

**NATIONAL ASSEMBLY**

**QUESTION FOR ORAL REPLY**

**QUESTION NUMBER: 363 [NO3677E]**

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**★363. Mr L S Ngonyama (Cope) to ask the Minister of Finance:**

What steps has the Government taken to take control of the growing public debt and the negative projections it results in?

NO3677E

**REPLY:**

It is important to repeat that the reason government took on the additional debt is that it had to respond to the loss of revenue due to the recession.

The government has committed to a process of fiscal consolidation and a framework that delivers a primary balance in the medium-term in order to moderate growth in public debt. Government debt to the GDP is projected to peak in 2015/16 at 39% of GDP after which it is projected to decline. In addition, every effort is made to ensure that budget deficit financing is done in a manner that adheres to sound public debt risk management practices. This includes managing the refinancing risk, interest rate risk and inflation risk of the debt portfolio. The risk management objective is to ensure that the composition of government debt is able to withstand demand and supply shocks to the economy.

Let me state emphatically that government debt is well controlled and completely sustainable.