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Media release

22 February 2024

Budget speech 2024: Agri SA welcomes government's economic growth agenda

Finance Minister Enoch Godongwana delivered his budget speech for the fiscal year 2024/25 in the face of many challenges posed by an election year and a challenging economic landscape. The minister was clear that the government acknowledges the pressing need for macro-economic stability, structural reforms, and enhanced state capability to bolster growth rates.

“We commend the government's commitment to curbing the growth of our national debt. While drawing R150 billion from the Gold and Foreign Exchange Contingency Reserve Account is a significant step, it signifies a prudent move toward alleviating debt-servicing costs and redirecting funds towards vital economic stimuli,” says Agri SA CEO Johann Kotzé.

“Nevertheless, it is crucial to acknowledge that this approach offers short-term relief rather than a sustainable solution. Addressing the fundamental issue of government spending exceeding earnings is paramount; achieving higher levels of GDP growth stands as the primary avenue toward rectifying this imbalance.”

Furthermore, Agri SA commends the government's resolute stance on state-owned enterprise bailouts, coupled with targeted investments in key sectors. The allocation of R27,7 billion to agriculture and rural development, coupled with securing \$3,3 billion from Multilateral Development Banks for disaster response grants, underscores a strategic approach to address pressing needs.

“While challenges persist, particularly in public infrastructure such as electricity and logistics, we recognise the pivotal role of private-sector partnerships in critical infrastructure projects. Minister Godongwana's emphasis on job creation and fostering increased private sector energy bodes well for attracting much-needed investment and broadening our tax base,” says Kotzé.

He emphasised that the successful implementation of these initiatives, alongside a concerted effort to address infrastructure deficiencies, holds the key to unlocking sustained economic growth. “As we navigate these challenges, collaboration between the public and private sectors will be imperative for realising our shared vision of a prosperous and resilient economy.”

Enquiries

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