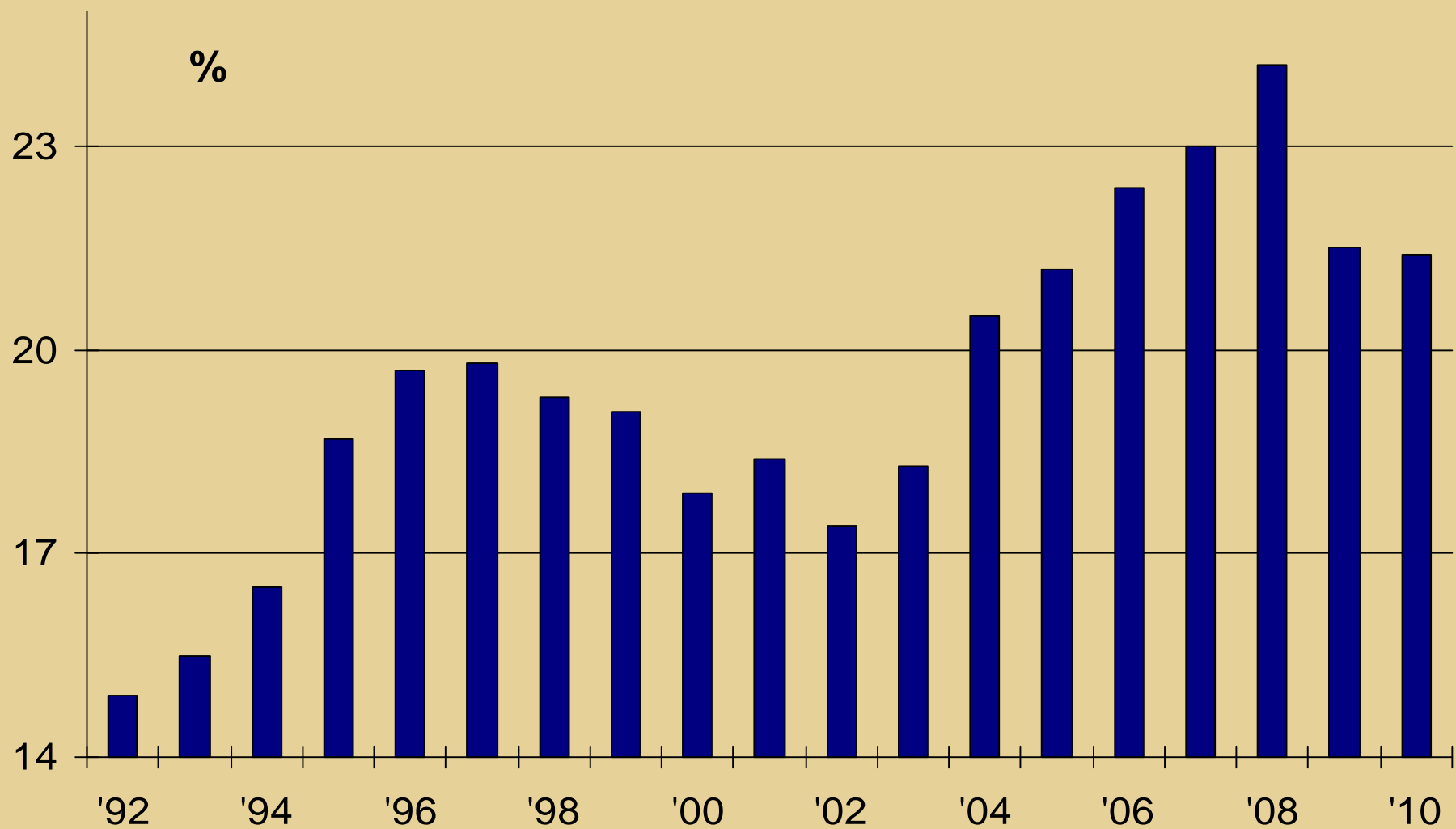




Southern Africa –
*regional superpower
in the making*

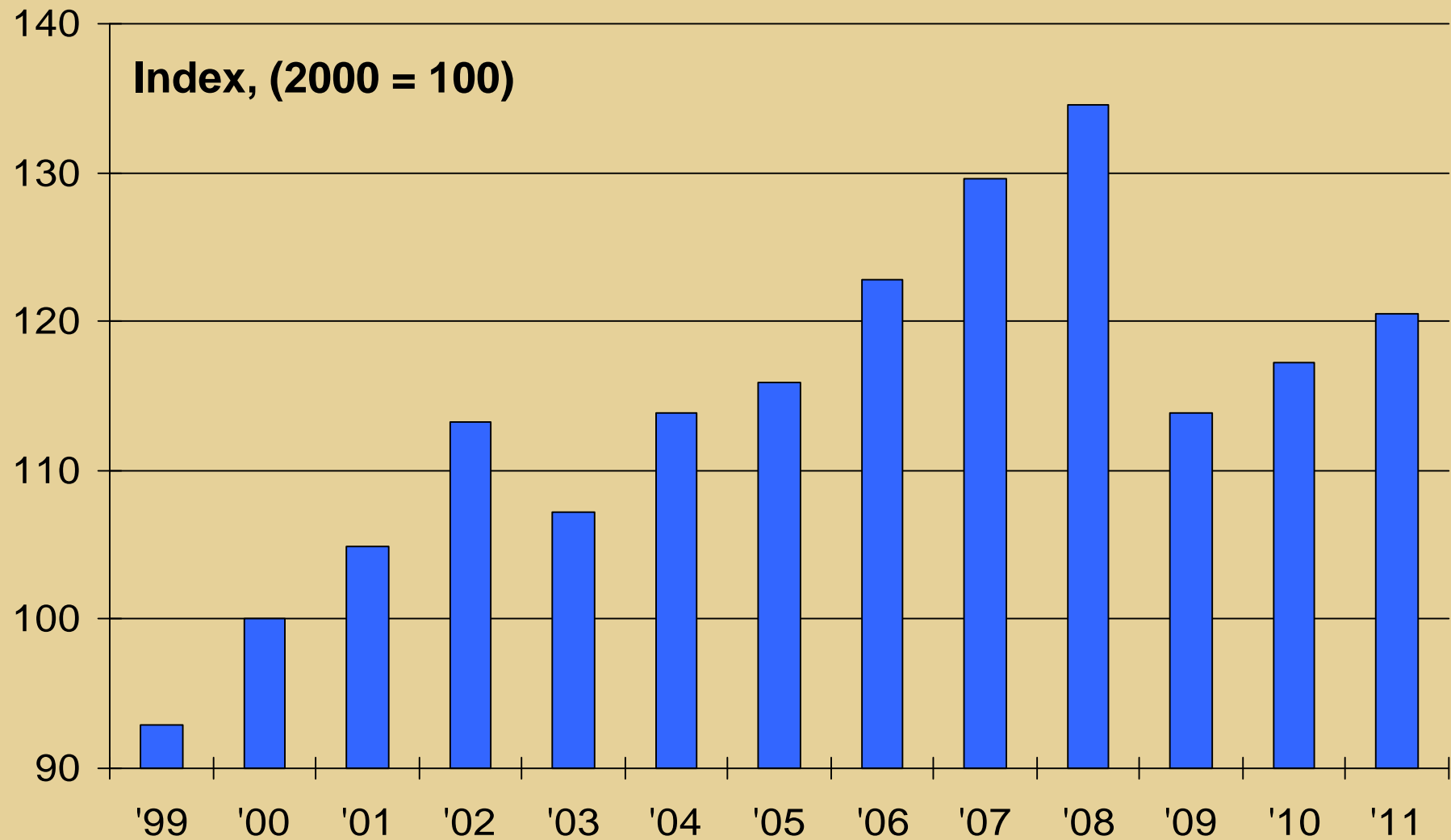
Dr Roelof Botha

Capital formation/gross value added ratio in manufacturing

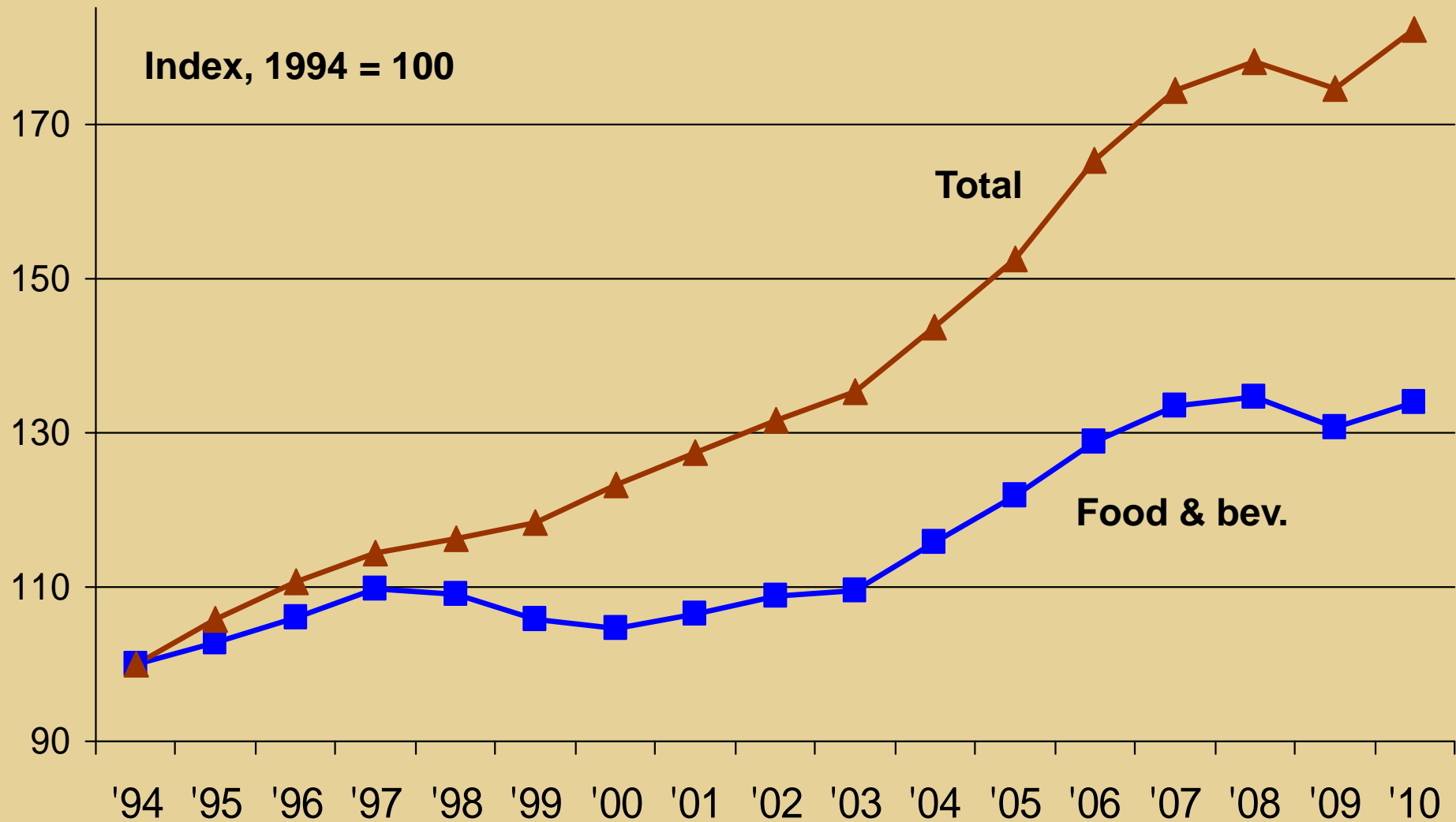


Index of manufacturing sales (in real terms)

