

SOUTH AFRICAN CHAMBER OF COMMERCE AND INDUSTRY

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SACCI Media Release

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SACCI Response to the Budget Speech by Minister Godongwana

The South African Chamber of Commerce and Industry (SACCI) notes the presentation on the budget speech by Minister Godongwana.

We welcome the decision to increase the allocation of budgets to the justice and security clusters, infrastructure and education.

South Africa's problems remain largely its capability to manage resources at the most optimum level.

We remain concerned about the state spending relatively more on welfare than it is investing in the productive sector. We need better rail, ports infrastructure as a matter of urgency to take advantage of rising commodity prices. It is difficult to get rail capacity for coal and other commodity exports and even more difficult to get increased access at facilities such as the Richards Bay Coal Terminal.

The government needs to inject a level of high urgency to enable SA exports to be globally competitive.

Structural reform is still needed in the area of governance of SOEs to prevent the lack of capacity as well as a better level of capability in the provision of quality education to the outstanding majority of South Africans. The provision of quality education should be expected from the public sector and not assumed to be coming from private education providers. Universal access to high-quality education is the only way to ensure that SA has a long-term pipeline of skills and competencies to power a modern developing economy.

We were also hoping to get clarity on how the R400bn Eskom debt is to be dealt with as well as the major capital expenditure to repair the passenger and goods rail infrastructure so critical in the logistics of moving both goods and people.

Non-Profit Company (NPC): Reg No. 1945/20230/08 VAT No. 4840111670

Directors: M Xulu (President), N Malefane (Deputy President), N Pollock (Vice President), J Heshu (Vice President), S Conradie (Treasurer), M Motsumi (Chamber Forum Chair), M Pirikisi, M Bosch, L Blackbeard, H Ndlovu, M Jacobs, A Mahomed, A Mukoki (CEO), Z Ndlovu (Past President)

We look forward to engaging the Minister on the Bounce-Back scheme to support SMEs.

We would have expected more serious investment to be deployed in this area as it is business generated taxes that form the bulk of government revenues. The SME sector carries the hope of creating jobs and removing the need for welfare.

This is the only sustainable way of creating jobs and increasing government tax revenue. The investment should therefore be commensurate with the challenge of alleviating unemployment. We dare not fail in this area.

Overall, we congratulate the Minister on his maiden budget speech and on navigating the difficult task of balancing the budget in an economically challenged and Covid ravaged business environment.

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