

BER celebrates 80 years of excellence

The Bureau for Economic Research's highly respected economic analysis and forecasting services have made it a household name in SA and an invaluable partner to both business and government

Eighty years ago, on January 15 1944, the Bureau for Economic Research (BER) was established by Stellenbosch University with a clear mission — to conduct applied economic research that informs policy and contributes to the sustainable development of the country.

This was two years before the South African government began publishing national accounts data, making the Bureau, which is part of the university's Faculty of Economic and Management Sciences, one of the oldest economic research institutes in SA.

Today, the BER's highly respected economic analysis and forecasting advisory services are used by a wide

range of clients, from small firms to large overseas banking groups, multilateral organisations (such as the International Monetary Fund and the World Bank), JSE-listed companies, as well as public sector bodies, academic institutions and nongovernmental organisations.

A key reason for the BER's success has been its enduring ability to make complex macroeconomics understandable to SA's business and government decision-makers.

"For clients to have access to senior BER economists to explain and contextualise their sectors has aided much better decision-making," says BER director Prof Johann Kirsten. "It's fair to say the BER performs the function of an anchor institution to both corporate SA as well as government, and it is a role taken extremely seriously by the Bureau's staff."

Such is the BER's central place in the South African financial services community that one only needs to say "the Bureau" for anyone in this sector to know exactly which institution is being referred to.

"Indeed, many other economists use our data and research as part of their toolset in understanding the underlying dynamics of the economy and business cycles," says Prof Kirsten.

The BER client base reached an all-time high during the global financial crisis of 2008/2009 as clients searched for balanced and unbiased analysis of the true state of the economy.

THE BER'S SURVEYS

The Bureau is perhaps best known for its business tendency surveys and macroeconomic forecasting capabilities. Its surveys — which offer timely insights into the state of the economy and its likely trajectory



Prof Johann Kirsten.

— set the BER apart for other economic research institutions in SA as it doesn't just analyse data, it generates its own.

The BER started conducting manufacturing and retail surveys in 1954, making SA the seventh country globally to conduct business tendency surveys. Over the years, the BER's suite of surveys has expanded to include diverse sectors such as building and civil construction, motor trade, financial services and, more recently, the other services survey.

The BER also compiles SA's quarterly business and consumer confidence indices as well as the country's manufacturing Purchasing Managers' Index — important macroeconomic indicators relied

Eight decades of guiding SA's economic compass — congratulations BER! Your unwavering commitment to objective economic analysis has fuelled progress and trust. We also commend BER for its significant contribution to training young economists, leaving a lasting impact on the future of economic research in SA. Cheers to 80 years of impactful insights!

FNB



on by many actors across the economy. Its quarterly inflation expectations survey is, for instance, a key input into the Reserve Bank's Monetary Policy Committee (MPC) decisions.

Thanks to financial sponsorships, the BER is able to share its overall survey results with the public, contributing to a well-informed society. But it wasn't always so. During the late 1990s, the BER's business model, which at the time relied on a combination of university funding, small donations from the public and sales of its regular economic forecasts and survey-related publications, began to prove unsustainable. A new funding model was urgently required.

In 1998, Prof Ben Smit was appointed as the BER's director. Under his able leadership, the Bureau was repositioned as a standalone business unit within Stellenbosch University, providing full-scale economic consultancy and business services. Strong commercial sponsorships were obtained to fund the regular surveys. The new business model proved successful enough to render the BER independent of university funding, while also allowing it to expand its reputation as an academically relevant research institute.

Subscribers to the BER's surveys receive detailed trends on activity, price increases, employment, stocks and sector-specific constraints. Survey participants, in turn, receive the result summaries. (One can sign up as a survey partner at www.ber.ac.za.) Other BER activities include commissioned research, webinars, conferences and research outputs for the public good.

Over the years, the BER's various in-person and virtual events have been a highlight on SA's economic calendar.

FORECASTING

Macroeconomic forecasting is another one of the BER's core competencies.

The Bureau's economists have won the prestigious



Craig Lemboe.

Reuters Economist of the Year award four times — in 2002, 2007, 2008 and 2013. It was also the winner of the Media24 SA Economist of the Year competition for the most accurate macroeconomic forecasts during 2021. And, in 2022, Ulrich Joubert, who is a consulting economist to the BER, won the Bureau for Market Research's Economist of the Year award for the fourth time.

