

MTBPS should inspire economic and investor confidence



By [Dr Andrew Golding](#)

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Straight-talking as expected, the minister of finance's medium-term budget policy statement sought to inspire investor and market confidence in South Africa by reinforcing the five measures recently highlighted by the president in order to stimulate the economy.



Tito Mboweni, South Africa's recently sworn in minister of finance, delivered the 2018 medium-term budget policy statement this week. Image source: [GovernmentZA, Flickr](#)

With Tito Mboweni at the helm, it is hoped that we will see a return to fiscal health with the growth-enhancing economic reforms implemented and coming to fruition, as we need to see a confidence boost not only among investors, but also among our country's own citizens and the business sector alike. We also trust that the MTBPS will serve to retain South Africa's current credit rating with Moody's, thereby averting an exodus of foreign capital, and crucial to sustaining the rand's recent recovery while the country gets its economic reforms back on track.

It is gratifying to hear of measures to ensure accountability in government, so that tax payers can be assured that their hard-earned money is put to good use in infrastructural improvement, education, job creation and the agricultural sector – the latter especially relevant in terms of food security for the nation.

Revitalisation of public infrastructure

We look forward to realise the potential benefits inherent in the revitalisation of public infrastructure, including road networks – so critical for the development of key transport corridors, facilitating ease of commute and access to major centres and hubs for citizens from all walks of life.

From a housing perspective, extremely welcome is the announcement of R1bn in housing subsidies to help low- to middle-income households gain access to affordable home loans, to enable them to acquire their own homes and achieve security of tenure as well as a nest egg for the future. Also positive is the R669m to be invested over the medium term to revitalise government-owned industrial parks in township areas which will boost employment opportunities and hence ultimately local housing markets.

Against a backdrop of rising costs of electricity, renewable energy projects to be introduced are set to make a meaningful contribution to sustainability, including the construction and housing industries. Increasingly, home owners are embracing the principles of sustainable, 'green' building and retro-fits, with such features adding value and desirability to properties.

Increased investor confidence and employment opportunities

Over and above all, an economic stimulus will have meaningful spin-offs for all – including the housing market - but most importantly in the current economy, for increased investor confidence and employment opportunities. Unemployment is a key imperative, especially given the high percentage of unemployed youth who after all, represent the future of South Africa and who are our aspirant home owners.

Enabling and encouraging them to acquire their own residences in turn bodes well for their future financial stability while in turn, impacting positively on the housing market in general. For after all, the housing sector is a significant contributor to government revenue generation via transfer duty, municipal rates and taxes and construction.

ABOUT DR ANDREW GOLDING

Dr Andrew Golding, chief executive of the Pam Golding Property group, was originally in private practice as a General Practitioner on the Atlantic Seaboard from 1991 to 1996, after which he joined the family business as MD in 1996, followed by his present position.

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