

FreeFACTS

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Macro indicators reflect SA's decline

The last edition of *FreeFACTS* looked at a number of economic indicators which reflected South Africa's economic decline. This edition does the same, looking at some broader macro indicators, which reflects the same.

What should concern policy makers is that South Africans are becoming poorer. Average GDP is on the decline. In 2019, at constant prices, GDP per head was R54 906. This reflected an increase of 3.9% from 2009 and a larger increase of nearly 30% compared to 1994. However, average GDP per head has been declining since the highwater mark of R56 549 in 2014. This trend is likely to continue as GDP growth remains weak.

South Africa has not enjoyed annual economic growth of more than 5% since the Presidency of Thabo Mbeki and has not had more than 3% economic growth since 2011. This is a direct result of growth-destroying policies implemented by the government since the ANC's leftward lurch after Jacob Zuma became party leader in 2007. This is exacerbated by a continued clinging to race-based policies and renewed assaults on property rights. The impact of the Covid-19 pandemic has been another hammer blow to South Africa's growth prospects.

Something else which should give those who determine our economic path pause, are the enormous outflows from South African equities and bonds. Over the past few years this has now billions of rands and reflects the lack of confidence foreigners have in the country's economy and those who run it.

The only way for South Africa to become a country where all those who live in it can reach their full potential is one where there is economic growth. This is the only way that the twin challenges of poverty and unemployment can sustainably be combated. However, it seems that those in government have either no idea how to grow the economy, or the wrong ones.

Without a change in tack soon South Africa will continue to be a country which flounders economically, with all that means for those that live in it.

— **Marius Roodt**

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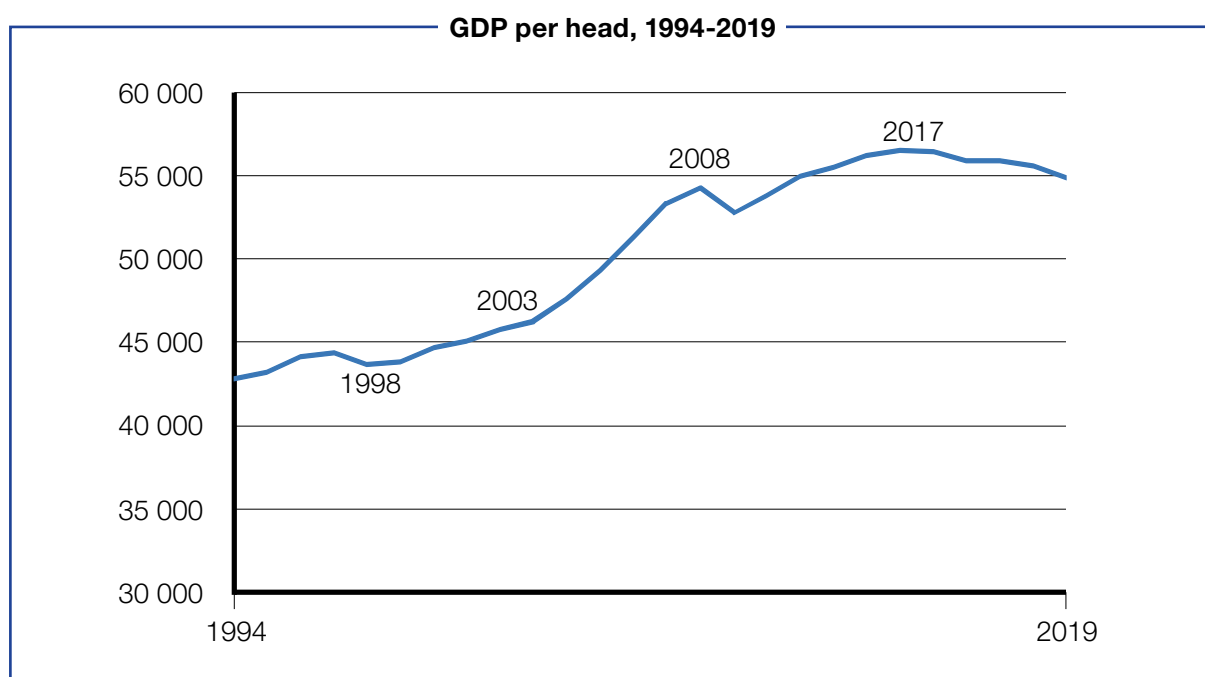
Economic indicators

