

# Economic growth on cards

## Debt burden of municipalities to be addressed

BECKER SEMELA

THE Free State can expect a marginal growth of 0.4% projected for 2018 with further growth projections reaching 0.7% growth by 2020 provincial treasury MEC Elsabe Rockman said.

The provincial economy was estimated to have contracted by 0.2% in 2017 after remaining stagnant in 2016.

She was speaking during the tabling of the budget last week at Gariep Dam in the south of the province.

For the 2018-19 financial year the province has been allocated R34.893bn.

She said growing the economy, enhancing the capabilities of South Africans and building a capable state in accordance to the National Development Plan, would ensure that radical socio-economic transformation is realised and becomes a lived experience for South Africans.

Rockman said the department would focus on seven priorities that were approved by the cabinet for the 2018 budget.

These priorities include job creation,



**TRANSFORMATION:** Agriculture development will be prioritised. PICTURE: GETTY IMAGES

small business development, youth development, infrastructure expansion and maintenance, land reform, smallholder farmer and agriculture development, comprehensive social security, education and skills as well as the integrated plan to fight crime and advancing the national interest in SADC, the African continent, Brics and Indian Ocean Rim Association.

She said appreciating economic trends and the implications thereof at the local sphere of government was critical to understanding economic growth.

"Between 2006 and 2011, only 10 local municipalities grew at a rate that

is above the provincial average. Growth rates above 3% were recorded in only four of those 10 municipalities.

She said the projected marginal growth in the provincial economy would be sustained by the Mangaung metro, Dihlabeng local municipality and a number of other smaller municipalities.

"The impact of the mining sector on local economies of municipalities such as Masilonyana and Matjhabeng has been evident from the negative growth rates since 1996. It's imperative that we address the increasing debt burden of municipalities," Rockman said.

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### ALLOCATIONS FOR DEPARTMENTS:

**Total allocation 2018-19:**  
**R34.893bn**

#### Social cluster

- » Education: **R13.579bn**
- » Health: **R10.403bn**
- » Social development: **R1.266bn**
- » Sport, arts, culture and recreation: **R2.219bn**

#### Economic cluster

- » Human Settlements: **R1.392bn**
- » Public works and infrastructure: **R1.635bn**
- » Police, roads and transport: **R2.794bn**
- » Agriculture and rural development: **R810m**
- » Desteas: **R631m**

#### Governance cluster

- » Office of the Premier: **R611m**
- » Cogta: **R443m**
- » Provincial treasury: **R347m**
- » FS Legislature: **R253m**