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**The Witness** **OUR VIEWPOINT** **STATE CONFRONTED WITH TOUGH BUDGET DECISIONS**  
KwaZulu-Natal, November 2, 2023

**F**inance Minister Enoch Godongwana found himself in a challenging position when he tabled his mini budget yesterday. He had the unenviable task of delivering harsh news — South Africa's government needed to reduce spending due to a weak economic outlook. The nation grapples with a broad front of economic challenges. The combined impact of persistent power cuts, high inflation, soaring interest rates, a depreciating rand, and falling commodity prices has cast a dark cloud over our economy. Domestic real GDP growth is 0,8%, significantly below the global average of three percent this year. Alarming figures reveal that gross debt has surged from R4,8 trillion in 2023/2024 to a staggering R5,2 trillion in the upcoming financial year. One could not help but feel for Godongwana, delivering bad news not only to the nation but to his ANC colleagues who have an election to fight next year. President Cyril Ramaphosa's government has had its back against the wall for several years. Apart from the gloomy economic outlook, the impact of state capture, crumbling water and energy infrastructure, Covid-19, social unrest and now the persistent effects of climate change, have left the economy wounded and limping. A cause for concern is the inability, given the constraints, to increase the percentage of budget allocated for local government, this year hovering at 9,9%.

Effective local governance is vital for service delivery, and this is where we as South Africans experience our greatest frustration. Minister Godongwana's commitment to re-evaluate grant funding for municipalities and support their transition away from traditional utility funding underscores the need for self-sufficiency.

There is so much to be done with so little. As Godongwana said, government has to get its priorities in order through reconfiguring and rationalising the state. This means prioritising spending on essential services like health-care, education, and police while still investing in infrastructure and job creation through programmes such as the expanded public works and community works initiatives.