

## Foreword

The 2018/19 budget is presented in a period marked by a peaceful transition of power within the ruling party. This has improved investor confidence, because it shows the maturity of our political dispensation. The positive investment sentiment augurs well for the economy going forward.

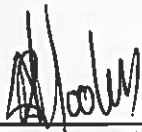
A number of achievements have been made by government in the past two decades. This includes, but not limited to, the increase in the number of people getting employed; this is witnessed by the growing working class population, average household income has risen notably, the number of people living in poverty has reduced and the number of households with access to formal dwellings and electricity connection has also increased. Albeit, the country and the province of Limpopo in particular is still faced with a number of developmental challenges.

Notwithstanding the constrained fiscal space we find ourselves in, the provincial administration is encouraged to achieve more outcomes per rand spent. The 2018/19 financial year budget is appropriated to accelerate economic growth which is vital to achieve economic development. The budget supports investment in catalytic infrastructure projects to facilitate spatial transformation across the province. This is evident in deliberate allocation of resources towards acceleration of economic infrastructure around the Special Economic Zone (SEZ) in Makhado and Economic Growth Points in the province. The expansion of IT infrastructure should enhance access to high speed internet connectivity making the province to be competitive in the high tech business environment.

It is an axiom that government expenditure has the potency of achieving targeted local economic development. It is for this reason the provincial administration is finalising the provincial procurement strategy with the objective to develop Small Micro and Medium Enterprises (SMME's) in townships/rural communities pioneered by youth, woman and people living with disability, amongst others.

Much of the development in the province is anchored on good cooperate governance and prudent financial management at all tiers of government. Evidence based resource allocation and elimination of unwanted expenditure will allow government to stretch each rand to achieve more in the coming fiscal year.

In aggregate, the provincial budget amounts to R65.373 billion in 2018/19, R68.569 billion in 2019/20 and R72.600 billion in 2020/21 financial years. The Province remains committed to creating an all-inclusive economy that reduces poverty, inequality and unemployment.



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**Hon. RWN Tooley (MPL)**

**MEC for Finance**