**MEDIA STATEMENT**

**FINANCE COMMITTEES INDIVIDUALLY ADOPTS REPORT ON 2020 REVISED FISCAL FRAMEWORK**

**Parliament, Tuesday, 7 July 2020 –**The Standing Committee on Finance, together with the Select Committee on Finance, individually adopted a report on the 2020 Revised Fiscal Framework, subsequent to a rigorous joint consultation process, when the Minister of Finance delivered a speech to the hybrid sitting of the National Assembly on 24 June 2020. However, the committees noted minority opinions on the report.

The committees made numerous observations and outlined some recommendations. They believe, among other things, that government cannot operate, as the President also says, business-as-usual. They are of the view that given the horrific poverty that a significant part of the population is confronted with and the considerable widening of the mainly racially defined inequalities in the country, the state has no choice but to intervene and play a central role.

The committees are not clear, however, as to what extent the special adjustment budget will contribute towards the bridging of the poverty gab in the country, and they undertook to pursue this matter further with the National Treasury.

Furthermore, although welcoming the R500 billion package, the committees believe that the package is not enough to stimulate the economy. They raised a concern on the fact that the special adjustment budget does not provide enough clarity on infrastructure development projects, which is crucial to the economic recovery. The committees recommended that National Treasury needs to report on this at its next quarterly briefing, and that the appropriations committees should also consider taking the matter forward.

The committees were briefed by the Finance Minister with regard to his speech on 25 June 2020, followed by a briefing by the Parliamentary Budget Office, as well as the Financial and Fiscal Commission on 29 June 2020.

Furthermore, the committees held virtual public hearings on 30 June 2020, in which a number of organisations presented oral submissions on the 2020 Revised Fiscal Framework, including among others, the Congress of South African Trade Unions, the Institute of South African Chattered Accountants, the Organisation Undoing Tax Abuse, the Fiscal Cliff Study Group, Civil Society Organisation, Accountability Now and the Justice Budget Coalition. The submissions were followed by a response from the National Treasury on Friday, 3 July 2020.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE STANDING COMMITTEE ON FINANCE, MR JOE MASWANGANYI, AND CHAIRPERSON OF THE SELECT COMMITTEE ON FINANCE, MR YUNUS CARRIM.**