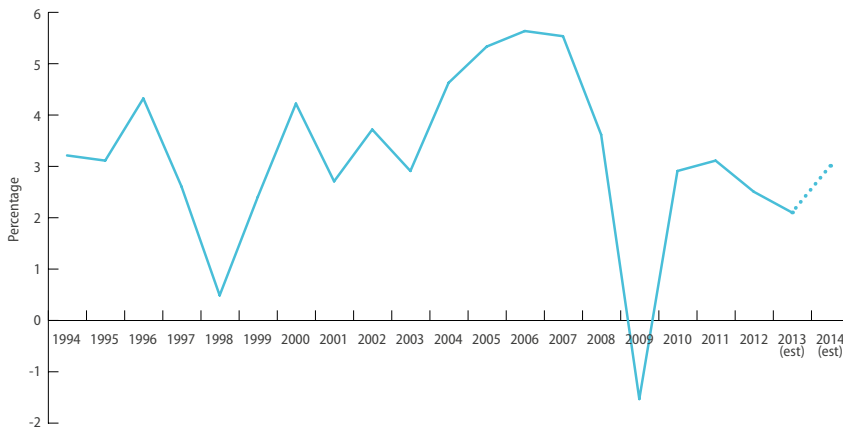


The Economy at a Glance

By the end of the first quarter of 2013, unemployment showed a 0.8 per cent year-on-year decline from 25.5 per cent to 24.7 per cent. The current account deficit, moreover, remained at a worryingly high 6.5 per cent. Given a sluggish global economy, growth levels will remain subdued and these trends are unlikely to be reversed in the short term. In its recent medium-term budget statement, the National Treasury presented its downwardly revised growth projection for 2013 at 2.1 per cent, and stated that the 2014 figure should be only marginally higher. In terms of these growth rates, South Africa will not come close to the desired level of 5.6 per cent per annum that the National Development Plan regards as a prerequisite for achieving its most basic development goals. There will be anticipation to see whether and when the implementation of an employment tax incentive, to be implemented from January 2014, will make a significant contribution to job creation, especially amongst young South Africans.

South Africa year-on-year GDP growth since 1994

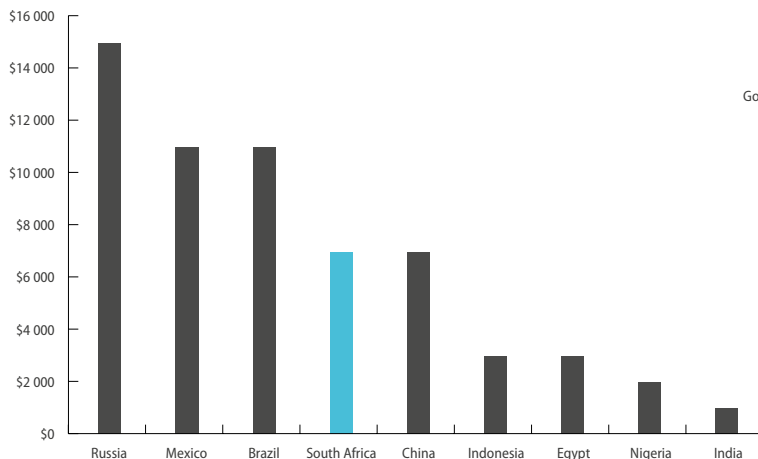


Source: World Bank, World Development Indicators 2013; National Treasury, Medium Term Budget Statement, October 2013
 Source for 2014 data: National Treasury, October MTBS 2013

3.0%

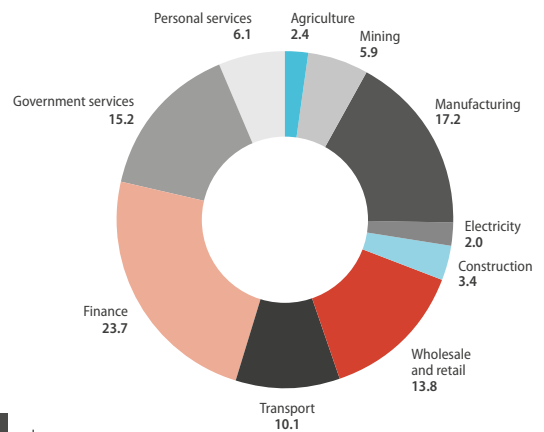
South Africa's
 projected GDP
 growth for 2014

