

NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NUMBER: 308 [NO3513E]

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★308. Dr S M van Dyk (DA) to ask the Minister of Finance:

Whether, in light of the current strikes in the mining, transport and shipping industries and the impact of the strikes on the supply of goods and services, his department intends to instruct national departments to reduce their expenditure as a precautionary measure against (a) an inflationary price increase and (b) increases in interest rates; if not, why not; if so, what are the relevant details?

NO3513E

REPLY:

In the MTBPS, the government has set out a fiscal path that both supports the economy and narrows the deficit. The national appropriation will see non-interest spending unchanged over the next two years from what was proposed at the February budget.

Within this expenditure ceiling, departments are required to spend their money as effectively as possible. Should higher inflation or interest rates raise the costs of providing goods and services, government will have to find savings and reprioritise spending towards core functions.