APPROPRIATION BILL – VOTE NO 8 NATIONAL TREASURY (INCLUDING SA REVENUE SERVICE) AND VOTE NO 13 STATISTICS SOUTH AFRICA

11 June 2004

Minister TA Manuel

Madam Speaker, Honourable Members,

In the 2004 Appropriation Bill, Parliament is requested to approve expenditure of R13,942 billion on the National Treasury vote and R503,9 million for Statistics South Africa.

Details of these expenditure proposals are set out in chapters 8 and 13 of the *Estimates of National Expenditure*, and I will not take the House through every clause and sub-programme. Indeed, I am pleased to be able to confirm that there is considerable continuity in the structure of expenditure and activities of both departments, which reflects the consolidation of reforms and institutional capacity-building that have been in progress over the past decade. Weighty files of material have been provided as reminders for returning Members, and introductions to new Members.

I would like to highlight the main changes to spending plans that have been made since the 2003 Budget and trends in key programmes, however, and indicate how they contribute to the wider economic and development goals of our Government.

Statistics South Africa

Madam Speaker, in presenting Stats SA, I cannot put it in any better words than those of our President who in his recent State of the Nation address said: "*The government is also in the process of refining our system of Monitoring and Evaluation, to improve the performance of our system of governance and the quality of our outputs, providing an early warning system and a mechanism to respond speedily to problems, as they arise. Among other things, this will necessitate an improvement of our statistical and information base ….*"

Good policy depends on good analysis, and good analysis depends on reliable evidence.

Over the past decade, we have seen too much uncertainty about key social and economic trends, and sometimes fruitless debate and anxiety about our policies and programmes because we have not been able to draw with sufficient confidence on relevant facts and figures.

So the advances we are now making in strengthening the capacity of Statistics South Africa represent progress not just for this Department, but are real steps forward for Government as a whole in its planning, policy-making, monitoring and reporting responsibilities.

Madam Speaker, let me share with you something of the obsession with which our statistical agency approaches its work. Asked for an input for this speech, the Statistician-General passed on the following information to me this week.

• Last year, his Department printed 10 038 550 pages of information

• 860 086 questionnaires were distributed

• 148 408 data releases were provided to users

• 44 135 telephonic and email requests were received

• 25 000 hits on the Agency's website every working day, and on 25 May this year a record 41 691 hits were counted

• 90 000 copies of Census in Brief have been printed

• There were 2 653 downloads of Census in Brief in 20 days in May 2004.

Later today, officials of Statistics South Africa will be distributing questionnaires to randomly chosen MPs to test whether you have noted and remembered these facts…

A year ago, when this House discussed the 2003 Appropriation Bill, I noted that a new business register was being compiled, with close cooperation from the Department of Trade and Industry and the Revenue Service. Over the past month, we have seen the first fruits of this initiative. Based on the new business register, we now have an updated index of manufacturing production and sales, and new aggregates of wholesale, retail and motor vehicle sales.

The new survey results show business sales up between 15 and 20% by comparison with the old series.

This is a giant step forward in measuring economic activity. Later in the year, when the national accounts statistics are updated to take account of the new information and to re-base the accounts from 1995 to 2000 weights and prices, we will be able to take a fresh look at economic performance over the past decade and we will be able to plan ahead on the strength of more reliable and robust economic data.

It is clear at this stage that the size of GDP is currently under-stated, and economic growth has been somewhat faster than the official numbers indicate. But we have to be patient – the relationships between sectoral sales and production data and the underlying valued added components of GDP are not straightforward, and so it will take some time to complete the revisions.

Similarly, we are making good progress in improving our social statistics.

The results of the General Household Survey (GHS) conducted in 2003, designed to replace the previous October Household Survey, as a tool for measuring development progress in the country, has been published. This research instrument was made comparable with the 2001 baseline survey undertaken for the 13 original nodal areas identified for the Integrated Sustainable Rural Development Programme (ISRDP) as previously published. We therefore have national standards against which to measure and monitor the effects of the ISRDP.

The results of Census 2001 were made available in July 2003. A range of web-based and other products has been made available to users, and the data are being widely used. It is appropriate to mention to this House that Census 2001 products have been used in the Towards-the-10-Year-Review Report. Primary tables for the country as a whole and for each province and reports containing narrative text, graphs and tables from both Census 1996 and Census 2001 have been made available. I hope that Members all have and are using their copies of the Census in Brief. Following the stamp of approval which followed a rigorous post-census assessment, the Statistics Council has advised me to “promote the use of Census 2001 results”. I trust you will join me in this campaign.