Economic indicators, 1994-2019		
Year	GDP per head ^a R	GFCF ^b as a % of GDP
1994	42 849	16.1%
1995	43 267	17.0%
1996	44 193	17.2%
1997	44 420	17.6%
1998	43 720	18.1%
1999	43 826	16.1%
2000	44 735	15.6%
2001	45 075	15.5%
2002	45 798	15.2%
2003	46 287	16.0%
2004	47 605	16.5%
2005	49 335	17.2%
2006	51 331	18.9%
2007	53 334	20.6%
2008	54 322	23.5%
2009	52 838	21.5%
2010	53 823	19.3%
2011	54 968	19.1%
2012	55 543	19.2%
2013	56 232	20.4%
2014	56 549	20.4%
2015	56 470	20.3%
2016	55 914	19.4%
2017	55 930	18.8%
2018	55 595	18.2%
2019	54 906	17.9%
Change 1994-2019	28.1%	11.2%
Change 2009-2019	3.9%	-16.7%

Source: South African Reserve Bank (SARB), www.resbank.co.za, time series data, accessed 8 October 2020

a At constant 2010 prices.

b GFCF = Gross Fixed Capital Formation (also known as Gross Domestic Fixed Investment).

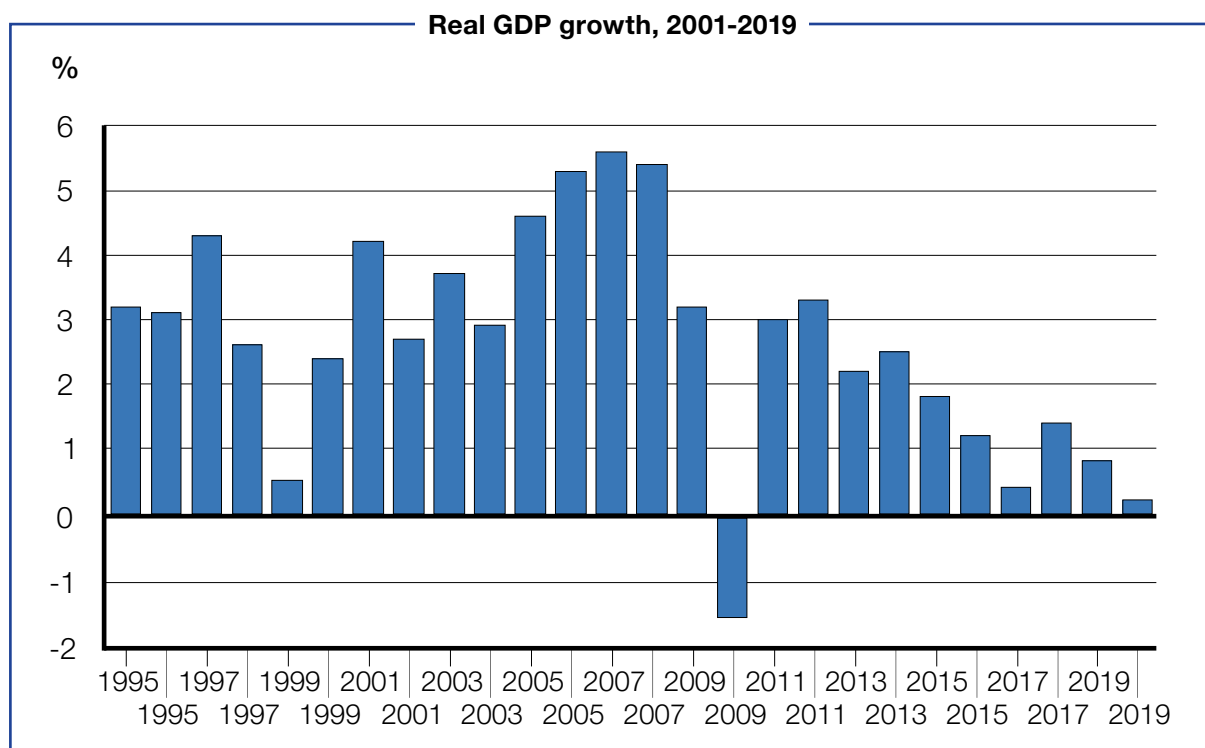


Economic indicators

Economic growth, 1994-2019			
Year	Real GDP growth ^a	Year	Real GDP growth ^a
1994	3.2%	2007	5.4%
1995	3.1%	2008	3.2%
1996	4.3%	2009	-1.5%
1997	2.6%	2010	3.0%
1998	0.5%	2011	3.3%
1999	2.4%	2012	2.2%
2000	4.2%	2013	2.5%
2001	2.7%	2014	1.8%
2002	3.7%	2015	1.2%
2003	2.9%	2016	0.4%
2004	4.6%	2017	1.4%
2005	5.3%	2018	0.8%
2006	5.6%	2019	0.2%

