

# All about creating confidence, positive sentiment in our economy

The minister of finance Tito Mboweni hit the nail on the head during the Medium-Term Budget Policy Statement (MTBPS) when he said that it is not only investors who need confidence, but also the average South African.

 By [Dr Andrew Golding](#) 29 Oct 2020



Dr Andrew Golding, chief executive of the Pam Golding Property group

Confidence, and within that the key ingredient of positive sentiment, is a key driver of investment not only in the economy general, but a critical factor which impacts the residential property market and its ongoing sustainability.

And while the property market has in recent months experienced a surge in uptake among home buyers around the country – particularly in major centres, key hubs and high demand nodes, partly due to a pent-up demand post lockdown, the economic effects of the pandemic and the lockdown itself will still play out for many months to come.

So it is good news to hear that government has recommitted to plans to control debt while furthering economic growth through infrastructural investment. It is hoped that structural reforms will help revive business confidence and encourage the private sector to invest in the infrastructure drive. We also look forward to hearing more about improvements in terms of the ease of doing business by removing unnecessary and costly red tape and helping reduce impediments for budding entrepreneurs.



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## Positive developments

Also from a property perspective, the announcement of the development of more than 12 harbours in coastal areas in the Eastern Cape, KwaZulu-Natal, Northern Cape and Western Cape augur well for increased investment in these regions, with spin-offs for local economies and the demand for residential accommodation both to buy and rent.

A further positive is the move to allow municipalities to buy electricity from different sources, as well as the procurement of new capacity provided by independent power producers.

Subsidies to support the Social Housing Programme and Student Housing Programme are a step in the right direction towards helping disadvantaged South Africans at the lower end of the economic scale. The youth are our future and education a crucial component in terms of socio-economic development.

However, regrettable is the decrease announced in departmental budgets for higher education and training and the police order to fund the SAA bailout.

While much remains to be seen in regard to implementation of the government's economic reconstruction and recovery plan it is hoped that some measure of confidence will be reinstated as the financial year further progresses and trading conditions hopefully begin to normalise to some extent.

## **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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