

# The Economy at a Glance

South Africa experienced robust GDP growth since the turn of the millennium, albeit at lower levels than most of its peer emerging markets. Lagging behind the global recession, it briefly dipped into a recession in 2009 that had a severe impact on the country's fragile labour market, but returned again to growth in 2010. As a result of tight fiscal management, the country has for most of the previous decade managed to reduce its budget deficit and recorded surpluses in the two years prior to the recession. Due to slow growth in the years since, government revenues have shrunk, resulting once again in a widening of the deficit. Against this background, the country's debt to GDP ratio has increased steadily by 9 percentage points from 27 per cent in 2008 to an estimated 36 per cent in 2011, to finance government expenditure.

# 3.1%

South Africa's projected GDP growth for 2011

**SOUTH AFRICA YEAR-ON-YEAR GDP GROWTH SINCE 1994**



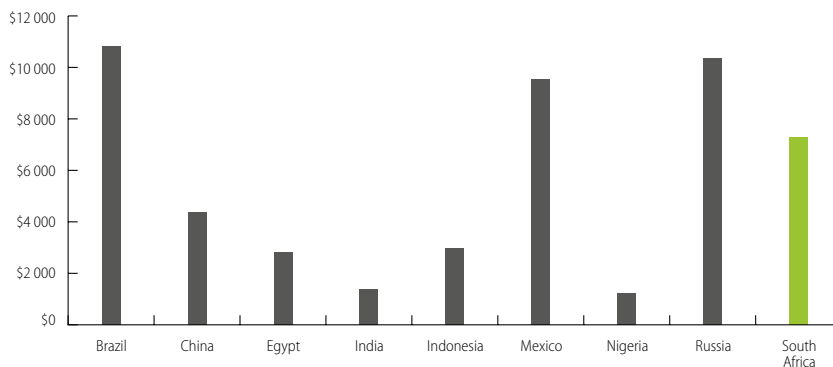
## South Africa's gross debt to GDP ratio in comparative perspective

	2005	2006	2007	2008	2009	2010	2011 (est.)	Estimates start after
Brazil	69%	67%	65%	64%	68%	67%	65%	2010
China	18%	16%	20%	17%	18%	34%	27%	2010
India	79%	75%	73%	73%	69%	64%	62%	2010
Indonesia	46%	40%	37%	33%	29%	27%	25%	2010
Mexico	40%	38%	38%	43%	45%	43%	43%	2010
Nigeria	29%	12%	13%	12%	15%	17%	16%	2009
Russia	14%	9%	9%	8%	11%	12%	12%	2010
South Africa	34%	31%	27%	27%	31%	34%	36%	2010

Source: International Monetary Fund: World Economic Outlook September 2011

Note: Gross debt consists of all liabilities that require payment or payments of interest and/or principal by the debtor to the creditor at a date or dates in the future. This includes debt liabilities in the form of SDRs, currency and deposits, debt securities, loans, insurance, pensions and standardised guarantee schemes, and other accounts payable. Thus, all liabilities in the GFSM 2001 system are debt, except for equity and investment fund shares and financial derivatives and employee stock options. Debt can be valued at current market, nominal, or face values (GFSM 2001, paragraph 7.110).

## SOUTH AFRICA'S GDP PER CAPITA IN COMPARATIVE PERSPECTIVE, 2010



Source: International Monetary Fund: World Economic Outlook September 2011

Note: GDP is expressed in current US dollars per person. Data are derived by first converting GDP in national currency to US dollars and then dividing it by total population.

# US\$ 7 274

South Africa's GDP per capita income

### GDP growth by main sectors of the South African economy

Sector	2007	2008	2009	2010
Primary	0.6%	-0.1%	-3.9%	4.3%
Agriculture	2.7%	16.1%	-3.0%	0.9%
Mining	0.0%	-5.6%	-4.2%	5.8%
Secondary	6.2%	3.0%	-7.1%	4.1%
Manufacturing	5.2%	2.6%	-10.4%	5.0%
Electricity	3.4%	-3.1%	-1.6%	2.0%
Construction	14.0%	9.5%	7.4%	1.5%
Tertiary	6.1%	4.5%	0.7%	2.2%
Wholesale and retail	5.3%	0.8%	-2.5%	2.2%
Transport	6.6%	3.4%	0.6%	2.9%
Finance	7.9%	7.3%	9.0%	1.9%
Government services	4.0%	4.5%	4.1%	3.0%
Personal services	5.6%	3.9%	-0.3%	0.6%
GDP growth	5.6%	3.6%	-1.7%	2.8%