Gross domestic product per capita (current US\$ prices), 2013 (estimates) – Comparative perspective



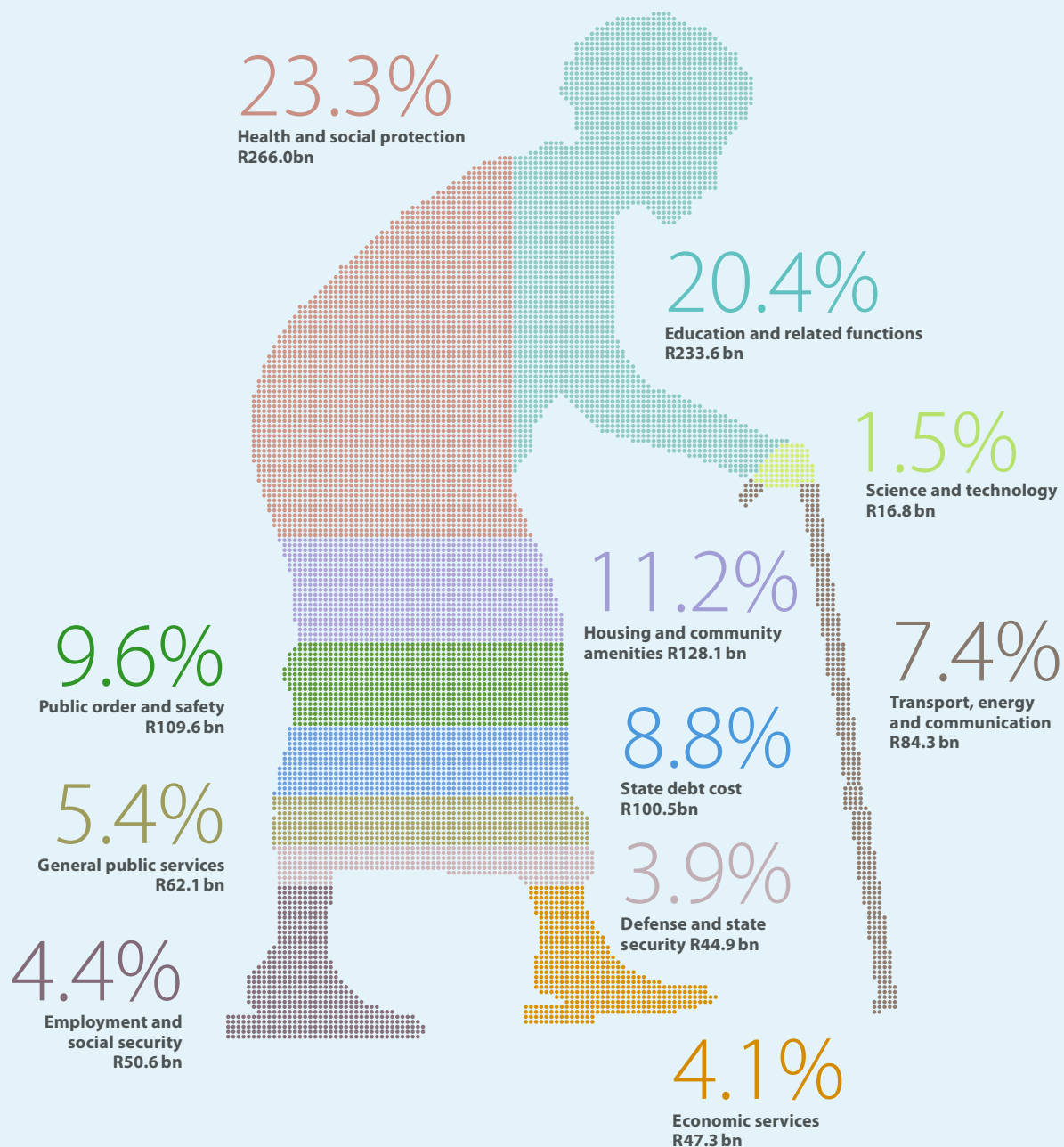
Source: International Monetary Fund: World Economic Outlook Database, October 2013
 Note: GDP is expressed in current US dollars per person. Data are derived by first converting GDP in national currency to US dollars and then dividing it by total population.

