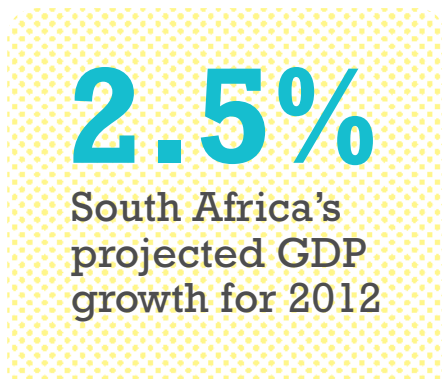


# The Economy at a Glance

Global growth remained subdued in the face of continued uncertainty around the resolution of the Eurozone crisis, and the prospect of the US economy tipping over the proverbial 'fiscal cliff'. Declining demand in developed economies has also put a damper on forecasts for emerging markets, with growth in dynamos such as China, India and Brazil slowing down much faster than expected. Given the necessity for growth rates in excess of 6.0 per cent to achieve its developmental objectives, the National Planning Commission could not have launched its *National Development Plan 2030* at a more challenging juncture. In October, growth prospects for 2012 were revised downward from 3.1 per cent to 2.5 per cent, with the budget deficit for the period widening to 4.8 per cent. Given these tough conditions, which are likely to persist, and the prospect that the internal social instability of 2012 may spill over into 2013, the country will have to draw on all the resources at its disposal to ensure that the inclusive growth agenda remains on course.

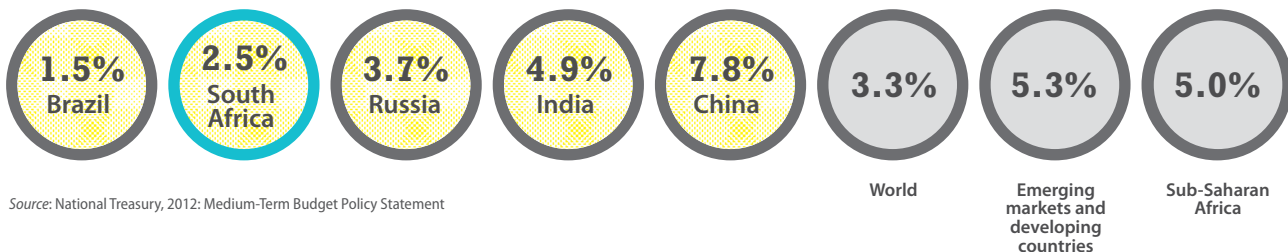


## South Africa's vital economic indicators

	2011/12	2012/13 (est.)
GDP Growth	3.1%	2.5%
Total Government Revenue in Rbn	R837.0	R900.6
Total Government Expenditure in Rbn	R964.4	R1 057.1
Non-interest Expenditure	92.1%	91.6%
State Debt Cost	7.9%	8.4%
Budget Balance	4.2%	4.8%
Current Account Balance (2011)	-3.3%	5.9%
Total Gross Debt as % of GDP	39.6%	41.3%
Headline CPI Inflation (2011)	5.6%	5.7%

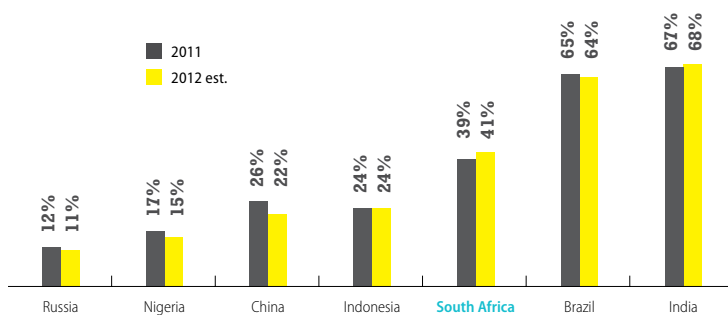
Source: National Treasury, 2012: National Budget Review and Medium-Term Budget Policy Statement

## South Africa's projected GDP growth for 2012 in a comparative perspective

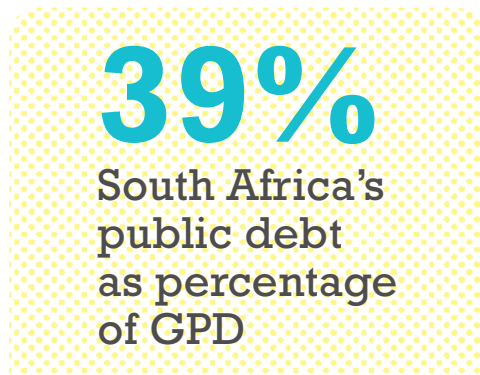


Source: National Treasury, 2012: Medium-Term Budget Policy Statement

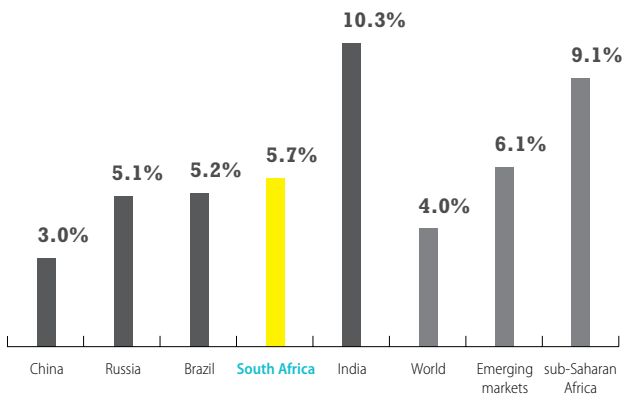
## South Africa's gross debt to GDP ratio in comparative perspective



