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Economic Prospects

Economic activity expected during 2025 and 2026

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Please refer to the glossary on the BER's **website** for explanations of technical terms.

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Forecast in a nutshell

Real annual % change*	2025	2026
Final household consumption expenditure	**2.4**	**1.6**
Durable goods	3.4	1.8
Semi-durable goods	4.9	2.5
Non-durable goods	2.3	1.3
Services	1.8	1.6
Gross fixed capital formation	**-0.8**	**2.7**
Private	-1.3	3.1
Government	-1.2	1.7
Public Corporations	3.2	1.5
Gross domestic expenditure	**1.8**	**1.7**
Exports of goods and services	0.0	1.4
Imports of goods and services	3.8	2.9
Gross domestic product	**0.8**	**1.3**
Current account as % of GDP	**-1.7**	**-2.3**
Interest rates (%, last quarter average)		
3-month NCD rate	7.23	6.97
10-year government bond yield	10.36	9.99
Prime overdraft rate	10.50	10.50
Inflation rates (%)		
Producer prices	1.2	2.8
Consumer prices	3.5	4.0
Labour and employment (private and public)		
Nominal wage rate	4.4	3.9
Employment growth	1.0	1.1
Exchange rates (Q4 average)		
R/US dollar	17.61	17.65
R/Euro	20.25	20.65
R/Pound sterling	23.90	24.37
R/100 Japanese Yen	12.58	13.16
Fiscal indicators as % of GDP	**2025/26**	**2026/27**
Main budget balance	-4.9	-4.2
Gross government debt	77.6	78.0

** Unless specified otherwise*

Executive summary

The second half of 2025 opens with deepening uncertainty, both globally and locally. Internationally, shifting US trade policy under President Donald Trump is a destabilising force for global markets, with newly imposed tariffs disrupting trade flows and investment decisions. There is additional geopolitical uncertainty amid continued unease in Gaza and intensified fighting in Ukraine, with a short-lived war between Iran and Israel adding to the volatility.

Domestically, SA's Government of National Unity (GNU) remains intact, but political cohesion has weakened. Tensions between the ANC and DA threaten to derail progress on governance, though core reform initiatives such as Operation Vulindlela continue to inch forward. Still, the lack of a stable political centre contributes to a higher country risk premium.

The domestic economic environment reflects this uncertainty. Economic growth disappointed in Q1, contributing to the downward revisions in the BER's real growth forecast for 2025. We now expect real Gross Domestic Product (GDP) to expand by just 0.8% in 2025 (down from 1.0%), with average growth of 1.2% forecast from 2024–2030. Gross Domestic Expenditure (GDE) is set to outpace GDP due to weak export performance, particularly as US tariffs on vehicles and agricultural goods are expected to bite. While some commodity prices have performed well, logistical inefficiencies and new environmental regulations (e.g., EU CBAM) add pressure to export competitiveness.

Consumer inflation is currently about 3% but is set to tick up over the near term, but once again gradually trend toward 3% by the outer years (2027–2030). The SA Reserve Bank (SARB) is expected to cut rates marginally in the near term, with more meaningful easing only likely from 2027 onwards. This disinflationary path is positive for long-term macro stability but comes at a short-term cost in the form of lower growth and worsening fiscal metrics.

Consumer spending has remained resilient in early 2025, underpinned by two-pot pension reform, lower inflation, and easing interest rates. However, momentum is expected to fade in the second half of the year as structural headwinds constrain household income growth. Investment remains weak, with fixed capital formation contracting in 2025Q1 due to falling private sector capex. Public corporations provided a temporary lift, and renewable energy registrations suggest upside over the medium term, but overall fixed investment remains well below pre-pandemic levels.

On the fiscal front, Treasury's third iteration of the 2025 Budget raised expenditure projections without VAT hikes, relying instead on bracket creep and other more stealth tax increases. Revenue assumptions, however, may prove too optimistic if nominal GDP growth underperforms. The budget deficit is expected to narrow gradually, but risks remain elevated.

Globally, while the initial resilience of major economies has softened the blow from trade tensions, growth momentum is waning, inflation risks persist, and policy volatility clouds the outlook. SA's structural constraints mean even modest global shocks have outsized effects. Unless a coordinated domestic reform push materialises, the country risks remaining stuck as a sub-1% growth economy.

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Introduction[1]

A few weeks into the second half of 2025, it is difficult to see how the rest of the year, let alone the full forecast period, will play out. Global trade dynamics continue to shift unpredictably, driven in large part by rapidly changing and often opaque US policy decisions. The brief but disruptive conflict between Iran and Israel, which saw US involvement, alongside intensified fighting in Ukraine, has added to an already volatile global environment. Domestically, political uncertainty has resurfaced after a brief respite. The stability and effectiveness of the Government of National Unity (GNU) are increasingly being called into question, raising fresh concerns about governance capacity.

In addition to all these sentiment-driving developments, actual data has been mixed. The US economy remains resilient, with inflation not really showing the expected impact of tariffs on price increases. China performed better than expected in the first half of the year but is generally expected to slow down going forward, while it remains on the verge of deflation. The Eurozone is ready to spend on defence, and while this has lifted sentiment, the question is when and whether this will translate into faster growth.

Locally, SA's first-quarter GDP print was weaker than expected, with a significant downward revision to 2024, too. At the same time, the high-frequency data available for Q2 suggests that the economy may have regained momentum. The question is whether this will last. The more difficult question is how this tentative momentum in the production side of the economy will translate to the expenditure side of the GDP equation. The SA consumer continues to outperform, but it is difficult to see this last without special factors supporting spending, as wage and employment growth remain weak. Investment, dragged down by still declining private capex, remains in the doldrums. While renewable energy investment provides an upside potential over the medium term, the business case for non-renewable capex in SA remains more difficult. External trade dynamics are tricky, with US tariffs potentially derailing SA agri and motor exports in particular, but prices of some of our key export commodities have increased.

We assume that SA consumer inflation will drift to 3% in the outer years of our forecast period (2027-2030). While we believe that moving to structurally lower inflation (and thus interest rates) will benefit the economy over the medium term, our forecast does not necessarily reflect a better picture than we had before because we made downward adjustments to other assumptions. So, in short, without the drift to 3%, the picture would have looked even worse.

[1] This report was completed on 24 July 2025.

In all, we have made another downward revision to our GDP growth profile relative to our April forecast. However, the Q3 update is only just below our interim forecast published in June on a headline level. Our medium-term forecast (2024-2030) now averages 1.2% vs 1.3% in June. While domestic factors (and weaker-than-expected historical data) play a role, it is also important to highlight that the global picture has deteriorated. Growth in gross domestic expenditure (GDE), a rough proxy of domestic demand, is set to outstrip growth in GDP (which takes account of weaker exports).

Given the persistent uncertainty, the report starts with the two main sources of uncertainty and how this has changed relative to April. It then discusses our baseline forecast for the SA economy, before moving to global conditions. Detailed forecast data can be found in annexures at the back of the document, with summary Excel sheets available on our website.

The biggest sources of uncertainty

As was the case during our April (and June) forecast updates, the forecast is subject to more uncertainties and risks than usual. Unfortunately, many of these uncertainties will persist during the remainder of our forecast period (which largely spans US President Donald Trump's term in the White House and, without unexpected hiccups, the time until the next SA national election), and we cannot wait for clarity. We thus had to make assumptions about how we would see these developing over our forecast period.

IT MANAGES TO STAND STILL, BUT WILL THE GNU RUN (AND GET ANYTHING DONE)?

After the third National Budget was tabled in parliament in May and most parties in the Government of National Unity (GNU) seemed in broad agreement with it, there was some optimism that the most immediate hurdles to GNU stability had been cleared. The high-profile meeting between President Cyril Ramaphosa and US President Trump, attended by DA leader John Steenhuisen and several business leaders, was interpreted as a moment of political cohesion and economic diplomacy.

However, following the dismissal of the DA's deputy minister of the Department of Trade, Industry and Competition, the relationship between SA's two biggest political parties has soured significantly. Unpacking the who-said and who-did what falls outside this report's scope, but the risk of the DA exiting the GNU (whether voluntarily or asked to do so) once again came to the forefront. While public disagreements between the ANC and DA are not new, what is concerning is the lack of visible progress in building a cooperative working relationship now that they share executive power.

The DA's decision to withdraw from the National Dialogue further strained relations and appeared to frustrate the ANC. Still, the DA has reiterated that its continued presence in the GNU is in the national interest. Some political commentators liken the current arrangement to an "unhappy marriage held together for the children's sake", essentially a fragile alliance prioritising stability over function.

There was some upside when the DA said it would support the Appropriations Bill after initially stating it would vote against the budget of what it deemed to be corrupt ministers. National Treasury suggested that one departmental vote not being passed would have resulted in the entire Bill not going through, essentially halting the approval process for Budget 3.0 with possibly disruptive implications for government spending. The change of heart followed Ramaphosa's firing of Higher Education and Training Minister Nobuhle Nkabane. While no reasons were provided, Nkabane is facing accusations, which she denies, that she misled parliament. While it certainly will not be the last hurdle for the GNU, it is positive that Budget 3.0 can now be put to bed so that the focus can shift to the medium term budget policy statement (MTBPS), a mere three months away. The National Treasury has in the meantime committed to revamping its 2026 Budget process to account for "fiscal, institutional and political realities".

Looking ahead, several key events could reshape the GNU. These include the DA's electoral conference (expected in the first half of 2026), the local government elections (late 2026 or early 2027), and the ANC's conference in late 2027. Each of these could redefine intra-GNU alliances or even the coalition's structure, but not necessarily all negatively. For example, if service delivery on a municipal level improves as parties vie for support before and after the local government election, there could be an upside to the baseline.

However, the GNU's performance to date suggests that it is not governing effectively on a national level, regardless of whether it formally holds together. In this sense, the *functionality* of government may matter more than its composition. Indeed, a DA in the opposition benches might keep the state more accountable. However, a GNU-lite (with essentially everyone but the DA, EFF and MKP) would have such a slight majority that the legislative process may become gridlocked, or worse, shift toward more populist policy directions. The biggest risk, of course, lies in the EFF and/or MKP joining a coalition government. This would be detrimental to local and foreign investor sentiment and present significant downside risk to the forecast.

Taking it back to our forecast assumption, the structural reform drive (including Operation Vulindlela[2]) and the bureaucrats driving it seem to continue despite the political shenanigans. Despite slow progress and limited political cohesion, this reform agenda appears to have cross-party support and continues to advance incrementally. We assume that political instability adds to the risk premium associated with investing in SA assets (i.e., a weaker rand, higher credit default swap) from an international perspective

[2] Operation Vulindlela, a joint initiative by the Presidency and National Treasury, is focused on implementing structural reforms to accelerate economic growth. Phase II, which launched in May, builds on the progress of the first phase and introduces new focus areas to address evolving economic challenges. Operation Vulindlela aims to modernise and transform network industries, including electricity, water, transport, local government and digital communications

and is a drag on local business and consumer sentiment. However, we see it as a positive that the reform agenda continues. Undoubtedly, progress could be faster, which presents a key upside risk to our forecast.

TARIFFS, TACOS AND TRUMP

Since the release of Economic Prospects 2025Q2 in April, the Financial Times has coined the term 'TACO' – Trump Always Chickens Out. It refers to how the President of the US has backtracked on many of his big policy promises and threats after initial announcements. For example, the Liberation Day tariffs announced in early April were postponed for 90 days, followed by another extension of three weeks. The fear is, of course, that Trump may no longer TACO and actually digs in and doubles down. Indeed, some analysts now argue that the world may chicken out this time by not stepping up the retaliation, but merely accepting what has been offered.

It is difficult to predict what Trump's administration will do next. Even when official statements or announcements are made, the lack of detail and opacity makes it difficult to gauge the potential impact. Front-loading in fear of what may happen means that actual global economic activity was a bit faster than most expected at the start of the year (although the surge in imports pushed the US economy into contraction). Only time will tell how long-term investment and trade decisions have been, and will be, impacted.

Of particular importance is how Trump will go about the US Federal Reserve (Fed). Some argue that Trump seems to be testing whether he can get away with firing Fed chair Jerome Powell early. The term of Powell, who Trump nominated in his first term, is supposed to end in May 2026, but in addition to calling him names in public and accusing him of not doing his job well, rumours are now floating that he might be relieved of his duties earlier than that (or that his successor would be named earlier than usual, which could turn Powell into a so called 'lame duck' from a policy credibility perspective). The constant attack on the Fed's independence keeps market participants on their toes. To be sure, the names mentioned to replace Powell are well qualified for the position; the problem is that Trump attaches the willingness to slash rates as a requirement for the job. This could make the new chair less effective, whoever (s)he may be.

Unless there is another TACO, we should see the implementation of new trade tariffs announced during July on 1 August. While negotiations with many countries (including SA) are still continuing, actual trade deals remain sparse. At the time of writing, the US plans to impose a 30% tariff on the European Union (EU) – more than the 20% Liberation Day tariff announced in early April. Key training partners Canada (35% tariff) and Mexico (30%) face similar hurdles, although some exceptions for trade covered by the United States-Mexico-Canada Agreement (USMCA) hold. All countries have, so far, held off on immediate retaliation, but the EU has finalised a list of countermeasures to strategically target US exports to the region. It has held off on retaliating so that negotiations can continue, but plans to target €72bn of imports, ranging from industrial goods (Boeing, cars, and machinery) to agrifood products (including bourbon). Some EU countries push for the option to use anti-coercion instruments, which give broader powers (to, for example, introduce taxes on US tech companies or restrict access to parts of the market).

The situation remains in flux, however, adding to the difficulty of forecasting. For example, Indonesia and the US have agreed on a trade deal after Indonesia received a letter with a reciprocal tariff the week before. A week or so later, Trump announced another "massive" trade deal after Japan and the US agreed on 15% reciprocal tariffs, rather than the 25% Trump initially threatened. Meanwhile, a deal with the Philippines was set at 19%, in line with Indonesia and just below Vietnam's 20%. Important for Japan is that the deal covers automotive exports, which puts it a step ahead of countries facing the blanket 25% duty. At the time of writing, reports suggest that the EU and the US are nearing a deal, also for 15%, but this has not been confirmed. It seems like 15% serves as a floor for trade deals (with the UK 'lucky' to have been able to settle at 10% early on

During the presidential budget debate vote in mid-July, SA President Ramaphosa confirmed that trade negotiations between the US and SA are still taking place. The hope is to reduce the 30% tariff announced earlier in July and find a concession for the automotive sector, which faces a 25% tariff. The automotive duty has been imposed on cars since April, with it extending to automotive parts in May. It was not suspended during the time the reciprocal tariffs were suspended. Naamsa reports that vehicle exports to the US have already declined by 75% in 2025Q1 (i.e., before the introduction of the tariff) and 87% in 2025Q2 relative to 2024Q2. Mercedes-Benz C-Class cars are the hardest hit, with some Ford exports also impacted. Mercedes-Benz has, reportedly, not yet made long-term decisions about its production in SA, but did enter a 'production holiday' in June. When all countries faced the same 25% hurdle, all exporters to the US faced the same challenge and faced a decline in competitiveness relative to US producers only. Now that some trade deals have been concluded, which allow for exceptions to the rule, there are international competitiveness gains/losses to be mindful of, too. This also holds for many of our agricultural exports facing the 30% tariff, after benefitting from duty-free access during AGOA. Fortunately for our overall export picture, it seems that many mining commodities are still exempt from the current tariff.