Other than the census, numerous products of Stats SA are being widely used largely through the electronic medium. This illustrates, once again, how important it is that we should continue to make progress in bridging the “digital divide” that accompanies the many other divisions and inequalities in our society. As electronic access is widened, so the role of statistics as a democratizing force for empowering debate and understanding amongst all our people can be taken forward.

For the year ahead, Statistics South Africa will continue to focus its efforts on the improvement of its core economic and social statistics products.

We are making improvements on the CPI. In line with international best practice, the direct collection of prices from retail outlets will replace the present method of collecting information on prices through a postal questionnaire.

In view of the problems experienced in 2003 regarding the collection of residential rents, this issue has received close attention. At present, residential rents are being obtained from private sector sources, and this practice will continue for the following 12 months. In the meantime we are developing a separate household survey, re-visiting the same households every three or four months (depending on logistics), for rent data collections, which we will pilot during this financial year.

During this financial year, Stats SA plans to conduct a pilot study based on the internationally agreed-upon diary method of collecting data for the income and expenditure survey. The survey forms the basis for obtaining the weights for the basket of goods and services of the CPI as well as measurement of poverty.

In the 2005/6 financial year, a full-scale income and expenditure survey will be carried out throughout the year, so that the re-basing of the basket of goods and services can take place in the 2006/07 financial year.

Madam Speaker, we are doing some sterling work on the business register and the Business Sampling Frame (BSF). The Quality Improvement Survey (QIS), which aims at correctly classifying complex and large businesses more appropriately, has started. It will be conducted throughout the financial year. It involves telephone interviews and personal visits to large and complex businesses to find out about their activities, and re-classify them, as and when necessary. This classification, once complete, has to be maintained on a continual basis as a statistical register of businesses.

Cabinet has decided that Stats SA should not run a full-scale census in 2006. A large-scale sample survey of households is presently being designed to replace Census 2006. Stats SA plans to draw approximately 30 000 enumeration areas as primary sampling units, by means of probability sampling techniques. Within each enumeration area, 10 households will be selected, again using probability-sampling techniques. Within these households, information on all members will be obtained, giving us information on over one million people. This sample will adequately represent information for the country at district municipalities and metro areas. All in all 300 000 households will be interviewed.

In relation to the census replacement survey, another project, providing addresses to dwellings, will be carried out concurrently. The pilots for allocating addresses to dwelling units will take place at the same time and in the same enumeration areas as the pilot for the census replacement survey. This register and the system of addresses will be discussed inter-departmentally. A pilot that holds promise on this approach was concluded in Botsoleni village of Chief Minga in Limpopo.

Madam Speaker, we as a nation do not have sufficient knowledge on what the causes of death in South Africa are, until we have an informed position in this matter. Stats SA has been coding the 2,7 million death certificates according to reported causes of death as indicated by the doctor who has signed it. This process is complicated and involves sorting forms according to the year, month and day on which the death occurred, and eliminating duplicates. It also involves capturing data about age, sex, geographic location of the death and other demographic information. Priority has been given to the capture of three years of data, namely 1997, 1999 and 2001 and the rest of the years will be handled from August this year.

Stats SA was faced with the need for improvements in its governance in 2003/4, including better financial and human resources management in support of core functions of the organisation. Madam Speaker, this house has sometimes in the past raised concerns surrounding governance issues in Stats SA. I am pleased to be able to report good progress, including the appointment of a Deputy Director-General responsible for Organisation and Management, and an initiation of a systematic risk management strategy. Stats SA has a Management Information System (MIS) which, among other things, tracks down all audit queries to ensure accountability. Performance agreements for senior managers have been signed and delegations, as required by the PFMA and the PSA, have been finalised.

These are all elements of an approach to reinforcing Government's statistical capacity in order to build further our capacity to measure performance, track social and economic trends and contribute to better informed policy and planning. On the strength of the Statistician-General's clear strategy and plans for the years ahead, this House is asked to approve an allocation of R503,9 million for this year, or R67,7 million more than the forward estimate published in the 2003 Budget.

National Treasury

Let me turn now to the core operational budget of the National Treasury, which amounts to R703 million in 2004/05, about half of which goes to financial management and systems.