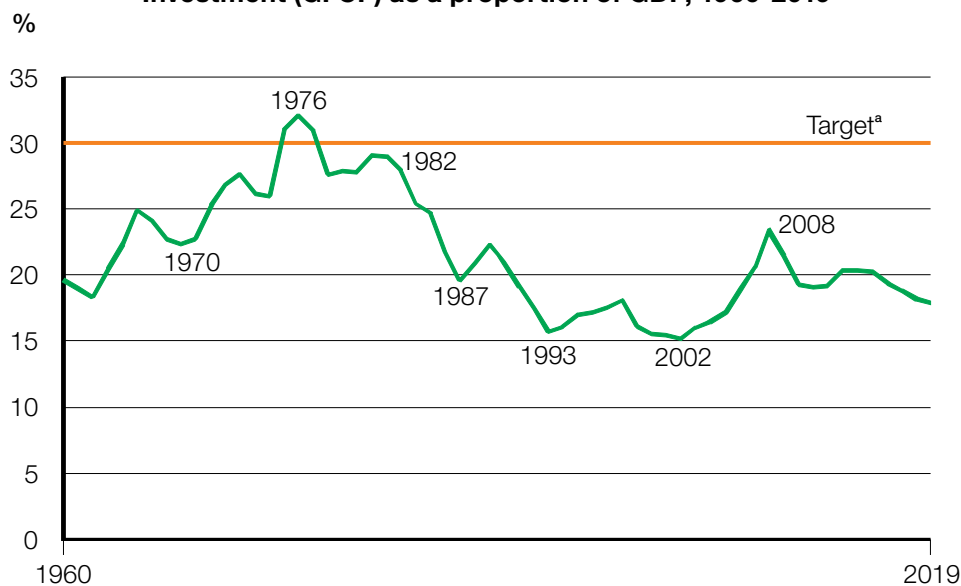
Source: South African Reserve Bank (SARB), www.resbank.co.za, time series data, accessed 8 October 2020

a GDP = Gross Domestic Product. At market prices.



Economic indicators

Investment (GFCF) as a proportion of GDP, 1960-2019



a The National Development Plan (NDP) set a target ratio of 30%.

