



SACCI Media Release

Wednesday

22 February 2017

### **SACCI REACTION TO THE 2017 BUDGET**

The Minister of Finance, the Honourable Mr Pravin Gordhan, delivered the Budget Speech on the 22<sup>nd</sup> of February 2017. The South African Chamber of Commerce and Industry (SACCI) welcomes that which under present difficult economic conditions is a measured and relatively balanced budget.

Whilst acknowledging the increased support to SMMEs and the continued increased budget allocations to the industrial and telecommunications infrastructure, we however wish to register our disappointment with the increase in general fuel (30c per litre) and the fuel levy (9c per litre). We believe this significant increase in the fuel costs will lead to inflationary pressure all-round as the increase in the fuel cost will have a negative impact in the entire ecosystem of cost of living.

We remain concerned that South Africa's total borrowing remains high at 50.7% of the GDP, as this has a negative impact on the country's sovereign rating and restricts South Africa's capacity to fund the needed infrastructure programmes and many other social and developmental needs. It becomes imperative that government furthermore tightens up its austerity measures and increase its SARS recovery initiatives in order to offset this impact.

We are encouraged by the Minister's continued engagement with all stakeholders, including business and labour, in finding solutions to the challenges facing our economy. As SACCI, we reiterate our commitment in working together with all stakeholders to make a significant contribution.

Contact

Mr Alan Mukoki

CEO

082 551 1159