The diplomatic relationship between the US and SA remains tense, which undermines potential trade and investment growth. It could even hurt tourism if SA's image deteriorates further. The relationship between the US and SA faced a further setback in late July after the House Foreign Affairs Committee passed a resolution that could allow for sanctions on corrupt officials. The bill states that SA has abandoned its relationship with the US to align with China, Russia, Iran and what it dubs to be terrorist organisations, and as such calls for a review of the relationship between SA and the US. The bill has not been voted on in the full House of Representatives, which is in recess until September.

In terms of our assumptions, we think that the uncertainty created by Trump's way of policymaking will last through his term. This adds to financial market volatility and undermines our export growth unless a clear plan to diversify (or a very beneficial US-SA trade deal is put on the table). It is difficult to see the US policy direction change tack unless Trump does not end his term for whatever reason. The focus is now slowly shifting from trade to immigration and more domestic-facing matters (the One Big Beautiful Bill Act, for example), so more volatility and uncertainty are set to come.

Domestic outlook

Unfortunately, we made another downward adjustment to our headline growth forecast relative to April. The change relative to our interim update in June (when we knew the impact of the 2024 revision and poor 2025Q1 outcome) is less pronounced, but still a touch lower.

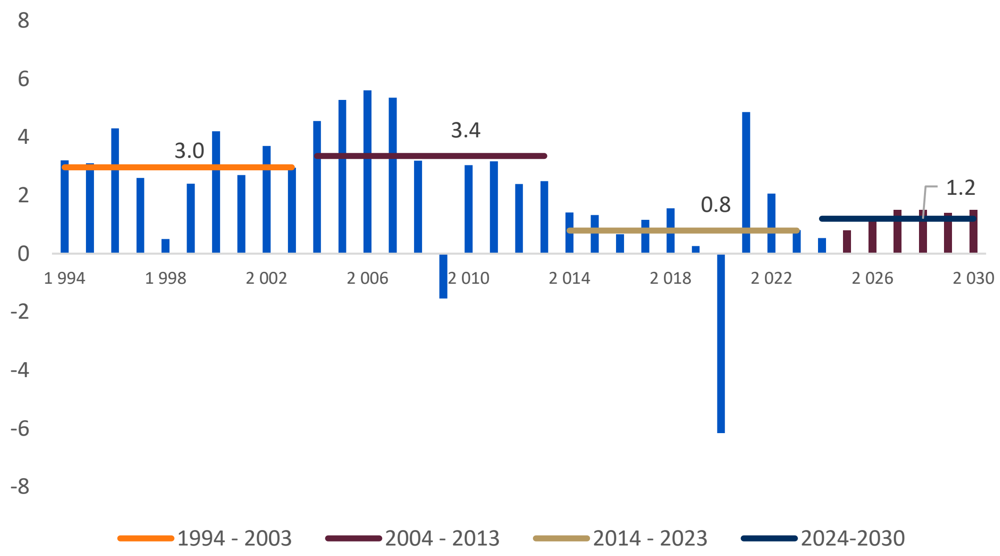
GROWTH SHOULD PICK UP FROM 2024, AT LEAST

Not only did the first quarter of 2025 disappoint relative to earlier forecasts, Statistics South Africa (Stats SA) also made downward revisions to historic data[3]. This means that the economy grew by a mere 0.5% in 2024, slower than the 0.8% growth rate recorded in 2023. We still forecast growth to accelerate in 2025, but to just 0.8% relative to 1.0% before (June update).

Considering SA's long-term growth performance, the average real GDP growth rate recorded in the previous decade was significantly weaker than the period from 1994 to 2013. Despite several shocks to the economy (including the global financial crisis), growth averaged above 3% from 1994. However, from 2014 onwards, growth was below 1%. The big COVID-19 slump in 2020 dragged this average lower. Without 2020 and the rebound in 2021, growth would have averaged 1.2%. Similarly, the poor performance in 2024 drags the 2024-2030-year projection down by 0.1% pts.

Figure 1: SA economic growth performance (1994-2030)

Real GDP (y-o-y % change)



Source: Stats SA, BER

[3] A detailed note on the 2025Q1 GDP data can be found on our website (click here).

Unchanged from our forecast in April (and June), is the expectation that growth in Gross Domestic Expenditure (GDE) will be slightly faster than Gross Domestic Product (GDP) as net trade is expected to weigh on growth due to imports outstripping exports. Part of this is due to the impact of the US tariffs, both directly (US tariffs on SA) and indirectly (lower global growth, with significant downside risks for some of our neighbouring countries), which should hurt exports. The full implementation of the EU's Carbon Border Adjustment Mechanism (CBAM), a carbon tariff on imports of carbon-intensive goods, begins on 1 January 2026. This means that emission-sensitive exporters to the EU (about 10% of total exports to the region) will face increased costs, potentially undermining competitiveness and trimming export value unless SA producers decarbonise rapidly. Furthermore, while the longs steel business of ArcelorMittal has been thrown another lifeline, it once again seems like the business will shut down later this year. This means fewer exports and more imports. Finally, from a more general export perspective, progress on solving the logistical bottlenecks on SA's rail network and at the ports remains sluggish. This should turn out better in the long term, but it remains a drag in the near term.

However, the slight improvement in the logistical constraint, albeit slow, is one reason we see growth accelerate from the 0.5% recorded in 2024 over time. Furthermore, load-shedding, which weighed heavily on growth over the last decade, should be less of a constraint going forward. While it remains too early to call the end of load-shedding, the risk of sustained stage 6 load-shedding, let alone total grid failures, is significantly smaller than before. Given the high and rising electricity cost (Eskom), there is still a strong business case to be made for more renewable investment, with the jump in NERSA registrations (more on this below) encouraging from a pipeline perspective. However, structurally subdued business sentiment weighs on non-capex investment spending unless something gets done to get it 'unstuck'. While there is progress on the structural reform front (which would be important to lift sentiment too), the current pace and scale remain insufficient to lift potential growth materially in the medium term. This means that the 3% average growth rate experienced from 1994 to 2014 is unattainable on a sustained basis. Unpredictable, temporary windfalls (for example, an export mining commodities boom) may temporarily lift growth. In contrast, unexpected shocks (for example, major labour strikes or disruptive weather events) may push growth below average.

From a more technical perspective, SA's capital stock growth has been too slow to support faster growth on a sustained basis without significant additional investment. Productivity growth also remains sluggish, with the adoption of AI a key risk going forward. It could make labour more productive, but may also result in job losses, particularly in service sectors like finance and business process outsourcing, where routine cognitive tasks are more susceptible. A big reason for the faster growth in the second half of 2004-2014 period was a growing government workforce, with significantly more people getting access to relatively well-paid jobs. Given the need for fiscal consolidation, this is not expected to be the 'saviour' over our forecast period. Monetary policy should, however, become less restrictive in the outer years of our forecast.

A GRADUAL SHIFT TO STRUCTURALLY LOWER INFLATION

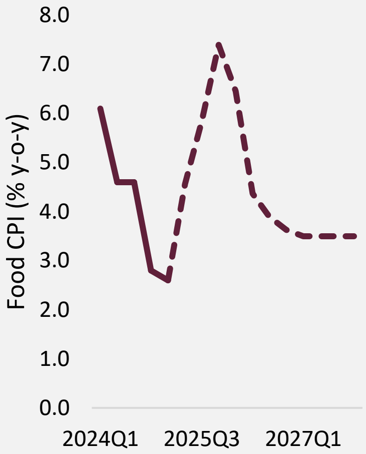
The SA Reserve Bank (SARB) has firmly signalled that it would prefer a lower inflation target. This in itself is not new, but they are even more upfront about it than before. Since our latest forecast update, it seems clear that they would prefer 3% as a target, from the current effective 4.5% midpoint. As we noted **here** and **here**, we tend to agree with the SARB that there is a short-term pain, but a long-term gain to the economy, in successfully lowering the inflation target and thus inflation. However, lowering the target comes with a cost. Some of this is transactional (temporary), but the biggest cost is actually to get inflation to the target. In this regard, we have essentially paid our dues at the moment, and this cost is *now* relatively low as inflation is at 3% - hence the SARB's push to make the target change as soon as possible. Economic theory suggests you should do exactly what the SARB is plotting for at the moment: be opportunistic and make the change when inflation is at the target and use policy and credibility to keep it there. Other short-term costs stem from government wage increases being stuck at 4% (at a minimum) for the next two years, while fiscal metrics (higher debt to GDP) will be negatively impacted when we can ill afford further fiscal deterioration. Administered price increases in SA are high and sticky, which means there is a bigger burden on the private sector to move overall inflation lower (i.e. lower margins and potentially lower profits if costs does not come down at the same rate).

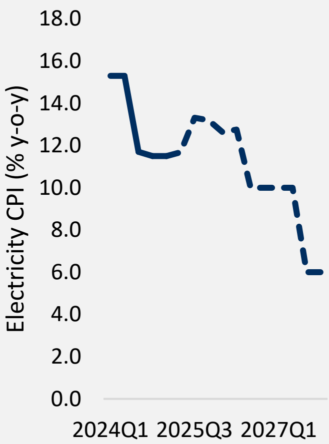
There is some longer-term pain that bracket creep will be a less efficient revenue-raising tool for the National Treasury than it has been in the past. However, this should be countered by the benefits of lower inflation (and interest rates) over time. Lower, more stable inflation should also help keep the currency stable, as we are a less attractive 'hot money' destination, which is a positive.

At the time of writing, technical work with the teams from the National Treasury and the SARB was still ongoing. There is still uncertainty, for example, whether they would prefer a point target or a 1 percentage point (% pts) tolerance band around 3%, so a 2-4% band. For now, we have assumed that the target will slowly but surely shift to 3% in the outer years of our long-term forecast (2027-2030). This drift to 3% inflation does not fully align with the 3% scenario presented by the SARB**.** It is clear that the National Treasury, correctly in our opinion, believes it needs to announce the target change, and they have not done so (yet – we assume, for now). We also think inflation expectations will be slower to adjust to 3%, especially because inflation is set to rise again in the second half of this year. While the SARB's credibility goes a long way, we doubt they will hike interest rates over the very short term to squash inflation lower (engagements with several monetary policy members have said as much). They will be comfortable tolerating higher real interest rates and wait to hike the policy rate, unless inflation does not budge. As such, we assume they will be happy to see inflation forecasts drift lower rather than trying to push inflation lower immediately by hiking rates. Furthermore, too many drivers push inflation over the near term to 4%/4.5% to make an immediate 3% feasible. For example, government wages will increase by a minimum of 4% over the next two years, and recent private wage settlements are also well above 3%. Electricity tariff announcements by NERSA for the upcoming financial years are well above inflation, and if anything, risk being upwardly adjusted. But, towards the outer years of our forecast, we assume that inflation moves closer to 3% rather than 4.5%.

Near-term drivers of inflation

Food and non-alcoholic beverage inflation, which represents 16.8% of the Consumer Price Index (CPI) basket, is expected to rise during the remainder of 2025. Potential upward pressures on food prices due to higher meat and poultry costs linked to animal diseases could further elevate food inflation. In fact, food price inflation reached its highest level in 16 months, hitting 4.7% in June. This increase was primarily driven by rising meat prices, as well as higher costs for oils, fats, and vegetables. The surge in meat prices was prompted by an outbreak of avian influenza in Brazil, leading SA to temporarily restrict imports from that country and resulting in some panic-buying; however, the restriction has since been lifted. Additionally, an outbreak of foot-and-mouth disease has also caused temporary spikes in prices. Fortunately, slaughtering has resumed in the main feedlots, resulting in a decrease in red meat prices. Moreover, there is a disinflationary effect due to a recovery in field crop and oilseed production. Meanwhile, price pressure from dairy products and eggs remains subdued, influenced by base effects and a historically slow recovery in prices.

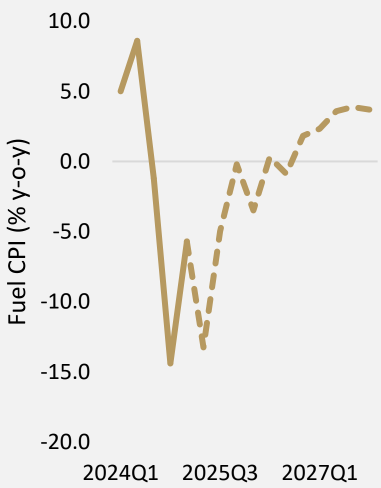




The rate of increase for **housing and utilities prices** (24.1% of the CPI basket) picks up on the back of the 12.74% NERSA-granted electricity tariff increase. This came into effect on 1 April, with municipal electricity increases implemented on 1 July, broadening the impact on households. We have assumed around 10% tariff increases in the near term, but see this slowing in the outer years to help bring headline inflation down closer to 3%.

Through the remainder of 2025, declining fuel prices are set to drag **transport inflation** (13.9% of the basket) lower. However, the drag is becoming less pronounced over time. As will be unpacked price would present upward pressure to the forecast, so does a weaker rand exchange rate.

Core inflation reflects muted demand-side pressure, with it remaining below 4% even over the near term as headline inflation ticks up. That said, medical aid increases, personal care services and insurance costs contribute steadily to core price gains, but sharp increases could present upward pressure.



Source for figures: Stats SA, BER

At the time of writing, the July monetary policy committee (MPC) meeting is still ahead of us. We expect that the SARB will cut its policy rate by another 25bps. If it finds reason to motivate for rates to remain on hold in July, we think it is highly unlikely that the SARB will cut later this year. The SARB is likely to tolerate higher real rates (i.e., nominal inflation) to push inflation lower. However, if inflation slowly starts edging lower, there should be scope to cut the policy rate in 2027. Following 50bps in cuts in 2027, another 100bps could follow in 2028. To estimate the extent of easing possible, we have structurally lowered the inflation target included in the Taylor rule forecast equation.

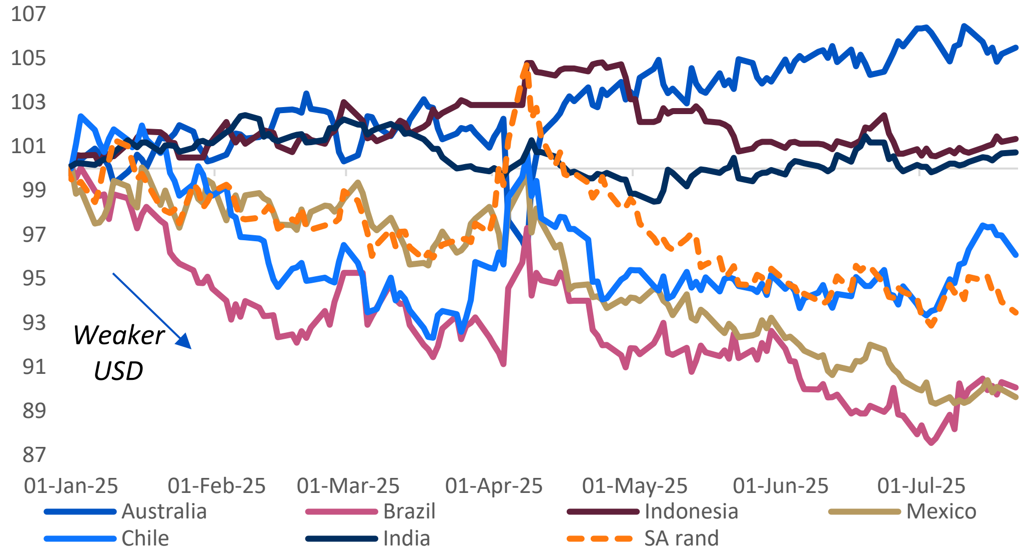
There are two different paths by which the inflation forecast and interest rate trajectory could play out. In a positive scenario, we assume that the National Treasury will very soon publicly and enthusiastically announce the target change, ideally before the medium-term budget policy statement, so that the new forecast can reflect the new target, or at least by the time of the National Budget early next year. The policy coordination between the National Treasury and the SARB and the removal of the will-they, won't-they uncertainty provides a confidence boost, benefitting financial market metrics and investment. The government publicly backs up the move to a lower target, which helps cement inflation expectations lower and helps push administrative prices down faster. We assume that the government does its part by keeping expenditures in check, which helps to achieve a significantly better fiscal outcome. Despite prices rising faster over the near term, CPI returns to 3% faster. This allows for earlier monetary easing, with all the economic benefits that flow from that.