Source: South African Reserve Bank, Quarterly Bulletin No.260, June 2011

### South Africa's GDP growth in comparative perspective

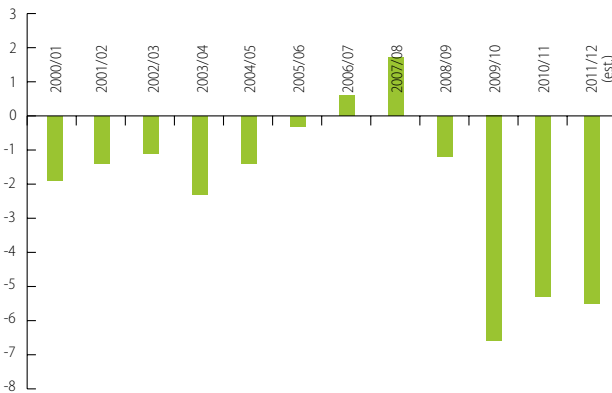
	2006	2007	2008	2009	2010
Brazil	4.0%	6.1%	5.2%	-0.6%	7.5%
China	12.7%	14.2%	9.6%	9.2%	10.3%
India	9.3%	9.8%	4.9%	9.1%	9.7%
Indonesia	5.5%	6.3%	6.0%	4.6%	6.1%
Nigeria	6.2%	6.4%	6.0%	7.0%	7.9%
Russian Federation	8.2%	8.5%	5.2%	-7.8%	4.0%
South Africa	5.6%	5.6%	3.6%	-1.7%	2.8%

Source: World Bank: World Development Indicators 2010

# 5.0%

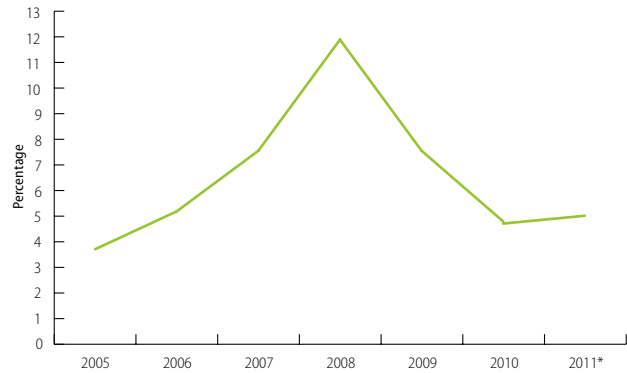
South Africa's official inflation rate for 2011

### SOUTH AFRICA'S BUDGET BALANCE AS A PERCENTAGE OF GDP



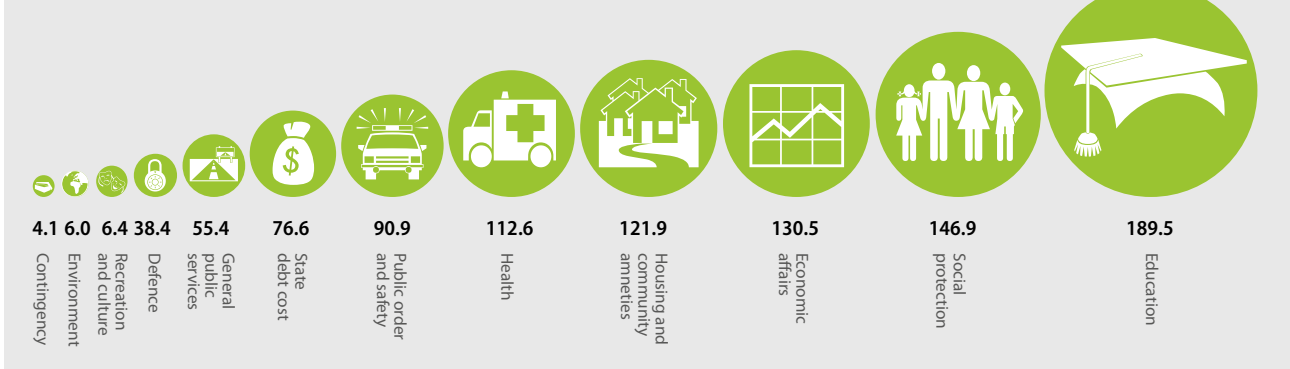
Source: National Treasury, Budget Review 2011

### CPI INFLATION RATE, 2005-2011



Source: Stats SA – www.statssa.gov.za, accessed 30/11/2011  
 Note: \* Source for 2011: SA Treasury, MTBS 2011

### BUDGET EXPENDITURE OF THE 2011/12 BUDGET (R BILLION)



Source: National Treasury, Budget Review 2011