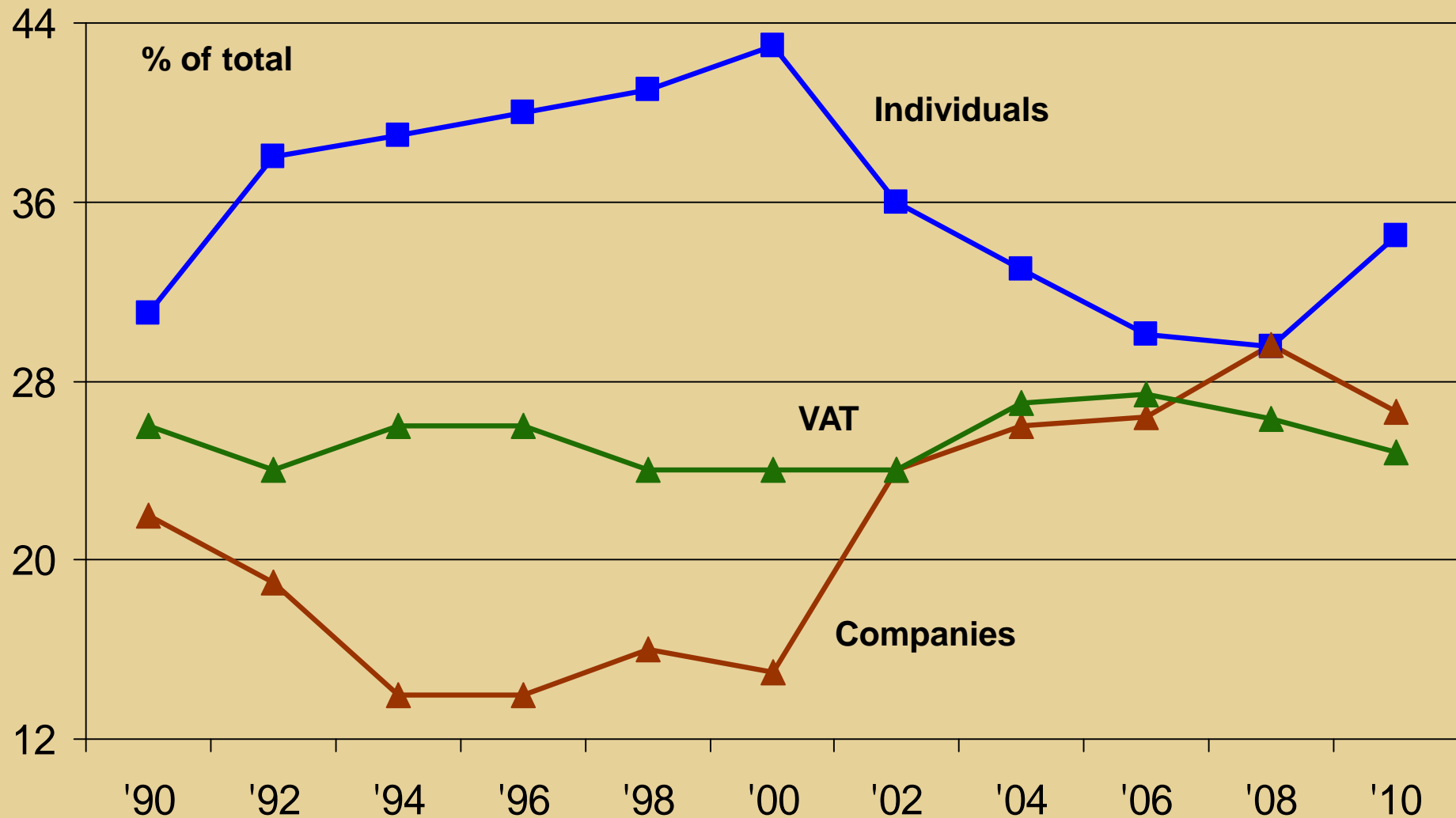
Note: 2011 until April



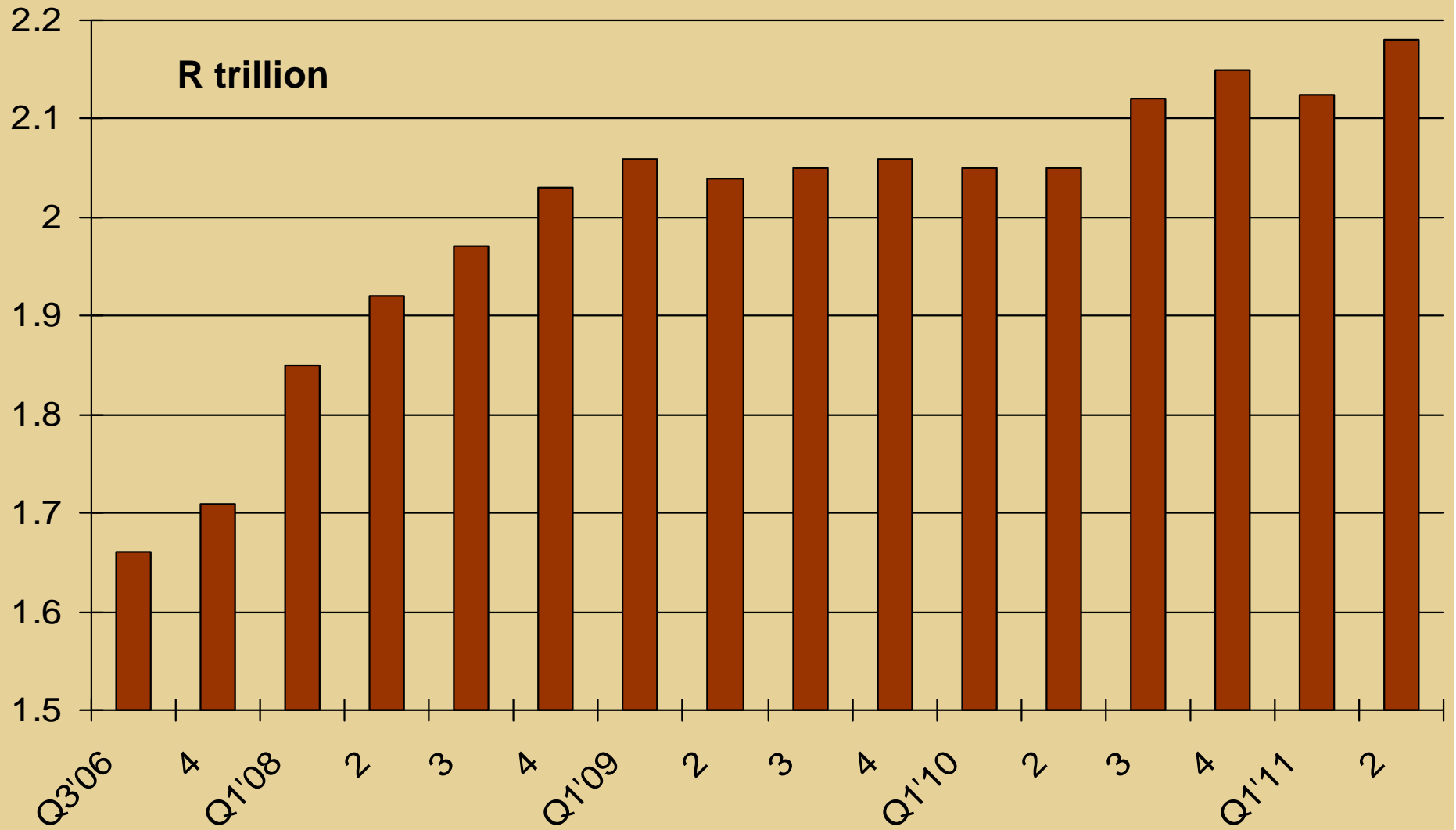
Real household expenditure trends on food, beverages & tobacco and total



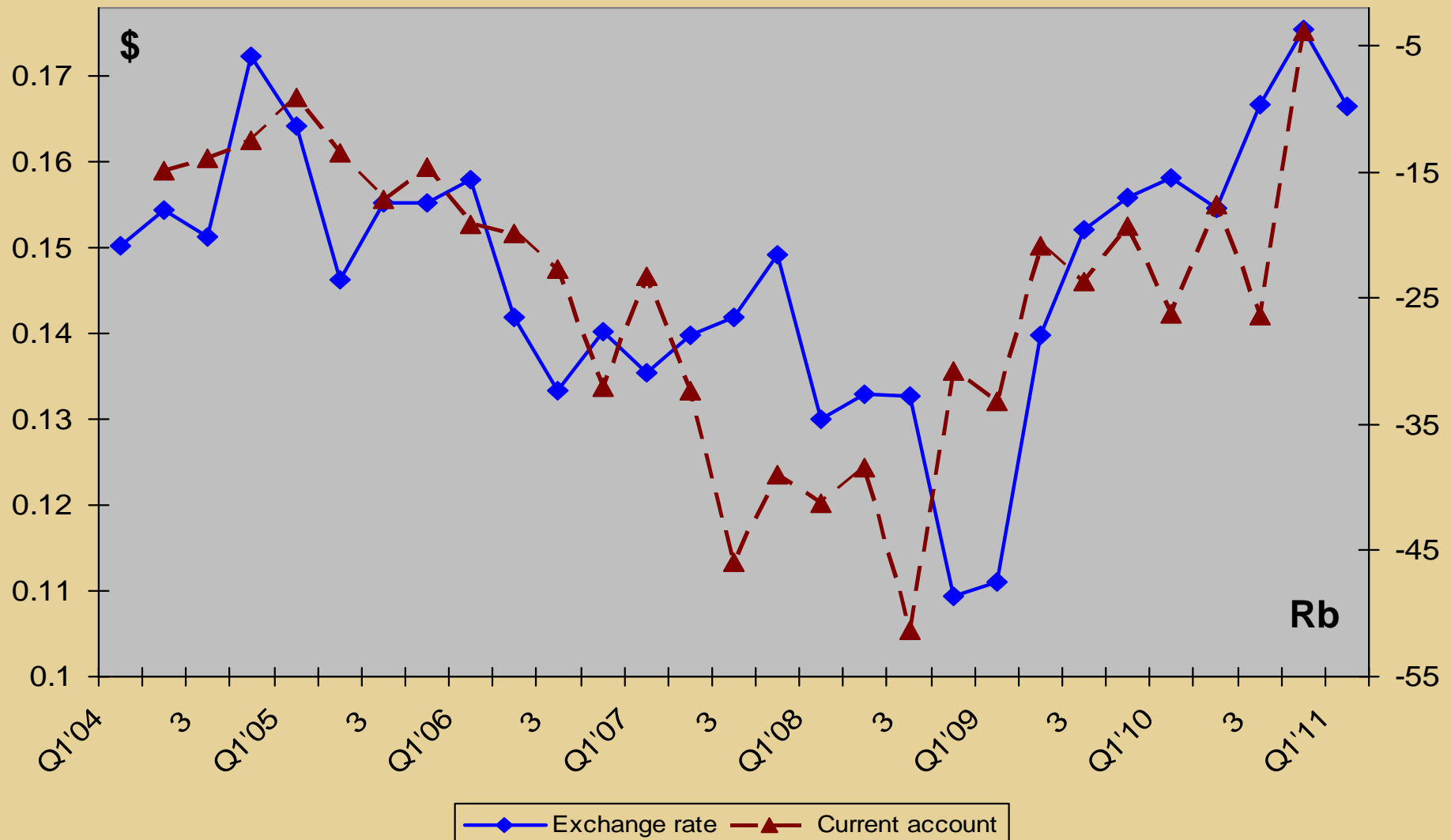
Reversal of convergence of the big 3 tax revenue sources – burden returns to individuals



