

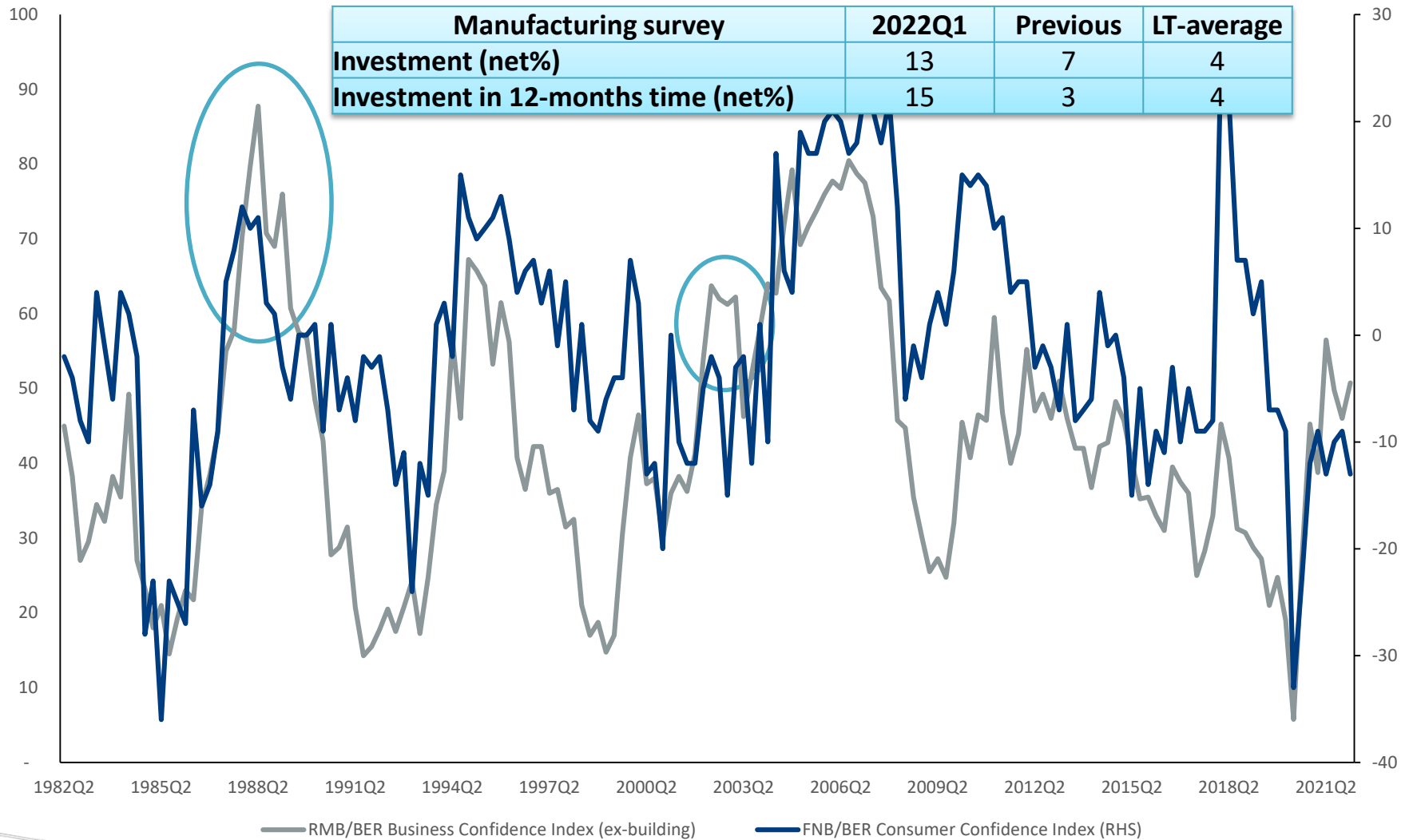
SA macroeconomic outlook (2022 – 2023)

Two steps forward and three steps back

Lets kick off with the baseline

y-o-y real % change unless stated otherwise	2020	2021	2022	2023
Consumer spending	-6.5	5.7	2.5	2.0
Government consumption	1.3	0.0	0.2	-1.6
Fixed investment	-14.9	2.0	3.7	4.6
Private	-16.2	3.1	5.0	5.1
Public	-11.5	-0.6	0.4	3.1
Gross domestic expenditure	-8.0	4.8	2.8	1.7
Exports	-12.0	9.9	2.8	3.4
Imports	-17.4	9.4	4.1	3.3
Real GDP	-6.4	4.9	2.4	1.8
Nominal GDP	-1.5	12.4	5.4	5.7
Headline CPI	3.3	4.6	5.7	4.6
Dollar/rand (Q4 ave)	14.69	15.41	15.52	15.90
Repo rate (end of period)	3.50	3.75	5.50	6.25
Current account (% GDP)	2.0	3.7	1.9	0.3

Sentiment suggests relatively more upbeat corporate sector...



