

**Press
Release**
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Index places South Africa above average in economic freedom rankings

South Africa is ranked 75 out of 178 countries in the 2014 Index of Economic Freedom, published by the Heritage Foundation this week. South Africa's overall economic freedom score, at 62.5, is higher than both the global average and that of its peers in Sub-Saharan Africa (SSA), at 60.3 and 54.6 respectively.

The Index tracks economic freedom globally and covers 186 countries that account for 99% of the world's population. Data for eight of the 186 was not available for this year's Index. The Index ranks countries with scores above 80 as 'free', those with scores between 70-80 as 'mostly free', those with scores between 60-70 as 'moderately free', and those with scores below 60 as 'mostly unfree' or 'repressed'. South Africa was therefore ranked as a moderately free economy.

The overall score is composed of ten sub-categories which include property rights; freedom from corruption; fiscal freedom; government spending; business freedom; labour freedom; monetary freedom; trade freedom; investment freedom; and financial freedom.

Of these, South Africa's score is higher than the global average in all but three categories, namely fiscal, labour, and investment freedom. When compared to the SSA average, South Africa again fares better in all but three categories, namely fiscal and labour freedom, as well as government spending. However, the Index notes that economic freedom in South Africa has declined over the past decade.

The SSA region has, however, made great strides in economic freedom. Over the past two years it has performed better than any other global region. Within the region South Africa is placed in sixth position after Mauritius, Botswana, Cape Verde, Rwanda, and Ghana. This is despite the fact that South Africa is the largest economy in the entire region.

According to the Index, economic freedom - and thus development - is dependent on a strong and competitive private sector for which the "strengthening of institutional, physical, and human capital prerequisites" is necessary.

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