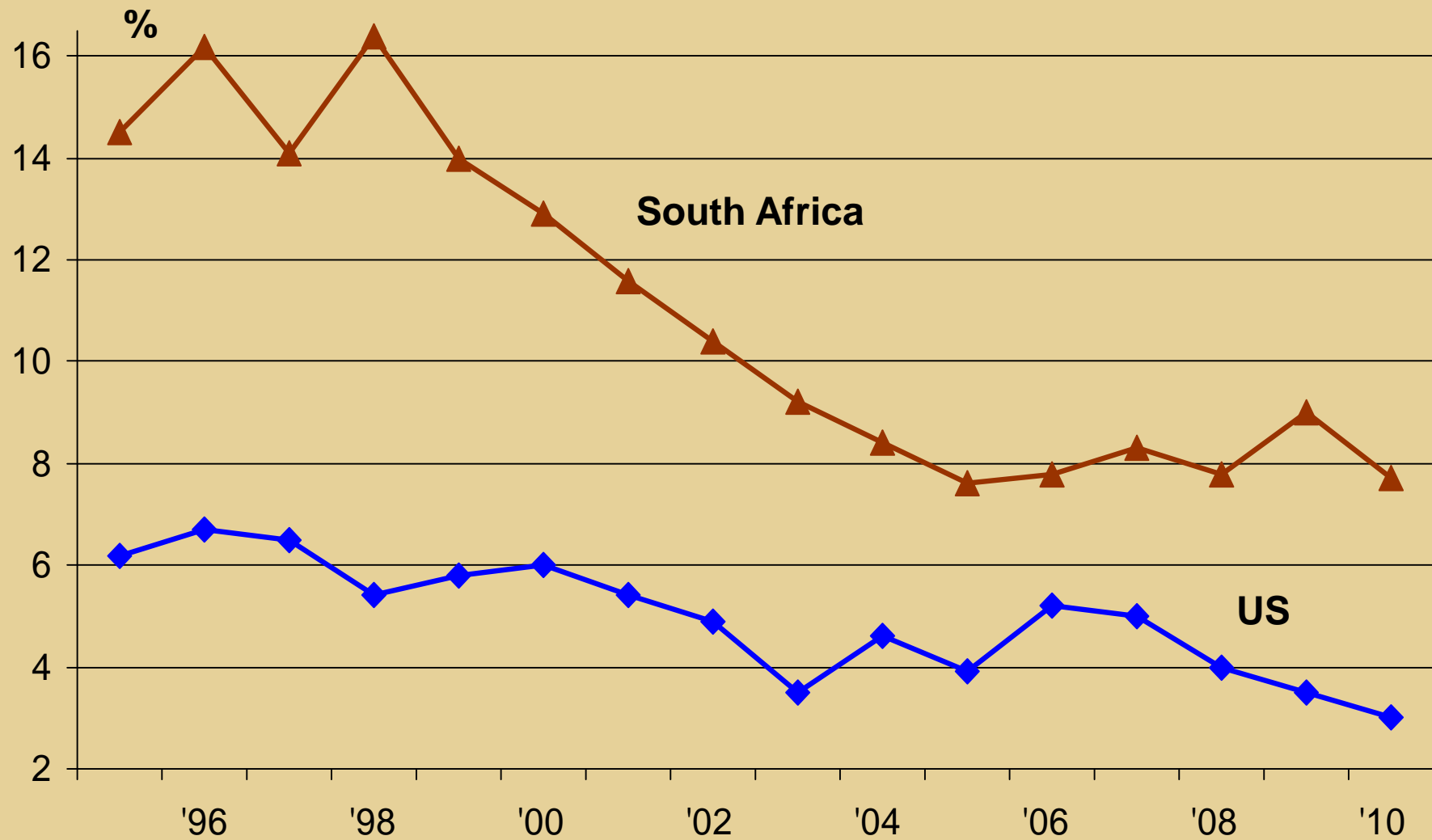
Total credit extension by all financial institutions



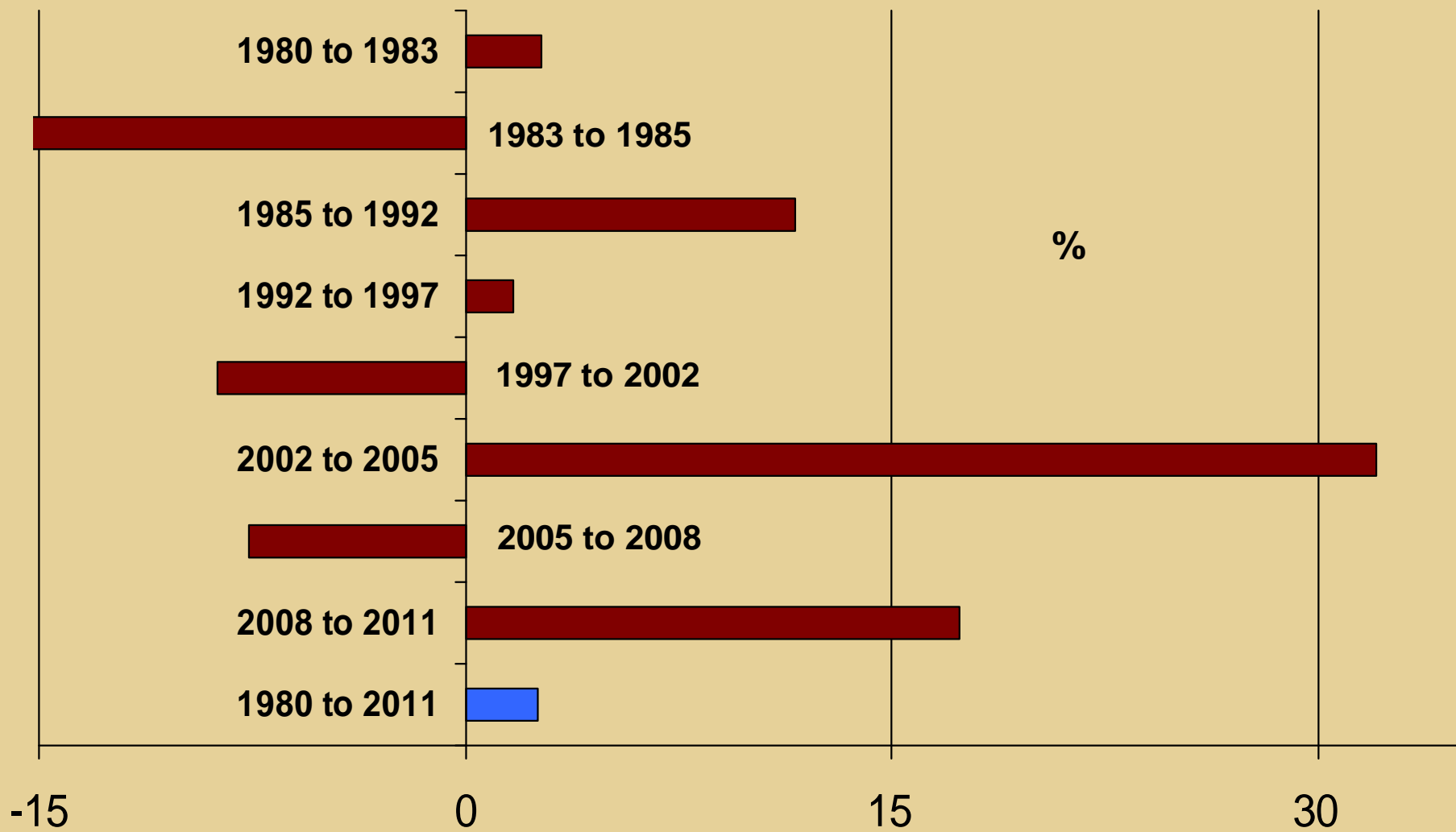
Real \$/rand exchange rate & the balance on the current account



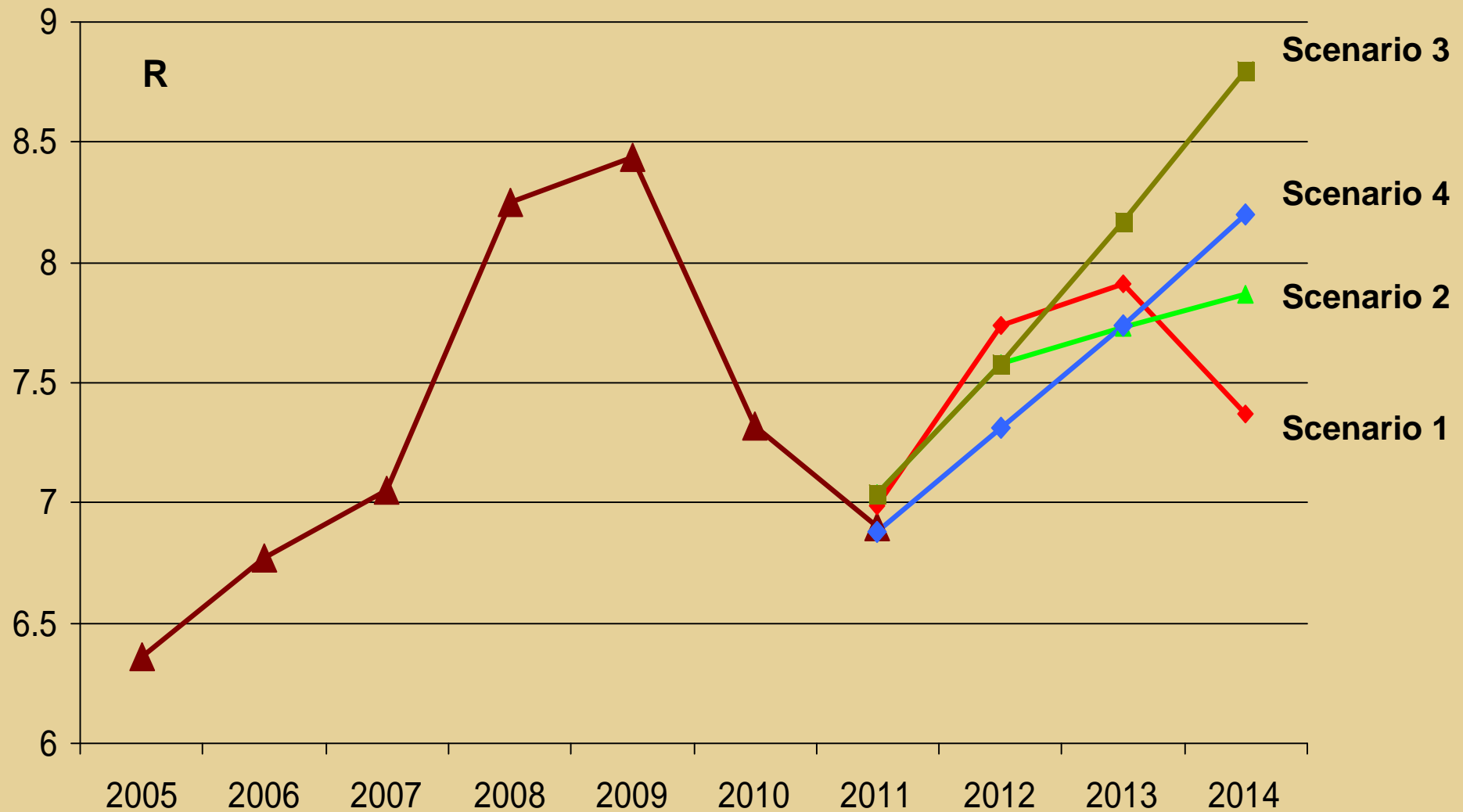
Long-term bond yields – US & South Africa