The Bureau employs a suite of internationally accepted methodologies and econometric models for forecasting various aspects of the South African macro economy. These are augmented by the experience and judgment of its economists, particularly in the current environment of intense structural economic and

Congratulations BER on this significant milestone. Over the years, our collaboration is one that has provided valuable economic insights and expertise on the sectors we support. Your commitment and depth of knowledge of the South African economy will continue to help us reimagine a better future for our nation.

Absa



political volatility.

The BER's economic research is bolstered by studying international and local literature as well as conducting in-depth interviews with leading figures in the private and public sectors. The agency also gains invaluable insight into the state of the economy from its close contact with its clients.

"The BER ... has gained a reputation for precisely the kind of responsible model-based thinking about our economy that makes it an invaluable source for information," said Stan du Plessis, then dean of the Faculty of Economics and Management Sciences, at the bureau's 70th anniversary celebration.

"This is why government talks to the BER and why the South African Reserve Bank does, too. This is why the IMF never fails to visit the BER and why the rating agencies come too. This is why the private sector listens when the BER talks and, above all, this is why the university is so proud to be associated with the Bureau for Economic Research."

IMPACT ON POLICY

The Bureau's reputation for providing impartial and rigorous information and analysis has made it a trusted partner for government institutions and international organisations seeking to understand the South African economy.

Through its policy briefs, seminars and consultations, the BER has facilitated a "continuous dialogue between researchers and policymakers," says Prof Kirsten. "This collaborative approach has allowed for the translation of academic research into practical, actionable policy recommendations and provided a solid foundation for evidence-

based decision-making."

The agency has helped to shape economic policy decisions at a national and regional level and contributed to the formulation of strategies that promote sustainable economic growth, social equity and poverty reduction.

BUILDING HUMAN CAPITAL

The BER launched its Economist Internship Programme in 2006. Its aim is to equip recent economics graduates from previously disadvantaged backgrounds with the skills needed to succeed as economists in the private and public sectors.

To be 80% on the way to a full century is very special. Congratulations on the Bureau's 80th birthday.

As sponsor of the business confidence index, RMB's involvement with the BER goes back as far as 2002. A full 21 years! Our association with the BER is one we are proud of, and long may it last.

But it's not only a birthday that must be celebrated. It's also 80 years of independent, relevant and thought-driven research into a wide variety of topics that we should drink to. Noteworthy is the reputation formed over the years for the BER's data gathering and processing and its contribution to the field of macroeconomics and economic policy. As a think tank, you remain authoritative.

Congratulations to the old and new staff of the Bureau. May the next 80 years be as successful.

RMB



Since its inception, 36 interns have benefited from the programme which is funded by the South African Reserve Bank. Candidates work alongside BER economists to gain experience in all aspects of economic analysis. Through the programme, the Bureau has trained many economists who have gone on to pursue careers at leading financial institutions.

For example: Sizwe Nxedlana (2006), now CEO of FNB's Private Banking segment; Miyelani Maluleke (2010), a senior economist at Absa Corporate and Investment Banking; Nomvuyo Guma (2006), Chief Director for Microeconomic Policy at the National Treasury; Mamello Matikinca-Ngwenya (2011), Chief Economist at FNB; and Craig Lemboe (2007), who was appointed the BER's deputy director last year.

"Their contributions have further enriched the nation's economic discourse," says Prof Kirsten. "Through this programme the BER has also made a tangible contribution to enhancing transformation in the economic research profession."

ADAPTING TO CHANGE

Over its 80-year history, the Bureau has demonstrated resilience and adaptability in the face of SA's political upheavals and changing economic landscape, managing to remain one of the country's most respected providers of macroeconomic data, research and insight.

Its value system and emphasis on academic objectivity have survived, so has the original wish of its founders for it to be of service to the South African business community and the public.

The BER intends to keep building on its track record of excellence. Says Prof Kirsten: "As SA navigates the challenges and opportunities of the coming decades, the BER stands ready to contribute its wealth of expertise to help ensure a prosperous and equitable future for all."



SOUTH AFRICAN RESERVE BANK