

## Highlights On the economy



- Economic growth of 2.3 per cent is projected for 2010, increasing to 3.6 per cent by 2012.
- After falling from 27 per cent in 2003 to 22 per cent in 2007, unemployment rose to 24.3 per cent in 2009.
- The 2010 FIFA World Cup is expected to contribute about 0.5 per cent of GDP growth in 2010. To date, government has spent about R33 billion in preparation for the tournament.
- Inflation has fallen over the past year and should average 6 per cent during 2010/11.
- A budget deficit of 7.3 per cent is projected for 2009/10 and 6.2 per cent in 2010/11. By 2012/13, the deficit is expected to reach 4.1 per cent.
- National government net loan debt is projected to rise from R526 billion at the end of 2008/09 to R1.3 trillion in 2012/13.
- To help tackle youth unemployment, a wage subsidy for young people is proposed.
- Total public sector infrastructure investment of R845 billion over the next three years is anticipated.
- Over the next three years, government will spend about R52 billion on public works programmes.

## Spending to support economic recovery and improve service delivery

- R12.2 billion for grants, including the extension of the child support grant up to 18 years of age.
- R2.7 billion to provide literacy and numeracy workbooks in all 11 official languages for learners in grades R to 9, and R1 billion to increase subsidies for higher education institutions.
- R15.1 billion for occupation-specific dispensations in education, health and correctional services.
- R2.2 billion for a revised salary structure in the South African National Defence Force.
- R8.4 billion to expand provision of antiretroviral therapy.
- R2.5 billion to increase labour intensity in public works, R1.8 billion for clothing and textile production

incentives and R1.8 billion for the automotive production development programme.

- R1 billion to the criminal justice sector for efforts to reduce crime and corruption.
- R2.8 billion for public transport, roads and rail infrastructure.
- R2.5 billion for municipal infrastructure to support universal access targets for water and sanitation, and R6.7 billion to municipalities to cover the increased cost of providing free basic electricity.
- R1 billion more for rural development, R1.2 billion for water and sanitation infrastructure for rural households and R1.5 billion for the Land Bank to support rural development.
- R1 billion to speed up provision of housing and R500 million for bulk water infrastructure.
- The old age pension is increased by R70 a month to R1 080 and the child support grant is increased by R10 a month.
  - Personal income tax relief for individuals of R6.5 billion.
- Discontinuation of the SITE (standard tax on employees) system.
- Increases in fuel taxes of 25.5 cents a litre.
- A carbon emissions tax on new motor vehicles.
- A packet of 20 cigarettes will cost R1.24 more.
- A 750 ml bottle of wine will cost 12 cents more.
- A 340 ml can of beer will cost 6.5 cents more.
- A 750 ml bottle of liquor (spirits) will cost R2.22 more.
- A packet of 20 cigarettes will cost R1.24 more.
- A 750 ml bottle of wine will cost 12 cents more.
- A 340 ml can of beer will cost 6.5 cents more.
- A 750 ml bottle of liquor (spirits) will cost R2.22 more.

