



Economic Digest 37

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Key Take-Outs from the 2023 Budget

SONA is done and dusted, the budget has been delivered, and the cabinet game of musical chairs has come and gone. So let's have a look at some of the finer details of what the Minister of Finance told us in his budget speech, bearing in mind that far more detail is contained in the budget review documents, which can be found on the Treasury's website.

Overview of the 2023 budget speech

Key highlights of the minister's presentation.

<https://tinyurl.com/bdukfsdw>

Budget unlikely to address load shedding and deliver affordable electricity

"Eskom's debt relief is welcome. However, it imposes conditions that entrench private energy provision pathways that will not sufficiently deal with load shedding and will worsen energy access, affordability and inequality."

<https://tinyurl.com/5yc7ufbp>

No real increase in already stretched defence budget but boost for border security

"National Treasury has not given the Department of Defence (DoD) any real increase in funding over the next two years, but R3 billion is being allocated to strengthen border security."

<https://tinyurl.com/mrxcmasn>

What the Budget means for small enterprises

Various state-led interventions will be implemented as relief measures for small to medium-sized enterprises. These include solar-related loans; a 125% tax deduction in the first year of all renewable-energy projects; and a 2.8 billion rand injection to the Township and Rural Entrepreneurship Fund.

<https://tinyurl.com/4hzbppu>

A balancing act with red flags in each hand

There were mixed reactions from various industries and analysts to the budget speech, with concerns raised around the plans by government to take on R254 billion of the power utility's debt, which stands at just less than R400 billion.

<https://tinyurl.com/4e53ub58>

The game-changer for SA energy in the Budget Speech – and the fight we have on our hands

"The Budget Speech delivered by Minister Enoch Godongwana heralds the end of Eskom as we know it. Although several other factors will also come into play, the stabilisation and transformation of the country's energy framework will now depend on the successful roll-out of the National Transmission Company of South Africa, and the implementation of the much-awaited and urgent reforms to the Energy Regulation Act."

<https://tinyurl.com/4xfu9ed3>

No wealth tax, but trustees beware

“Despite speculations that government has revived plans to introduce a wealth tax, the South African Revenue Service’s (SARS) focus has instead shifted to compliance of wealthy taxpayers with complex financial structures as well as trusts.”

<https://tinyurl.com/mr3fzrn3>

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