Percentage GDP by sector 2012



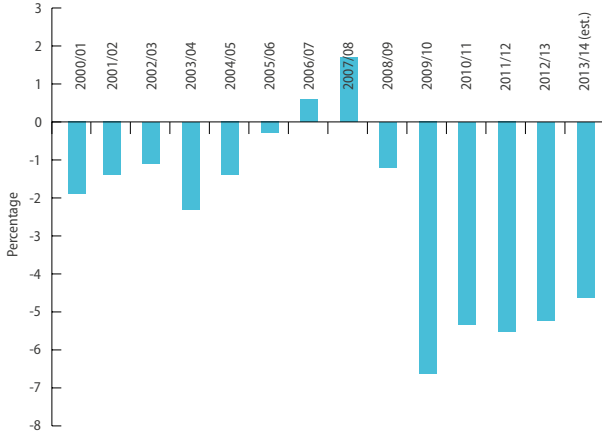
Source: National Treasury, Budget Review, February 2013

Budget expenditure 2013/14



Source: National Treasury, MTBS October 2013

South Africa budget balance as a percentage of GDP



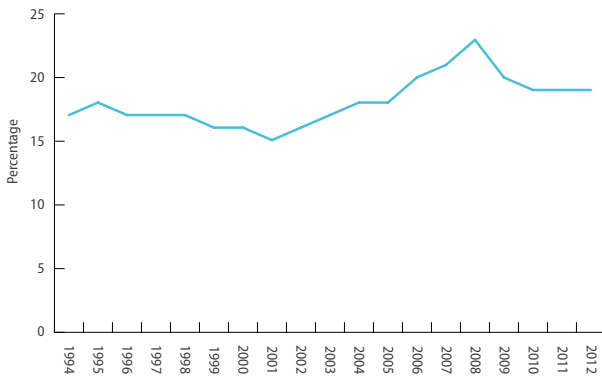
Source: National Treasury, October MTBS 2013

South Africa CPI inflation rate, 2005–2013



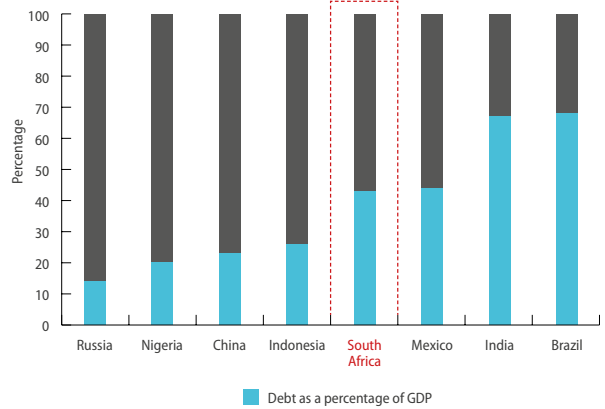
Source: National Treasury, October MTBS 2013

Gross capital formation of as a percentage of South African GDP



Source: World Bank Indicators, 2012

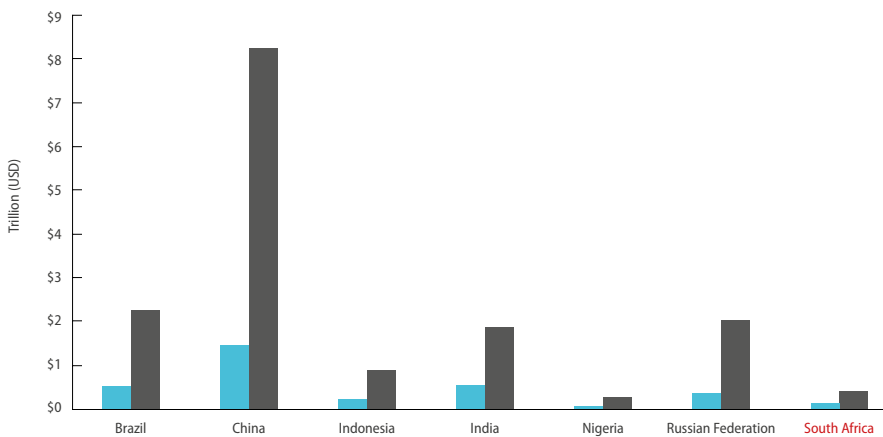
Gross debt to GDP ratio, 2013 (IMF estimates)



Source: International Monetary Fund: World Economic Outlook, October 2013

Gross debt consists of all liabilities that require payment or payments of interest and/or principal debt 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).

Relative size of emerging economies in perspective



Source: World Bank

Notes: GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current US dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.