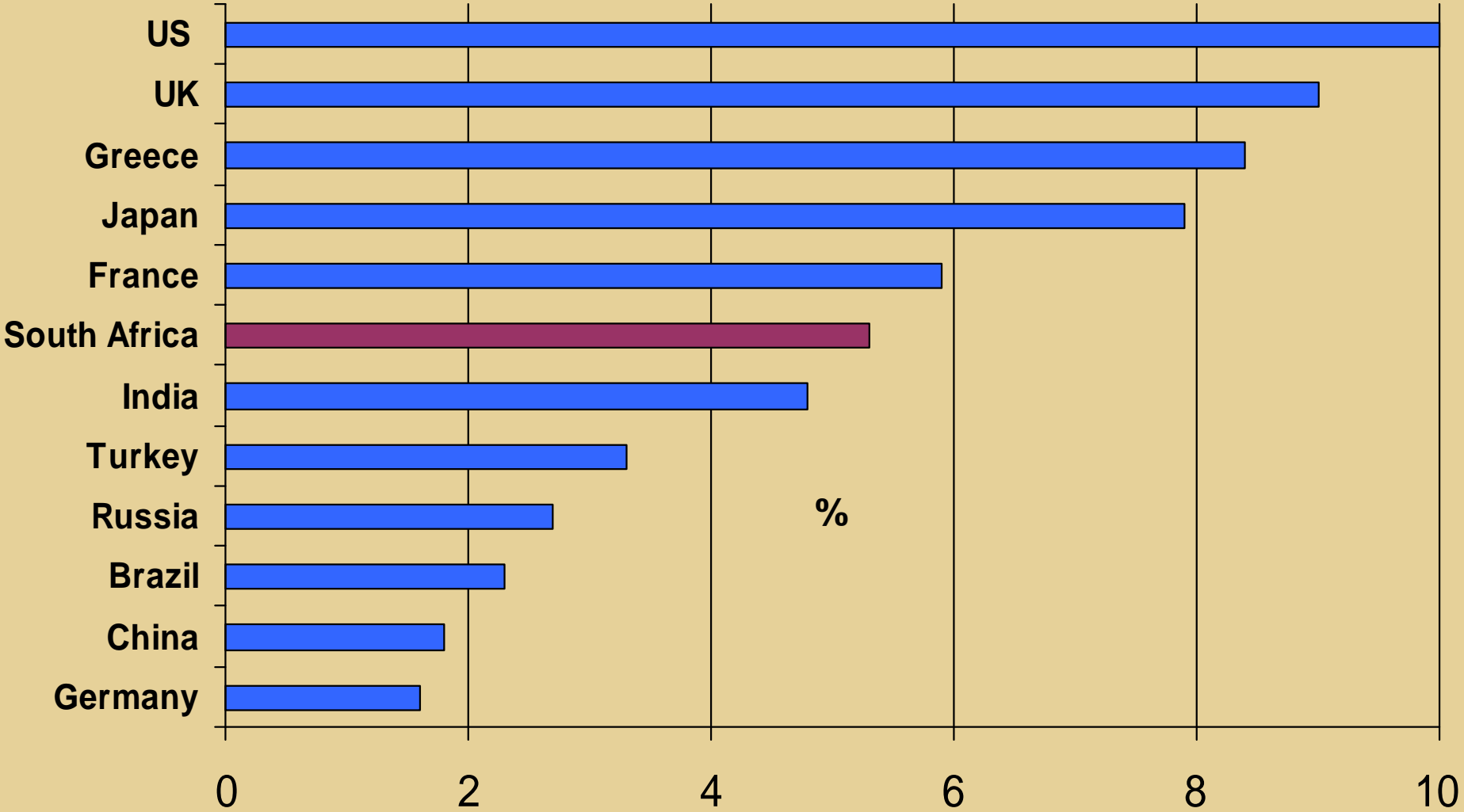
Average annual change in real R/US\$ exchange rate during key phases of currency volatility (chronological)



Rand/US\$ exchange rate & forecasts (nominal)

