

#RSABUDGET2022 HIGHLIGHTS

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f RSA Budget

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BUDGET FRAMEWORK

- Government expects to achieve a primary surplus – where revenue exceeds non-interest expenditure – by 2023/24. In 2024/25, main budget non-interest expenditure will grow slightly above CPI inflation.
- The consolidated budget deficit is projected to narrow from 6 per cent of GDP in 2022/23 to 4.2 per cent of GDP in 2024/25.
- Gross loan debt will stabilise at 75.1 per cent of GDP in 2024/25.
- Debt-service costs consume an increasing share of GDP and revenue. They are expected to average R333.4 billion a year.

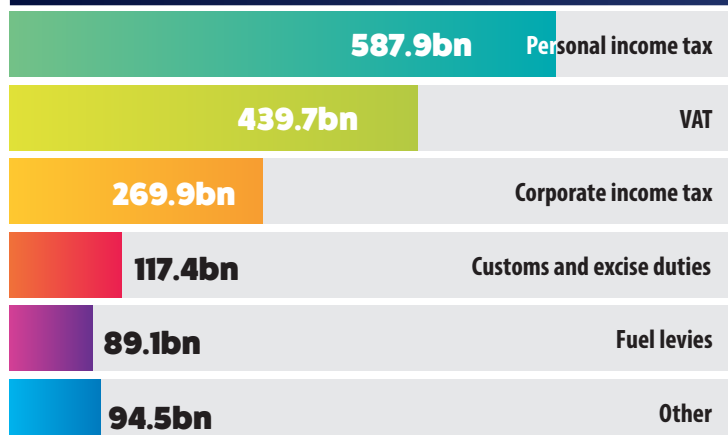
SPENDING PROGRAMMES

- Total consolidated government spending will amount to R6.62 trillion over the next three years, and the social wage will take up 59.4 per cent of total non-interest spending over this period.
- Additional allocations of R110.8 billion in 2022/23, R60 billion in 2023/24 and R56.6 billion in 2024/25 are made for several priorities that could not be funded through reprioritisation. These include the special COVID-19 social relief of distress grant, the continuation of bursaries for students benefiting from the National Student Financial Aid Scheme, and the presidential employment initiative.
- The bulk of the spending is allocated to learning and culture (R1.3 trillion), social development (R1 trillion) and debt-service costs (R1 trillion) over the MTEF.
- Economic development and community development grow faster than other functions at 8.5 per cent and 7.9 per cent, respectively.

TAX PROPOSALS

- Tax revenue strengthened significantly in recent months and is expected to reach R1.55 trillion for 2021/22, well above projections.
- Given the revenue improvement, government proposes R5.2 billion in tax relief to help support the economic recovery, provide some respite from fuel tax increases and boost incentives for youth employment.
- Most of the relief is provided through an adjustment in personal income tax brackets and rebates. In addition, there will be no increase in either the general fuel levy or the Road Accident Fund levy.
- Progress continues to be made in rebuilding the South African Revenue Service.

TAX REVENUE, 2022/23



MACROECONOMIC OUTLOOK - SUMMARY

Percentage change	2021	2022	2023	2024
	Estimate	Forecast		
Household consumption	5.6	2.5	1.8	2.0
Gross fixed-capital formation	1.2	3.2	3.8	4.1
Exports	9.3	2.9	2.8	2.7
Imports	8.5	5.4	3.9	3.3
Real GDP growth	4.8	2.1	1.6	1.7
CPI inflation	4.5	4.8	4.4	4.5
Current account balance (% of GDP)	3.8	0.3	-1.2	-1.5

CONSOLIDATED GOVERNMENT FISCAL FRAMEWORK

R billion/percentage of GDP	2021/22	2022/23	2023/24	2024/25
	Estimate	Medium-term estimates		
Revenue	1 721.3	1 770.6	1 853.2	1 977.6
	27.5%	27.5%	27.2%	27.3%
Expenditure	2 077.0	2 157.3	2 176.8	2 281.8
	33.2%	33.5%	32.0%	31.5%
Budget balance	-355.7	-386.6	-323.6	-304.2
	-5.7%	-6.0%	-4.8%	-4.2%
Gross domestic product	6 251.5	6 441.3	6 805.3	7 233.7

