

Budget Review

2007



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Foreword

The 2007 Budget reflects South Africa's maturing policy environment. We can increasingly focus on building for the future, even as we increase the quantity and quality of spending to meet present needs.

Today we have the resources to tackle many of the most urgent issues of concern to all South Africans – and crucially, we can begin to address the long-term requirements of a prosperous and growing country.

Just a few years ago, the prospect of halving poverty and unemployment by 2014 seemed a remote possibility. Given our progress thus far, and the healthy economic prospects we face over the next three years, this objective is within reach. We have the capacity to make a difference, we have the resources to make an impact, and we have the policies and programmes to reduce poverty and unemployment.

Our economy has performed remarkably well, especially over the past four years. Yet this budget recognises that we are still not satisfied with our performance. We can and must do better. We can raise our growth potential to above 6 per cent, and we can roll back the frontiers of poverty.

The healthy position of the public finances, as evidenced in the positive budget balance, allows government to invest more resources in modernising key infrastructure and public services, while providing a cushion against potential shocks to the economy.

This budget is about sharing the fruits of more rapid economic growth. Additional infrastructure spending on public transport, roads, water, sanitation, housing, schools and clinics will enable us to reshape our cities and improve the quality of life for all South Africans. The extension of the grants system, further allocations to the expanded public works programme and investments in skills development will broaden opportunities for the most marginalised.

This year we announce bold new social security reform proposals leading towards a comprehensive social security system that will provide a measure of income security for all. These proposals are wide-ranging and complex, and will benefit from engagement with Parliament and all stakeholders, to ensure that we construct an efficient system that incorporates the spirit of social solidarity.

The quality of South Africa's budget documents is of a high standard. Still, your suggestions and criticisms would help to improve the quality and relevance of the documents. I would like to thank the ever-diligent team at the National Treasury for their hard work and support in preparing these budget documents. Minister Manuel, Deputy Minister Moleketi, the Ministers' Committee on the Budget and their Cabinet colleagues have provided invaluable leadership throughout the budget process, constantly ensuring that all our efforts are aimed at building a vibrant, democratic and prosperous South Africa.



Lesetja Kganyago
Director-General: National Treasury

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