The strongest growth in the Treasury's operational budget is in economic planning and budget management, where provision is made for the advisory and analytical work that underpins macroeconomic and fiscal policy, budget coordination, intergovernmental finances and public finance planning. The budget also provides for considerable investment this year in developing an integrated plan for government's financial management systems. A first draft of the user requirements statement for an integrated system was completed in November 2003, and technical, commercial and financial aspects of the Systems Plan are currently under examination.

Several important milestones in financial management should be recorded:

- On 5 December 2003, the Treasury published a framework for an integrated supply chain management function, in terms of section 76(4)(c) of the Public Finance Management Act. It applies to all national and provincial departments, trading entities, constitutional institutions and schedule 3A and 3C public entities. A similar framework will be introduced in terms of the Municipal Financial Management Act.
- During the course of this year, regulations in terms of the Preferential Procurement Policy Framework Act will be amended to align these with the Broad Based Black Economic Empowerment Act.
- A Validation Board managed by the Treasury has already accredited 57 training courses in public finance, and a service level agreement has been entered into with the Institute for Public Finance and Auditing

to facilitate roll-out of a large-scale financial management training programme over the next three years.

- A new chart of accounts, modernising and streamlining the classification of government expenditure, has been implemented in this year's national and provincial budgets and financial reporting systems.
- The Treasury's Asset and Liability Management division has successfully piloted an intergovernmental cash coordination arrangement in two provinces, through which surplus funds are deposited with the Corporation for Public Deposits, benefiting both the national fiscus and provincial treasuries.
- A comprehensive training programme for municipal officials is under way, giving further momentum to the implementation of the Municipal Finance Management Act.
- In consultation with the Department of Public Enterprises, we have initiated a review of the treasury operations of approximately 15 state-owned entities.
- Together with other responsible departments, we have initiated a review of the mandates, products and risk management of our development finance institutions – those agencies that conduct lending operations for public policy purposes.

Financially astute members of the House will also have noted recent developments in government debt management. On 14 May 2004 we launched a Retail Bond, providing ordinary people with a safe, convenient and rewarding savings instrument for periods up to five years. By yesterday, bonds worth R 114 million had been sold to over 2 400 investors. In addition to its benefits as a savings vehicle, we anticipate that this will become an increasingly important source of finance alongside the traditional government borrowing instruments.

On 25 May, following a five-day five-city international road show, we launched another major dollar-denominated bond. The issue again attracted highly competitive interest and was priced at 195 basis points above the underlying 10-year US Treasury rate, confirming South Africa's status as a high-grade credit in the market and further diversifying the investor base in South African bonds.

Madam Speaker, programmes 6,7 and 8 of the National Treasury vote comprise transfer payments to provinces and municipalities in terms of the Division of Revenue Act, statutory civil and military pension payments, contributions to medical funds and other post-retirement benefits, and various transfers in terms of international agreements, or to fund the activities of identified agencies and institutions.

Members of the House will be interested to know of progress in reviewing and finalising special pensions, under the oversight of the Special Pensions Board and Review Board appointed in 2001. As at 31 March this year, 33 440 applications (including late applications) had been reviewed, of which 31 016 had been finalised. By this date, 5 063 appeals had been received of which the Appeals Board has finalised 3 127 cases. The 2004/05 Budget includes R303 million for special pension payments.

Let me say a few words, Madam Speaker, on some of the agencies that operate outside of the National Treasury but form part of the wider family of this Ministry.

Our youngest child is the Financial Intelligence Centre.

South Africa is making good progress in building institutions and arrangements to combat money-laundering and financing of illegal organisations. The Financial Intelligence Centre Act, 2001 ("the Act"), cuts across a wide range of institutions within government and the private sector. It places a series of obligations on both sectors – but the key to its success is that they work together and share information. We are determined that this be the case because we want to protect our people from criminal activity and prevent our financial institutions and sector from being abused by criminals and crime syndicates. The Act also provides an important tool to assist law enforcement agencies and facilitate their investigations.

In April last year South Africa was assessed by the Financial Action Task Force ("the FATF"), which is the international standard-setting body, to determine if our Anti Money Laundering regime met the international standard. As a result, South Africa was invited to become a member of the FATF, which it did in June last year. However, the assessment did find that we needed to meet the revised standard regarding the beneficial ownership of companies and legal entities, as well as implement measures to combat the financing of terrorism. These issues are being addressed and the anti terror financing measures are contained in the Protection of Constitutional Democracy Against Terrorist and Related Activities Bill.