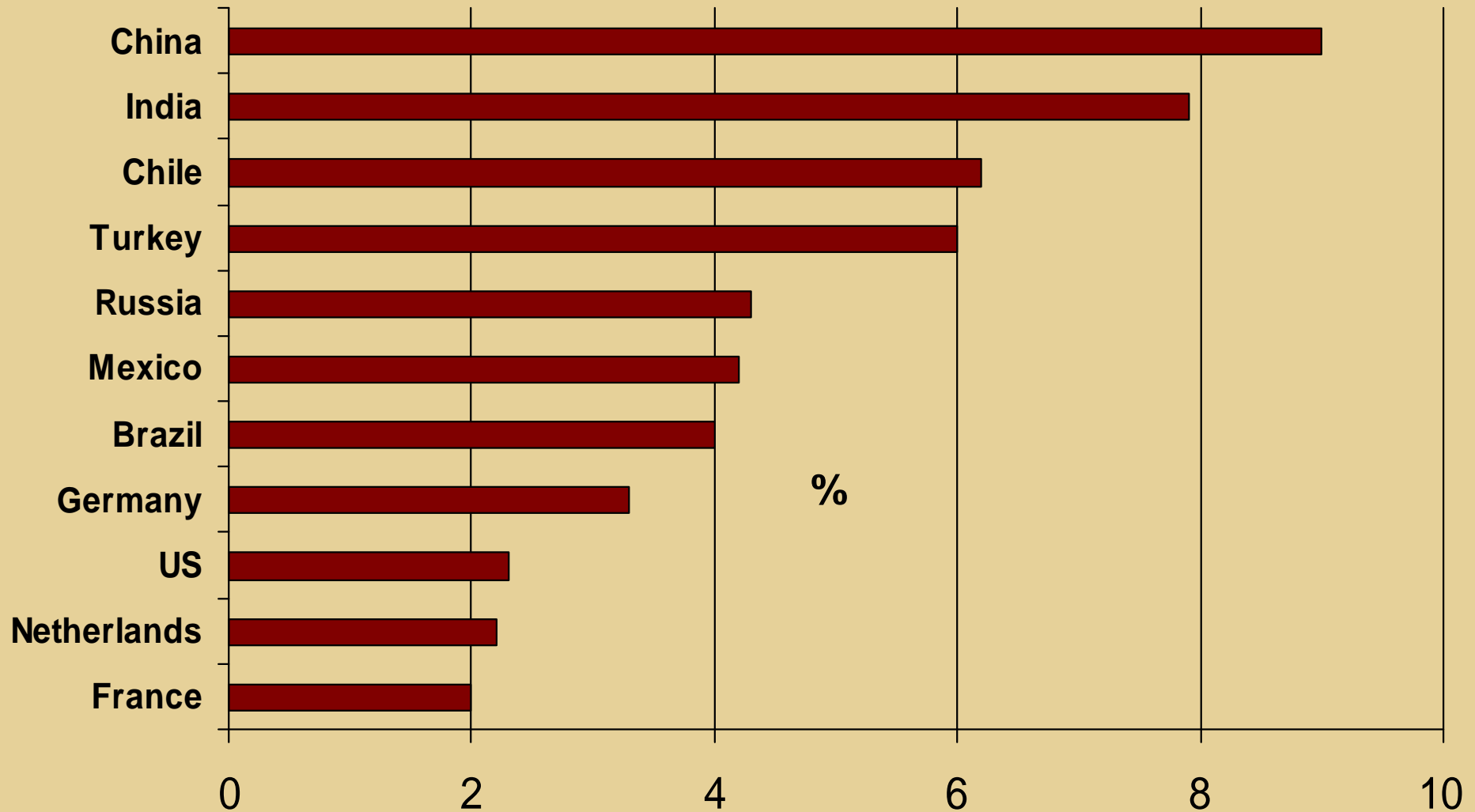


Fiscal deficits as % of GDP – selected trading partners

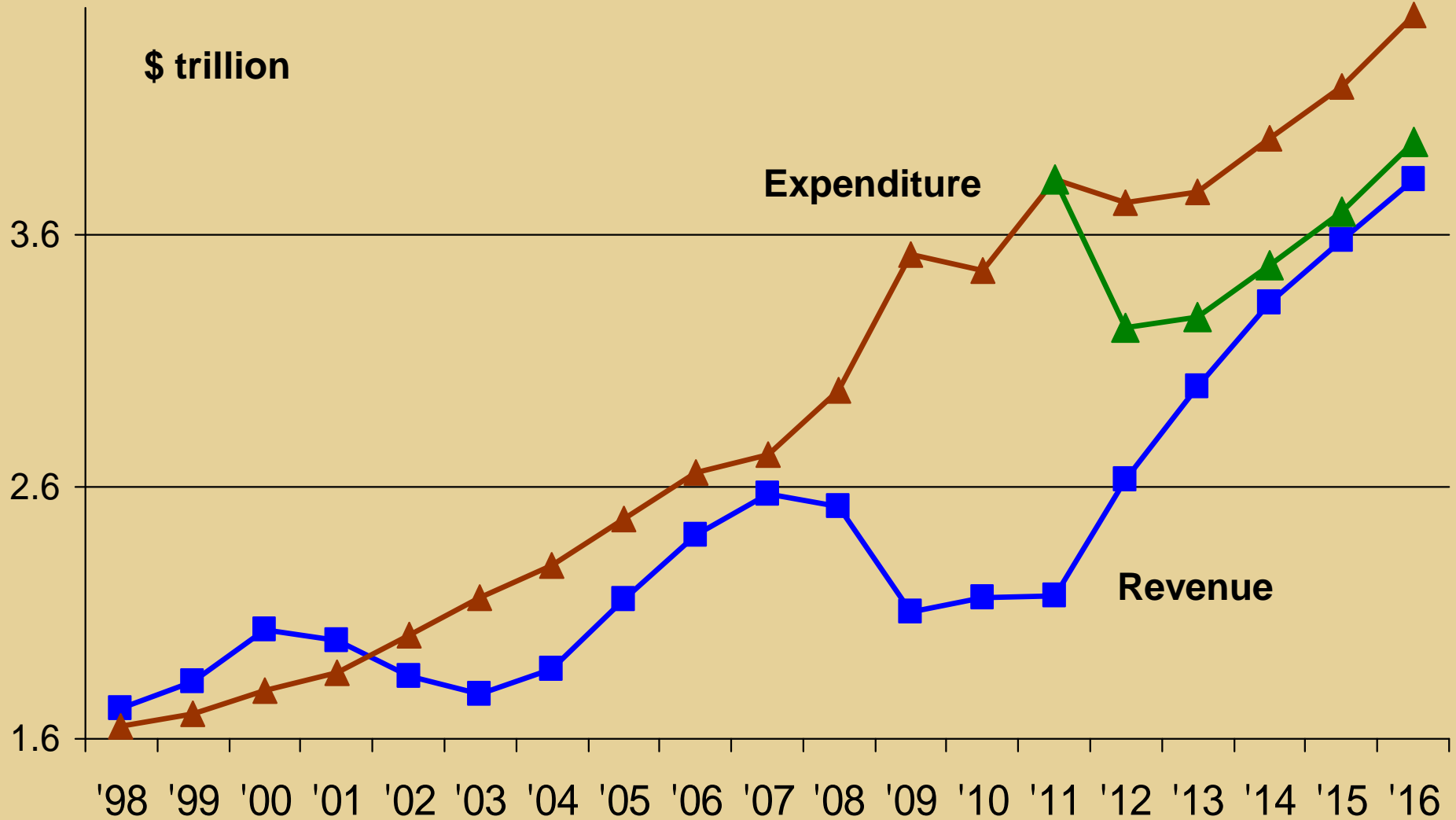


GDP growth predictions for 2011

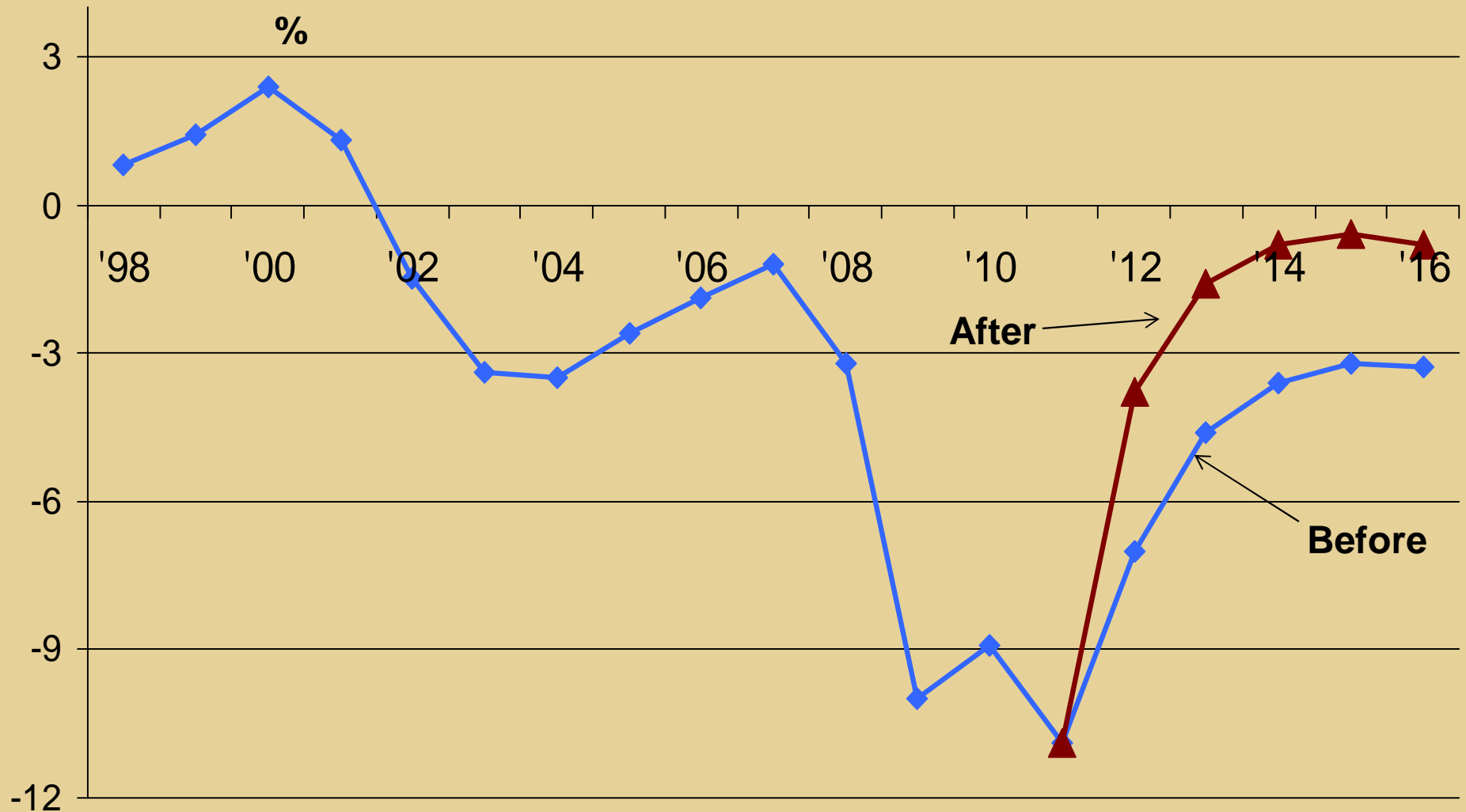
(Source: Economist Intelligence Unit)



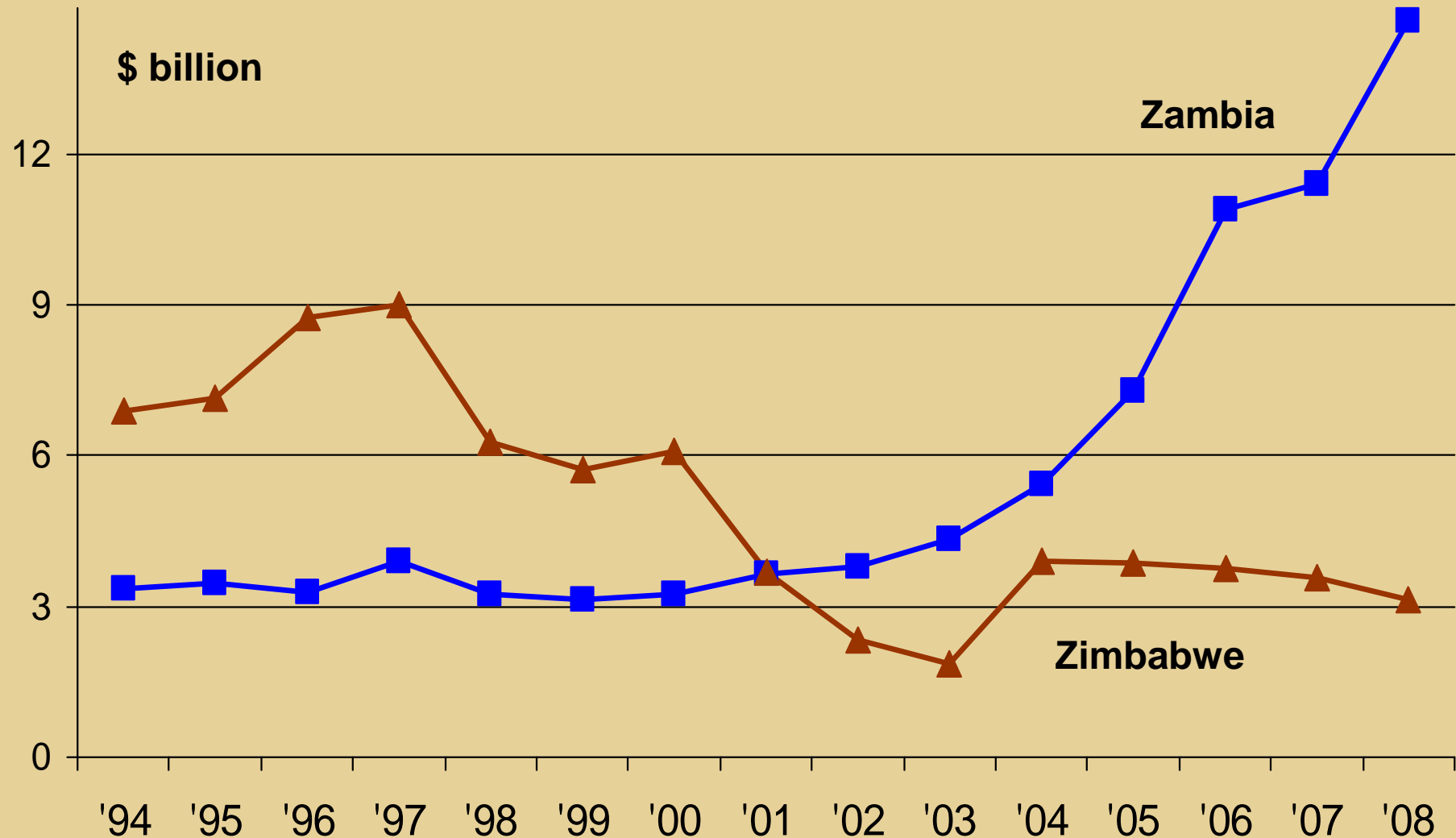
US fiscal revenue & expenditure



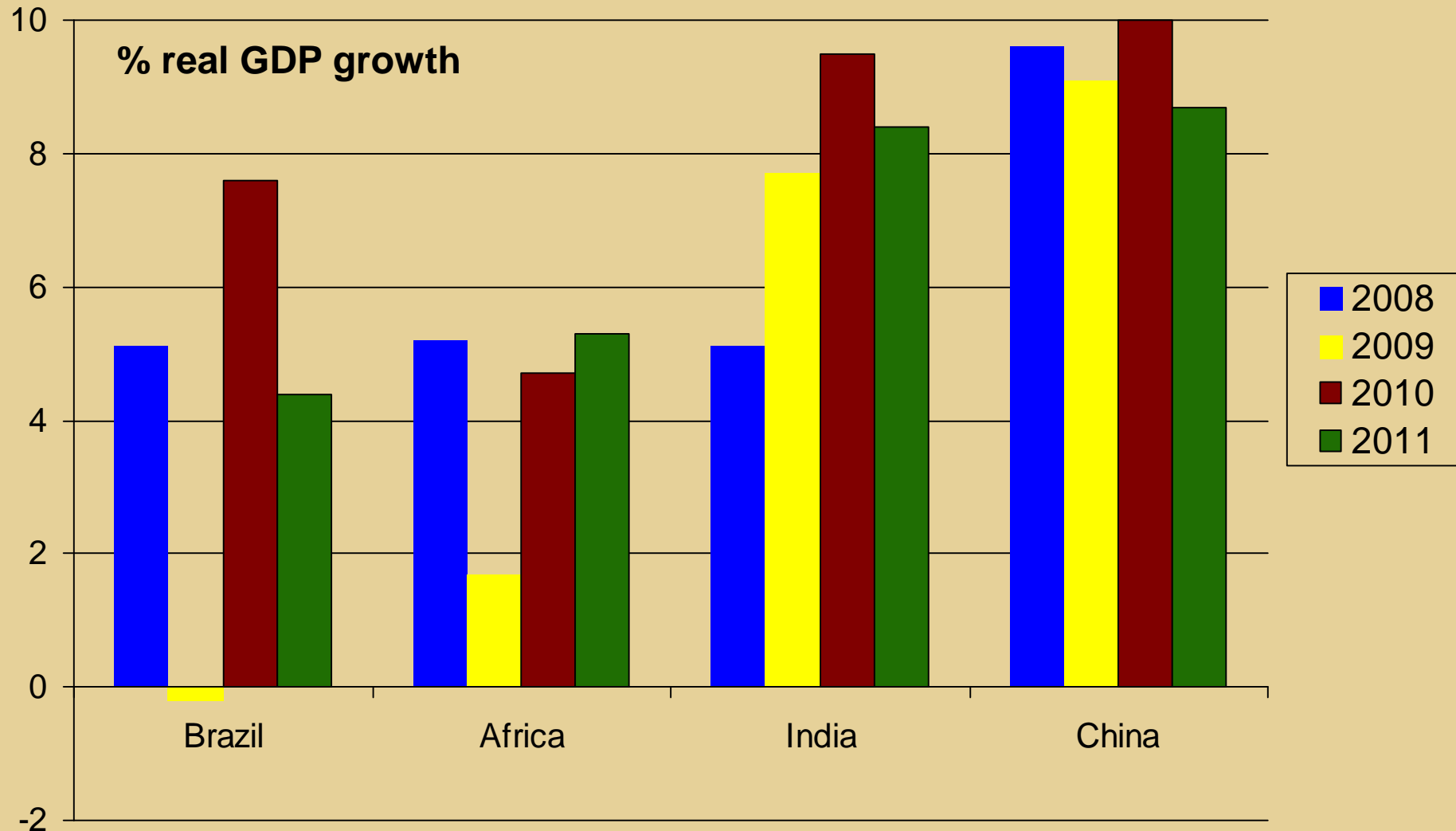
US budget deficit/GDP ratio before and after expenditure cuts



