

NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER: 176 [NO2322E]
DEADLINE: 3 September 2021

★176. Ms Z Mlenzana (ANC) to ask the Minister of Finance:

- (1) What policy measures will the National Treasury implement in the short- to medium term to unlock the economic growth potential of the Republic (details furnished);
- (2) what are the fiscal measures that the National Treasury is considering in order to achieve more sustainable relief, particularly to households experiencing food insecurity? NO2322E

REPLY:

(1) To unlock the growth potential of the economy our focus will be on:

- Accelerating the implementation of the Economic Reconstruction and Recovery Plan,
- Focusing on growth and job creating structural reforms,
- Maintaining fiscal sustainability; which includes ensuring effectiveness and efficiency of spending with a greater emphasis on capital expenditure than on consumption expenditure;
- Strengthening the capacity of the state.

Recent announcements which demonstrate government's commitment to accelerating the implementation of structural reforms to support growth, include:

- Moving with speed to deal with bottle necks blocking the release of spectrum
- The work done to make Transnet Port Authority an independent subsidiary of Transnet. This will enhance the competitiveness of our Ports systems.
- Reviewing the visa regulation to attract skills and boost tourism.
- Progress on the implementation of a focused strategy on investment in water infrastructure, to ensure that supply of water resources meets demand.

(2) In terms of achieving sustainable relief for vulnerable households, the baseline budget for social assistance grants is around R205 billion for 22/23. The social wage, comprising a range of government interventions including social services, free basic services and others is around 60% of total non-interest spending. That is, around R1.05 trillion per annum.

The National Treasury is working with the Presidency, the Department of Social Development and other partners to consider various options for reducing the national poverty gap. This includes a considering of what might replace the R350 social relief of distress or SRD grant. However, all options also need to be considered with respect to their affordability as well as their fiscal and revenue implications, before a final decision can be made.