We shall come to Parliament late this year with proposals to amend the legislation to meet the revised international standard, as well as enhance the relationship with supervisory bodies. In addition, we want to begin implementing the measures already contained in the Act to monitor cross-border transactions soon.

The Financial Intelligence Centre itself, although in the very early stages of its development, is now operating independently of National Treasury. During the past year it received about 7480 suspicious transaction reports from a range of accountable institutions, mainly the banks and money remitters. Many of these have been referred to law enforcement authorities for further investigation. I want to compliment accountable institutions that have made efforts to implement reporting measures. This is a new and challenging process for all, and can never be simple. It has also involved considerable expense for accountable institutions. When Parliament passed the Act in 2001, it accepted that the anti-money laundering legislation is onerous and will impose burdens on individuals and institutions. But we all agreed that this would be a small price to pay as we needed measures to protect our financial sector from being undermined by criminals, both domestically and globally, as we increased our presence in the international economic arena, and we needed measures to assist the law enforcement authorities to investigate crime.

I remain determined that South Africa will meet the international standard to prevent money laundering and more importantly, that we move progressively to increase compliance by our institutions. The ‘know your customer’ requirement is one such measure. It is a standard endorsed by many international bodies, including the Basel Committee on Banking Supervision, as well as the FATF. Banks and other accountable institutions need to know their customers as an important aspect of preventing their institutions from being abused by criminals.

As the deadline of 30 June this year approaches, this matter has caused some controversy. The Act requires that accountable institutions not transact with clients who have not been re-identified. There is concern that the documentation requirements are too onerous and that the time-frame may not be achievable. On the former, I am advised that most enquiries are based on misunderstandings and I am confident that account-holders and banks will find the regulations are sufficiently accommodating. On the time-lines, I have sought further advice and I will respond in the near future.

Next in the Finance family, and shortly to be re-born in a more robust frame – is the Public Investment Commissioners. The PIC manages the largest asset portfolio in South Africa and is an increasingly important player in the financial services sector.

As at 31 March 2004 the total assets under management amounted to R309 billion, mainly belonging to the Government Employees Pension Fund.

Draft legislation will be considered by Parliament this year for the conversion of the PIC into a corporation subject to the provisions of the Financial Advisory and Intermediary Services Act. As a public entity, the PIC will remain subject to the Public Finance Management Act.

The PIC's strategic plans for the years ahead include an expanding role of its Isibaya Fund in infrastructure development and job creation. Over the next three years approximately R4 billion will be invested in public infrastructure, and about R2 billion will be invested in small and medium sized enterprises, with a strong focus on supporting black economic empowerment ventures.

The PIC will also embark on a process of broadening the geographic spread of properties owned on behalf of its clients. This initiative will amount to approximately R9 billion, and will be underpinned by an agreed policy regarding funding of black ownership of property through appropriate institutional vehicles.

Thirdly, Madam Speaker, let me summarise the work of the Financial Services Board and our financial sector legislative programme in contributing to the robust foundations on which economic growth and development rest.

It is critical to South Africa that our capital markets remain cost effective, globally competitive, liquid and stable. These are the barometers of the development of our financial markets and their role in promoting South Africa as an investment destination.

We announced this year that foreign listings of securities on South African exchanges would be permitted subject to existing exchange control criteria. The Treasury, the Exchange Control Department of the SARB and the FSB have been working together with the JSE and BESA to finalise criteria for listings. We hope to have our first foreign listings by August this year. This will be a further demonstration of foreign confidence in our domestic markets, will improve liquidity and provide our exchanges with the opportunity to compete internationally for listings.

Perhaps two of the most significant events in our equities market over the past year have been the launch of ALTX, the JSE's Alternative Exchange for small and medium enterprises, and the creation of a Socially Responsible Investment Index ("SRI Index").

The JSE's SRI Index was officially launched on the 19th of May 2004. It was inspired by the King II Report's emphasis on "triple bottom line" reporting of business activities and outcomes. The aim of the SRI Index is to encourage companies to begin to shift focus from traditional financial reporting and become more aware of the importance of reporting on strategies and programs aimed at improving social and environmental outcomes.

ALTX was launched in October 2003, and it is intended to play a vital role within our markets by providing smaller companies not yet able to list on the JSE Main Board with a clear growth path and access to capital. It is aimed at assisting junior mining houses, BEE companies and other small start-ups. ALTX also offer distinct advantages to investors in small companies by providing superior disclosure and price discovery compared to that of the private equity or OTC markets.

