

#RSABUDGET2021 HIGHLIGHTS

www.treasury.gov.za | f RSA Budget | t #RSABudget2021

ISSUED BY



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Tel: (012) 315 5757
www.treasury.gov.za

BUDGET FRAMEWORK

- The budget deficit has been revised to 14 per cent of GDP in 2020/21 in response to the spending and economic pressures of the COVID-19 pandemic.
- Gross debt has increased from 65.6 per cent to 80.3 per cent of GDP for the year 2020/21.
- The 2021 Budget proposes measures to narrow the main budget primary deficit from 7.5 per cent of GDP in the current year to 0.8 per cent in 2023/24.
- The proposed fiscal framework will stabilise debt at 88.9 per cent of GDP in 2025/26.
- Government will roll out a free mass COVID-19 vaccination campaign for which R9 billion has been allocated in the medium term.
- Over the medium term, debt-service costs are expected to average 20.9 per cent of gross tax revenue.

SPENDING PROGRAMMES

- Total consolidated spending amounts to R2 trillion each year over the medium term.
- The bulk of the spending is allocated to learning and culture (R402.9 billion), social development (R335.2 billion) and health (R248.8 billion) in 2021/22.
- The fastest-growing functions over the medium term are economic development, community development and general public services.
- The majority of funding for new and urgent priorities is provided through reprioritisation and reallocation of existing baselines.

TAX PROPOSALS

- To support economic recovery, government will not raise any additional tax revenue in this budget.
- The personal income tax brackets and rebates will increase above the inflation rate of 4 per cent.
- Government will increase excise duties on alcohol and tobacco by 8 per cent for 2021/22.
- Inflation-related increases of 15c/litre and 11c/litre will be implemented for the general fuel levy and the RAF levy, respectively, with effect from 7 April 2021.
- The UIF contribution ceiling will be set at R17 711.58 per month from 1 March 2021.

TAX REVENUE, 2021/22

R516.0 bn

Personal income tax

R370.2 bn

VAT

R213.1 bn

Corporate income tax

R100.5 bn

Customs and excise duties

R83.1 bn

Fuel levies

R82.2 bn

Other

MACROECONOMIC OUTLOOK - SUMMARY

Percentage change	2020	2021	2022	2023
	Estimate	Forecast		
Household consumption	-5.9	2.9	2.4	2.0
Capital formation	-18.4	-2.4	3.9	3.9
Exports	-10.9	5.7	3.0	2.8
Imports	-16.5	6.3	4.6	2.5
Gross domestic product	-7.2	3.3	2.2	1.6
Consumer price inflation (CPI)	3.3	3.9	4.2	4.4
Current account balance (% of GDP)	1.7	-0.1	-1.0	-1.4

CONSOLIDATED GOVERNMENT FISCAL FRAMEWORK

R billion/percentage of GDP	2020/21	2021/22	2022/23	2023/24
	Revised estimate	Medium-term estimates		
Revenue	1 362.7	1 520.4	1 635.4	1 717.2
	27.7%	28.4%	28.9%	28.6%
Expenditure	2 052.5	2 020.4	2 049.5	2 095.1
	41.7%	37.7%	36.2%	34.9%
Budget balance	-689.8	-500.0	-414.1	-377.9
	-14.0%	-9.3%	-7.3%	-6.3%
Gross domestic product	4 921.0	5 352.2	5 666.3	5 997.2

CONSOLIDATED GOVERNMENT EXPENDITURE BY FUNCTION, 2020/21-2023/24

R billion	2020/21	2021/22	2022/23	2023/24	2020/21-2023/24
	Revised estimate	Medium-term estimates			Average growth (excl. COVID-19)
Learning and culture	387.2	402.9	411.0	416.0	2.7%
Health	247.0	248.8	245.9	245.0	2.5%
Social development	413.3	335.3	326.2	325.2	2.4%
Community development	211.5	218.8	234.0	240.7	5.6%
Economic development	191.9	207.5	210.9	217.2	5.0%
Peace and security	218.6	208.6	212.9	213.4	-0.1%
General public services	62.5	68.4	68.5	69.1	3.5%
Payments for financial assets	87.6	48.2	27.2	24.9	
Allocated expenditure	1 819.6	1 738.6	1 736.5	1 751.6	1.6%
Debt-service costs	232.9	269.7	308.0	338.6	
Contingency reserve	—	12.0	5.0	5.0	
Consolidated expenditure	2 052.5	2 020.4	2 049.5	2 095.1	3.3%

BUDGET2021/22

BUDGET EXPENDITURE

www.treasury.gov.za

f RSA Budget

🐦 #RSABudget2021

ISSUED BY



Tel: (012) 315 5757

www.treasury.gov.za

CONSOLIDATED GOVERNMENT EXPENDITURE

R2.02 TRILLION

R1.21 TRILLION

SOCIAL SERVICES



R207.5 bn

ECONOMIC DEVELOPMENT

Economic regulation and infrastructure	R93.1bn
Industrialisation and exports	R36.2bn
Job creation and labour affairs	R33.4bn
Agriculture and rural development	R27.4bn
Innovation, science and technology	R17.4bn

Basic education	R255.1bn
University transfers	R45.6bn
National Student Financial Aid Scheme	R37.3bn
Skills development levy institutions	R21.3bn
Education administration	R19.6bn
Technical & vocational education and training	R13.0bn



R402.9bn

LEARNING AND CULTURE



R208.6 bn

PEACE AND SECURITY

Police services	R104.6bn
Defence and state security	R48.5bn
Law courts and prisons	R46.7bn
Home affairs	R8.9bn

District health services	R105.5bn
Other health services	R51.4bn
Central hospital services	R44.1bn
Provincial hospital services	R38.1bn
Facilities management and maintenance	R9.7bn



R248.8bn

HEALTH



R68.4 bn

GENERAL PUBLIC SERVICES

Public administration and fiscal affairs	R46.1bn
Executive and legislative organs	R14.5bn
External affairs	R7.9bn

Municipal equitable share	R78.0bn
Human settlements, water and electrification programmes	R52.9bn
Public transport	R45.0bn
Other human settlements and municipal infrastructure	R42.9bn



R218.8bn

COMMUNITY DEVELOPMENT



R269.7 bn

DEBT-SERVICE COSTS

Social security funds	R105.9bn
Old-age grant	R86.5bn
Child-support grant	R73.3bn
Other grants	R35.7bn
Provincial social development	R23.6bn
Policy oversight and grant administration	R10.2bn



R335.3bn

SOCIAL DEVELOPMENT



R12.0bn

CONTINGENCY RESERVE