



MTBPS 2026 highlights



The Minister of Finance presented a cautiously resilient outlook. South Africa's public finances have stabilised, supported by a growing primary surplus, but global conflict, higher oil prices and weak domestic growth constrain recovery.

Acknowledging that growth remains insufficient, Minister Godongwana indicated that government intends to accelerate structural reform implementation, strengthen state capacity and invest in infrastructure.

The new Infrastructure Finance and Implementation Support Agency (IFISA) is supporting R217 billion of potential investment alongside the Budget Facility for Infrastructure, which has approved R100 billion in support. The amended Municipal PPP Regulations and the Credit Guarantee Vehicle (to be operational in 2027), will collectively encourage private investment.

A principles based fiscal anchor has progressed to draft legislation. Although, not a numerical rule, each administration will be required to set fiscal objectives and justify deviations to Parliament.

Temporary fuel relief of R10 billion will reduce the petrol levy by R1.50 per litre and the diesel levy by R3.00 per litre from 4 November to 1 December, followed by smaller reductions until 5 January 2027.

Government has identified a further R38 billion in savings over the medium term, targeting low-priority programmes, social-grant fraud, inefficient housing expenditure and public-entity surpluses.

The social wage remains protected at 60% of non-interest spending, with additional funding for early-childhood nutrition amongst other priorities.

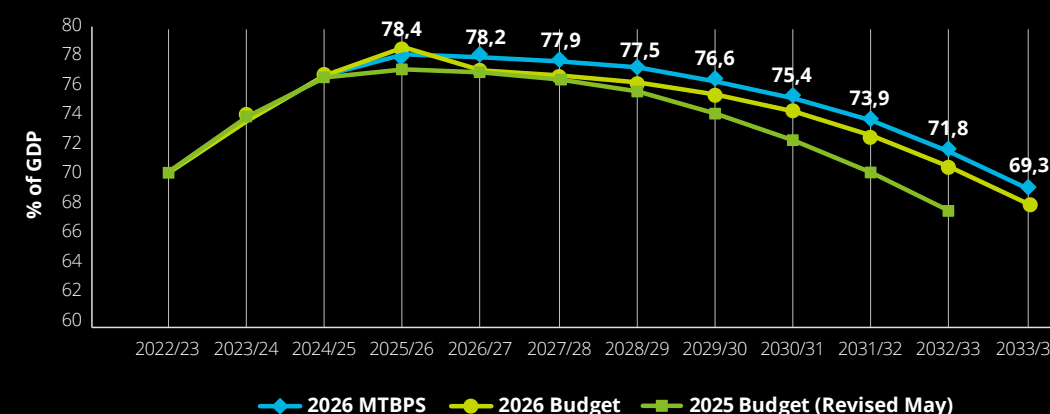
R10 billion in the contingency reserve has been set aside to respond to potential El Niño impacts, including pressure on agricultural production, food prices, infrastructure and vulnerable households.

R3.8 billion has been allocated to employ additional social workers, tackling gender-based violence, among other interventions. Further funding supports the fight against crime and the Border Management Authority.

Government is strengthening financial discipline and supporting municipalities to improve accountability, revenue collection and service delivery.

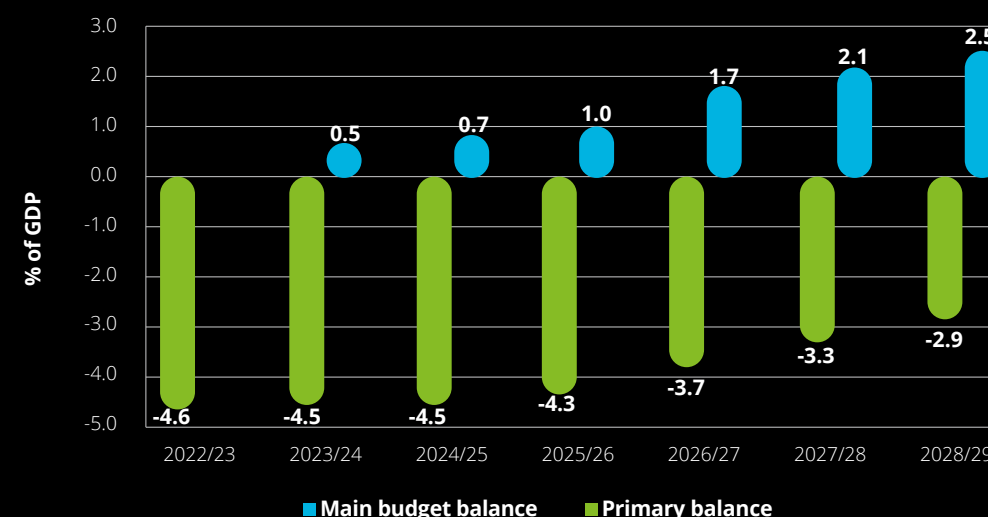
Reforms are progressing to return unclaimed assets, introduce a national online gambling tax, and develop revised regulations for cross-border crypto transactions and tax compliance.