With regard to our debt markets, there have been some very exciting developments this year. During March this year the City of Johannesburg became the first city in South Africa to issue and list a municipal bond on BESA under new legislation. The City will issue its second bond, with 10 years to maturity, later this month. This bond will be partially guaranteed by the Development Bank of Southern Africa and the International Finance Corporation. These issues are expected to herald the creation of a much needed municipal bond market.

In addition, corporate listing on the Bond Exchange charged ahead this year in a capital market that has traditionally been dominated by government debt securities. BESA listings have now reached R520 billion.

Madam Speaker, during the second half of this year I will table a number of key pieces of financial legislation before Parliament.

The most important piece is the Security Services Bill. It seeks to facilitate an efficient, fair and secure means of securities trading in the South African capital markets by regulating a multiplicity of activities and institutions within a single legislative framework.

The Bill not only consolidates four existing pieces of legislation, but modernises the regulatory framework governing exchanges, clearing houses and central security depositories. Furthermore, the Security Services Bill will enhance the powers of the Registrar of Securities Services to regulate the systemic interdependencies between all the various participants in our markets. For the first time the FSB will have authority over the buying and selling of unlisted securities which is a major improvement with regard to consumer protection.

The Financial Services Ombudschemes Bill ("FSOS Bill") is intended to be tabled in addition to the Security Services Bill this year. It aims to improve the ability of consumers to enforce their rights and resolve any grievances they may have against the financial services industry.

Madam Speaker, the House is well aware of the problems that ordinary South Africans face as consumers of financial services. On the 30th of September this year, all financial advisors and intermediaries must be registered or they will be in breach of the law. This date signifies the coming of age of the Financial Advisory and Intermediary Services Act that was promulgated in 2002. Its aim is to ensure that consumers are protected against unscrupulous peddlers of commission based products that are either unaffordable in the longer term, or are unsuitable to the financial needs or profile of the consumer.

Most importantly, we are certain that the implementation of FAIS will reduce the number of lapses and surrenders in the insurance industry that has resulted in unnecessary financial losses to consumers of long term insurance products.

Let me turn to the challenge of improving financial reporting and the governance of the auditing profession.

Members may recall that I established a Panel to review the draft Accounting Professions' Bill in 2002. It completed its work in October 2003. It is expected that a draft Bill on the regulation of auditors and draft amendments to the Companies Act will be ready for public comment by the end of July or beginning of August.

The signing of the Financial Sector Charter in November 2003 is a key milestone in the transformation of the financial sector.

It seeks to ensure a broad-based transformation of the financial sector based on seven key elements: human resource development; procurement and enterprise development; access to financial services; empowerment financing; ownership and control and corporate social investments.

The Charter participants are in the process of establishing the Charter Council, to oversee the Charter's implementation.

Transformation will bring new opportunities and challenges to the sector. It is crucial that the sector take advantage of these opportunities and create sustainable systems and procedures to manage its challenges.

One of the key elements of the Charter is improving access to financial services. This seeks to redress the market failures of the sector in relation to the insufficient and inappropriate supply of basic financial services to the majority of the population.

Government's responsibility is to create a supportive environment for the sector to extend its services to low-income earners. National Treasury will accordingly be proposing legislation to address regulatory barriers to the creation of second and third tier banks.

The Cooperatives Banks Bill will seek to formalise the cooperative banking industry by affording it a legal standing in its operations. Secondly, it seeks to bring the industry into the regulatory framework to afford its depositors the same safety and stability enjoyed by formal commercial banks' depositors. Thirdly, the Bill provides for the creation of support organisations for cooperative banks in order to ensure a continuous and sustainable capacity programme for the industry.

The Dedicated Banks Bill will seek to create a second tier of commercial banks, better able to serve the financial needs of a broader range of the population. It will allow a wider range of participants, such as retail companies; telecommunication companies and perhaps microlenders into the banking industry, by affording them banking licenses with restricted banking operations. The entry requirements, in terms of capital, will be lower, but in return the scope of their operations will be narrower and permissible investments will largely be restricted to liquid assets.

South African Revenue Service

Madam Speaker, over the past few years we have significantly stepped up the allocation of resources to the South African Revenue Service, in recognition of the critical role of the tax system in providing the revenue flow on which the fiscus depends, and more widely in securing an honest and competitive environment within which business activity can prosper. The Revenue Service also plays an important, though secondary, role in collecting economic and trade statistics.