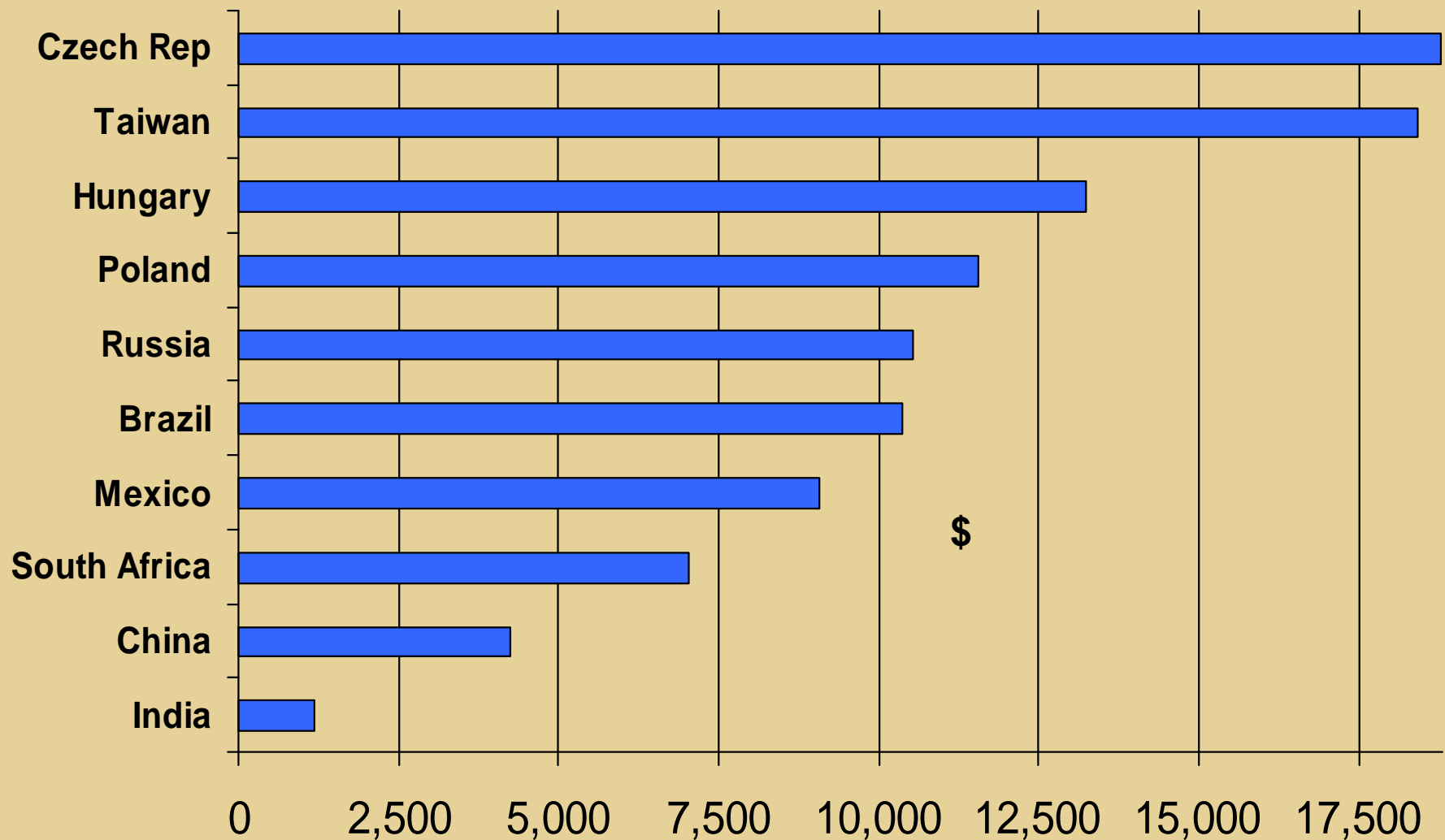
Sharp contrast between the GDP growth paths of Zambia and Zimbabwe (nationalisation in action)



Key developing regions exhibit resistance to recession & set to grow at high rates *(Source: World Bank)*