It is also possible that the move to 3% does not happen over our forecast period. To be frank, the SARB may have overplayed its hand. Lowering the inflation target has always been the intention (that the entire government, including Treasury and the SARB), agreed on when the framework was implemented decades ago. However, for many reasons, including political ones, it never 'officially' happened – the SARB merely started to target the midpoint of the actual target. It was gutsy to assume that now was the right time to make the change. The economics may suggest so, but the politics might not agree. The longer we go without an announcement, the more likely this scenario becomes.

RESILIENT BUT REACTIVE RAND AMID GLOBAL POLICY UNCERTAINTY

The rand experienced a volatile second quarter, initially weakening to record lows in April amid rising investor risk aversion triggered by the escalation of US trade tensions and reciprocal tariffs. Despite a generally softer US dollar, domestic bond yields spiked, reflecting heightened market anxiety. However, sentiment improved markedly in May, as a sustained foreign buying streak into SA equities and broader dollar weakness, driven by weak US data and a Moody's US credit rating downgrade, which removed its last triple A rating, supported a sharp rand recovery. The local currency broke below R18/$, aided by a "sell America" narrative and rising US yields weighing on the dollar. Momentum reversed again in June as global risk aversion resurfaced following more US tariffs jitters and geopolitical tensions (US intervention in the 12-day Iran-Israel war), notably US-Iran, while late-month uncertainty surrounding the GNU fresh caution. Still, the rand ended the first half of the year 6.5% stronger year-to-date.

Figure 2: After a bout of weakness in early April, the rand strengthened against the dollar
Index (31 Dec 2024 = 100)



Source: Refinitiv (data up to 21 July 2025)

Looking ahead, the rand retains scope for further near-term strength, underpinned by a still-supportive interest rate differential in favour of SA. Renewed foreign demand for SA government bonds may also lend support, particularly if global monetary conditions ease. However, the rand's recent outperformance relative to other emerging market currencies suggests that some caution is warranted, especially amid a volatile global risk backdrop shaped by uncertainty over US trade policy and bilateral relations. While modest appreciation is possible in the next 12 months, the longer-term trajectory remains one of gradual depreciation. Persistent structural constraints, such as a widening current account deficit, fiscal pressures, and ongoing investor caution, are expected to cap sustained gains. As such, the rand is projected to resume its long-run depreciation trend of 1.5% to 2.0% per annum over the forecast horizon.

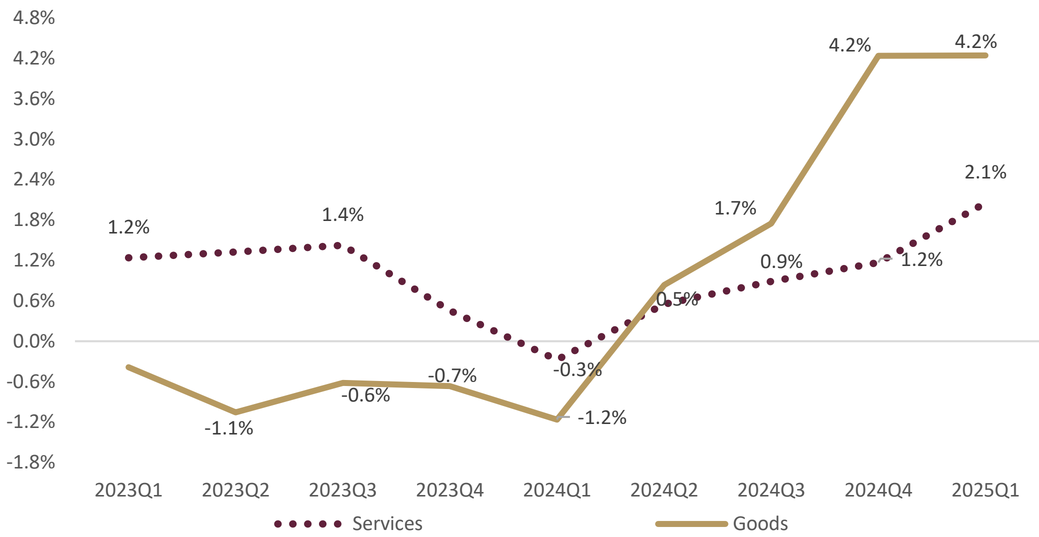
A near-term positive for financial markets is that SA is generally expected to leave the Financial Action Task Force's (FATF) grey list in October. Although this is well-known after the FATF announced it met "all or almost all of the requirements" in June, markets should move little once the official move is made. SA was placed on the grey list in February 2023. It made cross-border financial transactions more onerous as it increased the compliance burden on both local and international financial institutions dealing with SA. The grey listing also heightened investor risk perceptions, potentially leading to reduced foreign direct investment, delayed capital flows, and stricter due diligence requirements from global banks and counterparties, although it is difficult to judge the counterfactual. While the country continued to function within the global financial system, the grey list status subtly constrained access to global financial markets and raised the cost of doing business internationally.

CONSUMER THE STAR OF THE SHOW, BUT CAN THIS LAST?

Even after our upward revision in April, real consumer spending still surprised to the upside in 2025Q1, growing by 0.4% q-o-q (3.1% y-o-y). This extended on the strong momentum from late 2024. Semi-durable spending, particularly on clothing and footwear, significantly outperformed expectations. Renewed two-pot pension withdrawals, lower headline inflation, and the cumulative impact of earlier interest rate reductions supported this robust performance. Services spending also gained modest traction, although most of the lift came from categories of goods.

Figure 3: Goods vs services spending

y-o-y % change (real, seasonally adjusted)



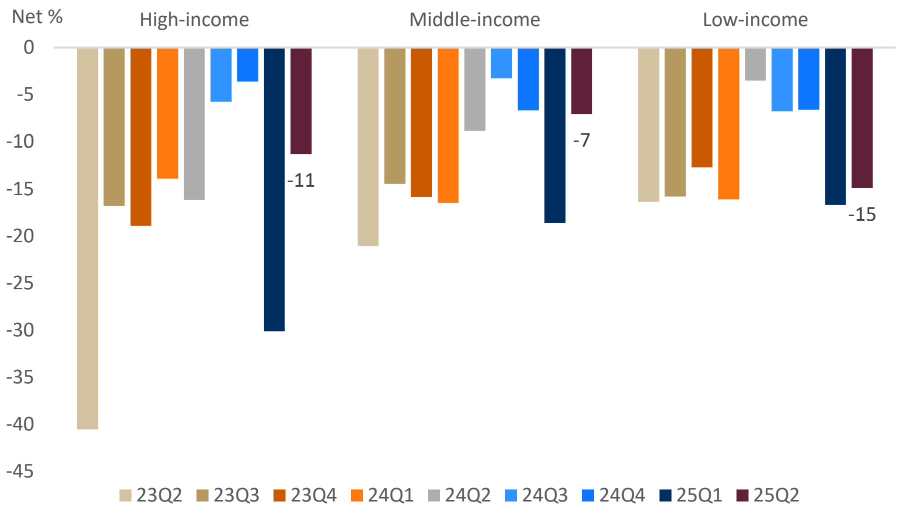
Source: Stats SA

Retail sales data underscore the strength of household consumption in early 2025. Sales volumes remained elevated in April and May, driven largely by continued outlays on semi-durables and durable goods such as furniture and appliances. However, a divergence in underlying confidence has emerged. The BER Retail Survey shows retailer confidence fell for the second consecutive quarter, to 42%, amid concerns that the two-pot boost may be short-lived. While semi-durable and durable goods retailers remain upbeat, non-durable retailers report subdued trading conditions and profitability. This suggests sales are set to slow going forward.

On the credit side, household borrowing remains muted despite a marginal improvement. Nominal household credit growth appears to have bottomed, coming in at 3.0% y-o-y in April, but it remains historically low. The debt-to-disposable income ratio ticked down marginally in 2024Q4, and debt service costs remain above the long-term average, limiting space for credit-driven consumption. Meanwhile, the household savings rate remains negative and nears a decade low.

Looking ahead, spending growth is expected to moderate in the second half of 2025 as the boost from the two-pot reform fades. While supportive factors remain in place, including another interest rate cut (likely in July), solid vehicle sales (a quintessential durable good and a good leading indicator), and above-inflation adjustments to social grants, headwinds are mounting. Steep job losses in 25Q1, fiscal consolidation, and a potential uptick in food inflation are likely to weigh on consumption, particularly for lower-income households. This group has already seen confidence erode under the strain of elevated living costs, in contrast to middle-income households, which benefitted most from two-pot withdrawals. Overall, the FNB/BER Consumer Confidence Index (CCI) partially recovered in 2025Q2 but remains weak by historical standards. Encouragingly, households' financial outlook improved, and the time-to-buy durables index stabilised.

Figure 4: FNB/BER CCI per income group



Source: BER

The consumer spending forecast reflects an expected cooling, with annual growth projected to slow from 2.4% in 2025 to 1.6% in 2026. A particularly sharp moderation is expected in durable goods by year-end as base effects fade. Semi-durable goods may maintain relative strength, but non-durables remain under pressure as food price inflation ticks up. Services volumes are expected to recover gradually, aided by low inflation in key components such as communication. In all, while household consumption will remain a key contributor to GDP growth in 2025, the tailwinds are expected to lose momentum in the quarters ahead.

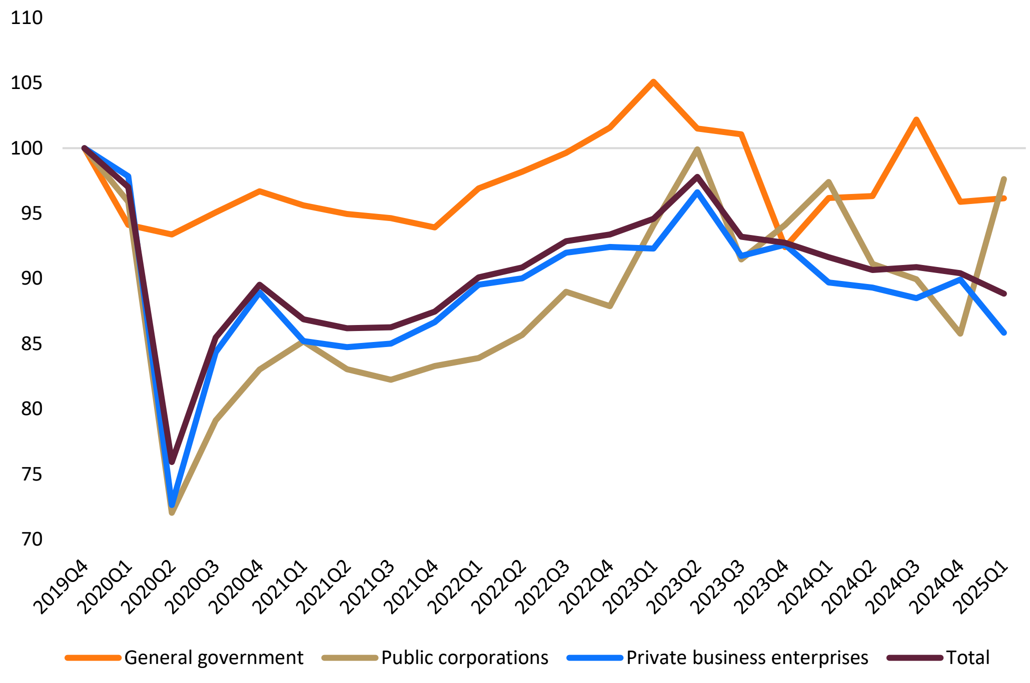
FIXED INVESTMENT STARTS 2025 ON A WEAK NOTE, DRAGGED DOWN BY THE PRIVATE SECTOR

Fixed investment declined again in 2025Q1, falling by 1.7% q-o-q after a 0.5% contraction in 2024Q4[4]. On an annual basis, investment dropped by 3%, marking the sixth consecutive y-o-y decline. Public corporations offered a rare bright spot, with investment rising by 13.8% q-o-q, the first meaningful increase since 2024Q1. General government investment was largely flat but ticked up 0.3% q-o-q, recovering modestly from a sharp 6.2% decline in Q4. In contrast, private sector investment, which accounts for 70–73% of the total, declined by 4.5% q-o-q after growing by 1.6% in Q4. On an annual basis, private capex fell 4.3%, continuing the contraction trend observed throughout most of 2024.

Both residential and non-residential private capex remained under pressure. Residential investment was down by 8.4% y-o-y, and the bigger non-residential category declined by 3.6%. National house price growth remains below inflation, discouraging new residential investment. Stats SA data shows residential building plans passed fell by 13.9% y-o-y (12.3% for seasonally adjusted data), while non-residential plans also dipped by 4.8% (though seasonally adjusted data shows a 5.7% increase).

Figure 5: Private investment is still about 15% below pre-pandemic levels

INDEX (2019Q4=100)



Source: Stats SA

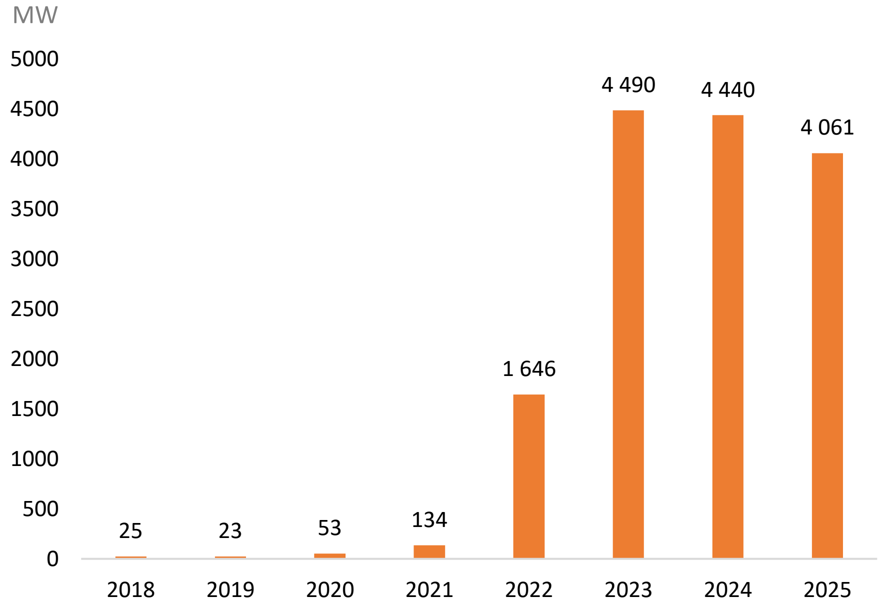
[4] In addition to publishing the latest estimate for 2025Q1, Stats SA, again, revised historic fixed investment data with significant revisions for 2022-2023.

