**MEDIA STATEMENT**

**STANDING COMMITTEE ON FINANCE BRIEFED ON R11.4 BILLION LOAN FROM WORLD BANK

Parliament, Tuesday, 1 February 2022 –** The Standing Committee on Finance was briefed by the Minister of Finance, Mr Enoch Godongwana, on the recent R11.4 billion loan from the World Bank. The committee then raised a concern about the current debt service cost.

The country spends R270 billion annually to service debt, which is the third biggest expenditure item, following education and social services.

The Chairperson of the committee, Mr Joe Maswanganyi, said: "It is concerning that health and community development are fourth and fifth national expenditure items respectively. This is against the spirit of the National Development Plan, which envisages them to be key priorities."

Mr Maswanganyi reiterated the committee's long-held position that high debt often comes with a detrimental effect on service delivery.

The committee has on various occasions made several recommendations to the National Treasury, including that the department should manage the budget deficit in order to avoid a sovereign debt crisis. Another recommendation is that the Minister of Finance should, on a quarterly basis, brief the committee on debt management strategies.

The committee would like a briefing on this matter on 24 February during the Minister's briefing on the 2022 budget speech. Mr Maswanganyi said the briefing should address how the National Treasury plans to increase revenue generation and contain expenditure without compromising the pro-poor programme.

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

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