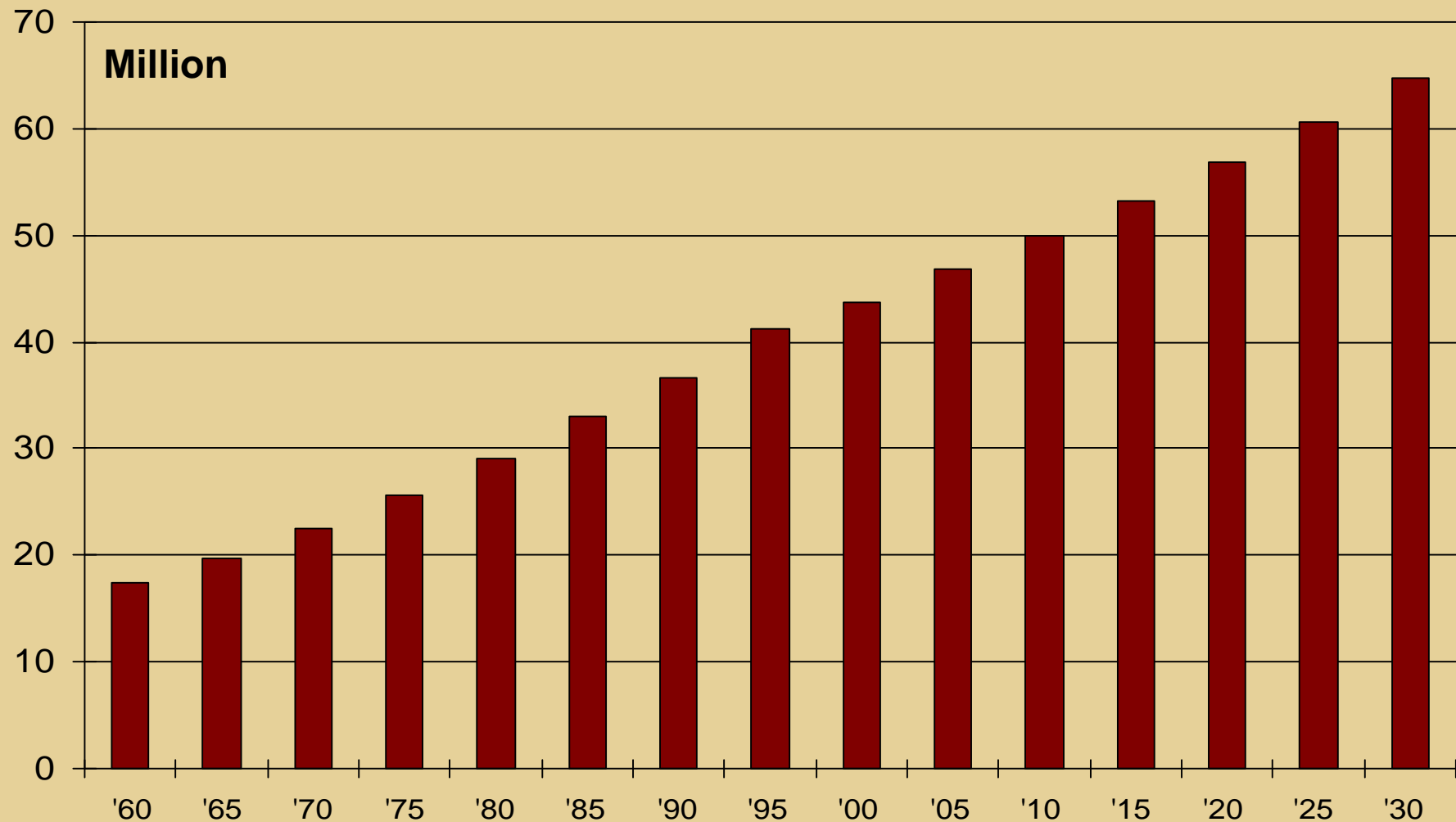


Emerging markets – 1st tier group: *per capita* GDP 2010

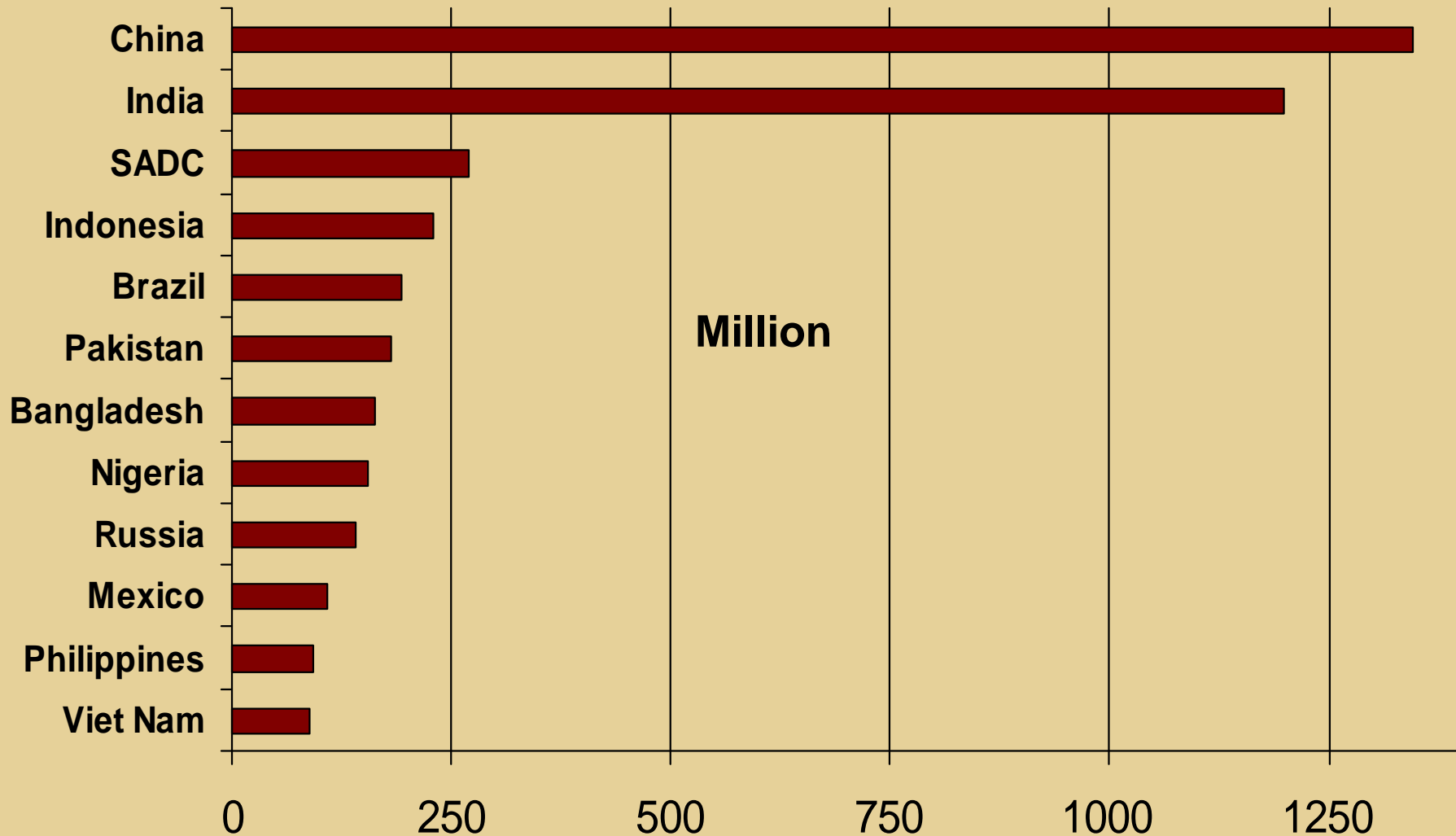


SA population trends & forecast

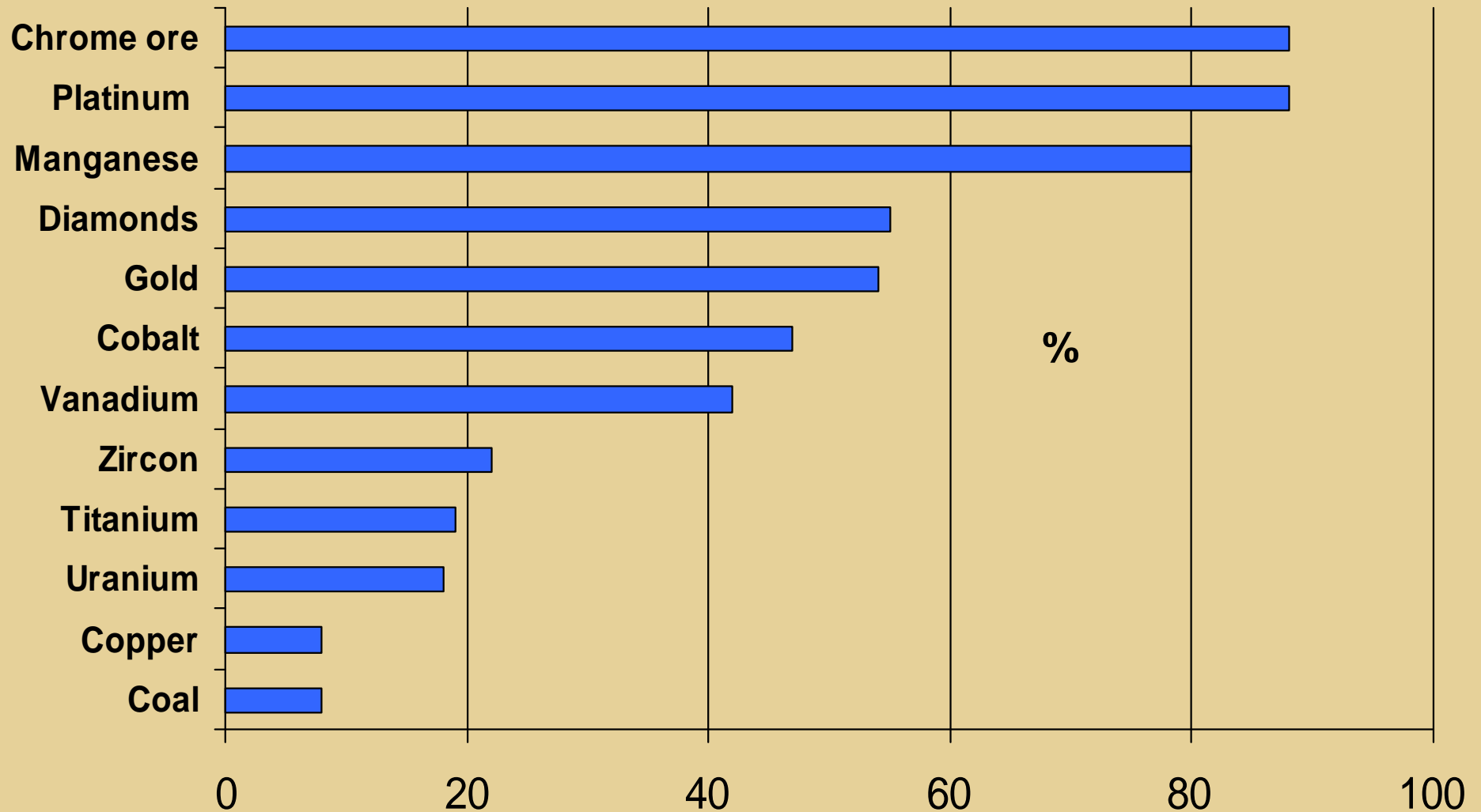
(Sources: Stats SA, UNDP & post-2005 extrapolation)



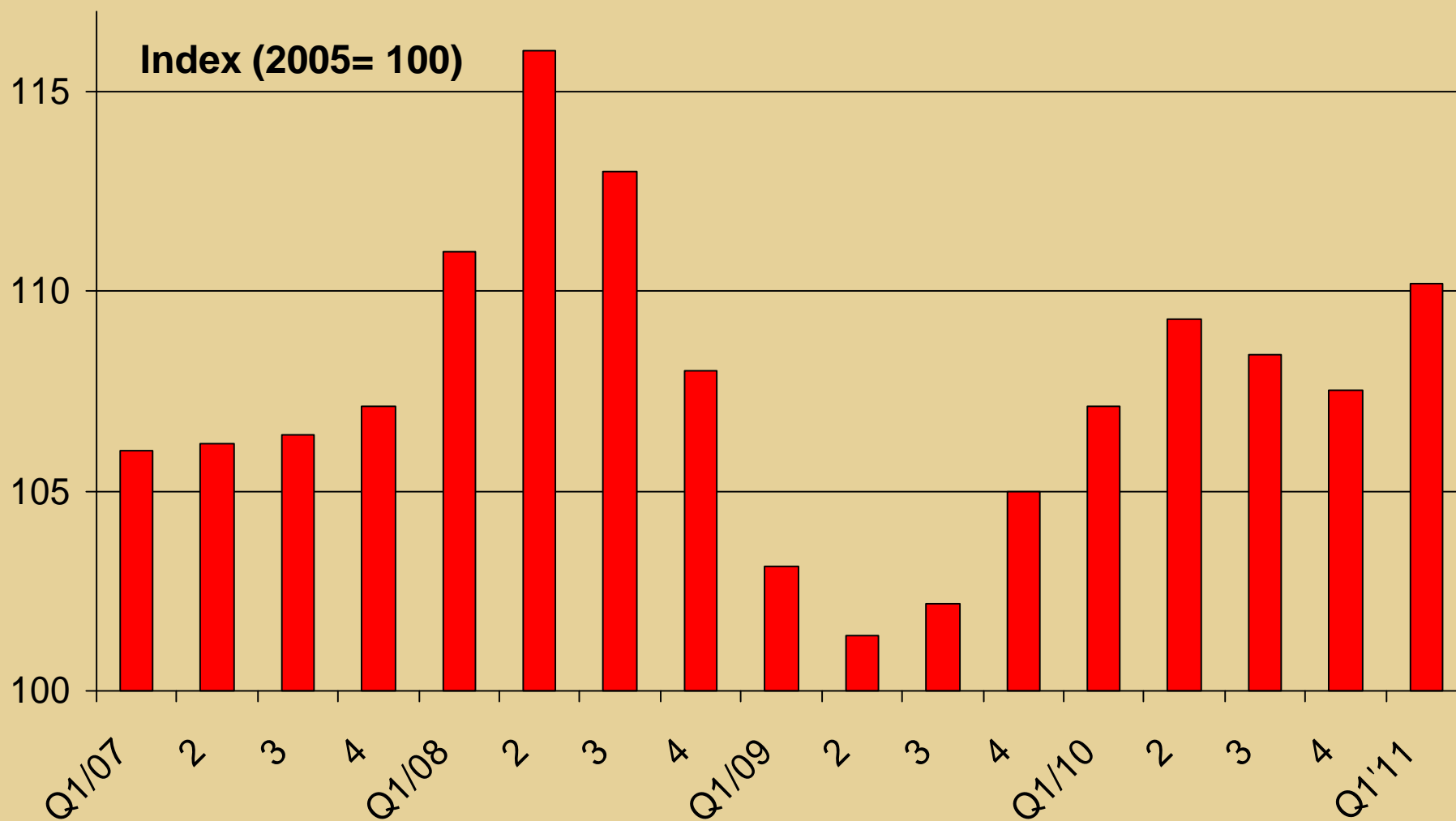
Most populous developing countries & SADC population



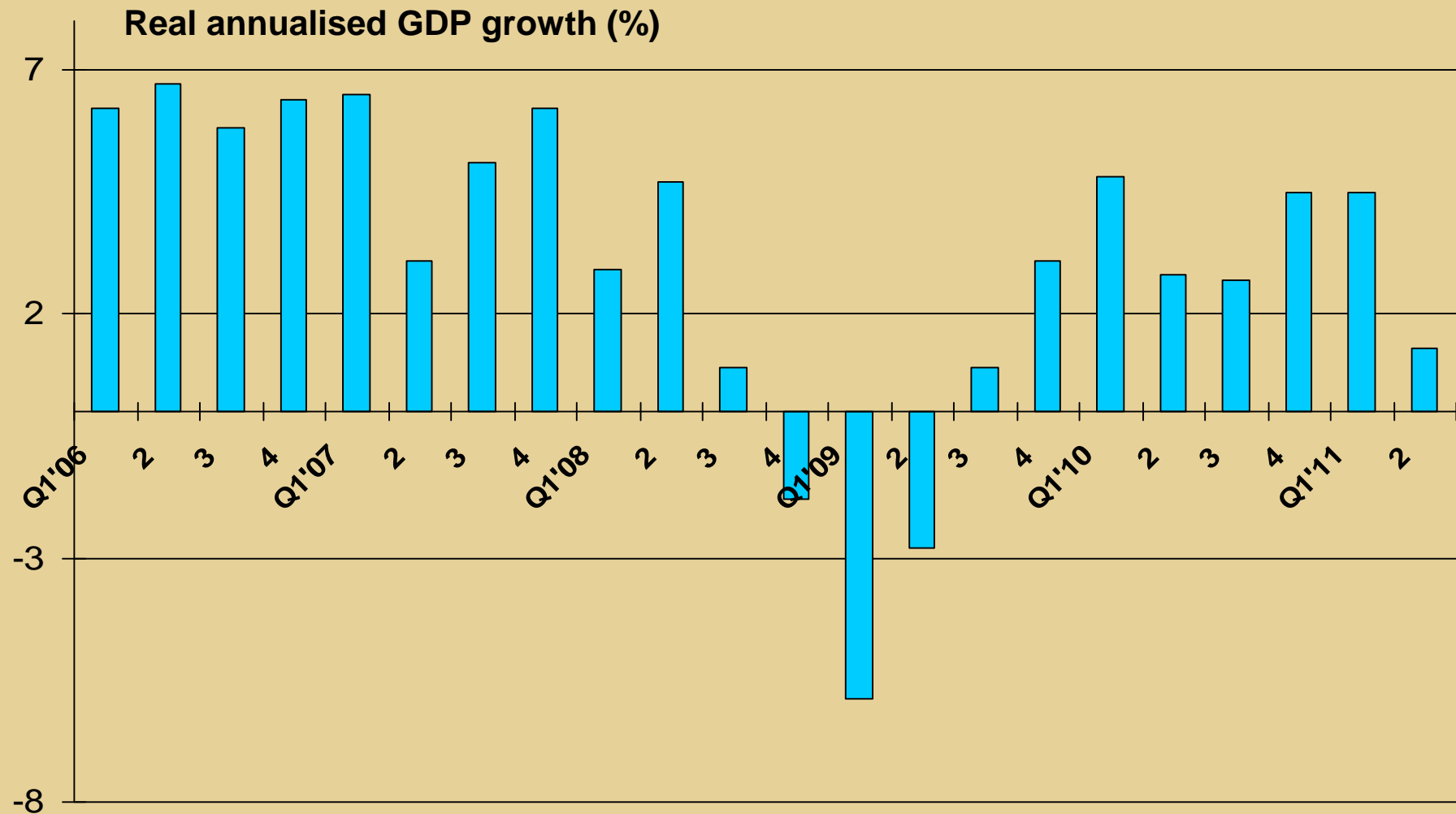
SADC share of world reserves for selected metals & minerals (2009)