Selected scenarios and headline macro implications

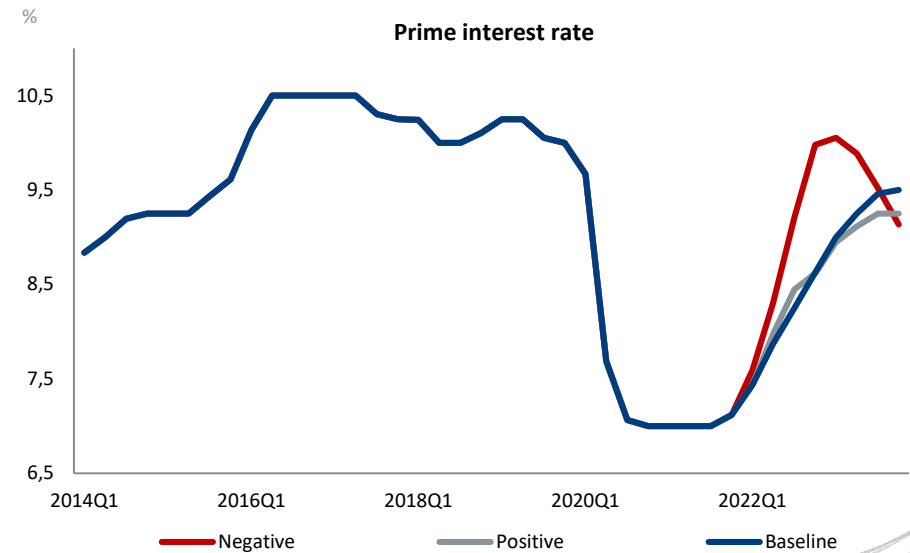
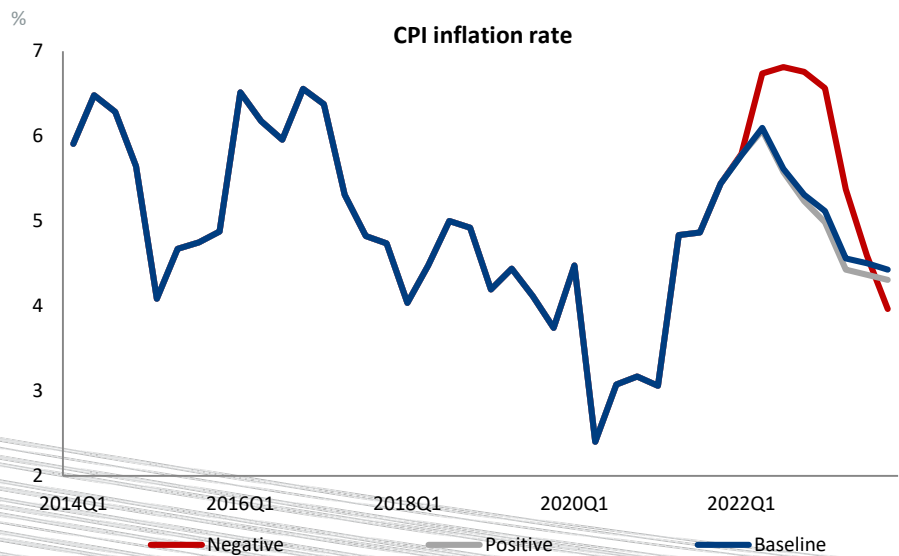
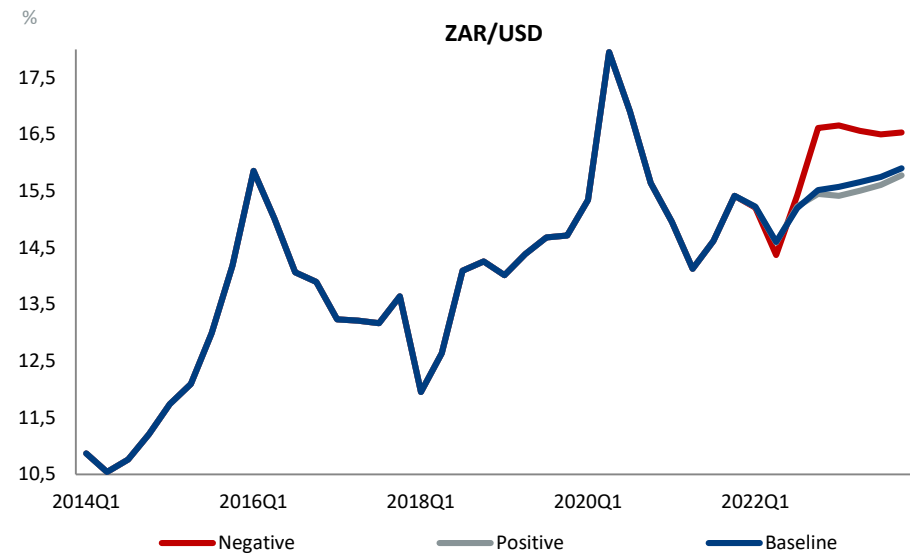
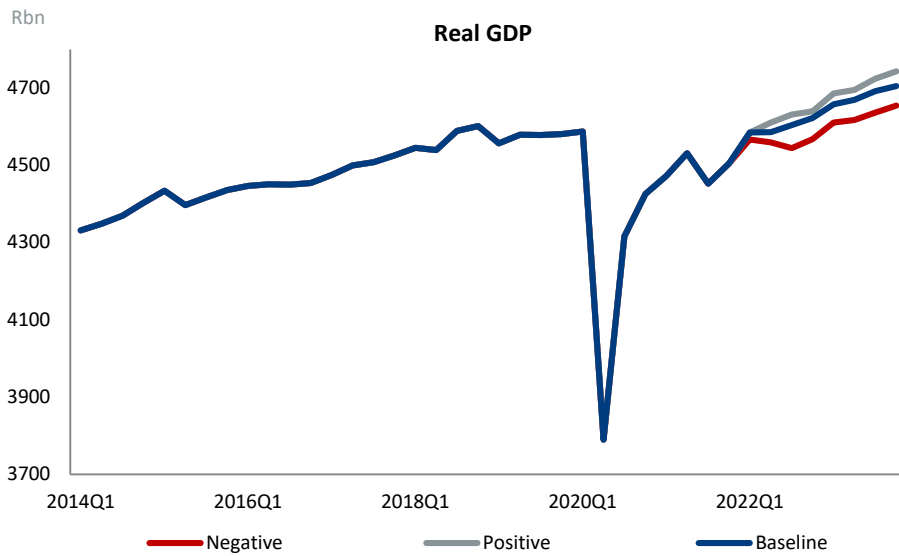
“Low road” narrative

