



NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NUMBER: 32 [NO1029E]

DATE OF PUBLICATION: 26 APRIL 2017

★32. Mr D J Maynier (DA) to ask the Minister of Finance:

Whether he has put a strategy in place to avoid further sovereign credit rating downgrades since his appointment as Minister of Finance on 31 March 2017; if not, why not; if so, what are the relevant details?

NO1029E

REPLY:

While government views the recent credit rating downgrades as a result of uncertainty about policy rather than a reflection on economic weaknesses, the strategy continue to focus on:

- (a) Bolstering investor confidence and economic growth;
- (b) Remove uncertainty by expanding the conclusion of policy debates and legislative amendments in sectors such as mining, ICT, land and agriculture, against others;
- (c) Continuing our work to manage the fiscus prudently and
- (d) Moving with speed to strengthen governance at SOCs and improving their finances.

I have publicly reiterated that I remain committed to the course of fiscal discipline and consolidation charted by my predecessor and that I will approach the socio-economic issues within the current spending ceiling. I also emphasized that while inclusive growth is needed to be fast-tracked, there should also be policy certainty, specifically on energy, mineral and petroleum resources, broadband, and land reform. I will be working with my counterparts in the economic cluster to ensure policy continuity, coherence and alignment.

The work of government in terms of engaging with business leaders, organized labour, investors, ratings agencies and other opinion makers domestically and internationally to highlight the positives of the South African economy and growth prospects will also continue.

Under my leadership I will ensure that:

- The spending ceiling announced in the 2017 Budget is adhered to and no additional spending is financed through debt;
- Additional spending pressures are accommodated within the 2017 Budget baseline;
- The 2017 budget tax revenue measures are implemented and tax administration efficiency enhanced to achieve the estimated medium-term revenue targets;
- The proposed budget on infrastructure to boost economic growth is spent efficiently;
- The public-sector wage negotiation outcomes in 2018/19 are within the budgeted expenditure levels;
- Nuclear procurement will be transparent and implemented at a scale and pace that the country can afford;
- Continuous monitoring of costs as implemented through the cost containment measures of December 2013; and
- Reforms relating to state-owned companies, labour markets, improving policy certainty and economic growth are fast-tracked.