

# **Medium Term Budget Policy Statement 2024**

**National Treasury**

**Republic of South Africa**

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# FOREWORD

Government is committed to a pro-growth agenda that is founded on unity and cooperation to address prolonged economic and fiscal weakness.

This *Medium Term Budget Policy Statement* (MTBPS) is tabled as the economy is beginning to reflect the combined effects of a more stable global environment, structural reforms, uninterrupted electricity supply and cautious confidence in the new government of national unity. The mature, forward-looking manner in which we formed the government showed the true character of our still-young nation, the effectiveness of our Constitution and the durability of our institutions. It was a living example of the passage on our coat of arms: *!ke e: /xarra //ke*, as it reads in the /Xam language, meaning “diverse people unite”.

South Africa will need to rely on this strength of character to implement reforms that change the long-term trajectory of our economy to build prosperity and sharply reduce poverty and inequality.

It would be imprudent to lightly dismiss the depth of our economic and fiscal problems. Longstanding structural constraints have impeded growth and capital investment. Carrying out the necessary reforms is difficult and will take time. But momentum is beginning to build, as shown by the initial successes of Operation Vulindlela. Crucially, improved energy supply supports a slightly improved growth outlook of 1.8 per cent over the next three years, up from 1.2 per cent over the previous three years.

The economic policy path outlined in this MTBPS aims to take full advantage of a slightly more supportive global and domestic economic environment by investing in infrastructure, human capital and the institutions that drive service delivery and economic growth. Over the medium term, government will focus on maintaining macroeconomic stability, implementing structural reforms, building state capability and supporting growth-enhancing public infrastructure investment.

Government is making steady progress on the balanced fiscal strategy first outlined in the 2023 MTBPS. The 2025 medium-term expenditure framework stabilises debt by 2025/26 at 75.5 per cent of GDP and promotes sustained growth through higher capital spending. It also allocates nearly 60 per cent of the budget to the social wage over the medium term.

The MTBPS is the outcome of collaborative efforts and, it must be said, vigorous debates across government. I would like to thank all those involved – from the President to my colleagues in Cabinet, the Ministers’ Committee on the Budget and our two Deputy Ministers of Finance for their thoughtful contributions, which have helped shape this MTBPS. And I extend my heartfelt appreciation to the Director-General and staff of the National Treasury for their unstinting dedication to sustainable, transparent and accountable public finances.

**Enoch Godongwana**  
**Minister of Finance**



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