



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

BUDGET VOTE SPEECH

REMARKS BY THE DEPUTY MINISTER OF FINANCE, DR DAVID MASONDO

DATE: 23 JULY 2020

Honourable Speaker/House Chairperson

Honourable Members

Allow me to expand on the third prong set out by the Minister: advocacy of sound economic policy and economic growth, and our plan to implement our strategies. The time for talk is over. We must implement!

Operation Vulindlela will fast-track the implementation of these strategies. Already we have identified a number of factors behind the sluggish pace of execution, including technical difficulties, a lack of capacity and vested interests. We need to address these with haste.

We will be working with the various departments, state agencies and social partners to remove these obstructions. In particular, better coordination with the Economic Cluster and the Presidency will be essential to the success of this initiative. Successful engagements on this have already taken place.

Additional reforms, in line with the Economic Transformation, Inclusive Growth, and Competitiveness: Towards an Economic Strategy for South Africa include:

- Lowering the cost of doing business
- Support for agriculture, tourism and other sectors with high job creation potential.
- Facilitating regional trade.
- Reducing the skills deficit by attracting skilled immigrants.
- Revamping the skills framework.

Gender

Honourable chairperson, improved living standards requires we address the issues faced by women in the work place. Over 50 per cent of senior managers in the National Treasury are women. These women are leading from the front in shaping our country's macroeconomic policies and safe-guarding this nation's treasure-its public finances.

The Director-General will lead a special purpose programme to mainstream gender matters in the department. The DG will lead a process of organisational self-criticism, review values, norms, policies, practices and support services to ensure that women are free from

discrimination. The National Treasury will remain a department responsive to the specific needs of women. We are committed to filling the vacancies in National Treasury's senior and executive levels that have emerged over the past 5 years. As we do so we intend to maintain or raise the ratio of senior women to men in the department.

Entities reporting to the Minister of Finance

Honourable members will be aware that 16 institutions in addition to the National Treasury report to the Minister of Finance. Allow me to highlight a few developments which point to how this money will be used to achieve our overarching objective.

A strong South African Revenue Service will be central to our efforts to restoring fiscal sustainability in order to improve living standards. The allocation to SARS has not been adjusted. This will allow them to collect revenues due to the fiscus while at the same time increase compliance with the country's tax laws. The revenue service is working to close the tax gap and through its partnership with the Police and defence forces to crush the illicit economy.

New leadership at The Public Investment Corporation will restore confidence at the asset manager at a time when confidence is desperately needed. With their R1.3 billion budget the PIC will aim to achieve Economic transformation and job creation, strengthen the country's human capital and facilitate A better Africa and a better world. We wish Mr Abel Sithole, the new Chief Executive of the PIC, well in his task.

The Land Bank reports to the Minister of Finance. The National Treasury is supporting the Land Bank find a solution to its default and craft a long-term restructuring plan.

Finally, we will maintain confidence in our monetary policy through ensuring the independence and accountability of the South African Reserve Bank.

Thank you.