- *Sanctions are broadened* mid-2022 to include additional embargoes on energy, oil and gas and the disconnection of Russia from much of the global financial and trade system
- The resulting supply shock leads to global *stagflation* (in G7 countries, but spilling over to the rest of the world)
- Tighter financial conditions which further exacerbates global slowdown

“High road” narrative

- Improvement in railway operations with earlier rollout of green energy investment
- Baseline commodity prices feed through into real export growth
- Higher net exports prolong improves the current account surplus in 2022 and prolongs it to the end of 2023, and improve confidence and investment spending
- **More reform momentum assumed in the medium-term**

Selected scenarios and headline macro implications



Over a longer horizon focus on structural reform still key

#	ACTIONS	STATUS
1	Raise licensing threshold for embedded generation	
2	Implement emergency procurement of 2 000 MW	
3	Procure new generation capacity in terms of IRP 2019	
4	Enable municipalities to procure power from independent power producers	
5	Restructuring of Eskom	
6	Improve Energy Availability Factor (EAF) to over 70%	
7	Address institutional inefficiencies in municipal electricity distribution	
8	Complete spectrum auction	
9	Complete migration from analogue to digital signal	
10	Finalise Rapid Deployment Policy and Policy Direction	
11	Streamline process for wayleave approvals	
12	Improve water-use license application process	
13	Revive the Blue Drop, Green Drop and No Drop water quality monitoring system	
14	Establish an independent economic regulator for water	
15	Finalise the revised raw water pricing strategy	
16	Establish a National Water Resource Infrastructure Agency	
17	Address institutional inefficiencies in municipal water distribution	
18	Corporatise the Transnet National Ports Authority (TNPA)	
19	Improve efficiency of ports	
20	Establish Transport Economic Regulator through Economic Regulation of Transport Bill	
21	Finalise the White Paper on National Rail Policy	
22	Implement third-party access to freight rail network	
23	Publish revised Critical Skills List	
24	Review Policy Framework and processes for work visas	
25	Expand visa waivers and explore visa recognition system	
26	Implement e-Visa system in fourteen countries, including China, India, Kenya, Nigeria	

RAG STATUS

REFORM COMPLETED

CRITICAL CHALLENGES IN IMPLEMENTATION

SOME CHALLENGES OR DELAYS IN IMPLEMENTATION

REFORM ON TRACK OR UNDERWAY

Economic information that works for you

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