

2

Bron  
nr.  
0 2 1 3

Datum  
990218049

Onderwerp  
nr.  
8

Knipsel  
nr.  
1102

a

The Star

Jg..... Nr..... P. 3 Dat. 18 FEB 1999

**OPPOSITION PARTIES** *Manuel's plan lacks 'imaginative initiatives to*

*kick-start the economy, revive foreign investment and give*

*relief to families'*

# 'Election speech of missed opportunities'

**LYNDA LOXTON**

PARLIAMENTARY CORRESPONDENT

Cape Town — Although the financial markets welcomed the Budget yesterday, opposition parties were scathing in their criticism. "The 1999 Budget is a damage control budget," said Theo Alant, the New National Party's finance spokesman.

Gavin Woods, the Inkatha Freedom Party's finance spokesman, said: "This is a budget of missed opportunities."

TREFWOORDE

1 Business Rep.

2 Loxton Lynda

3 Opposition

4 Political Party

5 Government

6 Manuel T

7 Begroting

8 Parliament

9

10

# INSTITUUT VIR EIETDSE GESKIEDENIS

Die Universiteit van die Oranje-Vrystaat

Bron  
nr.  
0 2 1 3

Datum  
990218049

Onderwerp  
nr.  
8

Knipsel  
nr.  
11026

The Star

Jg..... Nr..... P..... 3 Dat..... 18 FEB 1999

The Democratic Party's Ken Andrew said: "The beauty of this budget is only skin deep."

Willem Botha of the Freedom Front said it was a "typical election-year budget".

All parties welcomed the cut in company tax but said individual tax cuts did not go far enough.

Woods said Trevor Manuel, the finance minister, had failed to take the kind of imaginative initiatives needed to kick-start the economy, revive foreign investment and give relief to hard-pressed families.

He said it was regrettable that Manuel was "so against a strategically positive incentive regime.

"His argument concerning the distortions such incentives can bring into the economy are weak in comparison to the impetus these can give to economic growth — as are his arguments negated by the ongoing experiences of both developing and developed economies elsewhere."

A key area could have been to take steps to improve domestic savings. The fact that the government only expected to raise R4 billion from privatisation appeared to be very conservative, especially as the conversion

Individual tax relief could also have been greater.

Alant said while government spending continued to grow, little progress had been made on privatisation. The budgets of the past few years had been based on over-optimistic assumptions on growth and job creation.

He blamed new labour laws and the "reckless pace" of scaling down import tariffs for rising unemployment.

Andrew also slated high government spending, especially on the consumption side. He said this was sapping the ability of the economy to create jobs.

Individual taxes remained too high. Despite yesterday's tax cuts, the average individual taxpayer would be worse off.

"Exchange control relaxations have been promised for later in the year, but it is a pity they were not announced with the Budget as it would have been a sign of confidence in our economy," Andrew said.

Botha said by increasing excise duties and the fuel levy while cutting taxes, Manuel was doing nothing but giving with the one hand and taking with the other, leaving taxpayers worse off.

of the South African Special Risks Insurance Association alone could raise this amount.

The government's "lack of initiative to make savings through new efficiencies and the elimination of wasteful spending" was a big disappointment, Woods said.

The proposed Public Financial Management Act would compel the government to do something about this, but interim measures could have been introduced to improve the value received for taxpayers' money.

## TREFWOORDE

- 1 .....
- 2 .....
- 3 .....
- 4 .....
- 5 .....
- 6 .....
- 7 .....
- 8 .....
- 9 .....
- 10 .....