

VW SA welcomes direction of 2016 Budget

Volkswagen Group South Africa has welcomed the tone and direction of the 2016 Budget presented by Minister of Finance Pravin Gordhan, as well as the clear focus on reduced government spending, plans to review the future and the role of some of the state-owned entities.



Thomas Schaefer, MD, VW SA

This will go some way in alleviating the concern of the rating agencies which will hopefully help to stave off a downgrade. This, together with a clear attempt to increase revenues, will help to restore some of the investor confidence that was lost in December after the change in finance ministers.

"The fact that the government is giving priority to the state of our economy and taking concrete steps to restore faith in the future of the country will be welcomed by our parent company, especially in light of the R4.5bn investment programme that we have embarked upon," said chairman and MD of Volkswagen Group South Africa Thomas Schaefer after having familiarised himself with the highlights of the 2016 budget speech.

Schaefer further added, "Consumers will feel the pinch and will have to be more prudent with their spending habits as the additional measure and taxes kick in, but this is for the good of the economy and the country and will earn long-term rather than short-term returns."

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