Over the MTEF period ahead the allocation to SARS stabilises at about 1,4 per cent of projected collections. For the 2004/05 year, R4,603 billion will be transferred to SARS.

In the past financial year SARS again did well despite a difficult economic climate. In the 2004/5 fiscal year SARS is required to collect R333,7 billion

The main focus areas for the Revenue Service in 2004/05 are the following:

- Improving the service offered to taxpayers and traders
- Continuing the increased internal efficiencies of SARS' operations
- Further narrowing the tax gap and ensuring better enforcement measures against tax and customs fraudsters
- Transforming and developing the organisation's people and skills.

SARS released a draft version of its taxpayer service charter for comment last year. We will finalise the taxpayer service charter this year. It binds SARS to service delivery standards which have to be reported on publicly.

We are committed to reducing the cost of compliance for small and micro businesses. A task team comprising SARS and the industry has been established, with the aim of simplifying administrative requirements for small businesses and ensuring compliance. It should be ready with initial recommendations during the second half of this year.

A new Corporate Office dedicated to serving SA's top companies for all their tax requirements will begin its operations in the next three months. It will provide trained relationship managers and a unique concentration of the best tax skills. The Advanced Rulings Systems will be available early next year.

As a further extension of the SARS' service program, SARS intends to open many of its offices on Saturday mornings to enable taxpayers to access SARS' services.

SARS has already established a free e-Filing service for the most frequently filed forms, simplified forms for salary earners have been introduced and the Kwazulu-Natal and Western Cape call centers are being expanded.

I am pleased to announce that there are no backlogs for the previous years of assessment. Last year's filing season was an unqualified success. SARS received more than half of the almost 4 million returns before the July deadline. I trust that, this year, that number will include all members of this House.

There remains, despite the progress made, a considerable tax compliance gap, which we are seeking to narrow. Several ongoing initiatives are aimed at addressing this:

- Developing a data warehouse and improved business intelligence;
- Investing in scanning equipment at major ports;
- Improved border control;
- Targeted industry Investigations; and, above all
- SARS is committed to transforming and developing its people to ensure sustained delivery of improved services.

SARS' principal responsibility is to sustain and improve revenue collection and trade facilitation. SARS has now built a reasonably stable platform to operate from, notwithstanding certain operational deficiencies. There has been a successful approach to simultaneously transforming and continuously improving delivery. Current planning efforts will provide a clearer roadmap for the further transformation of SARS and more effective revenue collections.

Conclusion

Madam Speaker, let me conclude by referring to one of the central aims of our budget reform programme, which is to make explicit the outputs, objectives and targets we have set ourselves in proposing these expenditure appropriations to the House.

Treasury has a central coordinating role in public policy, and so its high-level objectives relate to the overall social and economic goals of this Government – improving economic growth, reducing poverty, creating jobs, promoting empowerment and opportunities for all, building safe and secure neighbourhoods, promoting healthy relations with our neighbours and the global community.

Such goals cannot always be tidily quantified or reduced to statistical measures. But we can measure, and we seek to improve our measurement of, the productive and distributive performance of our economy. Over the past decade, we have achieved growth of about 3 per cent a year. As President Mbeki outlined in this House, policies and programmes are in place aimed at improving the performance of the formal economy, and broadening participation and enhancing livelihoods in what we have come to call the second economy. One of the targets we have set is to increase capital formation from its present level of about 16 per cent of GDP to 25 per cent by 2014. Our preliminary modelling indicates that if this can be achieved, and if we ensure that investment goes into productive infrastructure and assets, then that will raise economic growth to about 4 per cent a year over the next five years and between 5 and 6 per cent a year in the second half of the decade.

These are not predictions, nor can they be guaranteed in the uncertain world in which we find ourselves. But they are goals to which we can realistically aspire, and to which our economic and fiscal policies are aligned. I know that under the extraordinary leadership of Lesetja Kganyago at Treasury, Pravin Gordhan at the SA Revenue Service, and Pali Lehohla at Statistics South Africa, we will play our part in realising these aims. I am also exceedingly grateful that the Deputy Minister Moleketi has been a stalwart member of Team Finance for all of the past decade.

Finally, all of us – in the Ministry and the 3 Departments want to express our sincerest appreciation to all the Honourable Members of the Portfolio Committee on Finance – their diligence and professionalism is a spur to us to improve on past performance.

Thank you