



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Enquiries: Communications Unit • Email: media@treasury.gov.za • Tel: (012) 315 5046 • 40 Church Square, PRETORIA, 0002 • www.treasury.gov.za

MEDIA STATEMENT

MEDIUM-TERM EXPENDITURE FRAMEWORK TECHNICAL GUIDELINES 2025

The Medium-Term Expenditure Framework (MTEF) Technical Guidelines 2025 are issued to provide national government departments and other public institutions with guidance on how to prepare their medium-term estimates for the 2025 Budget. The guideline is issued in terms of Section 27(3) of the Public Finance Management Act (PFMA), which provides that the National Treasury must prescribe the format in which an annual budget must be prepared.

The balanced fiscal stance set out in the 2024 Budget aims to stabilise public finances and reduce fiscal and economic risks, while promoting economic growth and supporting vulnerable members of society. In addition, the fiscal framework includes a deliberate consideration of gender and climate change implications of the budget. The 2025 Budget will see a debt-stabilising primary surplus achieved in 2025/26, a reduction in the fiscal deficit to pre-COVID levels, and a stabilisation of debt-service costs as a percentage of revenue. A lower debt burden allows the government to redirect resources to important social expenditure and will lower borrowing costs for households and businesses.

Resources will be available only within the parameters required to meet the objectives of the medium-term fiscal strategy as outlined in the 2024 Budget Review. In this regard, should the economic outlook remain the same, no additions will be made to the overall envelope. In instances where spending may be accommodated by unforeseen or higher-than-expected revenues, permanent increases to spending will be avoided.

Any spending pressures must first be funded from current baselines and programmes that have not delivered their expected outcomes, or through reprioritisation, either within the department's or public entity's budget, or from other departments' or public entities' budgets.

While it is anticipated that the incoming administration will bring its own perspectives and policies, in the interim, it is crucial to maintain the current fiscal strategy, which aims to stabilise public finances, and ensure sustainable and inclusive economic growth.

The current fiscal strategy includes a reconfiguration of the Budget Facility for Infrastructure (BFI) to further expand the pipeline of projects and to test alternative financing and funding



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

models separate from the normal budget process. The intention is to use government's resources more efficiently to leverage financing from the private sector, as well as development and international finance institutions. In this way, limited public resources can catalyse more funding, capacity and capability to fast-track infrastructure provision and improve its effectiveness.

The National Treasury has recognised the need for a comprehensive review of the budget process with the objective to identify and implement reforms that will enhance the efficiency, transparency, and effectiveness of the budget process. These guidelines are issued while the review is at its initial stages, and it is anticipated that implementation will begin in the 2026 MTEF.

Government is committed to addressing these areas to enhance fiscal credibility and ensure continued transparency and accountability in the management of public finances.

Issued by National Treasury

Date: 21 June 2024