



provincial treasury

Department:
Provincial Treasury
North West Provincial Government
Republic of South Africa

Second Floor, Garona Building, Mmabatho
Private Bag X2060
MMABATHO 2735
www.treasury.nwpg.gov.za

Enquiries: V. Mooki
Tel: (018) 388 4048
Email: VMooki@nwpg.gov.za

Office of the MEC

30 November 2020

For Immediate Release

COVID-19 DEALT HUGE BLOW TO WORLD ECONOMIES

The outbreak of COVID-19 pandemic left many world economies in bad shape and the provincial economic prospects remain subdued as is the case with the rest of the country. This was said by the MEC for Finance Motlalepula Rosho when she tabled the Second Adjustment Budget in the provincial Legislature.

MEC Rosho said most countries are now implementing the economic recovery plans to breathe life into their COVID-19 battered economies.

MEC Rosho said despite the devastation caused by the pandemic, it is not all gloom and doom as government has announced economic recovery plans to be implemented. “Despite the negative effects of the pandemic, we remain hopeful that the Economic Reconstruction and Recovery Plan outlined by President Ramaphosa as well as the remarkable successes in the search for the COVID-19 vaccine will enhance the provincial economic growth potential which should lead to positive growth during the 3rd quarter after the successive first and second quarter declines,” she said.

She mentioned that the current economic situation is so dire that the budgets had to be revised downwards and re-focused towards improving the health and social well-being of the people whilst keeping the economy afloat and striving to create much needed jobs. Furthermore, Rosho said the



implementation of the lockdown regulations has resulted in the under-collection of national and provincial revenue during the first six months of the current financial year.

The province has experienced its own revenue shortfall from the initial R1.312 billion and had to be reduced to R1.2 billion. The slow economic recovery and low collection trends has resulted in a further reduction of own revenue budget to R1.143 billion. The main contributor to the under-collection emanates from casino revenue which is irrecoverable. The casino revenue target has been reduced from R146 million to R54 million.

MEC Rosho stated that despite the financial strain and without compromising service delivery programmes, the Provincial Treasury continues to meet the expenditure demands against available cashflow.

On local government's revenue collection, she said most provincial municipalities' ability to generate revenue resulted in an increase in the number of indigent households that desperately need free basic services.

"Most municipalities in the province have responded to curbing the spread of COVID-19 by procuring and supplying Personal Protective Equipment (PPE's) to their employees as well as complying with health and safety protocols. This has put additional pressure on the limited budgets of municipalities," added Rosho.

End

Issued by North West Provincial Treasury

Contact: Ms. Kesalopa Gill

0795486352 | 0183883584 | kgill@nwpq.gov.za | www.treasury.nwpq.gov.za