There is some tentative upside from mortgage lending trends. Between July 2024 and April 2025, mortgage advances on commercial property strengthened, with growth in loans to companies rising from 3.2% to 6.2% — the fastest pace since early 2023. This reflects stronger activity in retail, industrial, and warehousing segments. However, residential and farm mortgage advances remained subdued, and oversupply in office space continues to dampen investment, particularly in Johannesburg, where mixed-use developments are gaining traction. Notably, SAPOA data shows the national office vacancy rate improved to 13.3% in 205Q2, the lowest level since 2020Q4.

Looking at investment trends from an asset class angle, the decline is broad-based. Capex in machinery and other equipment declined by 2.8% y-o-y, the fourth consecutive decline. Given the subdued economic activity, there has been less appetite for new machinery and equipment, with the boost from spending on solar/renewable energy fading.

Looking ahead, data from the National Energy Regulator of SA (NERSA) shows a rapid increase in the number and capacity of registered renewable energy projects. The registrations during the first five months of 2025 almost match the 2023 and 2024 full-year registrations. While there is typically a lag between registration and actual capex, this pipeline should support investment over the next three to five years.

Figure 6: Registered projects in megawatts (until end May 2025)



Source: NERSA

A back-of-the-envelope calculation using data from NERSA gives us some idea of the investment that could flow from this. NERSA reported that for the 2024/25 financial year, about 160 new generation facilities with a generational capacity of 2 187 MW had a value of R41.94 billion, and that six of those were registered for commercial purposes and with a capacity of 957 MW had a value of R15.68 billion. This means that 1 MW of capacity can result in an investment spend of between R16.4 million and R19.2 million.

Still, total fixed investment is expected to contract in 2025 following the weak start of the year. While some recovery from the sharp private capex contraction in Q1 (-4.5% q-o-q) is expected in Q2 (3.3%), this is not enough to prevent another full-year contraction (-1.3%). Private fixed investment should expand at a somewhat faster pace from a low base in 2026, as the impact of earlier monetary easing works its way through the system, although this momentum is not expected to be sustained going forward.

General government capex will likely remain subdued, and although investment by public corporations should rise, this segment remains the smallest contributor. According to the latest National Budget, roughly R1.03 trillion is earmarked for investment over the next three years, of which more than 40% is allocated to state-owned enterprises, primarily for transport, logistics, energy, and water infrastructure. That said, historical underperformance suggests actual spending will fall short of allocations, and our forecast reflects a more cautious implementation outlook.

UNEMPLOYMENT RATE TICKS UP, JOB GROWTH PROSPECTS REMAIN BLEAK

SA's labour market deteriorated further in 2025Q1, reflecting the continued strain on the broader economy. According to the latest Quarterly Labour Force Survey (QLFS) from Stats SA, the official unemployment rate rose to 32.9% in 2025Q1, up from 31.9% in 2024Q4, translating to 8.2 million unemployed individuals. The expanded unemployment rate (which includes discouraged job seekers) climbed by 1.2%pts to 43.1%, with the number of discouraged job seekers reaching 4.5 million. Meanwhile, labour market participation also weakened: the labour force participation rate dropped to 60%, and the absorption rate (employment-to-population ratio) fell from 41.1% to 40.3%.

Total employment contracted by 291 000 q-o-q, driven primarily by losses in the formal non-agricultural sector (down 245 000) and the private household sector (down 68 000). There were modest gains in the informal non-agricultural sector (+17 000) and agriculture (+6 000). At the industry level, job losses were notable in trade (-8.8%), mining (-7.5%), and construction (-5.7%), while employment in utilities (+31.6%) and transport (+6.3%) grew strongly.

On an annual basis, employment in the economy grew marginally by 0.3%, driven solely by the informal non-agricultural sector, which expanded by 264 000 jobs (an increase of 8.6%). All other segments recorded annual declines. Despite the overall weakness, six industries posted job gains over the year, including utilities (+38.1%), transport (+6.5%), manufacturing (+4.4%), finance, community and social services (both +3.2%), and construction (+2%). However, a clear structural shift from formal to informal employment was evident, particularly in transport, construction, and trade sectors. The continued shift toward informal employment and reduced working hours contributed to a decline in gross earnings. Faster earnings growth was largely confined to the utilities sector.

Looking ahead, total employment is expected to grow by less than 2% per year, although slightly outpacing our economic growth forecast. In 2025, employment growth is projected to remain modest at around 1%, as macroeconomic conditions stay weak and private sector hiring slows. Private sector employment grew by only 0.7% in Q1—its slowest pace since

2020Q1 (0.3%). This marks a continued deceleration from growth rates of 3.3% in 2024, 6.3% in 2023, and 6.8% in 2022.

The informal sector is expected to absorb a disproportionate share of employment gains, which explains the faster-than-GDP growth, but this comes with lower average earnings and job security. Government employment is likely to contract, reflecting fiscal consolidation, and growth is projected to remain below 1% over the forecast horizon.

THIRD TIME IS A CHARM

On 21 May, the Minister of Finance tabled the third iteration of the National Budget, following delays amid the VAT hike debacle. National Treasury had the difficult task of balancing the books without the previously proposed VAT hike. In **Budget 3.0**, government expenditure as a ratio to GDP stood at 32.8% this fiscal year, which was higher than indicated in February (at 32.5%), and much higher compared to the 31.3% pencilled in during the October MTBPS. To finance this increase, taxpayers received no inflation adjustment to their tax brackets, the fuel levy was raised, and above-inflation increases to sin taxes remained in place.

The 2025 Budget included above-inflation increases to social grants (4.9%). Although not determined by the Budget, government wages will increase by 5.5%, and this fiscal year, it will increase by CPI-inflation (or 4%) in the following two years. Over the medium-term expenditure framework (MTEF) period, from 2025/26 to 2027/08, total government expenditure is pencilled in to grow at an average of 5.4% per year. Similarly, total revenue is budgeted to grow at 7.3%, thereby reducing the budget deficit year after year. As such, the Treasury hopes that government debt will peak this year at 77.4% and then slowly decline thereafter.

However, the risk is that the Treasury might be too optimistic about nominal GDP growth (expected at an average of 6.3% annually). The BER forecasts nominal GDP growth of only 4.7% from 2025 to 2027. Should the actual outcome be closer to the BERs, the expected tax revenue will be lower than budgeted, constraining government expenditure growth. Treasury might be left with little choice but to raise personal income tax even more or attempt another VAT hike.

Regarding our outlook from 2025 to 2030, on the revenue side, we anticipate that government income will rise on average by 5.6% each year. We assume that the personal income tax burden will increase again in 2026, attained by keeping the annual bracket adjustment below consumer inflation. For corporate tax rates, no additional increases are pencilled in, besides the Global Minimum Tax framework in 2025. Other indirect tax rates are set to increase with consumer inflation.

Figure 7: Revenue and expenditure to GDP

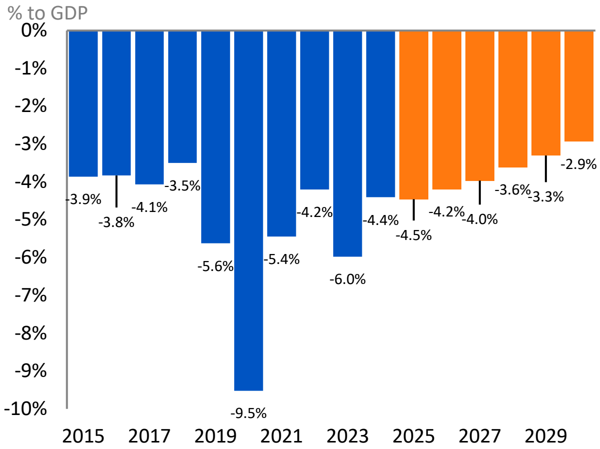
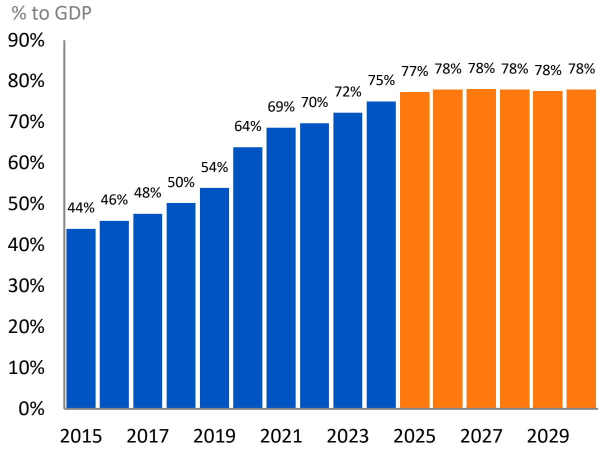


Figure 8: Gross government debt to GDP



Source: National Treasury, BER

On the expenditure side, in order to rein in the growing debt, the BER estimates that government spending will escalate by an average of only 4.5% per year, which is below the guidance provided by the National Budget. The key reason is the limitations of the lower expected GDP and revenue growth. We also assume that the government will not have the luxury to increase wages above inflation due to the high debt levels. As such, public wages are set to rise by 5.5% this fiscal year, 4% the following two years (as per the existing wage agreement), then in line with our consumer inflation forecast up to 2030. With a wage bill set to rise by 4.3% annually, there will be room to increase government employment by an annual average of 0.4% up to 2030. Other expenses on goods and services are set to escalate by 4.3% per year, while transfers and subsidies will rise around 5.4%, closer to the Budget projection. We expect that interest paid on government debt will increase by only 0.9% per year, based on the assumption that the interest rate on debt should gradually subside by 150bps on the back of lower consumer inflation until 2030. Consequently, with revenue rising faster than expenditure over the forecast horizon, we anticipate the deficit to gradually decline from 4.5% in 2025 to 2.9% by 2030, resulting in the consolidated public debt peaking at 78% by 2027.

BUDGET PROCESS REFORMS

The National Treasury announced reforms to the budget process in July. These are designed to build consensus on the fiscal framework earlier in the process than currently. In particular, the 2025 experience was that the GNU could use the fiscal framework vote to exercise political leverage. The idea seems to be that this will lock in GNU members into the fiscal framework long before the Budget goes to Cabinet.

These are good reforms as they will improve the fiscal process. They will also potentially improve the functioning of the GNU by creating a mechanism for the GNU to engage with fiscal policy sooner rather than later. However, they do not necessarily commit GNU members to voting for the fiscal framework, so the tail risk of a collapsed budget remains.

The National Treasury's inflation guidelines for departments remain solidly anchored around a 4.5% target, with an assumption of 4.14% in 2026/27, 4.36% in 2027/28, and 4.49% in 2028/29. This indicates that the Treasury is working around an MTBPS inflation forecast of 4.5%, not 3%.

However, the National Treasury needs to reflect unbiased and policy-neutral outcomes, so a potential target change could not be included in the forecast/guidelines until it is officially announced. That said, there is a risk of fiscal slippage using the current guidelines. The Treasury's inflation planning baselines are above market consensus (including our forecast), which may create built-in real spending increases. The next time the Treasury releases its inflation forecast will be when the new-look fiscal framework comes out, which we expect to be shortly after the Quarterly Bulletin is released in the last week of September.

Global outlook

The second quarter of 2025 was marked by renewed global turbulence. It began with the announcement of US "Liberation Day" tariffs in early April by President Trump. Although the implementation was postponed by 90 days following a sharp financial market reaction, the uncertainty surrounding the future of trade policy unsettled global sentiment. The disruption was compounded by a series of destabilising events, including an escalating tariff dispute with China (and its eventual truce), a 12-day armed conflict between Iran and Israel, political challenges to the authority of the US Fed, domestic policy reversals in major economies, and shifts in fiscal direction across the US, UK, and Eurozone.

Despite this, global growth showed resilience in early 2025, supported by strong consumer spending in advanced economies, frontloaded trade activity ahead of tariff implementation, and targeted fiscal support in China. However, momentum is expected to slow as the temporary boost from pre-tariff activity fades and the effects of tighter fiscal positions, policy uncertainty, and cost pressures begin to filter through. Inflation outcomes remain mixed across major economies: disinflation has taken hold in the Eurozone and the UK, while tariff-related price pressures are expected to lift inflation in the US later this year. China, meanwhile, faces renewed deflationary risks despite a stronger-than-expected first quarter. As a result, the global economy enters the second half of 2025 with less forward momentum and a more uncertain policy and price environment.

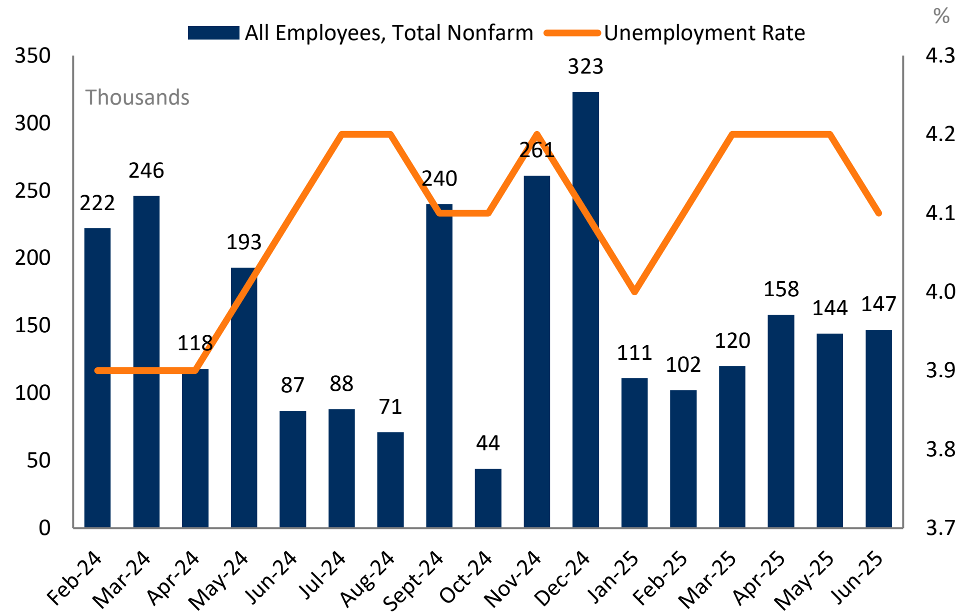
SHORT-TERM RESILIENCE MASKS INFLATION RISKS AND POLICY VOLATILITY

The US economy contracted by 0.3% q-o-q (saar) in 2025Q1, driven largely by a sharp rise in imports ahead of anticipated tariffs, which weighed on net exports. Despite this contraction, the near-term outlook has improved modestly, supported by resilient household spending and delayed tariff effects. Growth for 2025 is still expected to slow relative to 2024 and remain below potential, but our revised forecast is slightly more optimistic than before.

Consumer demand remained robust in early 2025, buoyed by higher Social Security payments and continued job creation. However, this momentum is expected to fade in the second half of the year. Slowing payroll growth, tightening labour markets, and subdued wage gains will likely weigh on real disposable incomes. Immigration-related constraints may shrink the labour force, but not enough to offset a projected rise in unemployment. Looking further ahead, targeted income support measures under the One Big Beautiful Bill Act (OBBBA) are expected to provide some relief, particularly for high-income households.

Figure 9: Nonfarm payroll and unemployment rate, 2025 YTD

Thousands (LHS), % (RHS)



Source: Bureau for Labor Statistics

On the business front, elevated policy uncertainty, particularly around trade and fiscal measures, continues to suppress investment. This echoes earlier research linking trade policy uncertainty during the previous Trump administration to reduced capital formation. Nevertheless, the latest PMI data indicates some resilience in both manufacturing and services, pointing to decelerating but not collapsing activity.

