BUDGET 2017 A People's Guide



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In February of each year, the Minister of Finance announces government's spending, tax and borrowing plans for the next three years. This is called the national budget. It describes how government will raise money and how it will be spent. The national budget divides money between national departments, provinces and municipalities.





GOVERNMENT PUMPS BILLIONS INTO JOB CREATION

Government is pumping billions of rands over the next three years into initiatives to create jobs for South Africans, especially for young people who make up the majority of the unemployed.

This is over and above the jobs that will be created by our planned investment of R809 billion into building roads, dams, electricity plants, and ports and rail systems. Government will also expand the creation of short-term job opportunities, by investing a further R70 billion into the Expanded Public Works Programme.

"We have declared 2011 a year of job creation through meaningful economic transformation and inclusive growth," said President Jacob Zuma in his 2011 state of the nation address. "We urge every sector and every business entity... to focus on job creation. Every contribution counts in this national effort."

President Zuma then announced the creation of a R9 billion jobs fund. This fund will finance specific job-creation projects, especially those that will

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increase chances of employment for young people. Proposals for such projects will come from both public state and private sector organisations, and will include non-governmental organisations (NGOs) and civil society institutions. Government hopes that this will create between 50 000 and 100 000 jobs over the next three years.

A further R5 billion is being used to introduce a youth employment subsidy. The subsidy is a government support measure which will make it cheaper for employers to hire young inexperienced workers. At the same time, it will ensure that the young workers will receive a minimum

wage. The on-the-job training and work experience they gain will increase their chances of finding full-time jobs.

"Employment is not only about earning an income – it also promotes dignity, independence, achievement and innovation. Bringing more people into economic activity is at the centre of government's agenda," Finance Minister Pravin Gordhan said.

Almost half of all people below the age of 25 who can work were unemployed in 2010. The subsidy aims to address this unemployment challenge, and will create about 178 000 jobs.

Government also hopes to help create more jobs from the launch of an incentive programme for manufacturers. The programme will help businesses transform their production processes, to reduce costs and become more efficient. This transformation will require workers to be trained and will result in workers improving their skills.

The jobs that will be created by the investment in building new and maintaining existing infrastructure will also help to increase the capacity and the efficiency of the economy. A faster growing economy could contribute to further job creation in the future.

With these initiatives, government aims to reduce the level of unemployment in the country and to improve the standard of living of all citizens.