



EFF STATEMENT ON THE BUDGET SPEECH BY THE MINISTER OF FINANCE

Wednesday, 22 February 2023

The Economic Freedom Fighters (EFF) rejects the concoction of delusions and misguided interventions masquerading as coherent budget proposals. The presented budget, tabled by the Minister of Finance, Enoch Godongwana, at the National Assembly today, has confirmed that there is severe moral and ideological bankruptcy in the ruling party and the National Treasury, which is hellbent on collapsing South Africa.

The EFF is vindicated because the tabled budget speech clearly demonstrates that government under the leadership of Cyril Ramaphosa has completely degenerated to a point of no return, that will only benefit the white racist capitalist establishment at the expense of the poor and working class.

The budget did not present any practical, implementable, and believable solutions to the current structural challenges facing South Africa, because it continued to depend on defunct neoliberal ideas that have long been abandoned, even by their champions in Washington.

The country is currently going through an unimaginable crisis and is on the brink of collapse because of electricity blackouts and the destruction of Eskom. The Minister of Finance's proposed interventions at Eskom are not intended to stabilise Eskom's grid or new generation capacity.

The interventions that seek to give Eskom a relief of R254 billion over the next three years and focus on transmission and distribution are a demonstration that Ramaphosa is hellbent on the complete destruction of Eskom's generation capacity.

There is no allocation for maintenance that will provide immediate relief to current power stations that are embattled with breakdowns because of poor maintenance.

The EFF tabled practical and decisive interventions during the State of the Nation Address last week that have the capacity to give generational relief but were completely ignored. Instead, the proposed interventions do not provide any relief to improve electricity availability. They are only interested in paving the way for privatisation of Eskom, which used public money to build infrastructure but now wants to sell it debt-free.

The proposed interventions by the Minister of Finance on Eskom must be rejected with the contempt they deserve and must be viewed as treason, and a direct attack on South Africa's democracy.

The so-called investors who will build renewable generation capacity through the so-called sovereign guarantee by the National Treasury must be warned that they are making such a deal with the ANC government, and once we remove the ANC from power in 2024, such illegal and immoral arrangements will be reviewed and set aside through legal challenges and all means necessary.

The EFF is shocked that, despite the seriousness of the impending debt crisis because of poor fiscal and monetary policy mismanagement, the Minister of Finance unashamedly saw it fit to present a budget that does not have a plan to offer immediate and sustainable solutions to deal with the debt crisis.

Today, South Africa will pay R366 billion annually over the medium-term, the biggest spending item of the budget, without a plan in the short, medium, and long terms. What is even more concerning is the fact that the debt has in the recent past become dollar-denominated without any sensible explanation, which makes the debt-repayment even more expensive.

Municipalities everywhere in South Africa have completely collapsed due to poor management of limited resources and bankrupt ideology that continues to champion the idea that we can sell water and electricity for profit as a country and alleviate poverty at the same time.

Municipalities owe Eskom money because the majority of people have plunged into poverty, even households that previously were in a position to pay minimal fees towards water and electricity.

Eskom must write off all debt that is not recoverable, and such interventions must not be used to entrench neoliberal tendencies.

There are immediate solutions to the challenges facing indigent households. More than 9 million households that deserve to receive free basic water and electricity are overlooked in the name of sustainable fiscal consolidation, which is nothing but austerity budget.

The only people who will get relief are white rich people and the few black middle-class people who can afford to participate in interventions such as the solar panel tax relief scheme. The majority of black people and workers will be excluded from the privatised generation sector and subjected to expensive electricity prices.

The budget did not table any practical and sensible solutions to finance collapsing SOEs. The deliberate destruction of Transnet, Denel, SAA, and other SOEs to make way for privatisation is intended to subdue any future efforts to build state capacity and should be rejected with the contempt it deserves.

The EFF warned South Africans that the so called reforms paraded as Operation Vulindlela are only opening the way for parasitic capitalists that seek to commodify all basic services, including water and sanitation.

The reports that the government has cleared the backlog of water licenses must be viewed with suspicion, as these licenses are not awarded to black farmers who want to contribute to food security, but to white establishments that are hogging water, waiting for the day that they are allowed to sell water to municipalities and households.

The EFF rejects the social grant increases announced by the Minister of Finance, because such small increases will not make any difference to the 18 million beneficiaries that are deep in poverty without a way out. South Africa should double all social grants with immediate effect, as that is the only way we can beat inflation for poor households.

The EFF calls on workers to reject the fiscal framework that does not honour previous agreements and pays workers above inflation. The majority of public servants are heavily indebted, and many cannot afford basic essentials, including adequate food for their families. Many government employees go to bed on empty stomachs and are not motivated to be of service to our people.

The majority of provinces are disaster stricken, particularly Mpumalanga and parts of Kwazulu-Natal that are flooded. The budget does not propose any means to build dependable internal capacity that will ensure relief money is not stolen. The EFF will proceed to table the insourcing

bill to ensure that we force the government to build internal capacity with the intention to abolish tenders.

The EFF calls on all South Africans to join the streets as we force Cyril Ramaphosa to step down and stabilisation of electricity generation. This budget is a demonstration that a NATIONAL SHUTDOWN on the 20th of March is the only solutions in our hands.

Ramaphosa's government has lost all legitimacy to table a budget in Parliament, and the EFF calls on all political parties, civil society, and self-respecting South Africans to reject Ramaphosa's government and join the trenches.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

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