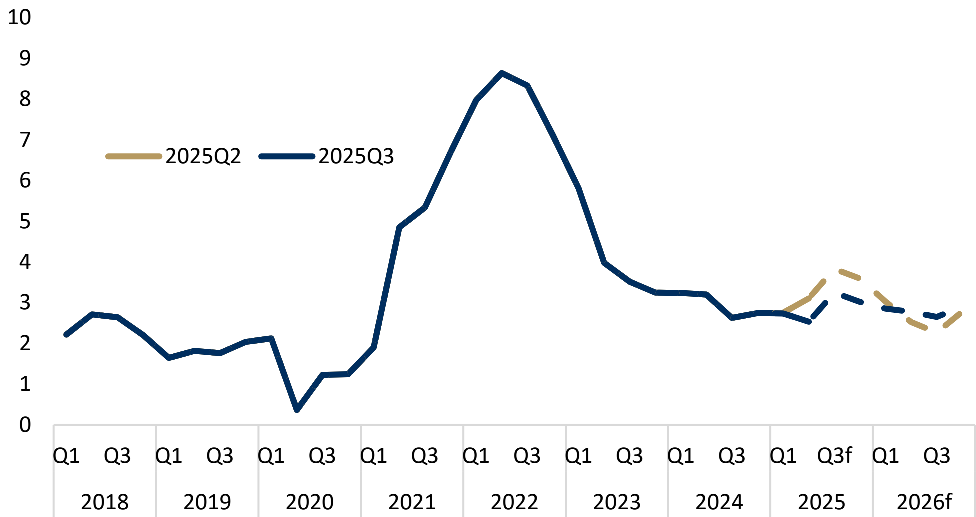
External trade dynamics will remain volatile. While both exports and imports are expected to fall, the asymmetrical application of tariffs suggests imports will decline more sharply, narrowing the trade deficit and supporting growth in the near term.

So far, headline consumer inflation has not reflected the full impact of new tariffs, although the June data reflected some price pressure linked to tariffs. However, research suggests a lag of roughly four months before tariff-related price pressures are fully realised. Input cost data from July PMIs confirms rising cost pressures, with manufacturers citing tariffs as a key factor. This, combined with longer delivery times and elevated inflation expectations, suggests inflation risks are building. A weaker US dollar adds to this risk by raising the cost of imported goods.

As a result, we have revised our inflation forecast for 2025 slightly lower, reflecting delayed pass-through effects, but raised our 2026 outlook. We now expect headline CPI inflation to average 3.0% in 2025, easing to 2.8% in 2026.

Figure 10: US CPI inflation forecast Q2 vs Q3

%, y-o-y



Source: Bureau for Labor Statistics, BER

In June, the US Federal Reserve (Fed) kept its federal funds rate unchanged at 4.25%—4.5% for the fifth straight meeting. This reflects a cautious stance as officials await clarity on the economic fallout from US tariff policies. The unpredictable nature of these tariffs has made it harder for the Fed to gauge their timing and impact, further clouding the monetary policy outlook.

The Fed's June Summary of Economic Projections (SEP) showed that sentiment has tilted more hawkish. Despite the median projection showing two 25-bps rate cuts this year, a growing faction of FOMC members sees no need for rate cuts in 2025. Meeting minutes further highlighted the uncertainty around tariffs. While a few officials saw tariffs as causing only a temporary rise in prices, most warned of persistent inflation risks that could influence inflation expectations. Resilience in the labour market supports the Fed's wait-and-see approach.

The economic impact of sporadic tariffs, uncertainty about future policy changes and the attacks on the Fed and its chair have led to investors growing weary of US assets. In Q2, the US dollar lost 7.8% against the euro, averaging $1.13/euro. The dollar fell further in early July to over $1.18/euro. The weak US dollar comes despite repeated European central bank (ECB) cuts, leaving US interest rates more attractive (ceteris paribus). The US's tariff tirade has eroded the expectations of US exceptionalism (higher GDP growth than its peers), which underpinned the strong dollar post the COVID-19 pandemic. Although the dollar has since recovered slightly, looking ahead, we expect it to average $1.15/euro in Q3, weaker than Q2. We believe this marks a shift to pre-pandemic valuation levels, not just a temporary weakening. For this reason, the dollar does not strengthen over our forecast horizon.

Trump's push for rate cuts is partly aimed at lowering elevated long-term Treasury yields, which surged after the April tariff announcements. Ironically, his attacks on the Fed have likely contributed to higher yields by damaging investor confidence. The 10-year US Treasury yield averaged 4.36% in Q2 and between 4.4% and 4.5% in early Q3. The passing of Trump's One Big Beautiful Bill, which is expected to increase federal debt significantly, is further weighing on treasuries. The passing of the OBBBA coincided with harsher-than-expected tariff announcements, placing further upward pressure on yields. Although yields may ease slightly amid speculation that Trump will moderate his approach (the so-called TACO trade), we expect the 10-year yield to average 4.35% this quarter, well above the 20-year average of just under 3%. Longer term, yields may drift lower but are likely to remain elevated, signalling a broader shift in investor sentiment.

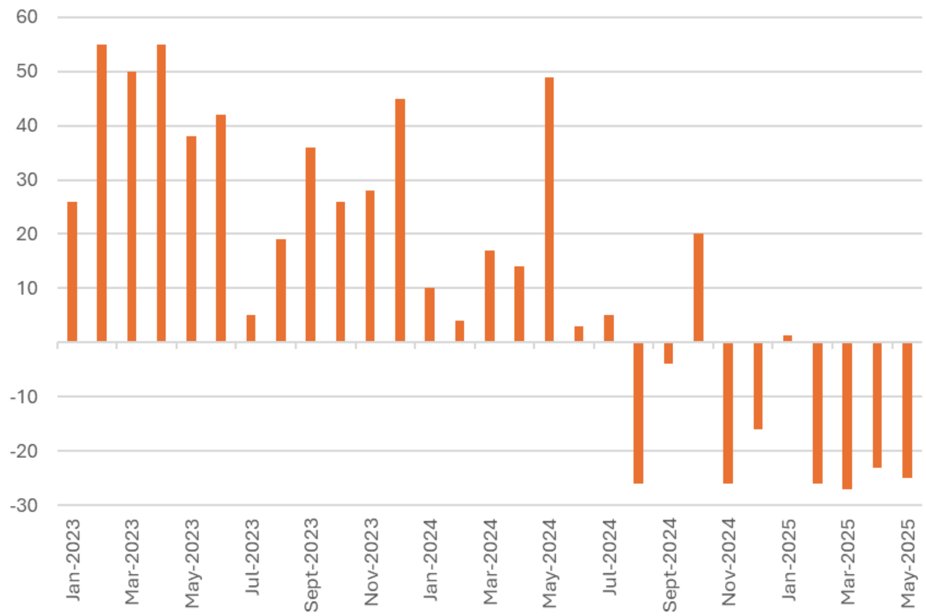
DOMESTIC HEADWINDS DRAG ON UK RECOVERY DESPITE TRADE REPRIEVE

After a solid start to the year, the UK economy faltered in the second quarter. Monthly GDP fell in both April and May, giving rise to the term "Awful April" in the media. The UK will avoid the brunt of US tariffs by finalising a trade deal (although details remain sparse), but domestic issues continue to weigh heavily on the outlook.

Political uncertainty, fiscal constraints, and recent policy reversals have eroded business and investor confidence. During the Spring Statement in March, the Chancellor announced £9.9 billion in fiscal headroom. However, fiscal buffers will likely shrink with the Office for Budget Responsibility (OBR) expected to revise growth projections downward. The political climate remains tense: Labour MPs resisted new spending cuts, resulting in a last-minute reversal of proposed disability benefit reforms worth £5 billion. The potential replacement of the Chancellor also introduces new risks, particularly if a less fiscally conservative figure takes over.

Labour market data paints a subdued picture. Payrolls fell by 25 000 in May reflecting cost pressures and weakening demand. Higher labour costs and excess capacity lead businesses to reconsider hiring and consider price increases. Thus, the labour market is expected to cool further. Productivity growth also remains a chronic drag: between 2007 and 2023, UK productivity rose only 6%, compared to 20% in the US and 10% in the Eurozone. This implies that potential growth will also remain subdued.

Figure 11: UK Change in payroll employees, 2025 YTD
THOUSANDS, CHANGE FROM THE PREVIOUS MONTH



Source: Office of National Statistics

Considering inflation, energy price movements matter. The energy price cap, set by the UK energy regulator Ofgem, determines the maximum amount suppliers can charge households for electricity and gas. After increasing the cap in the second quarter, Ofgem lowered it by 7.3% for Q3, offering some near-term relief for consumers. While the new cap still reflects a year-on-year increase, the quarter-on-quarter reduction should help ease price pressures. At the same time, annual wage growth is expected to moderate as the labour market continues to soften. While this trend is supportive of lower inflation over the medium term, it also implies that real incomes will remain under pressure in the near term.

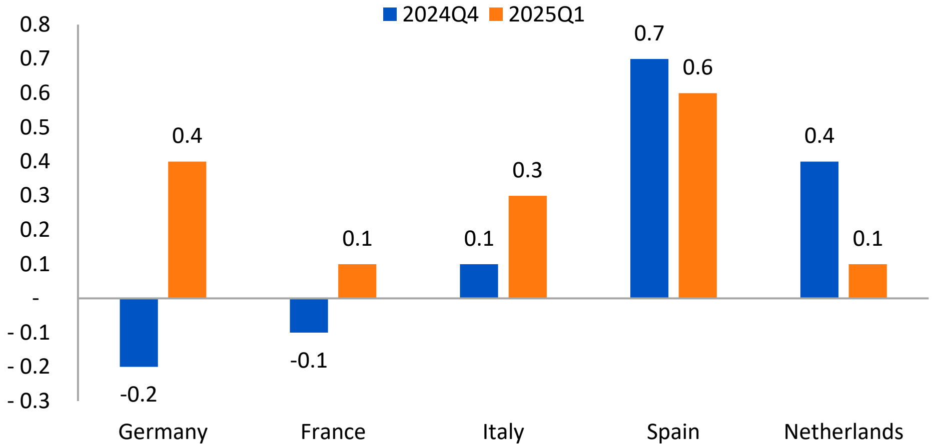
We expect annual headline CPI inflation to average 3.2% this year, easing to 2.3% next year. Like the Bank of England (BoE), we only expect inflation to return to target in 2027.

POSITIVE SURPRISES IN THE EUROZONE

Meanwhile, in the Eurozone, there is more cause for careful optimism. The economy surprised to the upside in 2025Q1, with real GDP growing 0.6% q-o-q, largely due to a 7.6% surge in Ireland, linked to favourable tax treatments and trade frontloading. Excluding Ireland, the region still posted a solid 0.3% gain, underpinned by consumer resilience. However, early Q2 data signals weaker momentum. Manufacturing and services PMIs, retail sales, and industrial production all point to deceleration, especially as temporary trade support unwinds.

Figure 12: Growth in Eurozone's top 5 economies

%, q-o-q



Source: Eurostat

Furthermore, there is a clear improvement in both business and consumer expectations, driven by fiscal stimulus measures and defence spending plans announced earlier this year. However, the actual impact on growth may be more limited than initially anticipated. In March, the European Commission launched a rearming programme, making a €150 billion loan facility available to member states for defence spending, exempt from fiscal debt rules. Additionally, a further €650 billion was unlocked through the activation of the National Escape Clause, with 16 EU states already applying. In Germany, a major fiscal reform package was passed, allocating €500 billion to infrastructure investment. Defence spending above 1% of GDP was also exempted from the country's 'debt brake' rule, allowing for further loosening of spending restrictions.

Much of this growing optimism has yet to translate into tangible economic activity, but we expect the expansionary fiscal policies to be somewhat growth-positive next year. Yet, both consumption and investment spending are forecast to remain muted on the back of ongoing geopolitical uncertainty. Monetary policy easing by the European Central Bank (ECB) is nearing its end, with markets expecting one final cut this year. This caps further stimulus via lower interest rates. As such, we forecast real GDP growth of 1.0% in 2025, rising modestly to 1.1% in 2026.

On inflation, the Eurozone has made significant progress in recent months. Eurozone inflation came in at 2% in June, following an unexpected dip below target in May. This rise in the June number was due to higher energy prices, while core inflation remained steady at 2.3%. Looking ahead, wage growth fell lower than the ECB's forward-looking wage growth anticipated. Wage growth has moderated, and unit labour costs have fallen, aided by productivity gains, supporting a lower inflation outlook. Inflation pressure has thus clearly weakened and is expected to remain around target the remainder of the year and into next year.

While the inflation outlook is broadly stable, upside risks remain. They include potential energy price shocks, particularly gas. Geopolitical tensions, especially between Israel and Iran, may push gas prices higher. While current gas demand is low due to the summer season, Europe's gas storage levels are also low and must be replenished before winter.

Nevertheless, for now, the near-term outlook remains stable, with inflation expected to hover around the target. We expect Eurozone headline inflation to average 2% this year, falling next year to an average of 1.8%.

CHINA'S ECONOMY—STRONG AS EVER?

Despite trade tensions, China's economy exceeded expectations in the first half of 2025. Robust Q1 growth was fuelled by frontloaded US exports, and a mid-May trade deal helped stabilise trade flows. First-quarter exports were robust, as US companies front-loaded orders ahead of higher tariff rates. Even beyond the first quarter, export performance remained solid, largely due to the rerouting of trade to other regions. While exports to the US declined in April and May, they are expected to recover following the trade agreement signed on 12 May. In general, fiscal stimulus has been in place since September last year, and given the economy's continued momentum, Beijing is unlikely to introduce new stimulus measures until at least 2025Q4.

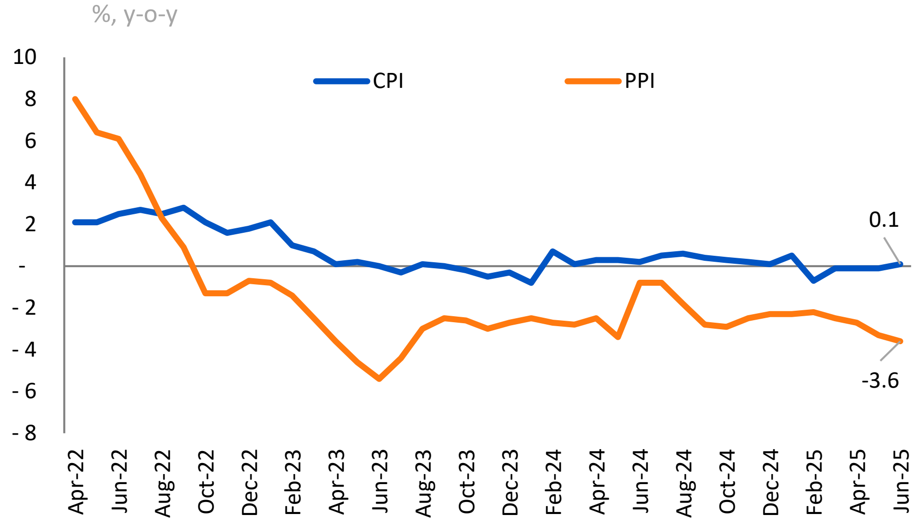
Consumer spending also surprised to the upside early in the year, supported by targeted subsidies. The government remains focused on boosting domestic demand, particularly to help lift the economy out of deflationary territory. After several years of underperformance in this component of GDP, Beijing introduced subsidies for consumers willing to trade in older home appliances and communication devices for newer models. Spending during key holidays, especially Labour Day, also picked up significantly. Tourism spending and domestic travel reached record highs, while cross-border travel surpassed 2019 levels for the first time.

