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**Title: SA economy set to grow**

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By Francis Hweshe

Cape Town - South Africa's economy has been projected to grow between 3.5 and 3.8 percent this year, up from -7.1 and 2.8 percent in the last two years respectively.

The Financial and Fiscal Commission revealed this on Monday, indicating that the growth showed the economy was mending from the recession.

Despite the positive picture, a lot still needs to be done as unemployment, poverty, inequality and low growth continued, it said.

The commission tabled before Parliament its recommendation for 2012 and 2013.

Addressing the media, the commission's Deputy Chair Bongani Khumalo said that it was up to Parliament to enforce their recommendations.

Khumalo said that despite the provision of social grants, poverty remained high among "black and female-headed households."

Inadequate educational and health outcomes are similarly skewed against the poor, he said, adding that "distorted settlement patterns" meant those same people were located out of towns and in rural areas.

He said that while government had made steps in achieving its social goals, it should pay attention to issues of inequality, poor educational attainment and child maternal mortality.

Looking ahead, Khumalo said, the key issue for the country was to "strike a balance around inclusive growth and job creation together with fiscal sustainability and low inflation."

He emphasised that national, provincial and local government should "further prioritise expenditures in respect of equitable share and conditional grants for 2012/13, to meet the Millennium Development Goals (MDGs)."

He urged government to prioritise the attainment of universal education and push the fight against HIV and Aids.

In addressing local government issues, Khumalo said the commission believed that "sustainable development is anchored in a well-functioning local government sector and vibrant urban economies in particular."

He said national and provincial treasuries' efforts to improve the credibility of municipal budgets through annual benchmarking should continue to be supported and results made public.

In addition, he said, government should "develop and support peer learning and support programmes that assist poorly performing municipalities."

He recommended that increases in education spending should be directed towards "investments that will have the biggest impact on quality." That, he said, included learner and teacher support material and scholar transport. -  
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