

Budget Review

2008

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National Treasury

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Foreword

The 2008 Budget is presented in a changed environment. For the first time in many years, we are revising our macroeconomic forecasts down, not up.

Weaker global growth will affect the South African economy – of that there is no doubt. But our economy is resilient, and over the next few years we expect to continue growing more rapidly than many major world economies. As a result of sound macroeconomic policy, the South African economy is far stronger than it was during previous episodes of global turmoil. We have been doing the right things for years – and over the medium term we will continue doing the right things and investing for growth.

Government's prudent fiscal stance means that we can continue to increase spending on South Africa's most pressing economic and social needs. This budget provides substantial new allocations for housing, water, sanitation, electricity, public transport, education, health care and welfare services. Most of this money is allocated to provinces and local government, and targeted to have the greatest impact on raising living standards. A small budget surplus serves as a shock absorber, shielding the economy from the worst effects of the international downturn.

Increased investment, growing our exports and investing in skills are the road to faster growth. At the same time, we continue to expand the social security net to benefit the most vulnerable members of society.

Investment by both government and state-owned enterprises is increasing rapidly and projected to grow even faster over the next few years. South Africa is building new power plants, rail and ports infrastructure, roads, hospitals and community facilities. These investments will change the face of our economy. The recent electricity emergency has spurred greater urgency to build capacity and improve infrastructure management in a number of areas – from water to energy to public transport. We are building for the future.

This year, the *Budget Review* includes a table setting out a part of the environmental impact of producing the budget documents. We pledge to reduce our environmental footprint in future.

I'd like to thank my colleagues throughout government for their support and contributions to finalising the budget. The Minister of Finance, Deputy Minister of Finance and their colleagues in the Ministers' Committee on the Budget continue to provide both leadership and inspiration for our work. Their stamp can clearly be seen in the policy direction of this budget. Thanks also to the staff of the National Treasury for their invaluable work in making this budget a reality. They constantly raise the bar in the quality of their work, an example to all of government.



Lesetja Kganyago

Director-General: National Treasury

Towards a greener budget

Humankind is becoming increasingly aware of our impact on the environment. The scientific evidence is clear that human activity is contributing to changes in the earth's climate as a result of the use of fossil fuels such as coal, oil and gas. As residents of the same planet, we each have a responsibility to help limit the destruction of our environment. Our generation cannot be remembered for having done nothing to protect the planet for future generations.

This year the National Treasury attempted to quantify how much carbon dioxide (CO₂) we produce, and how much paper we consume, in the production of the national budget. We only recorded this consumption between 1 January and 20 February 2008. A comprehensive exercise would have required a longer time horizon and the inclusion of more data.

There are three indicators. The first relates to the CO₂ emissions produced by travel (air and road) related to production and presentation of the budget documents. The second covers the amount of paper that National Treasury officials used in their offices during the period. The third presents the amount of paper needed to produce the various budget publications.

Travel activity	Quantity	Distance	CO ₂ emissions
Flights	67 return flights	227 800 km	29 614 kg
Car trips	270 cars or shuttles hired	38 880 km	8 554 kg
Total			38 169 kg

Paper	Quantity	Equivalent number of trees
Paper used internally	255 reams or 636 kg	18
Paper used to produce the budget documents	36 000 kg	708
Total	36 636 kg	726

This *Budget Review* is printed on a paper stock called Triple Green, manufactured in accordance with three environmental standards: 60% sugar cane fibre, chlorine-free and sustainable afforestation.

The National Treasury commits itself to reducing the environmental footprint of the budget next year, and each year after that.

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A note on annexures

In addition to the items above, two annexures are published on the website of the National Treasury (www.treasury.gov.za) along with the full 2008 *Budget Review*. These are:

- Annexure W1: Explanatory memorandum to the division of revenue
- Annexure W2: Structure of the government accounts

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