However, signs of softening are emerging. Manufacturing PMIs remain below 50, and factory output returned to contraction territory in Q2. While **Q2 GDP growth came in at 5.2%**, beating expectations, it was the slowest pace since 2024Q3. Export-oriented firms have begun cutting prices in response to weaker demand and rerouted trade. The housing sector remains fragile, with falling new home prices and contracting sales. However, the secondary housing market has shown tentative signs of life, with 30-city resale volumes up 20% y-o-y in the first four months of 2025.

The government is still targeting "around 5%" growth for 2025, a goal that appears within reach. We expect growth to ease in the second half of the year, with real GDP growth averaging 4.6% in 2025 with notable upside risks and slowing to 4.0% in 2026.

On inflation, the key concern is the return to deflation. While headline CPI has dipped below zero, this reflects persistently weak consumer sentiment and excess capacity. Producer prices have been in deflation for over two years, and in response to weaker US demand and trade rerouting, export-oriented firms have begun cutting prices to stay competitive. This has increased the risk of oversaturation in the domestic market, potentially deepening deflationary pressures. We expect China to remain in mild deflationary territory through most of 2025, with only a gradual return to positive inflation in 2026, as domestic demand gradually strengthens.

Figure 13: Chinese headline CPI inflation and PPI inflation



Source: National Bureau of Statistics of China

OIL PRICE SPIKES DURING ISRAEL-IRAN WAR, BUT OUTLOOK RELATIVELY UNCHANGED

The Brent crude price averaged $67 per barrel (/bbl) in Q2, slightly above expectations due to a sharp spike during the 12-day war between Israel and Iran in June. Oil markets saw significant volatility throughout the quarter, driven by geopolitical flare-ups and trade policy shifts. Liberation Day in early April triggered a decline in oil prices as markets priced in weaker global demand. This coincided with the OPEC and its allies (OPEC+) decision to accelerate output increases in May. A weakening demand outlook and rising supply triggered a sharp decline in oil prices.

The 90-day suspension of reciprocal tariffs brought some relief, allowing prices to rebound briefly. However, another OPEC+ supply announcement in June and a major escalation in the US-China trade war sent Brent crude below $65/bbl for most of May, averaging $64.09. Retaliatory tariff hikes exceeding 100% between the US and China raised concerns over global growth and energy demand.

In **mid-June, Israel's strike on Iran triggered a conflict that dragged the US into the fold.** Brent briefly surged past $80/bbl amid fears Iran might block the Strait of Hormuz, a crucial route for over 20% of global oil exports, mainly from the Middle East. Ultimately, Iran's limited retaliation against a US base in Qatar and a swift ceasefire with Israel helped ease market fears, pulling prices back below $70 by month-end.

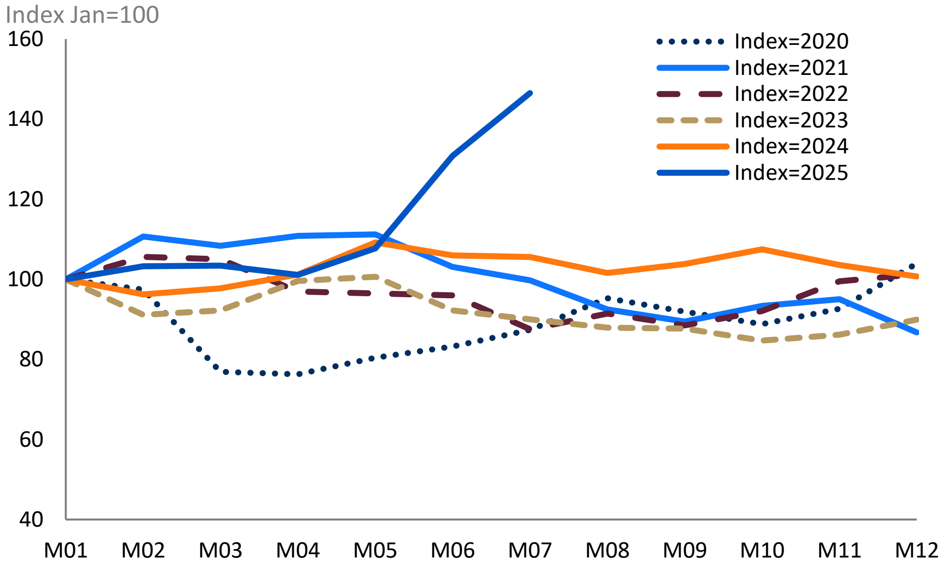
Brent has remained just below $70/bbl in July, despite further OPEC+ supply pledges and ongoing trade tensions. OPEC+ has pledged to increase output by over half a million barrels in August; however, markets do not appear convinced that actual supply increases will be as significant. In addition, despite recent gains, production remains below pre-pandemic levels. Downward revisions to US production forecasts – albeit still at record levels – and continued attacks in the Red Sea cast further doubt on the supply outlook. Trump has also threatened harsh tariffs on Russia unless it secures a peace deal with Ukraine by September and proposed secondary tariffs on non-compliant countries. These risks have kept oil prices elevated despite a dampened demand outlook and supposedly much higher output from OPEC+.

Looking ahead, demand and supply fundamentals are expected to keep prices between $60 and $70/bbl. We forecast Brent crude to average around $68.75/bbl in 2025, below 2024 levels. Beyond that, geopolitical uncertainty during the Trump administration and further reneging on climate policy targets under the Trump administration should keep prices steady.

PRECIOUS METALS GAIN ON UNCERTAINTY BUT GLOBAL GROWTH CONCERNS WEIGH ON BULK COMMODITIES

After stagnating for nearly a decade, platinum has recently begun catching up to gold's rally. Gaining 48% in the first half of the year, the platinum price remarkably outperformed gold and went on to reach an 11-year high in July, surpassing $1 400/oz. Palladium and rhodium have followed suit, appreciating by more than 20%. Precious metals have benefitted from their safe-haven status amid heightened market volatility since the start of the year. Platinum's appeal is further enhanced by its discount to gold, making it increasingly attractive to price-sensitive consumers, particularly in China. The World Platinum Investment Council (WPIC) projects modest growth in China's platinum jewellery demand after a long-term decline, along with increased interest in global platinum ETF, and bar and coin investment. Growing demand against a backdrop of persistent market deficits and depleting above-ground stocks has brightened sentiment in the PGM market, which has been a boon for the platinum price. Moreover, platinum's long-term strategic significance to the green economy underpins our expectation of higher prices over the forecast horizon.

Figure 14: Platinum's breakout rally compared to the past five years



Source: Refinitiv, BER calculations

Toward the end of April, the gold price rally halted below $3 500/oz. However, gold's run might not necessarily be done, as the yellow metal has held steady at historic highs, and a number of key drivers are still in place that support gold holding onto its gains or even rising further. Central banks' demand remains robust, while dollar weakness is projected to persist, providing additional support. Further, global gold ETF holdings remain well below their record highs, suggesting significant potential for increased investor flight to safe havens should trade uncertainty or geopolitical tensions escalate.

Global coal benchmark prices declined during the first half of the year. The Richards Bay spot price was down 9% YTD and averaged near a four-year low at $89/MT in Q2. Coal prices faced downward pressure from softer demand amid lower natural gas prices and elevated domestic production amongst top consumers India and China. Although our near-term coal outlook has been adjusted lower, we expect prices to rise slightly from 2025Q3, as high summer temperatures and rising cooling demand in Asia and Europe provide some supportive momentum. Over the medium-long term, the global seaborne market is expected to remain in a comfortable surplus while the demand outlook remains subdued. As such, weaker global growth poses a downside risk to coal prices, which were already anticipated to decline due to the ongoing energy transition.

Iron ore has demonstrated surprising resilience amid heightened tariff attacks on China, the steelmaking ingredient's largest consumer. Iron ore prices were down 'just' 7% YTD in Q2, as prices remained relatively stable over the first half of the year after falling for most of 2024. New reforms aimed at curbing steel supply in China and expectations of additional stimulus to support domestic consumption provide some near-term upside potential for iron ore. Although Beijing's commitment to curtail steel output and tackle overcapacity would mean a reduction in China's iron ore imports, the prospect of improved margins amongst steel makers provides a near-term sentiment boost to steel and associated markets. However, the 50% US tariffs on steel and aluminium imports are projected to slow global steel production. This, alongside persistent weakness in China's property market, will weigh on iron ore demand and prices. Over the forecast period, iron ore prices are expected to face downward pressure as robust global supply growth coincides with subdued demand, largely from China's steel industry.

Conclusion

Any forecast is subject to uncertainty, and any forecast in its totality is doomed to be wrong. The trick is to get as much of it correct as possible and to at least signal the direction we are moving in. Unfortunately, there does not seem to be much movement in the SA economy.

We have been debating whether we are a 1% economy for some time. Cynically, some argue that even getting to 1% growth seems like too much of a stretch at this stage. The SA consumer so far remains resilient, but the question is whether this will last and can continue to underpin growth. Private investment remains extremely downbeat, especially outside of the renewable energy space. Pessimistically, one wonders if anything can turn this around. Positively, one has to think that the slight progress we have seen on the structural reform front should start to help on the margin. Given the low current level of investment, a little goes a long way. Renewable energy registrations suggest a meaningful pipeline of spending is still coming in the next 3 to 5 years.

The export picture is messy. Any tariff will hurt the sectors impacted, especially when competitors in other countries do not face the same hurdles. While diversification provides opportunities over time, the reality is that many countries are now scrambling to find alternative markets. On the positive side, sustained higher prices of some of our export commodities could be a boon for trade (and the fiscus).

We have assumed that the SARB will move to a 3% target in the next couple of months and will be able to do so relatively successfully over the medium term of our forecast period. This will benefit consumption and investment over time, countering some of the downward revisions we would have otherwise made. However, the fiscal picture over the short term turns even less rosy. Not navigating this carefully brings a serious risk.

For now, the expectation is that we will indeed be a (just below) 1% economy in 2025 with some acceleration in the coming years. But pinning down a forecast that 'seamlessly' glides to 2% over time is impossible, unless we see a renewed push from all stakeholders to get us there.

Appendix A

STATISTICS OF THE QUARTERLY FORECAST, 2024 - 2026

Table A 1: International economic indicators

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2024	2025	2026
Real GDP growth rates															
US % growth	2.9	3.0	2.7	2.5	2.1	1.9	1.4	0.9	1.5	1.6	1.7	2.0	***2.8***	***1.6***	***1.7***
UK % growth	0.3	0.7	0.9	1.3	1.3	1.0	1.1	1.1	0.6	1.0	1.4	1.8	***0.8***	***1.1***	***1.2***
Germany % growth	-0.1	-0.2	-0.3	-0.2	0.0	0.4	0.4	0.6	0.5	1.2	1.6	2.0	***-0.2***	***0.3***	***1.3***
Japan % growth	-0.9	-0.9	0.5	1.0	1.7	0.8	0.6	0.2	0.5	0.7	0.9	0.9	***-0.1***	***0.8***	***0.7***
Eurozone % growth	0.4	0.5	1.0	0.9	1.5	1.3	1.0	0.7	0.2	1.0	1.5	1.9	***0.7***	***1.1***	***1.1***
G7 % growth	1.6	1.7	1.7	1.7	1.6	1.6	1.2	1.0	1.2	1.3	1.5	1.7	***1.7***	***1.4***	***1.4***
CPI inflation rates															
US % CPI	3.2	3.2	2.6	2.7	2.7	2.5	3.2	3.5	3.2	2.8	2.7	2.4	***2.9***	***3.0***	***2.8***
UK % CPI	3.9	2.9	2.9	3.4	2.8	3.4	3.6	3.1	2.8	1.9	2.1	2.4	***3.3***	***3.2***	***2.3***
Germany % CPI	2.5	2.3	1.9	2.3	2.3	2.2	2.3	2.2	2.1	1.7	1.7	1.7	***2.3***	***2.2***	***1.8***
Japan % CPI	2.5	2.7	2.8	3.8	3.8	3.4	2.6	2.3	1.9	1.8	1.9	1.6	***3.0***	***3.0***	***1.8***
G7 % CPI	3.0	2.8	2.4	2.6	2.7	2.3	2.7	2.8	2.5	2.3	2.3	2.2	***2.7***	***2.6***	***2.3***
China % CPI	0.0	0.2	0.5	0.2	-0.1	-0.1	-0.2	0.4	0.4	1.1	0.9	1.0	***0.2***	***0.0***	***0.9***
India % CPI	4.6	3.8	2.9	3.9	3.7	3.1	3.2	3.5	4.0	4.4	3.8	3.8	***3.8***	***3.4***	***4.0***
Interest rates															
US prime rate	8.50	8.50	8.43	7.82	7.50	7.50	7.50	7.27	6.97	6.71	6.46	6.19	***8.31***	***7.44***	***6.58***
Commodity prices															
Spot oil price: US$/barrel	81.9	85.0	78.9	74.0	75.1	67.0	67.0	66.0	64.0	65.0	64.5	65.0	***79.9***	***68.8***	***64.6***
London gold price: US$/oz	2072	2338	2475	2662	2862	3286	3355	3376	3376	3360	3280	3200	***2387***	***3220***	***3304***
Platinum price: US$/oz	907	981	962	964	967	1070	1220	1230	1216	1213	1195	1183	***954***	***1122***	***1202***
Palladium price: US$/oz	980	973	970	1011	960	990	1015	1028	1026	1038	1045	1046	***983***	***998***	***1039***
SA coal price : US$/mt	96.6	107.7	110.0	110.4	95.8	89.5	90.0	92.0	95.0	99.0	100.0	100.0	***106.2***	***91.8***	***98.5***
China iron ore price : US$/mt	124.6	113.4	101.7	105.3	105.1	99.2	96.0	95.0	94.0	93.0	92.0	93.0	***111.3***	***98.8***	***93.0***
Exchange rates															
US$/Sterling exchange rate	1.27	1.26	1.30	1.28	1.26	1.33	1.36	1.36	1.37	1.37	1.38	1.38	***1.28***	***1.33***	***1.37***
YN/$ exchange rate	148.4	155.8	148.9	152.2	152.4	144.0	144.0	140.0	139.0	137.0	136.0	134.1	***151.3***	***145.1***	***136.5***
US$/Euro exchange rate	1.09	1.08	1.10	1.07	1.05	1.13	1.15	1.15	1.16	1.16	1.17	1.17	***1.08***	***1.12***	***1.17***

Table A 2: Expenditure on gross domestic product (R billion at current prices, seasonally adjusted annual rates)

