

Fitch warns SA government to expect backlash from public sector workers 30-Oct-2020 | 11:06 am — Author: Sesona Mahlahla Image: SABC News

Finance Minister Tito Mboweni said government would freeze the salary increases of the country's 1.3 million civil servants for the next three years. Ratings agency Fitch has sent a strong warning to the government that it should expect a backlash from public sector workers for planning to freeze their salary increases. On Wednesday, Finance Minister Tito Mboweni announced in his Medium-Term Budget Policy Statement in Parliament that government would freeze the salary increases of the country's 1.3 million civil servants for the next three years. He said this was part of the government's plan to narrow the country's growing budget deficit and bring down debt. Public Servants Association of South Africa spokesperson Reuben Maleka says the government has undermined all the agreements it has reached with unions. "The Minister can't go to Parliament and make such pronouncements. That's just a simple way of undermining us. He knows that when they say they are going to have a particular position, that shows disrespect, that no matter what I have decided. Unless he's a super minister that decides on behalf of others. That makes us very angry," says Maleka. Medium-Term Budget | Unions react to public sector wage increase freeze: Mboweni also stated that economic growth is expected to recover in 2021 at 3.3%. According to the National Treasury, the budget deficit will narrow from 15% in this financial year to 10.1% in 2021/22. This will be achieved through a shift in expenditure from consumption towards capital investment. "We forecast the South African economy to grow by 3.3% in 2021; 1.7% in 2022 and 1.5% in 2023. Mr President, by putting all our efforts into implementing the Economic Reconstruction and Recovery Plan, we can accelerate growth to 3% or more. This will secure fiscal sustainability and build this economy better than before," said Mboweni. Medium-Term Budget | PSA unhappy with budget: Reuben Maleka