# INTERNATIONAL PERSPECTIVE OF SOUTH AFRICA

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GDP US$</strong></td>
<td>5900 (PPP: 13530)</td>
<td>5430 (PPP: 13860)</td>
<td>5590 (PPP 13780)</td>
</tr>
<tr>
<td><strong>GDP Per Head $</strong></td>
<td>55.4m</td>
<td>57.4m</td>
<td>57.4m</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>55.4m</td>
<td>57.4m</td>
<td>57.4m</td>
</tr>
<tr>
<td><strong>Growth</strong></td>
<td>2.20%</td>
<td>1.40%</td>
<td>1.80%</td>
</tr>
<tr>
<td><strong>Inflation</strong></td>
<td>5.10%</td>
<td>5.60%</td>
<td>5.40%</td>
</tr>
<tr>
<td><strong>Budget balance (% GDP)</strong></td>
<td>-3.50%</td>
<td>R 12.30</td>
<td>R 15.56</td>
</tr>
<tr>
<td><strong>Exchange Rate ZAR/$</strong></td>
<td>R 15.57</td>
<td>R 12.30</td>
<td>R 15.56</td>
</tr>
</tbody>
</table>

### COMMENT

- **Jocob Zuma will press on to second and final term using stimulus and industrial policy to buoy the economy.**
- **ANC is licking it wounds after performing poorly in the 2016 municipal election and will face a greater challenge from a strengthening opposition in the 2019 general election.**
- **The tenure of the president, Jacob Zuma, faced a test at the end of 2017. ANC is due to choose a new leader.**
- **Improving trading conditions and partner relations will lift growth of the economy, however this is dependent on erratic electricity and poor workforce skills.**
- **Protests over inequality and joblessness will continue.**
- **Authorities must maintain discipline in both fiscal and monetary policy to contain inflation and protect the country’s investment-grade status on international lending markets.**
- **Battle between backers and critics. ANC will hold on to power until elections in 2019.**
- **A credit-rating downgrade will weigh on investor sentiment.**

### WARNING

- **Source:** Economist. The World in... A SPECIALIST PUBLICATION PUBLISHED IN 95 COUNTRIES AND 17 LANGUAGES
### GDP GDP US$ 237 256 261 282 275 346 418
Per head $ 5600 6090 5460 5870 5610 7050 8460
Population 42.3 42 47.8 48 49.1 49 48.8 53.1 53.5
Growth 4.00% 4.50% 5.10% 2.70% 3.10% 3.70% 3.60% 3.00% 3.30%
Inflation 5.50% 4.70% 5.70% 7.30% 5.70% 5.70% 5.20% 4.20% 5.20%

### COMMENT

The government will focus on job-creating public-works projects, without risking its record of fiscal prudence. The economy will grow by 4.5-5% for the fourth straight year, powered by public spending on infrastructure and foreign direct investment. Economic policy will remain pragmatic and fiscally conservative. The construction and investment boom shows no sign of slowing. Preparations for soccer World Cup have given a boost to the economy, through infrastructure spending. Developers spending billions of dollars will remain a challenge. At the end of his 1 year term, Jacob Zuma, the President, will begin negotiations between and within the three parties of his ruling coalition. The African National Congress at the end of 2012 was expected to test Jacob Zuma's standing as party leader and national president. Football fans from around the world descend on the country's big cities. World Festivals, to be held in Durban in March. Authoritarian drift will be watched with care from outside the country and merge living standards will bring some protests. The economy is rallying up from a slow patch. Expansion of the middle class will rely growth.

### TO WATCH

- Election of ANCYL presidential candidate
- Job creation in the ANC between Mbeki and Zuma, the economy is struggling.

### WARNING

- Trial of strength within the ANC between Mbeki and Zuma
- Fighting within the ANC
- Election of a new president in 2009

### WARNING

- Jacob Zuma overwhelmingly elected in this leftist move by the ANC. This may force an early change in focus.
- South African growth forecast at 4.8% will be the year of the map in Africa. With 23 coup attempts in the 60's and 18 in the 80's, the continent has many more democracies.
- Round 2? If the FIFA World Cup doesn't appeal, try the International Fellowship of Cricket-loving Rotarians World Festivals, to be held in Durban in September.
- Authoritarian drift will be watched by outside countries.
## International Perspective of South Africa

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP US$ (Billions)</th>
<th>GDP Per Head $</th>
<th>Population</th>
<th>Growth</th>
<th>Inflation</th>
<th>Exchange Rate ZAR/$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>121.7</td>
<td>3355</td>
<td>41.4</td>
<td>2%</td>
<td>11%</td>
<td>R 3.98</td>
</tr>
<tr>
<td>1998</td>
<td>139</td>
<td>3150</td>
<td>37.9</td>
<td>4%</td>
<td>7%</td>
<td>R 4.80</td>
</tr>
<tr>
<td>2000</td>
<td>138.2</td>
<td>3150</td>
<td>41.8</td>
<td>3%</td>
<td>5%</td>
<td>R 6.90</td>
</tr>
<tr>
<td>2001</td>
<td>136.2</td>
<td>3050</td>
<td>44.7</td>
<td>4%</td>
<td>6%</td>
<td>R 8.00</td>
</tr>
<tr>
<td>2003</td>
<td>101</td>
<td>3050</td>
<td>45.9</td>
<td>3%</td>
<td>6.50%</td>
<td>R 8.115</td>
</tr>
<tr>
<td>2004</td>
<td>154</td>
<td>3330</td>
<td>46.4</td>
<td>3%</td>
<td>6.00%</td>
<td>R 7.57</td>
</tr>
<tr>
<td>2005</td>
<td>193</td>
<td>41.10</td>
<td>47.1</td>
<td>3%</td>
<td>4.90%</td>
<td>R 6.20</td>
</tr>
</tbody>
</table>

### Comment

- **A year of ANC**
- End of Mandela era nears
- ANC Consolidates
- Controlling ANC
- Leadership of Mr. Mbeki
- Re-election of Thabo Mbeki hands

#### Friction - Ramaphosa Mbeki
- No Competition to ANC
- Centralisation of Powers
- Cost of Reform
- Job Creation
- High Consumer spending due to reduced taxes
- High spending continues

#### Balancing Act Expenditure vs. Improve Standards
- NP grows appeal to Blacks
- Tourism growth inhibited by Crime
- Unemployment & Job Losses
- Upbeat Economy & Confidence
- Nepal
- Lower Inflation
- Inflation in check

#### WARNING

- Woes of Buthelizi
- Whither World Cup?
- A Slightly Better place
- The volatility of the rand.
- Black empowerment
- Strengthening of ANC’s power following 2004 elections

#### TO WATCH

- Rise of New Africans
- Triumvirate to negotiate
- Relations with Zimbabwe
- Relations with Zimbabwe
- Relations with Zimbabwe
- Relations with Zimbabwe

- Congo, Angola
- Mbeki
- Ethiopia, Uganda
- Olsanjo
- Credibility of Thabo Mbeki
- A one party state?

---

Source: The Economist. The World in... A SPECIALIST PUBLICATION PUBLISHED IN 95 COUNTRIES AND 17 LANGUAGES

---