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2024	2025	2026
Nominal GDP expenditure components															
Household consumption	4641.2	4737.6	4785.6	4846.3	4887.5	4961.8	5071.4	5153.3	5163.2	5237.1	5347.1	5441.2	***4752.7***	***5018.5***	***5297.1***
(year % ch.)	4.6	5.7	5.2	5.2	5.3	4.7	6.0	6.3	5.6	5.5	5.4	5.6	***5.2***	***5.6***	***5.6***
Government consumption	1404.7	1401.8	1420.7	1416.1	1413.8	1485.1	1513.5	1533.1	1522.7	1542.2	1571.9	1592.1	***1410.8***	***1486.4***	***1557.2***
(year % ch.)	8.3	5.8	2.5	1.7	0.6	5.9	6.5	8.3	7.7	3.8	3.9	3.8	***4.5***	***5.4***	***4.8***
Fixed investment	1059.6	1079.2	1072.9	1059.1	1057.2	1097.8	1116.0	1125.0	1142.8	1169.6	1192.3	1201.5	***1067.7***	***1099.0***	***1176.5***
(year % ch.)	4.6	0.8	1.4	-0.4	-0.2	1.7	4.0	6.2	8.1	6.5	6.8	6.8	***1.6***	***2.9***	***7.1***
Inventory investment	-68.7	20.3	-23.4	-61.2	-23.3	29.5	5.8	-5.4	28.5	58.1	4.5	-16.3	***-33.2***	***1.6***	***18.7***
Residual item	66.3	-42.6	-16.4	41.0	-56.6	-56.6	-56.6	-56.6	-56.6	-56.6	-56.6	-56.6	***12.1***	***-56.6***	***-56.6***
Gross domestic expenditure	7103.2	7196.3	7239.3	7301.3	7278.7	7517.6	7650.0	7749.3	7800.7	7950.4	8059.3	8161.9	***7210.0***	***7548.9***	***7993.1***
(year % ch.)	4.1	2.5	4.3	2.3	2.5	4.5	5.7	6.1	7.2	5.8	5.3	5.3	***3.3***	***4.7***	***5.9***
Exports: goods and services	2335.3	2399.4	2279.0	2336.2	2394.1	2407.5	2374.9	2390.0	2472.1	2500.6	2484.0	2515.0	***2337.5***	***2391.6***	***2492.9***
(year % ch.)	-1.2	2.6	-1.7	-0.2	2.5	0.3	4.2	2.3	3.3	3.9	4.6	5.2	***-0.1***	***2.3***	***4.2***
Imports: goods and services	2196.0	2257.3	2152.9	2174.0	2234.4	2363.9	2325.6	2349.6	2409.2	2481.8	2457.1	2483.2	***2195.1***	***2318.4***	***2457.8***
(year % ch.)	-3.8	-4.7	-1.4	-5.3	1.7	4.7	8.0	8.1	7.8	5.0	5.7	5.7	***-3.8***	***5.6***	***6.0***
Expenditure on GDP	7242.5	7338.4	7365.4	7463.5	7438.4	7561.2	7699.4	7789.7	7863.6	7969.2	8086.2	8193.7	***7352.4***	***7622.1***	***8028.1***
(year % ch.)	4.8	5.0	4.1	3.9	2.7	3.0	4.5	4.4	5.7	5.4	5.0	5.2	***4.5***	***3.7***	***5.3***

Table A 3: Expenditure on gross domestic product (R billion at constant 2015 prices, seasonally adjusted annual rates)

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2024	2025	2026
Real GDP expenditure components															
Household consumption	3072.5	3109.2	3120.8	3154.4	3168.5	3187.6	3193.9	3208.0	3219.1	3236.6	3247.8	3262.6	***3114.2***	***3189.5***	***3241.5***
(year % ch.)	-0.7	0.7	1.3	2.7	3.1	2.5	2.3	1.7	1.6	1.5	1.7	1.7	***1.0***	***2.4***	***1.6***
Government consumption	917.0	923.1	914.1	906.3	905.3	941.1	942.9	940.8	936.8	940.3	944.9	942.5	***915.1***	***932.5***	***941.1***
(year % ch.)	2.3	0.8	-1.5	-1.8	-1.3	1.9	3.2	3.8	3.5	-0.1	0.2	0.2	***-0.1***	***1.9***	***0.9***
Fixed investment	666.5	659.4	661.1	657.6	646.3	657.9	659.3	660.4	665.8	671.8	677.1	679.9	***661.1***	***656.0***	***673.6***
(year % ch.)	-3.1	-7.3	-2.5	-2.5	-3.0	-0.2	-0.3	0.4	3.0	2.1	2.7	2.9	***-3.9***	***-0.8***	***2.7***
Inventory investment	-11.3	-3.5	-17.1	-24.4	-8.9	-2.7	-16.1	-21.6	-3.5	12.7	-17.9	-27.6	***-14.1***	***-12.3***	***-9.1***
Residual item	12.3	6.7	5.6	0.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	***6.2***	***1.4***	***1.4***
Gross domestic expenditure	4657.1	4694.9	4684.4	4694.3	4712.6	4785.3	4781.4	4789.0	4819.5	4862.8	4853.2	4858.8	***4682.7***	***4767.0***	***4848.6***
(year % ch.)	-1.2	-2.1	1.1	-0.1	1.2	1.9	2.1	2.0	2.3	1.6	1.5	1.5	***-0.6***	***1.8***	***1.7***
Exports: goods and services	1321.7	1316.1	1259.6	1285.5	1298.3	1301.7	1293.8	1291.3	1311.9	1312.6	1313.9	1319.2	***1295.7***	***1296.3***	***1314.4***
(year % ch.)	-0.2	-0.6	-5.8	-4.4	-1.8	-1.1	2.7	0.5	1.0	0.8	1.5	2.2	***-2.8***	***0.0***	***1.4***
Imports: goods and services	1321.0	1341.2	1287.8	1305.1	1331.5	1392.8	1364.9	1364.9	1392.2	1420.1	1398.8	1400.1	***1313.8***	***1363.5***	***1402.8***
(year % ch.)	-7.1	-8.5	-3.7	-6.1	0.8	3.8	6.0	4.6	4.6	2.0	2.5	2.6	***-6.4***	***3.8***	***2.9***
Expenditure on GDP	4657.8	4669.7	4656.2	4674.7	4679.4	4694.1	4710.3	4715.4	4739.2	4755.4	4768.3	4778.0	***4664.6***	***4699.8***	***4760.2***
(year % ch.)	0.9	0.3	0.4	0.5	0.5	0.5	1.2	0.9	1.3	1.3	1.2	1.3	***0.5***	***0.8***	***1.3***

Table A 4: Final household consumption expenditure (R billion at constant 2015 prices, seasonally adjusted annual rates)

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2024	2025	2026
Household consumption categories															
Durable goods	321.2	322.6	324.5	331.6	334.2	336.2	336.4	337.3	339.7	341.6	342.8	343.8	***325.0***	***336.0***	***342.0***
(year % ch.)	1.7	3.2	4.1	3.8	4.0	4.2	3.7	1.7	1.6	1.6	1.9	2.0	***3.2***	***3.4***	***1.8***
Semi-durable goods	286.0	290.9	292.8	304.2	304.1	306.0	306.5	315.1	313.3	313.8	314.2	321.2	***293.5***	***307.9***	***315.6***
(year % ch.)	-3.1	2.1	1.5	1.9	6.3	5.2	4.7	3.6	3.0	2.6	2.5	2.0	***0.6***	***4.9***	***2.5***
Non-durable goods	896.1	904.1	911.8	926.5	928.9	930.6	930.9	931.5	935.6	942.3	946.0	948.3	***909.6***	***930.5***	***943.0***
(year % ch.)	-1.5	-0.4	1.0	5.2	3.7	2.9	2.1	0.5	0.7	1.3	1.6	1.8	***1.0***	***2.3***	***1.3***
Services	1569.2	1591.6	1591.7	1592.2	1601.4	1614.7	1620.1	1624.1	1630.5	1639.0	1644.9	1649.3	***1586.2***	***1615.1***	***1640.9***
(year % ch.)	-0.3	0.5	0.9	1.2	2.1	1.5	1.8	2.0	1.8	1.5	1.5	1.6	***0.6***	***1.8***	***1.6***
Total household consumption	3072.5	3109.2	3120.8	3154.4	3168.5	3187.6	3193.9	3208.0	3219.1	3236.6	3247.8	3262.6	***3114.2***	***3189.5***	***3241.5***
(year % ch.)	-0.7	0.7	1.3	2.7	3.1	2.5	2.3	1.7	1.6	1.5	1.7	1.7	***1.0***	***2.4***	***1.6***
Disposable income of households															
Real disposable income	3045.9	3077.9	3091.1	3119.2	3131.5	3196.9	3132.9	3166.3	3180.1	3239.3	3187.1	3208.4	***3083.5***	***3156.9***	***3203.7***
(year % ch.)	-1.2	0.3	1.2	2.5	2.8	3.9	1.4	1.5	1.6	1.3	1.7	1.3	***0.7***	***2.4***	***1.5***
Adjusted for debt-service cost (real)	2992.5	3024.9	3038.5	3066.7	3079.2	3145.1	3082.1	3116.2	3129.9	3189.5	3138.1	3160.1	***3030.7***	***3105.6***	***3154.4***
(year % ch.)	-1.1	0.5	1.3	2.6	2.9	4.0	1.4	1.6	1.6	1.4	1.8	1.4	***0.8***	***2.5***	***1.6***

Table A 5: Gross fixed capital formation (R billion at constant 2015 prices, seasonally adjusted annual rates)

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2024	2025	2026
Private sector															
Total private sector	472.5	470.4	466.2	473.6	452.1	467.1	467.6	470.7	473.8	477.4	481.2	483.3	470.7	464.4	478.9
(year % ch.)	-2.8	-7.6	-3.5	-2.9	-4.3	-0.7	0.3	-0.6	4.8	2.2	2.9	2.7	-4.2	-1.3	3.1
Public sector															
Government	113.4	113.6	120.5	113.1	113.4	113.5	114.3	114.1	114.6	115.6	116.5	116.5	115.2	113.8	115.8
(year % ch.)	-8.5	-5.1	1.1	3.8	0.0	-0.1	-5.2	0.9	1.1	1.9	1.9	2.1	-2.4	-1.2	1.7
Public corporations	80.6	75.4	74.4	70.9	80.7	77.3	77.4	75.6	77.4	78.8	79.4	80.0	75.3	77.8	78.9
(year % ch.)	3.5	-8.8	-1.7	-8.9	0.2	2.5	4.1	6.5	-4.2	1.9	2.6	5.9	-4.0	3.2	1.5
Total public sector	194.0	189.0	194.9	184.0	194.1	190.8	191.7	189.7	192.0	194.4	195.9	196.5	190.5	191.6	194.7
(year % ch.)	-3.9	-6.6	0.0	-1.5	0.1	0.9	-1.6	3.1	-1.1	1.9	2.2	3.6	-3.0	0.6	1.6
Total															
Total fixed capital formation	666.5	659.4	661.1	657.6	646.3	657.9	659.3	660.4	665.8	671.8	677.1	679.9	661.1	656.0	673.6
(year % ch.)	-3.1	-7.3	-2.5	-2.5	-3.0	-0.2	-0.3	0.4	3.0	2.1	2.7	2.9	-3.9	-0.8	2.7

Table A 6: Labour sector (million)

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2024	2025	2026
Employment															
Total labour force	24.97	25.04	24.96	25.07	25.01	25.36	25.28	25.39	25.34	25.69	25.61	25.72	***25.01***	***25.26***	***25.59***
(year % ch.)	3.5	3.2	1.5	1.8	0.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	***2.5***	***1.0***	***1.3***
Private sector employment	14.56	14.36	14.78	14.94	14.66	14.66	14.90	15.09	14.81	14.81	15.13	15.21	***14.66***	***14.83***	***14.99***
(year % ch.)	4.3	2.8	3.1	2.9	0.7	2.1	0.8	1.0	1.0	1.0	1.6	0.8	***3.3***	***1.1***	***1.1***
Government employment	2.19	2.29	2.16	2.14	2.13	2.22	2.21	2.20	2.21	2.21	2.21	2.19	***2.19***	***2.19***	***2.21***
(year % ch.)	-2.2	-3.4	-10.4	-3.1	-2.8	-3.1	2.5	2.8	3.9	-0.3	-0.3	-0.3	***-4.9***	***-0.2***	***0.8***
Total employment (incl. informal)	16.74	16.65	16.95	17.08	16.79	16.88	17.11	17.29	17.02	17.02	17.34	17.40	***16.86***	***17.02***	***17.20***
(year % ch.)	3.4	1.9	1.2	2.1	0.3	1.4	1.0	1.3	1.4	0.9	1.3	0.6	***2.1***	***1.0***	***1.1***
Unemployment rate	32.9	33.5	32.1	31.9	32.9	33.4	32.3	31.9	32.8	33.7	32.3	32.4	***32.6***	***32.6***	***32.8***
Wage rates (year % change)															
Unit labour cost	4.8	4.7	3.6	3.9	3.4	4.9	4.3	5.9	4.4	3.4	3.7	3.1	***4.2***	***4.6***	***3.7***
Wage bill (R billion at current prices)															
Total wage bill	3311.8	3322.7	3346.8	3381.4	3439.2	3504.2	3531.8	3612.3	3637.0	3672.4	3708.9	3774.7	***3340.7***	***3521.9***	***3698.2***
(year % ch.)	5.7	5.1	4.0	4.4	3.8	5.5	5.5	6.8	5.8	4.8	5.0	4.5	***4.8***	***5.4***	***5.0***

Table A 7: Personal income and expenditure (R billion at current prices, seasonally adjusted annual rates)

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2024	2025	2026
Income and expenditure															
Remuneration of employees	3311.8	3322.7	3346.8	3381.4	3439.2	3504.2	3531.8	3612.3	3637.0	3672.4	3708.9	3774.7	***3340.7***	***3521.9***	***3698.2***
(year % ch.)	5.7	5.1	4.0	4.4	3.8	5.5	5.5	6.8	5.8	4.8	5.0	4.5	***4.8***	***5.4***	***5.0***
Disposable income	4601.0	4689.9	4740.0	4792.2	4830.4	4976.3	4974.6	5086.4	5100.8	5241.4	5247.1	5350.7	***4705.8***	***4966.9***	***5235.0***
(year % ch.)	4.1	5.4	5.1	5.0	5.0	6.1	4.9	6.1	5.6	5.3	5.5	5.2	***4.9***	***5.5***	***5.4***
Less household consumption	4641.2	4737.6	4785.6	4846.3	4887.5	4961.8	5071.4	5153.3	5163.2	5237.1	5347.1	5441.2	***4752.7***	***5018.5***	***5297.1***
(year % ch.)	4.6	5.7	5.2	5.2	5.3	4.7	6.0	6.3	5.6	5.5	5.4	5.6	***5.2***	***5.6***	***5.6***
Saving	-40.2	-47.7	-45.6	-54.1	-57.2	14.5	-96.8	-66.9	-62.5	4.4	-100.0	-90.4	***-46.9***	***-51.6***	***-62.1***
Households: ratio to disposable income															
Saving	-0.9	-1.0	-1.0	-1.1	-1.2	0.3	-1.9	-1.3	-1.2	0.1	-1.9	-1.7	***-1.0***	***-1.0***	***-1.2***
Debt	63.2	62.1	62.4	62.2	62.7	60.6	62.6	62.2	62.8	61.1	63.1	63.1	***62.5***	***62.0***	***62.6***
Debt-service cost	9.3	9.1	9.2	9.0	8.9	8.6	8.7	7.9	8.1	8.0	8.3	8.4	***9.1***	***8.5***	***8.2***
Net wealth	394.5	398.9	412.5	408.8	413.0	409.8	416.9	423.7	423.8	415.0	419.7	417.8	***403.7***	***415.8***	***419.1***

Table A 8: Current income and expenditure of general government (R billion at current prices, seasonally adjusted annual rates)

