

Proper management of State funds will help growth: FFC

Jun 1 2015 6:01PM

<http://www.thenewage.co.za/mobi/Detail.aspx?NewsID=160754&CatID=1024#.VWzHjh0dWZA>.

The Financial and Fiscal Commission says if public funds are managed effectively, it will stimulate economic growth rate.

Economic growth must be at 5.4 % per annum for the National Development Plan's goal of eliminating of poverty and reducing unemployment to be successful.

The Commission tabled its annual submission for the Division of Revenue in Parliament on Monday.

The Financial and Fiscal Commission advised Parliament and State organs on how to allocate public funds fairly and equitably among the three spheres of government.

The Commission says since 2014, infrastructure allocations are been revised downwards by R34.2 billion.

This is due to the lower than anticipated economic growth, and the need to contain expenditure.

The Commission's acting chairperson Bongani Khumalo says government must spend wisely.

"Efficiency needs to be maximised through better economic growth and management of investments spending. We need to look at whether or not we are allocating our resources efficiently and also whether we are spending efficiently as well. "

The Commission also says for their recommendations to bear fruit, government will have to make tough decisions.

The Commission says load shedding is impacting negatively on the economy, while higher consumption is not stimulating the economy, as quarter-to-quarter comparisons prove.

"The first two quarters of results actually show that electricity consumption has gone up with load shedding than without load shedding yet there has been a huge impact on economic growth."

SABC