

SA's funds exhausted, finance minister warns

The government might find itself facing a critical shortage of funds if decisive action is not outlined in the medium-term budget policy statement, which is due to be made this Wednesday, 1 November.



Source: [Pexels](#)

This was the sentiment of Finance Minister Enoch Godongwana who cautioned that - failing which - South Africa may run out of money by March 2024.

He was speaking at an annual forum hosted by the Kgalema Motlanthe Foundation in the Drakensberg this weekend.

Godongwana said there has been a decrease in tax income as a result of the budgetary constraints on households, challenges affecting private-sector investment and strain on export revenues and import costs.

The challenges of load shedding and its impact on logistics have also negatively impacted the economy as have fears of secondary sanctions linked to the Lady R scandal.

The solutions to curbing government expenditures include implementing a moratorium on the creation of new public-sector positions, halting the awarding of procurement contracts for any ongoing or planned infrastructure ventures and exercising restraint in approving salary raises for government employees, Godongwana noted.

The total main budget deficit for the first five months of the 2023/24 fiscal year stands at R238.4bn, or R254.4bn when factoring in Eskom debt relief. This represents a significant increase compared to the R160.7bn deficit during the corresponding period in 2022/23.

"...from the first quarter revenue [has been falling] ... which means I don't have money," Godongwana said.

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