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# **SOUTH AFRICA`S FISCAL OUTLOOK AMIDST COVID-19 PANDEMIC**

### **Abstract:**

This study seeks to provide an overview of South Africa's fiscal outlook amidst the Covid-19 pandemic. To achieve this, the study will explicate the discrepancies between general government revenue and expenditure, and between government debt and budget deficit in light of South Africa's low economic growth. The study utilised publicly available secondary data (2000-2020), and it employed a descriptive research design and quantitative research method. The results indicate that the biggest discrepancy between government revenue and expenditure yet recorded is in 2020, evidenced by the 12.25% budget deficit. The outlook and expected recovery do not appear positive, and it may last for years, as is the case with crises of this magnitude. The results further demonstrate that even before the pandemic in 2019, the debt-to-GDP ratio was beyond the 60% threshold, and is already displaying unfavourable trends with the pandemic's effects beginning in 2020. For fiscal sustainability, ensuring the debt-to-GDP ratio is in check over the medium term by limiting expenditures and stimulating investment should be considered.

### **Keywords:**

Fiscal outlook, debt-to-GDP ratio, budget deficit, tax revenue, expenditure

**JEL Classification:** E60, E00, E27