

Medium Term Budget Policy Statement

2003

National Treasury

Republic of South Africa

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Foreword

The *2003 Medium Term Budget Policy Statement* sets the tone that will guide the 2004 Budget, and help steer our course through a second decade of democratic development in South Africa. It affirms Government's commitment to supporting growth and development through higher levels of investment in our people and our infrastructure.

We can be proud of our past achievements, while contemplating challenges ahead with resolve and humility. Government's ten year review identifies progress in meeting the objectives encapsulated in the *Reconstruction and Development Programme*, while identifying challenges for the decade ahead. Under difficult social and economic circumstances, we have built firm foundations for future growth and begun to create better living conditions for our people.

The *Growth and Development Summit* and the *2001 Census* refocused our minds on policy priorities for improving growth and broadening participation in the economy. The key economic challenges facing the country today are to accelerate investment, reduce the level of unemployment and achieve a more equitable distribution of income.

The economic context within which the *2003 MTBPS* is tabled is characterised by uncertainty. Nevertheless, South Africa is poised to benefit from a recovery in the global economy because of our sound economic fundamentals and consistent policy. The fiscal framework for the 2004 Budget underline Government's resolve to maintain a responsible fiscal stance that promotes sustainable growth and an environment that is conducive to job-creation, while contributing to steady improvements in the public services and development programmes that, over time, reduce vulnerability and poverty and accelerate the pace of economic advancement.

I wish to pay tribute to the outgoing Director General of the National Treasury, Maria Ramos. Her inspiring leadership, commitment, sacrifice and professionalism over the past seven years are very present in this policy statement, and also in the economic policy landscape of our young democracy.

On behalf of the Treasury and '*Team Finance*', we thank Maria and wish her well in her new endeavours.



Trevor A Manuel, MP

Minister of Finance

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