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# Highlights of the 2018 BUDGET

## LIMPOPO PROVINCIAL BUDGET: 2018/19 FISCAL YEAR

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The Provincial Government is responsible for delivery of basic services with the ultimate goal of improving the quality of lives for all its citizens.

The scarcity of resources continues to pose risks to the economy of the country and specifically Limpopo Province given the unlimited needs of its citizenry. With limited resources available, departments and stakeholders are expected to deliver more with less to meet different expectations of the community. The allocation for **2018/19** Medium Term Expenditure Framework (MTEF) seeks to address the Provincial Government priorities outlined in the Limpopo Development Plan (LDP) summarized as follows:

- Improve economic growth and reduction of unemployment.
- Access to basic service.
- Infrastructure development and maintenance of existing structures.
- Improving quality of Education and Health Services

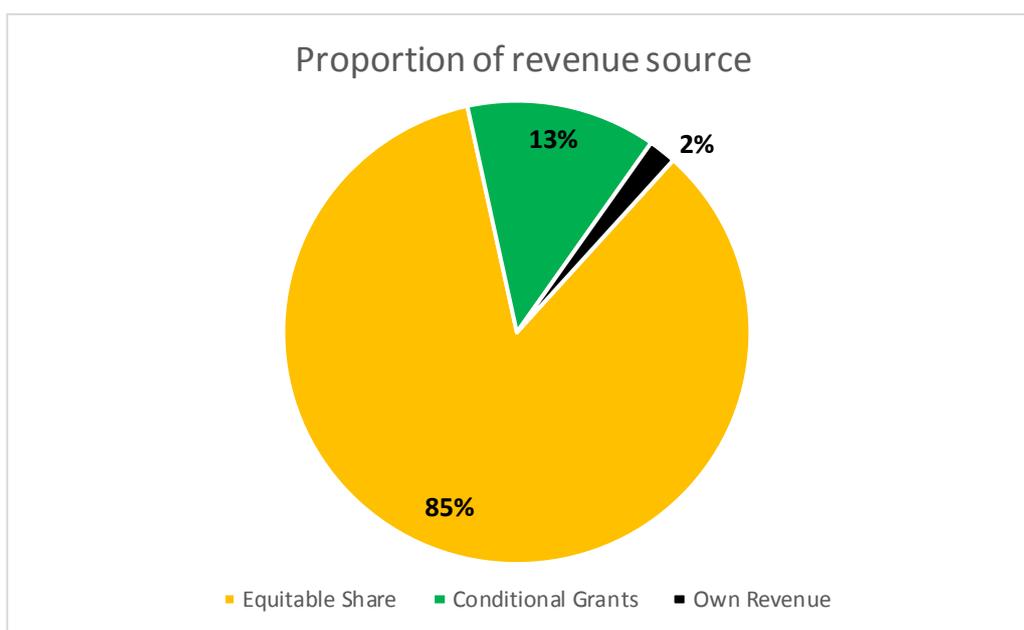
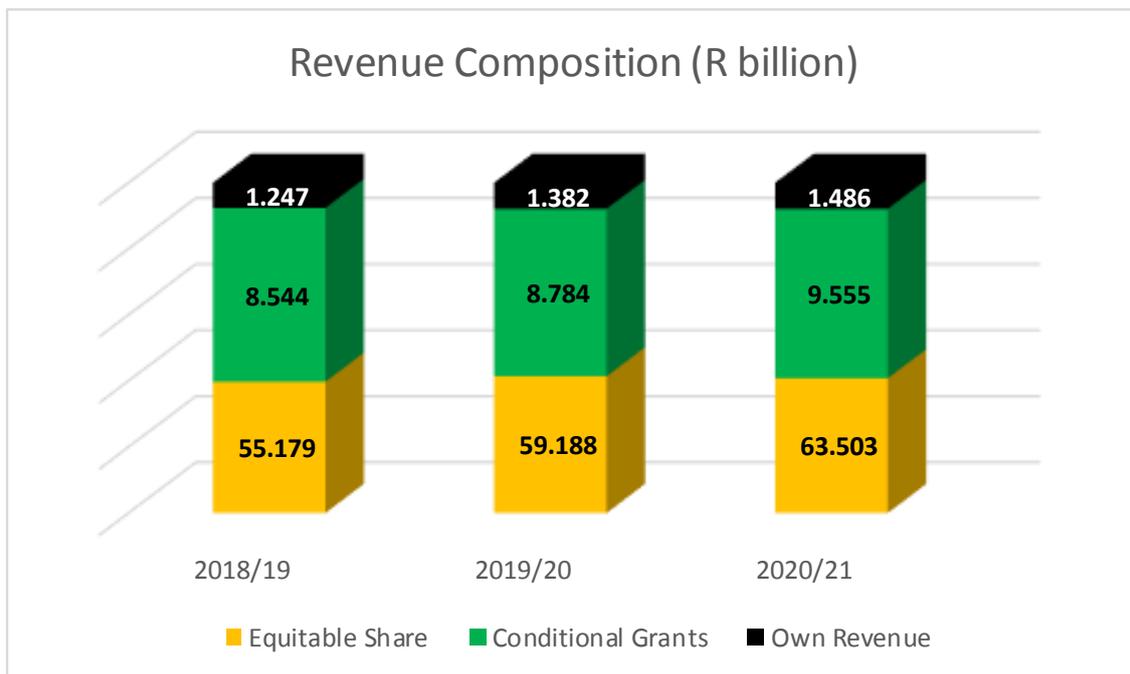
It is on this basis that the provincial government utilises the budget as a tool to plan, manage and control the scarce resources to satisfy the unlimited needs of its citizens.

