

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 1170 [NW1411E]

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Mr M G P Lekota (Cope) to ask the Minister of Finance:

Whether the Government has determined what reductions in other areas of spending would be required to sustainably meet the Government's commitments if the economy continues on its current trajectory; if not, why not; if so, where would the reductions be targeted?

NW1411E

Reply:

Government remains committed to achieving its fiscal policy goals as outlined in the Budget 2013. The objectives are to moderate expenditure growth, stabilise debt as a share of GDP, and improve the impact of public spending by prioritising capital investment, and reducing inefficiency. Should the economic trajectory deteriorate further, government will consider revenue and expenditure measures to achieve these goals. Any changes will be announced at the time of the Medium Term Budget Policy Statement (MTBPS) in October.

Although GDP growth in the first quarter of 2013 was below expectations, revenue collected in 2012/13 was roughly R4 billion about the target set in the Budget.