Source: International Monetary Fund, World Economic Outlook Database, October 2012



### Projected inflation for 2012



Source: National Treasury, 2012: Medium-Term Budget Policy Statement

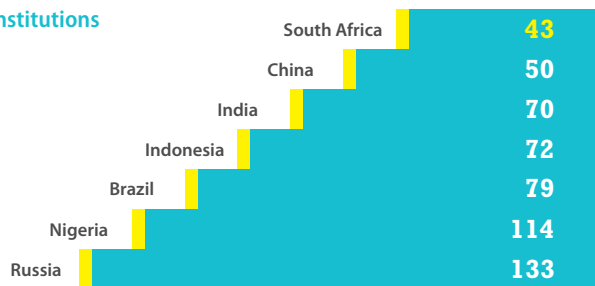
### The competitiveness of the South African economy in perspective

Country/Economy	Rank 2012/13	Rank 2011/12	Change	
Brazil	48	43	-5	↓
Russian Federation	67	68	-1	↓
China	26	29	-3	↓
South Africa	52	50	2	↑
Indonesia	50	54	4	↑
Botswana	79	78	-1	↓
India	59	62	3	↑
Nigeria	115	127	12	↑

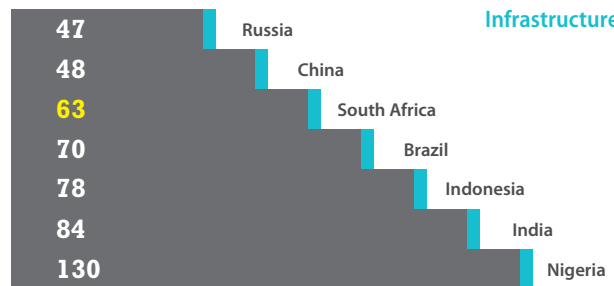
Source: World Economic Forum, 2012: The Global Competitiveness Report 2012–2013

### The four basic pillars for economic competitiveness: global competitiveness report (ranking out of 144 countries)

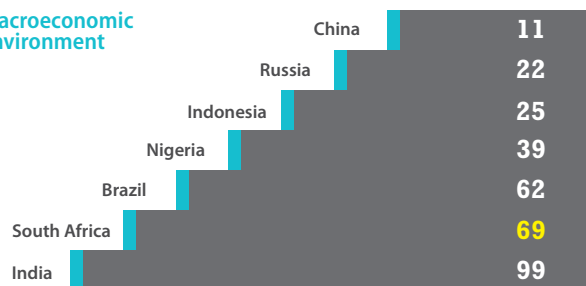
#### Institutions



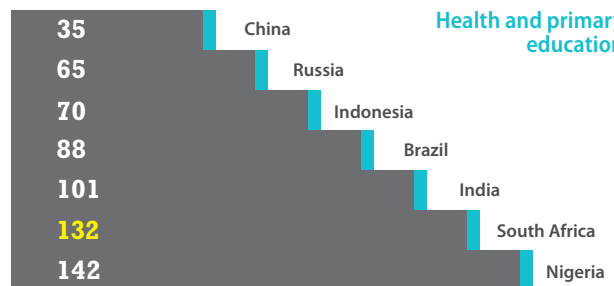
#### Infrastructure



#### Macroeconomic environment

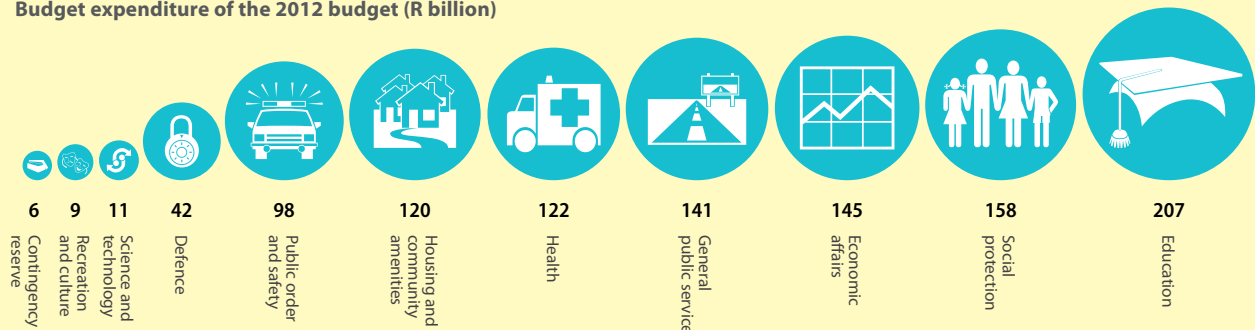


#### Health and primary education



Source: World Economic Forum, 2012: The Global Competitiveness Report 2012–2013

### Budget expenditure of the 2012 budget (R billion)



Source: National Treasury, 2012: National Budget Review

