

**NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER: 381 [NO3716E]
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Mr A M Shaik Emam (NFP) to ask the Minister of Finance:

In light of the fact that the expenditure exceeds the revenue resulting to an increase in borrowing every financial year, what plans does he have in place to either increase revenue or decrease expenditure to create a balance?

NO3716E

REPLY:

The major aims of government's fiscal policy are to reduce the budget deficit, stabilise debt, and begin the process of rebuilding fiscal space. In 2012/13, government introduced a main budget non-interest expenditure ceiling. To further strengthen its commitment to narrowing the deficit, a fiscal package was announced in October 2014 and implemented in the 2015 Budget. The existing expenditure ceiling was revised down by a total of R25 billion in 2015/16 and 2016/17, while personal income tax and the fuel levies were increased to raise R16.8 billion more tax revenue in 2015/16. The combination of lower spending and higher revenue will result in a main budget primary balance being achieved in 2017/18.