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	*2024*	*2025*	*2026*
Income															
Direct taxes	1052.6	1045.1	1097.4	1091.9	1185.9	1155.5	1143.8	1173.1	1198.9	1243.1	1229.0	1261.3	***1071.8***	***1164.6***	***1233.1***
(year % ch.)	7.7	5.0	11.4	7.7	12.7	10.6	4.2	7.4	1.1	7.6	7.4	7.5	***7.9***	***8.7***	***5.9***
Value added tax (VAT)	517.9	378.9	442.6	467.2	542.5	386.9	464.9	495.9	543.7	423.7	505.9	539.4	***451.6***	***472.5***	***503.2***
(year % ch.)	5.6	0.4	-0.1	3.4	4.8	2.1	5.0	6.2	0.2	9.5	8.8	8.8	***2.5***	***4.6***	***6.5***
Other indirect taxes	376.2	509.4	460.7	434.7	402.9	549.4	488.2	487.7	446.8	571.2	507.3	507.2	***445.3***	***482.1***	***508.1***
(year % ch.)	-0.1	1.9	3.9	1.5	7.1	7.9	6.0	12.2	10.9	4.0	3.9	4.0	***1.9***	***8.3***	***5.4***
Expenditure															
Consumption	1404.7	1401.8	1420.7	1416.1	1413.8	1485.1	1513.5	1533.1	1522.7	1542.2	1571.9	1592.1	***1410.8***	***1486.4***	***1557.2***
(year % ch.)	8.3	5.8	2.5	1.7	0.6	5.9	6.5	8.3	7.7	3.8	3.9	3.8	***4.5***	***5.4***	***4.8***
Interest Payments	363.5	371.2	396.5	343.8	416.0	408.2	427.4	371.3	436.1	441.1	446.1	387.2	***368.7***	***405.7***	***427.6***
(year % ch.)	15.3	5.8	19.8	-5.8	14.5	10.0	7.8	8.0	4.8	8.1	4.4	4.3	***8.3***	***10.0***	***5.4***
Saving	-395.9	-303.3	-388.1	-311.5	-364.6	-348.8	-424.3	-325.4	-366.1	-350.8	-416.1	-308.9	***-349.7***	***-365.8***	***-360.5***
Ratios to GDP															
Total tax revenue	26.9	26.3	27.2	26.7	28.7	27.7	27.2	27.7	27.8	28.1	27.7	28.2	***26.8***	***27.8***	***28.0***
Main budget balance	-2.1	-5.7	-5.3	-4.5	-3.2	-4.8	-5.5	-4.2	-4.8	-4.1	-4.6	-3.3	***-4.4***	***-4.5***	***-4.2***
Gross debt (National government)	73.9	74.4	74.9	77.1	76.9	77.2	77.5	77.9	77.6	77.8	78.1	78.2	***77.1***	***77.9***	***78.2***

Table A 9: Balance of payments (R billion at current prices, seasonally adjusted annual rates)

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2024	2025	2026
Current account															
Exports: goods and services	2335.3	2399.4	2279.0	2336.2	2394.1	2407.5	2374.9	2390.0	2472.1	2500.6	2484.0	2515.0	2337.5	2391.6	2492.9
(year % ch.)	-1.2	2.6	-1.7	-0.2	2.5	0.3	4.2	2.3	3.3	3.9	4.6	5.2	-0.1	2.3	4.2
Net receipts	-45.4	-52.7	-47.9	-37.4	-49.4	-56.9	-57.4	-62.2	-64.8	-65.0	-65.5	-70.5	-45.8	-56.5	-66.5
(year % ch.)	141.5	2.1	3.1	-12.4	8.7	8.1	20.0	66.3	31.2	14.2	14.1	13.3	14.9	23.2	17.7
Less imports: goods and services	2196.0	2257.3	2152.9	2174.0	2234.4	2363.9	2325.6	2349.6	2409.2	2481.8	2457.1	2483.2	2195.1	2318.4	2457.8
(year % ch.)	-3.8	-4.7	-1.4	-5.3	1.7	4.7	8.0	8.1	7.8	5.0	5.7	5.7	-3.8	5.6	6.0
Less net factor payments	155.3	117.4	141.5	164.1	145.8	113.7	144.6	170.3	155.5	121.5	150.1	179.1	144.6	143.6	151.6
(year % ch.)	77.8	47.1	75.0	25.1	-6.1	-3.1	2.2	3.8	6.7	6.8	3.8	5.2	52.5	-0.7	5.5
Current account balance	-61.5	-28.0	-63.3	-39.3	-35.6	-127.1	-152.7	-192.2	-157.5	-167.8	-188.6	-217.9	-48.0	-126.9	-183.0
Current account in US$	-3.3	-1.5	-3.5	-2.2	-1.9	-6.9	-8.5	-10.9	-9.0	-9.5	-10.7	-12.3	-2.6	-7.1	-10.4
Current account as % of GDP	-0.8	-0.4	-0.9	-0.5	-0.5	-1.7	-2.0	-2.5	-2.0	-2.1	-2.3	-2.7	-0.7	-1.7	-2.3
Financing of the current account															
Total net capital flows	32.1	-40.3	19.5	36.9	29.0	23.9	58.6	23.8	76.6	15.1	67.5	30.2	48.2	135.3	189.5
SDR + Valuation adjustment	42.0	-35.2	-20.1	82.1	29.1	-41.9	11.5	-27.4	3.4	-0.7	2.1	4.8	68.9	-28.5	9.6
Change in gross reserves	28.0	-55.6	-36.7	133.4	12.1	-22.9	11.5	-27.4	3.4	-0.7	2.1	4.8	69.1	-26.7	9.6
Gross reserves: quarter end	1185.6	1130.0	1093.3	1226.7	1238.8	1215.8	1227.4	1200.0	1203.4	1202.7	1204.8	1209.6	1226.7	1200.0	1209.6
Gross reserves: quarter end (US$)	62.3	62.1	63.6	65.5	67.5	68.4	68.4	68.4	68.4	68.4	68.4	68.4	65.5	68.4	68.4
Terms of trade															
Index (2015 = 100)	106.3	108.3	108.2	109.1	109.9	109.0	107.7	107.5	108.9	109.0	107.6	107.5	108.0	108.5	108.3
(year % ch.)	-4.5	-0.8	1.9	3.5	3.4	0.6	-0.5	-1.4	-0.9	0.0	-0.1	0.0	-0.1	0.5	-0.3

Table A 10: Credit, interest rates and exchange rates

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2024	2025	2026
Money supply and credit extension															
M3 money supply	5198.6	5152.8	5388.1	5430.5	5481.4	5502.8	5681.9	5706.0	5772.2	5809.5	5997.9	6050.3	***5430.5***	***5706.0***	***6050.3***
(year % ch.)	6.8	4.2	7.3	6.7	5.4	6.8	5.5	5.1	5.3	5.6	5.6	6.0	***6.7***	***5.1***	***6.0***
Private sector credit to households	2150.0	2159.2	2176.0	2189.2	2212.8	2237.5	2291.9	2323.7	2341.8	2375.0	2437.5	2481.1	***2189.2***	***2323.7***	***2481.1***
(year % ch.)	3.9	3.5	3.3	3.0	2.9	3.6	5.3	6.1	5.8	6.1	6.4	6.8	***3.0***	***6.1***	***6.8***
Private sector credit to firms	2580.5	2580.4	2655.8	2628.4	2682.1	2678.8	2803.5	2795.7	2843.9	2847.9	2973.8	2982.7	***2628.4***	***2795.7***	***2982.7***
(year % ch.)	5.7	5.0	5.7	4.6	3.9	3.8	5.6	6.4	6.0	6.3	6.1	6.7	***4.6***	***6.4***	***6.7***
Total private sector credit extension	4730.5	4739.6	4831.7	4817.6	4894.9	4916.3	5095.4	5119.4	5185.7	5222.9	5411.3	5463.8	***4817.6***	***5119.4***	***5463.8***
(year % ch.)	4.9	4.3	4.6	3.8	3.5	3.7	5.5	6.3	5.9	6.2	6.2	6.7	***3.8***	***6.3***	***6.7***
Interest rates															
3-month NCD rate	8.37	8.35	8.24	7.91	7.61	7.41	6.95	6.94	7.00	6.99	6.93	6.98	***8.22***	***7.23***	***6.97***
10-year government bond yield	11.03	11.68	10.55	10.28	10.42	10.42	10.30	10.31	10.17	10.09	9.92	9.77	***10.89***	***10.36***	***9.99***
Prime overdraft rate	11.75	11.75	11.72	11.39	11.09	10.91	10.55	10.50	10.50	10.50	10.50	10.50	***11.65***	***10.76***	***10.50***
Effective household lending rate	14.72	14.65	14.74	14.47	14.19	14.10	13.81	12.77	12.88	13.03	13.17	13.24	***14.65***	***13.72***	***13.08***
Effective firm lending rate	9.42	9.82	10.11	9.04	8.53	8.04	7.51	7.36	7.12	7.02	6.95	6.88	***9.60***	***7.86***	***6.99***
Exchange rates															
R/US DOLLAR	18.88	18.57	17.97	17.89	18.50	18.30	18.06	17.61	17.59	17.57	17.60	17.65	***18.33***	***18.12***	***17.60***
(year % ch.)	6.4	-0.5	-3.6	-4.6	-2.0	-1.5	0.5	-1.6	-4.9	-3.9	-2.6	0.2	***-0.7***	***-1.2***	***-2.8***
R/100 Japanese YEN	12.73	11.92	12.07	11.75	12.14	12.70	12.54	12.58	12.66	12.83	12.94	13.16	***12.12***	***12.49***	***12.89***
(year % ch.)	-5.1	-12.3	-6.4	-7.3	-4.6	6.6	3.9	7.0	4.3	1.0	3.1	4.6	***-7.8***	***3.1***	***3.2***
R/STERLING	23.95	23.44	23.36	22.93	23.30	24.33	24.51	23.90	24.08	24.06	24.30	24.37	***23.42***	***24.01***	***24.20***
(year % ch.)	11.1	0.4	-1.0	-1.4	-2.7	3.8	4.9	4.2	3.4	-1.1	-0.9	2.0	***2.1***	***2.5***	***0.8***
R/EURO	20.50	19.99	19.74	19.09	19.46	20.67	20.77	20.25	20.41	20.39	20.59	20.65	***19.83***	***20.29***	***20.51***
(year % ch.)	7.6	-1.6	-2.7	-5.4	-5.1	3.4	5.2	6.1	4.8	-1.4	-0.9	2.0	***-0.6***	***2.3***	***1.1***
R/$ PP parity rate (base PPI 2003)	10.58	10.64	10.61	10.59	10.58	10.64	10.62	10.64	10.64	10.68	10.75	10.76	***10.61***	***10.62***	***10.71***
(year % ch.)	5.4	3.8	3.2	-0.2	-0.1	0.0	0.1	0.5	0.6	0.3	1.2	1.1	***3.0***	***0.1***	***0.8***

Table A 11: Prices

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2024	2025	2026
Price deflators (index base year: 2015)															
Exports (incl. services)	176.7	182.3	180.9	181.7	184.4	185.0	183.6	185.1	188.4	190.5	189.1	190.6	180.4	184.5	189.7
(year % ch.)	-1.1	3.3	4.3	4.3	4.4	1.4	1.4	1.8	2.2	3.0	3.0	3.0	2.7	2.3	2.8
Export commodities (in rand)	3571.6	3650.7	3497.1	3558.8	3632.2	3725.8	3735.6	3661.7	3655.3	3662.7	3630.5	3584.7	3569.6	3688.8	3633.3
(year % ch.)	-28.2	-12.8	-1.8	-5.2	1.7	2.1	6.8	2.9	0.6	-1.7	-2.8	-2.1	-13.4	3.3	-1.5
Imports (incl. services)	166.2	168.3	167.2	166.6	167.8	169.7	170.4	172.1	173.0	174.8	175.7	177.4	167.1	170.0	175.2
(year % ch.)	3.6	4.2	2.4	0.9	0.9	0.8	1.9	3.3	3.1	3.0	3.1	3.0	2.7	1.8	3.1
GDE	151.5	154.4	155.1	154.7	155.7	158.3	161.2	163.0	163.1	164.7	167.3	169.2	153.9	159.6	166.1
(year % ch.)	5.6	5.6	3.3	3.0	2.8	2.5	4.0	5.4	4.7	4.0	3.8	3.8	4.3	3.7	4.1
Investment	159.0	163.7	162.3	161.1	163.6	166.9	169.3	170.3	171.7	174.1	176.1	176.7	161.5	167.5	174.6
(year % ch.)	8.0	8.8	4.0	2.2	2.9	2.0	4.3	5.8	4.9	4.3	4.0	3.7	5.7	3.7	4.3
GDP	155.5	157.1	158.2	159.7	159.0	161.1	163.5	165.2	165.9	167.6	169.6	171.5	157.6	162.2	168.6
(year % ch.)	3.9	4.6	3.7	3.5	2.2	2.5	3.3	3.5	4.4	4.0	3.7	3.8	3.9	2.9	4.0
Consumer (index base: Dec 2021) & producer prices (index base: Dec 2020)															
Headline inflation (CPI)	98.1	99.3	99.9	99.9	101.0	102.1	103.7	104.4	105.4	106.2	107.7	108.5	99.3	102.8	107.0
(year % ch.)	5.4	5.2	4.3	2.9	3.0	2.8	3.8	4.5	4.4	4.0	3.9	3.9	4.4	3.5	4.0
Core inflation*	97.8	99.0	99.7	100.0	101.1	102.0	102.9	103.5	104.8	105.8	106.8	107.3	99.1	102.4	106.2
(year % ch.)	4.8	4.6	4.2	3.7	3.3	3.0	3.2	3.5	3.7	3.7	3.8	3.7	4.3	3.3	3.7
CPI food and non-alcoholic beverages	98.1	98.6	99.4	100.0	100.7	103.1	105.2	107.4	107.2	107.6	109.3	111.3	99.0	104.1	108.8
(year % ch.)	6.1	4.7	4.6	2.8	2.6	4.6	5.8	7.4	6.5	4.4	3.9	3.6	4.5	5.1	4.6
CPI petrol	109.6	115.4	106.3	99.0	103.4	100.1	101.0	98.8	99.8	100.4	100.1	100.6	107.6	100.8	100.2
(year % ch.)	5.0	8.6	-1.2	-14.4	-5.7	-13.3	-5.0	-0.2	-3.5	0.3	-0.9	1.8	-0.8	-6.3	-0.6
Petrol price (R/l coastal unleaded)	*22.67*	*24.16*	*22.06*	*20.48*	*21.15*	*20.77*	*20.33*	*20.55*	*20.66*	*20.61*	*20.70*	*20.54*	*22.35*	*20.70*	*20.63*
(year % ch.)	*6.1*	*8.6*	*-2.2*	*-13.0*	*-6.7*	*-14.0*	*-7.9*	*0.3*	*-2.3*	*-0.8*	*1.8*	*0.0*	*-0.4*	*-7.4*	*-0.3*
CPI electricity	89.8	89.9	99.9	100.0	100.5	100.4	113.2	113.2	113.2	113.2	124.6	124.5	94.9	106.8	118.9
(year % ch.)	15.3	15.4	11.7	11.4	11.9	11.7	13.3	13.2	12.6	12.7	10.0	10.0	13.3	12.6	11.3
Producer price index	100.8	102.2	101.5	100.6	101.7	102.6	102.8	102.9	104.0	105.1	106.1	106.4	101.3	102.5	105.4
(year % ch.)	4.6	4.8	2.7	0.0	0.9	0.4	1.3	2.4	2.2	2.5	3.1	3.4	3.0	1.2	2.8

** CPI excluding food, non-alcoholic beverages, petrol and electricity.*