Gross debt-to-GDP outlook



The gross debt-to-GDP outlook has been revised since the 2025 Budget and is estimated at 78.4% in 2025/26, up from the 77.4% forecast in the 2025 Budget. Debt-to-GDP is now forecast to reach its highest point of 78.4% in the current year, 2025/26, before declining to 69.3% by 2033/34.

Budget deficit and Primary balance



The budget deficit is expected to narrow from 3.9% of GDP in 2026/27 to 2.5% by 2029/30.

Contacts

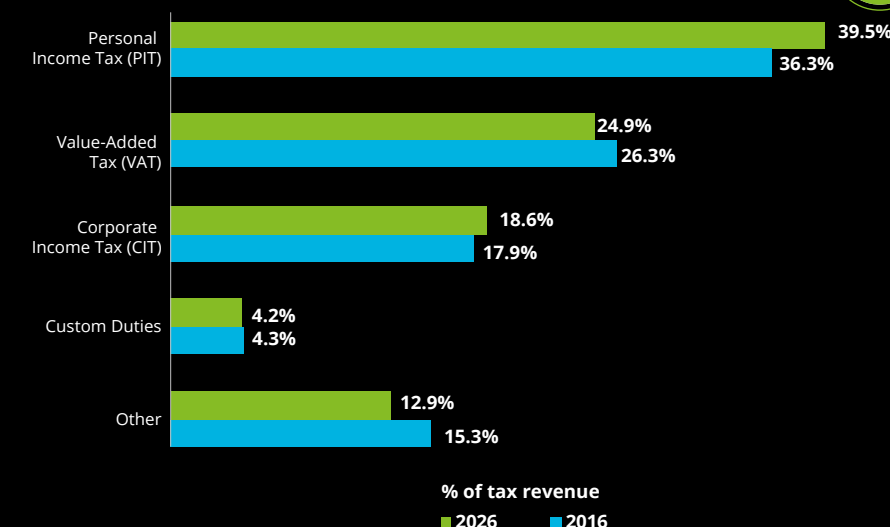
Itireleng Kubeka
Managing Partner
Africa Tax & Legal
Deloitte Africa
Email: ikubeka@deloitte.co.za

Greg Rammego
Partner
Africa Government &
Public Services Leader
Deloitte Africa
Email: grammego@deloitte.co.za

Editorial Team
Fezile Mbatha
Tsholofelo Dihutso
Nikhil Jinabhai

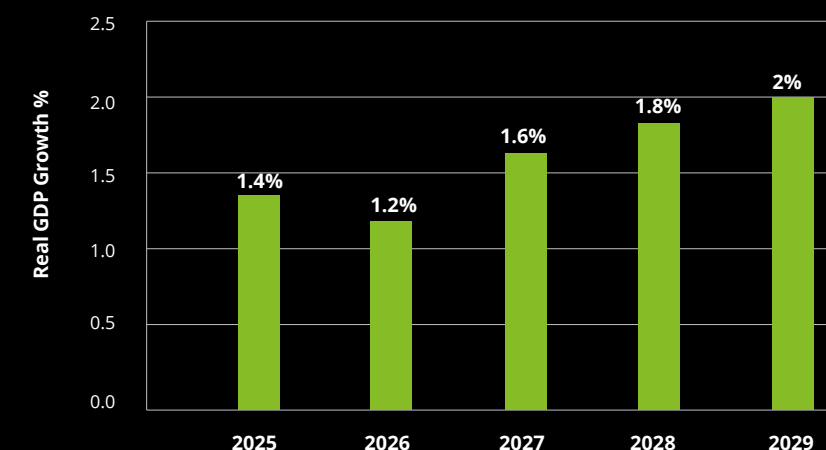


Sources of tax revenue



Gross tax revenue for 2026/27 has been revised upwards by R17.1 billion from February, due to higher commodity prices. However, this windfall is expected to fade over the coming years.

Real GDP growth outlook



GDP growth for South Africa is forecast by National Treasury to at 1.2% in 2026 (down from 1.6% growth forecast for 2026 at the time of the 2026 Budget). Growth of 1.6% is expected in 2027 and expected to reach 2% by 2029.