Director: Regional Industrial Development
 Department of Trade and Industry
 Private Bag X86
 PRETORIA
 0001
 Tel: (012) 312-8911
 Fax: (012) 325-5268.

A. ERWIN

Minister: Trade and Industry

Date: 6 May 1997.

No. 805

13 Junie 1997

WET OP STREEKNYWERHEIDSONTWIKKELING, 1993

INBEDRYFSTELLING VAN DIE KLEIN, MEDIUM VERVAARDIGINGONTWIKKELINGSPROGRAM

Ek, Alexander Erwin, Minister van Handel en Nywerheid, gee hiermee kragtens artikel 10 (1) van die Wet op Streeknywerheidsontwikkeling, 1993 (Wet No. 187 van 1993), kennis dat die Klein, Medium Vervaardigingsontwikkelingsprogram ingestel word met ingang van 1 Oktober 1996.

Die program bestaan uit die volgende:

1. Geïnkorporeerde regsentiteite sowel as eenmansake en vennootskappe (uitsluitende trusts) kwalifiseer vir bystand.
2. Slegs nuwe, sekondêre ondernemings betrokke by die vervaardiging sowel as prosessering en montering, waarvan produksie op of na 1 Oktober 1996 in aanvang neem, sal oorweeg word vir aansporings. Kwalifiserende nywerhede is soos uiteengesit in "Hoofafdeling 3 Fabriekswese" van die Standaardnywerheidsklassifikasie van alle Ekonomiese Bedrywighede (Vyfde Uitgawe) uitgereik deur die Sentrale Statistiekdiens in Januarie 1993.

3. Die sesjaar-aansporingspakket bestaan uit—

- (a) 'n vestigingstoelaag betaalbaar in kontant vir drie jaar, bereken teen 10,5% per jaar op kwalifiserende bates tot 'n maksimum van R3 miljoen per onderneming per projek;

(i) Kwalifiserende bates is—

- > eie grond en geboue teen kosprys;
- > gehuurde grond en geboue (gekapitaliseer teen 15% per jaar);
- > eie masjinerie en toerusting teen kosprys; en
- > gekapitaliseerde bruikhuur van masjinerie en toerusting.

- (ii) Betaling van die vestigingstoelaag is onderworpe aan die bewys van 'n minimum ekwiteit van 10%;

- (b) 'n wins/uitset-aansporing betaalbaar in kontant vir 'n bykomende een jaar, bereken teen 25% van wins voor belasting maar wat nie die jaarlikse vestigingstoelaag tot 'n maksimum van R315 000 per jaar per onderneming mag oorskry nie, welke ook al die laagste is;

- (c) 'n bykomende tweejaar-wins/uitset-aansporing op voorwaarde dat die nyweraar kan voldoen aan die menslike hulpbronvergoeding tot waarde toegevoeg verhouding van 55%, of dit oorskry, soos gemeet in die vierde en vyfde finansiële jaar. Die menslike hulpbronvergoeding tot waarde toegevoeg verhouding sal bereken word volgens die formule soos hieronder uiteengesit en met al die rekeningkundige terme waarna verwys word die betekenis te wees soos verstaan onder Algemene Aanvaarde Rekeningkundige Praktijk (AARP).

$$\text{Formule: } V = \frac{B}{A + B} \times 100$$

in welke formule—

- (i) "V" die berekende persentasie is;
 - (ii) "A" die bruto bedryfsurplus is; en
 - (iii) "B" die totale menslike hulpbronvergoeding is;
- (d) 'n produktiwiteitsverbeteringsprogram op meriete en volgens diskresie van die Raad vir Streeknywerheidsontwikkeling; en
- (e) 'n buitelandse beleggingstoelaag tot 'n maksimum waarde van US\$50 000 vir kwalifiserende vervoerkoste van nuwe masjinerie. Die toelaag is nie beskikbaar aan buitelandse beleggers vanaf die Suid-Afrikaanse Doeane Unie Lande en die Suider-Afrikaanse Ontwikkelingsgemeenskap nie.

4. Alle gebiede in die RSA kwalifiseer vir die aansporings.

5. Verdere navrae kan gerig word aan:

Die Hoofdirekteur: Streeknywerheidsontwikkeling

Privaatsak X86

PRETORIA

0001

Tel: (012) 312-8911

Faks: (012) 325-5268.

A. ERWIN

Minister: Handel en Nywerheid

Datum: 6 Mei 1997.

No. 806

13 June 1997

REGIONAL INDUSTRIAL DEVELOPMENT ACT, 1993

TERMINATION OF THE REGIONAL INDUSTRIAL DEVELOPMENT PROGRAMME AND THE SIMPLIFIED REGIONAL INDUSTRIAL DEVELOPMENT PROGRAMME

I, Alexander Erwin, Minister of Trade and Industry, in terms of section 10 (1) of the Regional Industrial Development Act, 1993 (Act No. 187 of 1993), hereby revoke the 1991 Regional Industrial Development Programme and the 1993 Simplified Regional Industrial Development Programme, with a two months (local) and three months (foreign) notice period with effect from 26 November 1996.

A. ERWIN**Minister: Trade and Industry***Date: 6 May 1997.*

No. 806

13 Junie 1997

WET OP STREEKNYWERHEIDSONTWIKKELING, 1993

BEËINDIGING VAN DIE STREEKNYWERHEIDONTWIKKELINGSPROGRAM EN DIE VEREENVOUDIGDE STREEKNYWERHEIDONTWIKKELINGSPROGRAM

Ek, Alexander Erwin, Minister van Handel en Nywerheid, herroep kragtens artikel 10 (1) van die Wet op Streeknywerheidsontwikkeling, 1993 (Wet No. 187 van 1993), die 1991 Streeknywerheidsontwikkelingsprogram en die 1993 Vereenvoudigde Streeknywerheidsontwikkelingsprogram, met 'n tweemaande (plaaslike)- en driemaande (buitelandse)-kennisgewingsperiode met ingang van 26 November 1996.

A. ERWIN**Minister: Handel en Nywerheid***Datum: 6 Mei 1997.***CONTENTS****INHOUD**

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