### ECONOMIC OUTLOOK

- The national GDP growth was 0.3 percent in 2016 but projected to recover to 1.0 percent in 2017. Economic Growth is further projected to grow to 1.1 percent in 2018 and 1.5 percent in 2019
  - Limpopo GDP growth contracted by -1.6 percent in 2016, however expected to grow at 1.2 percent in 2017.
  - Limpopo's contribution to national economy grew from 6.8 percent in 2008 to 7.2 percent in 2016.
  - Consumer price index was recorded at 4.5 percent for SA and 4.1 percent for Limpopo province in January 2018.
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# BUDGET FRAMEWORK

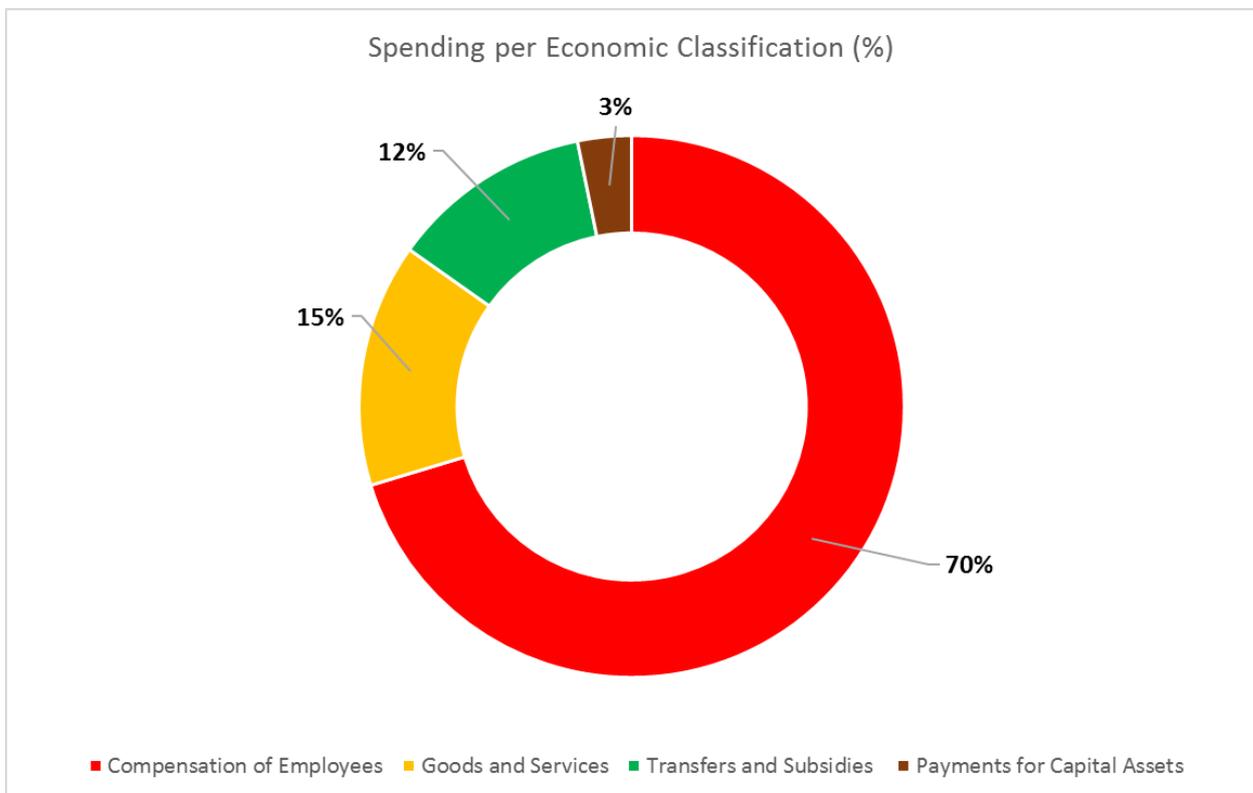
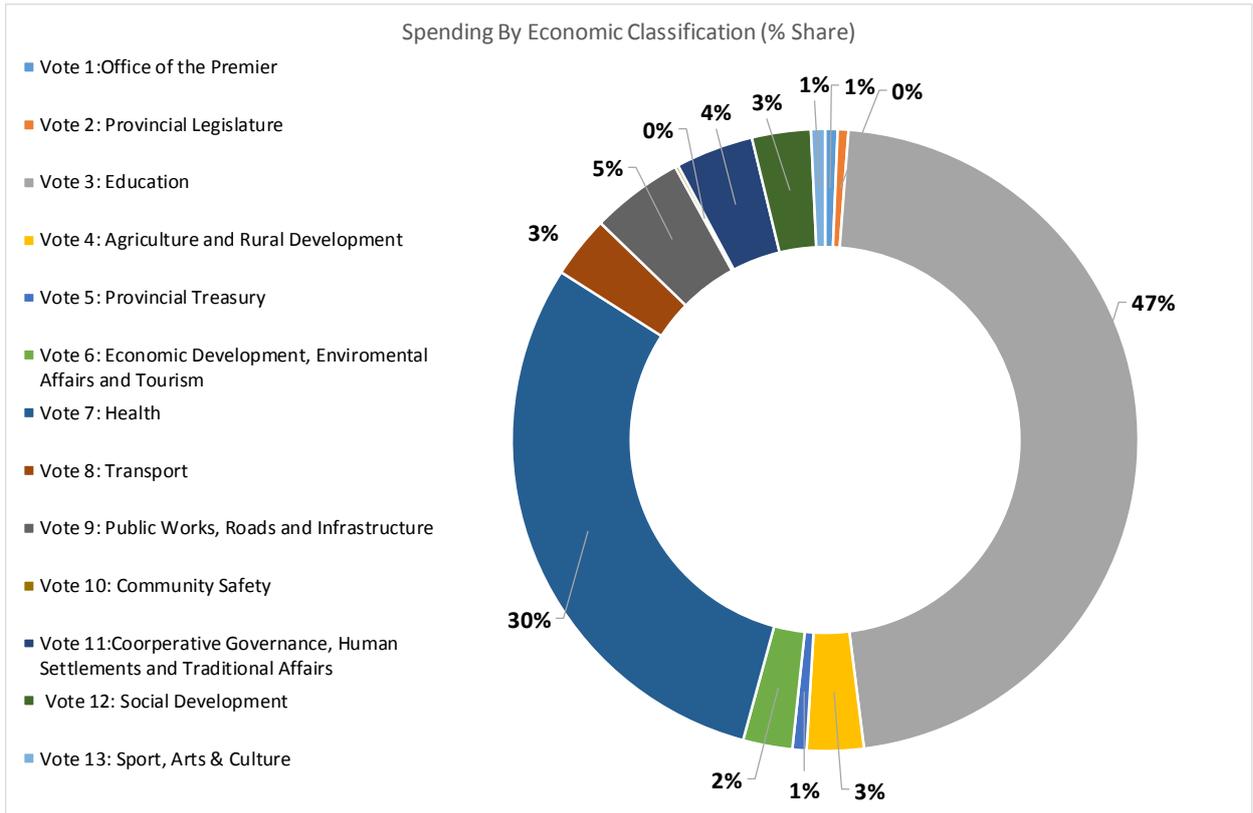
Provincial Receipts	Medium-term estimates			
	R thousand	2018/19	2019/20	2020/21
<b>Provincial receipts</b>				
Transfer receipts from national		63 723 044	67 971 710	73 058 076
Equitable share		55 178 775	59 187 820	63 503 149
Conditional grants		8 544 269	8 783 890	9 554 927
Provincial own receipts		1 247 168	1 382 199	1 485 997
<b>Total provincial receipts</b>		<b>64 970 212</b>	<b>69 353 909</b>	<b>74 544 073</b>