CONSOLIDATED GOVERNMENT EXPENDITURE BY FUNCTION, 2021/22-2024/25

R billion	2021/22	2022/23	2023/24	2024/25	2021/22-2024/25
	Estimate	Medium-term estimates			Average growth
Learning and culture	421.4	441.5	446.0	458.0	2.8%
Health	256.2	259.0	247.6	257.5	0.2%
Social development	352.7	364.4	317.6	322.2	-3.0%
Community development	212.5	236.3	252.2	266.7	7.9%
Economic development	201.0	227.1	237.4	256.8	8.5%
Peace and security	218.4	220.7	217.0	226.6	1.2%
General public services	71.9	69.2	69.3	70.5	-0.7%
Payments for financial assets	74.6	27.2	24.7	25.0	
Allocated expenditure	1 808.7	1 845.5	1 811.8	1 883.3	1.4%
Debt-service costs	268.3	301.8	335.0	363.5	10.7%
Contingency reserve	–	10.0	5.0	5.0	
Unallocated reserve	–	–	25.0	30.0	
Consolidated expenditure	2 077.0	2 157.3	2 176.8	2 281.8	3.2%

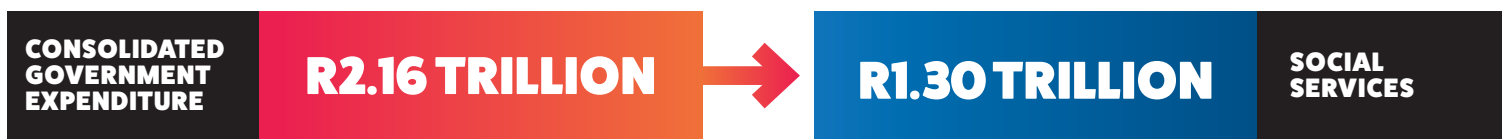
BUDGET 2022/23

BUDGET EXPENDITURE

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R227.1bn

ECONOMIC DEVELOPMENT

Economic regulation and infrastructure	R117.5bn
Industrialisation and exports	R39.2bn
Agriculture and rural development	R27.5bn
Job creation and labour affairs	R24.8bn
Innovation, science and technology	R18.1bn

Basic education	R282.8bn
University transfers	R48.7bn
National Student Financial Aid Scheme	R46.1bn
Skills development levy institutions	R21.7bn
Education administration	R18.0bn
Technical & vocational education and training	R12.6bn



R441.5bn

LEARNING AND CULTURE



R220.7bn

PEACE AND SECURITY

Police services	R110.2bn
Law courts and prisons	R50.8bn
Defence and state security	R50.0bn
Home affairs	R9.7bn

District health services	R115.7bn
Central hospital services	R49.4bn
Other health services	R42.4bn
Provincial hospital services	R40.4bn
Facilities management and maintenance	R11.1bn



R259.0bn

HEALTH



R69.2bn

GENERAL PUBLIC SERVICES

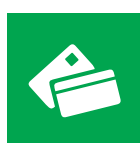
Public administration and fiscal affairs	R46.1bn
Executive and legislative organs	R14.8bn
External affairs	R8.3bn

Municipal equitable share	R87.3bn
Human settlements, water and electrification programmes	R58.7bn
Public transport	R47.4bn
Other human settlements and municipal infrastructure	R42.9bn



R236.3bn

COMMUNITY DEVELOPMENT



R301.8bn

DEBT-SERVICE COSTS

Old-age grant	R92.1bn
Social security funds	R84.2bn
Other grants	R78.9bn
Child-support grant	R77.2bn
Provincial social development	R22.0bn
Policy oversight and grant administration	R9.9bn



R364.4bn

SOCIAL DEVELOPMENT



R10.0bn

CONTINGENCY RESERVE