

2021 Budget reveals that infrastructure expenditure remains important

Government has set aside R791.2 billion for infrastructure investment drive. Delivering the 2021 Budget Speech in parliament, Cape Town on 24 February 2021, Finance Minister Tito Mboweni revealed how South Africa had a network of highways and byways which are the envy of many as well as great dams, bridges and railway lines that have supported the country's economy for decades but he said much of this infrastructure needed repair or replacement.

He said government was partnering with the private sector and other players to rollout infrastructure through initiatives such as the blended finance Infrastructure Fund. Minister Mboweni warned however that efforts to expand infrastructure will be wasted if the end user did not pay a cost-reflective tariff for usage.

The Minister said the 2021 Budget explicitly supported economic transformation and job creation. He mentioned that the country's R6.2 trillion spending envelope over the Medium-Term Expenditure Framework gives expression to the Economic Reconstruction and Recovery Plan. "This is not an austerity Budget. Our fastest-growing area of spending is our investment in the future-capital payments," Mboweni said.

He also announced that government has cumulatively made R83.2 billion available for the public employment programmes since the 2020 Special Adjustments Budget. "We are now augmenting this by R11 billion for the Presidential Youth Employment Initiative, taking the total funding for employment creation to nearly R100 billion. This is in response to the job creation targets for young people, outlined by the President," explained the Finance Minister.

Government also plans to finalise 1409 restitution claims at a cost of R9.3 billion over the next three years to achieve redress and equitable access to land. The Department of Agriculture, Land Reform and Rural Development has also set aside R896.7 million for post-settlement support. This will include the recruitment of approximately 10 000 experienced extension officers.

Minister Mboweni also revealed that in order to improve access to African markets, the country's six busiest border posts would be upgraded and expanded. He stated that, "These will be significant infrastructure interventions using the PPP model. Starting with Beitbridge, which was built in 1929 and last upgraded in 1995, these One-Stop-Border-Posts will harmonise the crossing of border by people and goods, eliminating the dreadful scenes we witnessed recently."