<b>SUMMARY OF BUDGETED OWN SOURCE RECEIPTS FOR 2018/19FY</b>	
<b>2018/19</b>	
<b>Tax Revenue</b>	<b>519 698</b>
<i>Of which</i>	
Casino taxes	73 774
Horse racing taxes	32 001
Liquor licences	3 800
Motor vehicle licences	410 123
<b>Non-Tax Revenue</b>	<b>727 465</b>
<i>Of which</i>	
Sales of goods and services other than capital assets	287 154
Transfers received from:	-
Fines, penalties and forfeits	78 763
Interest, dividends and rent on land	303 287
Sales of capital assets	11 748
Financial transactions in assets and liabilities	46 513
<b>Total Provincial Own Revenue</b>	<b>1 247 163</b>
<b>Percentage Contributions of the Total Provincial Own Revenue</b>	
	<b>% contribution</b>
Tax Revenue	41.7%
Non-Tax Revenue	58.3%
<b>Total percentage contribution of the Total Provincial Own Revenue</b>	<b>100.0%</b>

## Budget Allocation

<b>CONSOLIDATED SPENDING BY ECONOMIC CLASSIFICATION, 2018/19</b>					
R thousand	Compensation of Employees	Goods and Services	Transfers and Subsidies	Payments for Capital Assets	Total
Vote 1: Office of the Premier	300 576	112 779	1 834	5 491	420 680
Vote 2: Provincial Legislature	198 318	67 985	73 027	21 597	360 927
Vote 3: Education	24 637 533	2 673 540	2 326 435	970 264	30 607 772
Vote 4: Agriculture and Rural Development	1 208 280	401 600	209 032	98 442	1 917 354
Vote 5: Provincial Treasury	310 658	143 955	7 301	10 936	472 850
Vote 6: Economic Development, Environmental Affairs and Tourism	564 982	260 538	761 491	78 362	1 665 373
Vote 7: Health	14 262 668	4 049 430	649 203	550 119	19 511 420
Vote 8: Transport	975 321	291 802	802 010	37 096	2 106 229
Vote 9: Public Works, Roads and Infrastructure	1 100 856	790 150	1 062 835	164 335	3 118 176
Vote 10: Community Safety	76 967	32 252	11	484	109 714
Vote 11: Cooperative Governance, Human Settlements and Traditional	1 041 309	184 548	1 336 728	61 421	2 624 006
Vote 12: Social Development	1 084 112	269 344	584 911	48 362	1 986 729
Vote 13: Sport, Arts & Culture	199 781	219 377	12 495	40 611	472 264
<b>Total provincial own receipts</b>	<b>45 961 361</b>	<b>9 497 300</b>	<b>7 827 313</b>	<b>2 087 520</b>	<b>65 373 494</b>





