



## **Economic Digest**

**July 2<sup>nd</sup> 2020**

### **The COVID-19 Supplementary Budget**

On June 24<sup>th</sup> the Finance Minister, Tito Mboweni, delivered the supplementary, or emergency, COVID-19 budget, which was meant to show how government was going to address the dire fiscal situation. Some commentators felt that it was a little light on detail, while others argued that the budget in fact offered some kind of roadmap of how government intends digging itself out of the COVID-19 fiscal hole. Below are some articles offering different opinions on the supplementary budget.

#### **The supplementary budget in a nutshell**

Here are the main takeaway points of the budget.

<https://tinyurl.com/yahzjpsb>

#### **The supplementary budget: good plan, but the risks lie in implementation**

“This was a high-stakes budget from Mboweni. It is also a brave budget for a country in dismal fiscal trouble. It is, in fact, exactly the budget SA needs at this point. The key is whether the president and cabinet can show as much courage as the finance minister in the coming months.”

<https://tinyurl.com/ycw7x2pz>

#### **There is good news about the supplementary budget**

While the supplementary budget laid bare just how dire the fiscal situation is, it also provided a glimmer of hope in how budgeting will be done in the future. For example, “the zero-based budgeting is a big step in the right direction; it will make all role players in government understand the economic crisis we are facing.”

<https://tinyurl.com/ybj2ssbt>

#### **Cosatu and opposition parties are left uninspired by the supplementary budget**

“While opposition parties were generally uninspired by Finance Minister Tito Mboweni's supplementary budget he delivered on Wednesday, his most strident criticism came from within the tripartite alliance as Cosatu expressed its disillusionment with the budget.”

<https://tinyurl.com/y7b5lehl>

### An anti-poor supplementary budget

“The supplementary budget made dramatic cuts in budget areas most crucial for poor and working class people. These include R2bn cut from Basic Education, R9.9bn from Higher Education and Training, R2.3bn from Human Settlements, R2.4bn in Agriculture, R2.9bn in Land Reform and Rural Development.”

<https://tinyurl.com/y8f2jx6e>

### Don't let the dream be deferred

“The time for self-interest and factional politics is over. Facing a fiscal cliff of doomsday proportions, the government has no option but to pull in one direction.”

<https://tinyurl.com/y8nrn9qc>

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