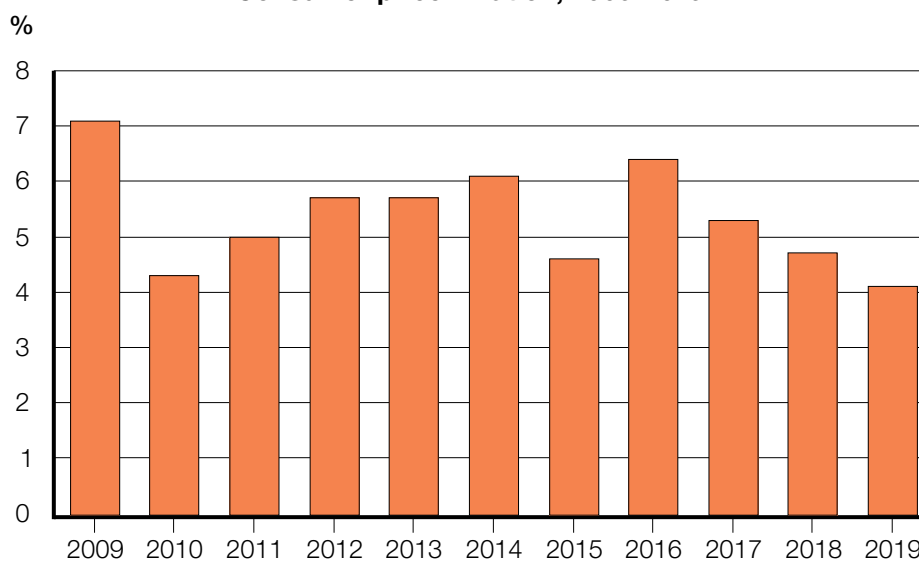
Inflation, 1994-2019

Year	Headline inflation ^d	Year	Headline inflation ^d	Year	Headline inflation ^d
1994	9.0%	2003	5.8%	2012	5.7%
1995	8.7%	2004	1.4%	2013	5.7%
1996	7.4%	2005	3.4%	2014	6.1%
1997	8.6%	2006	4.7%	2015	4.6%
1998	6.9%	2007	7.1%	2016	6.4%
1999	5.1%	2008	11.5%	2017	5.3%
2000	5.3%	2009	7.1%	2018	4.7%
2001	5.7%	2010	4.3%	2019	4.1%
2002	9.2%	2011	5.0%		

Source: Statistics South Africa (Stats SA), Consumer Price Index October 2020, Statistical release P0141, 28 October 2020

a Consumer Price Index. Base year December 2016 = 100.

Consumer price inflation, 2009-2019



Economic indicators

Gross value added (GVA)^{ab} by industry, 2009-2019

Year	Agriculture	Mining	Manufac- turing	Electricity	Construc- tion	Trade ^c	Transport	Finance	Govern- ment	Personal services ^d	Total
2009	2.9%	9.0%	15.2%	2.8%	4.0%	13.7%	9.1%	21.3%	15.8%	6.2%	100.0%
2010	2.6%	9.2%	14.4%	2.7%	3.8%	14.9%	9.2%	21.0%	16.2%	6.0%	100.0%
2011	2.5%	9.6%	13.3%	3.2%	3.8%	14.8%	9.4%	20.8%	16.5%	6.0%	100.0%
2012	2.4%	9.1%	13.0%	3.6%	3.9%	14.9%	9.9%	20.7%	16.5%	6.0%	100.0%
2013	2.3%	9.1%	12.9%	3.7%	4.0%	14.9%	10.3%	20.3%	16.8%	5.8%	100.0%
2014	2.4%	8.4%	13.4%	3.6%	4.1%	14.8%	10.3%	20.1%	17.1%	5.8%	100.0%
2015	2.3%	7.8%	13.4%	3.8%	4.1%	15.0%	10.2%	20.2%	17.3%	5.9%	100.0%
2016	2.5%	8.2%	13.5%	3.8%	4.0%	14.9%	9.9%	20.0%	17.6%	5.7%	100.0%
2017	2.6%	8.2%	13.4%	3.8%	3.9%	15.0%	9.8%	19.8%	17.6%	5.8%	100.0%
2018	2.4%	8.1%	13.2%	3.8%	3.9%	15.0%	9.8%	19.7%	18.1%	5.9%	100.0%
2019	2.1%	8.3%	13.2%	3.8%	3.8%	15.1%	9.8%	19.7%	18.2%	5.9%	100.0%
Change, 2009- 2019	-27.6%	-7.8%	-13.2%	35.7%	-5.0%	10.2%	7.7%	-7.5%	15.2%	-4.8%	

Source: Stats SA, www.statssa.gov.za, *Gross Domestic Product, Second quarter 2020*, Statistical release P0441, 8 September 2020, *Socio-Economic Survey of South Africa 2020*, p97

- a Gross value added (GVA) measures the contribution to the economy of each individual producer, industry or sector. GVA is output at basic prices minus intermediate consumption at purchaser prices. The basic price is the amount receivable by the producer from the purchaser for a unit of a product minus any tax on the product plus any subsidy on the product.
- b At current prices.
- c Trade comprises wholesale, retail, and motor trade; catering and accommodation.
- d Personal services comprises the former categories of 'Community, social and personal services' and 'Other producers'.

Purchases and sales by foreigners on the JSE, 2009-2020

Year	Net purchases/sales by foreigners	
	Equities	Bonds
	Rbn	
2009	75.4	57.7
2010	36.4	58.6
2011	-17.2	49.2
2012	-3.4	93.7
2013	-0.2	32.5
2014	13.4	2.8
2015	-1.0	0.8
2016	-123.9	32.3
2017	-47.6	55.6
2018	-53.0	-65.1
2019	-114.2	-22.2
2020 ^a	-125.6	-48.4

Source: JSE, www.jse.co.za, market trading statistics, accessed 11 February 2021; *Socio-Economic Survey of South Africa 2020*, p142

- a For the period from January to October 2020.