**PROVINCIAL TREASURY**  
**2018 LIMPOPO ECONOMIC FACT SHEET**

Indicator	Previous -1	Previous	Latest	Variance	Reference	Frequency	Trend Analysis
<b>SA Economy Outlook</b>							
GDP- Constant Price (000 000)	3 023	3 063	3 071	8	Q1: 2016	Quarterly	
GDP Growth Rate (%)	1.3	0.3	0.7	0.4	2017	Annually	
Consumer Price Index :CPI (%)	4.4	4.5	4.3	-0.2	Jan: 2018	Monthly	
GDP per capita (R.)	54 772	55 101	55 432	330.6	2017	Annually	
Business Confident	29	35	34	-1	Q4: 2017	Quarterly	
Consumer Confidence	-9	-9	-8	1	Q4: 2017	Quarterly	
Interest Rate -Prime Rate (%)	9.1	9.4	10.5	1.0	Q4: 2017	Quarterly	
<b>Limpopo Economy Outlook</b>							
GDP- Constant Price (000 000)	216 914	221 046	217 446	-3 600	2016	Annually	
GDP Growth Rate (%)	1.0	1.9	-1.6	-3.5	2016	Annually	
GDP per capita (R.)	38 628	38 910	37 835	-1075	2016	Annually	
Disposable Personal Income (000)	164 908	180 719	197 539	16 821	2016	Annually	
Consumer Price Index :CPI (%)	3.6	7.8	4.6	-3.2	2017	Annually	
Food Inflation (%)	4.3	14.6	5.3	-9.3	2017	Annually	
<b>Limpopo International Trade</b>							
Balance of Trade (000)	12 228	15 310	20 909	5 599	2016	Annually	
Exports (000)	15 734	18 946	20 909	1 963	2016	Annually	
Imports (000)	3 506	3 635	970	-2 665	2016	Annually	
Tourist Arrivals (Domestic - 000)	1 877	2 023	2 200	177	2016	Annually	
Tourist Arrivals (International - 000)	1 043	1 159	1 254	95	2016	Annually	
<b>Limpopo Government Fiscal Framework</b>							
Government Budget (000)	59 050	62 766	65 373	2 607	2018/19	Annually	
Government Budget To GDP (%)	0.3	0.3	0.3	0.0	2018/19	Annually	
Government Own Receipts	1 468	1 295	1 247	-48.0	2018/19	Annually	
Government Own Revenue To GDP (%)	0.7%	0.6%	0.6%	0.0%	2018/19	Annually	
Government Conditional Grants (000)	7 891	8 082	8 544	462	2018/19	Annually	
<b>Limpopo Labour Market</b>							
Total population (000)	5 681	5 747	5 778	31	2017	Annually	
Youth Population (000)	4 194	4 164	4 095	-69	2017	Annually	
Unemployment Rate (%)	20.8	19.1	19.6	0.5	Q4: 2017	Quarterly	
Youth Unemployment Rate (%)	29.5	28.6	30.4	1.8	Q1: 2016	Quarterly	
Labor Force Participation Rate (%)	47.7	48.6	47.6	-1	Q4: 2017	Quarterly	
Employed Persons (000)	1 390	1 452	1 417	-35	Q4: 2017	Quarterly	
Unemployed Persons (000)	364	343	346	3	Q4: 2017	Quarterly	
Working group Population (000)	3 678	3 692	3 705	13	Q4: 2017	Quarterly	
Wages (000)	165 050	180 806	197 761	16 955	2016	Quarterly	
Wage Growth (%)	10.03	9.5	9.4	-0.1	2016	Annually	
<b>Limpopo Access to Basic Service (%)</b>							
Electricity	91.5	91.9	92.2	0.3	2016	Annually	
Water	65.1	65.6	65.9	0.3	2016	Annually	
Sanitation	49.4	50.5	51.1	0.6	2016	Annually	
Housing	90.9	90.6	90.7	0.1	2016	Annually	
Refuse Removal	22.6	23.1	23.3	0.2	2016	Annually	

**MACRO-ECONOMIC ANALYSIS UNIT**

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*The heartland of southern Africa - development is about people!*

*Limpopo Provincial Treasury*  
*(Macro-Economic Analysis Directorate)*

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