



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA
Private Bag X115, Pretoria, 0001

Ministry of Finance
Press Release
Section 100 (1)(a) Invoked on Mpumalanga Provincial Government

At the request of the Premier of Mpumalanga, the Minister of Finance would like to announce the invoking of Section 100 (1)(a) of the Constitution on the province.

The national government notes the steps taken by the Mpumalanga Provincial Government under the leadership of Premier Mahlangu to improve the state of finances and management of the province since coming into office in June 1999. These steps include the tabling of a credible budget, and the implementation of cost controls over departments. However, given the depth of the problems, the Mpumalanga Government has not been able to fully meet its executive obligations due to a cash flow problems.

An agreement between the Minister of Finance (on behalf of National Government) and the Premier of Mpumalanga (on behalf on the Mpumalanga Government) was finalised today. The Memorandum of Agreement is intended to expedite the turn around in the finances of the province and strengthen the steps already taken by the Premier, and also provides for among others:

- The appointment of an MEC of Finance for the province.
- Financial assistance to the amount of R300 million from National Government to be used to fund. the Province's outstanding financial commitments.
- The adoption of further steps to improve overall financial management.
- The improvement of the collection of own revenue.

Similar interventions in the provinces of the Free State, Eastern Cape and Kwazulu-Natal over the last few years have brought about speedy turn around in their finances.

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