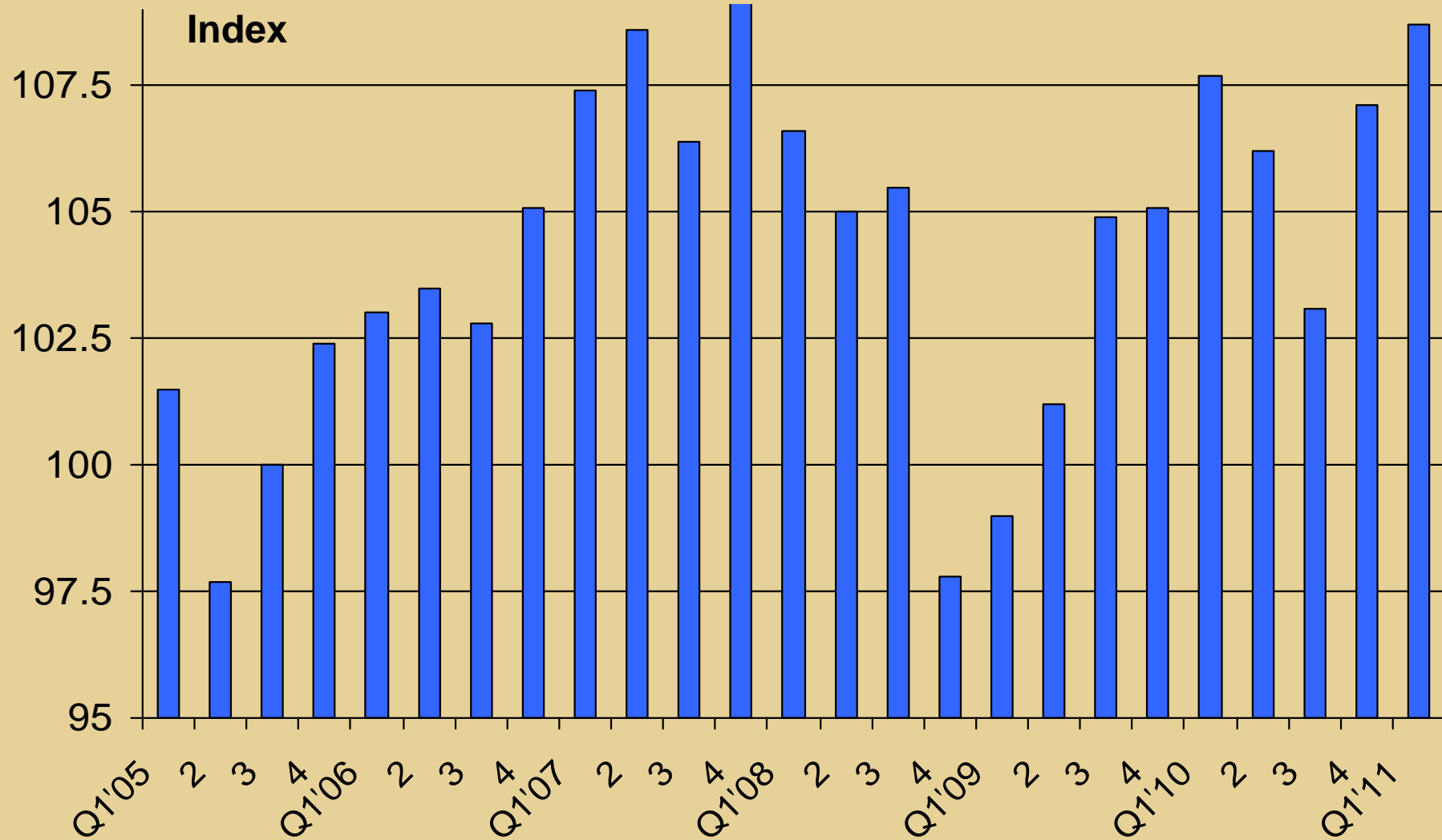
Volume of production – non-durables



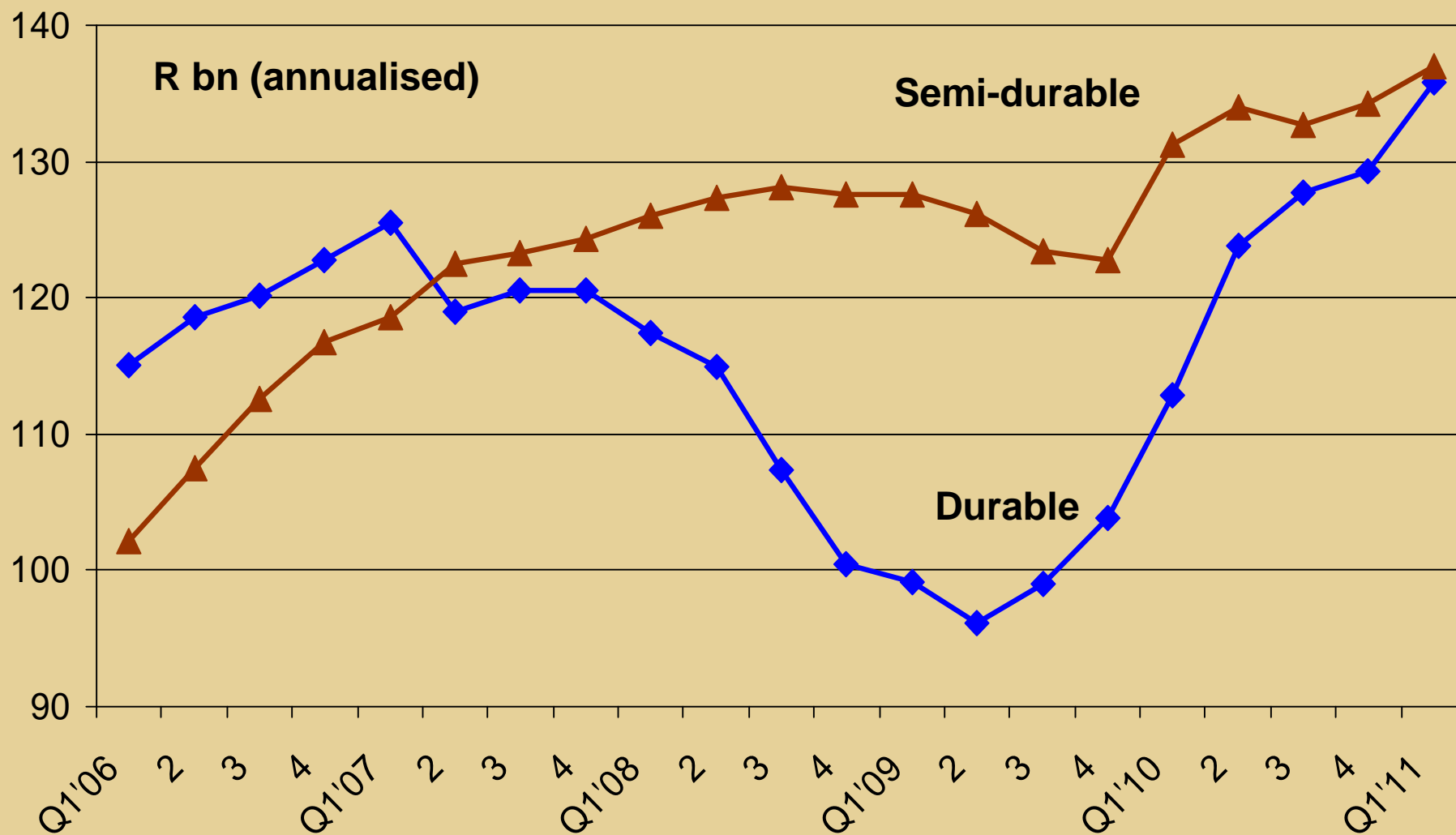
Recession only lasts 3 quarters



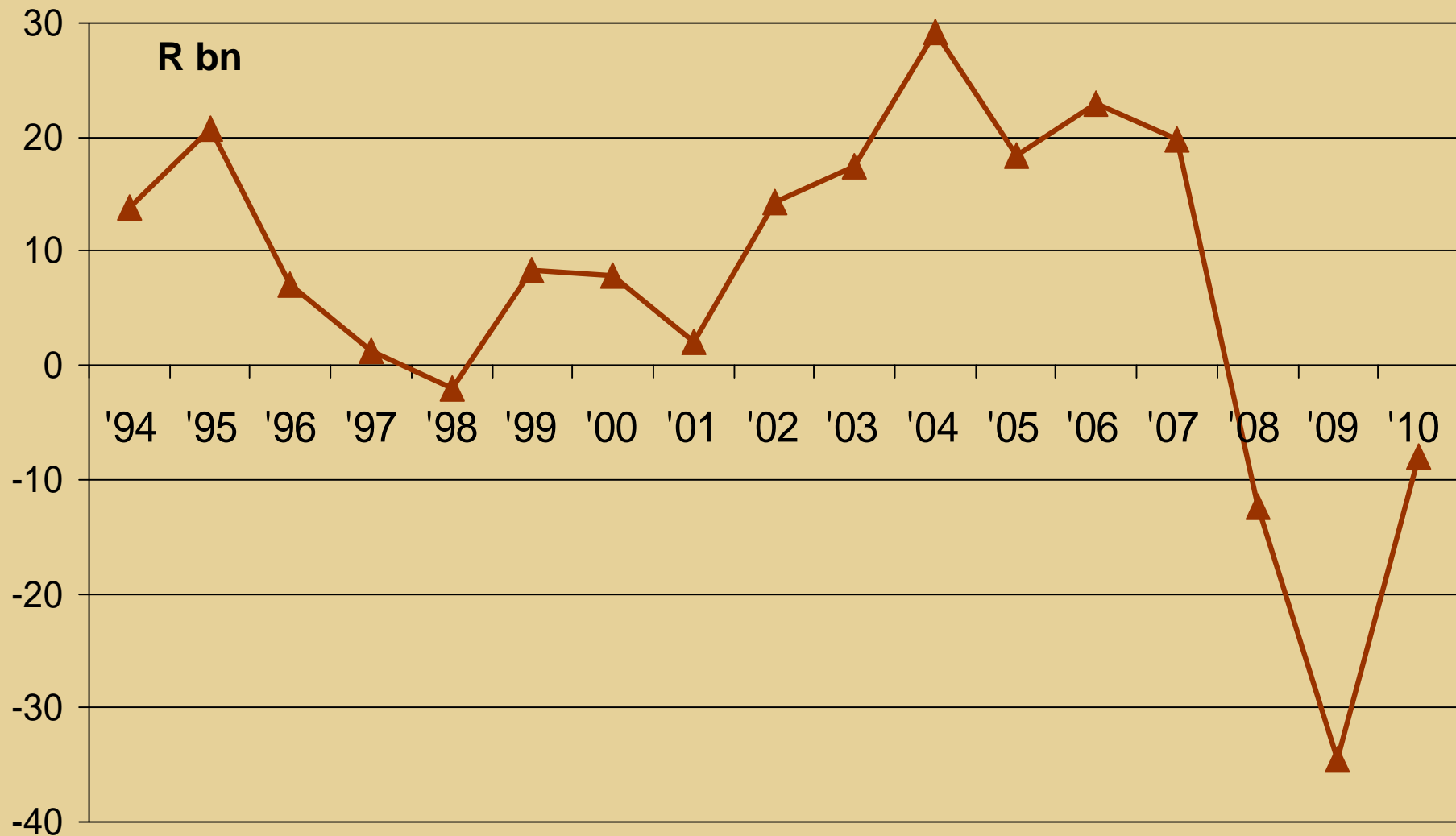
Electric current generated in South Africa (index, 2005 = 100)



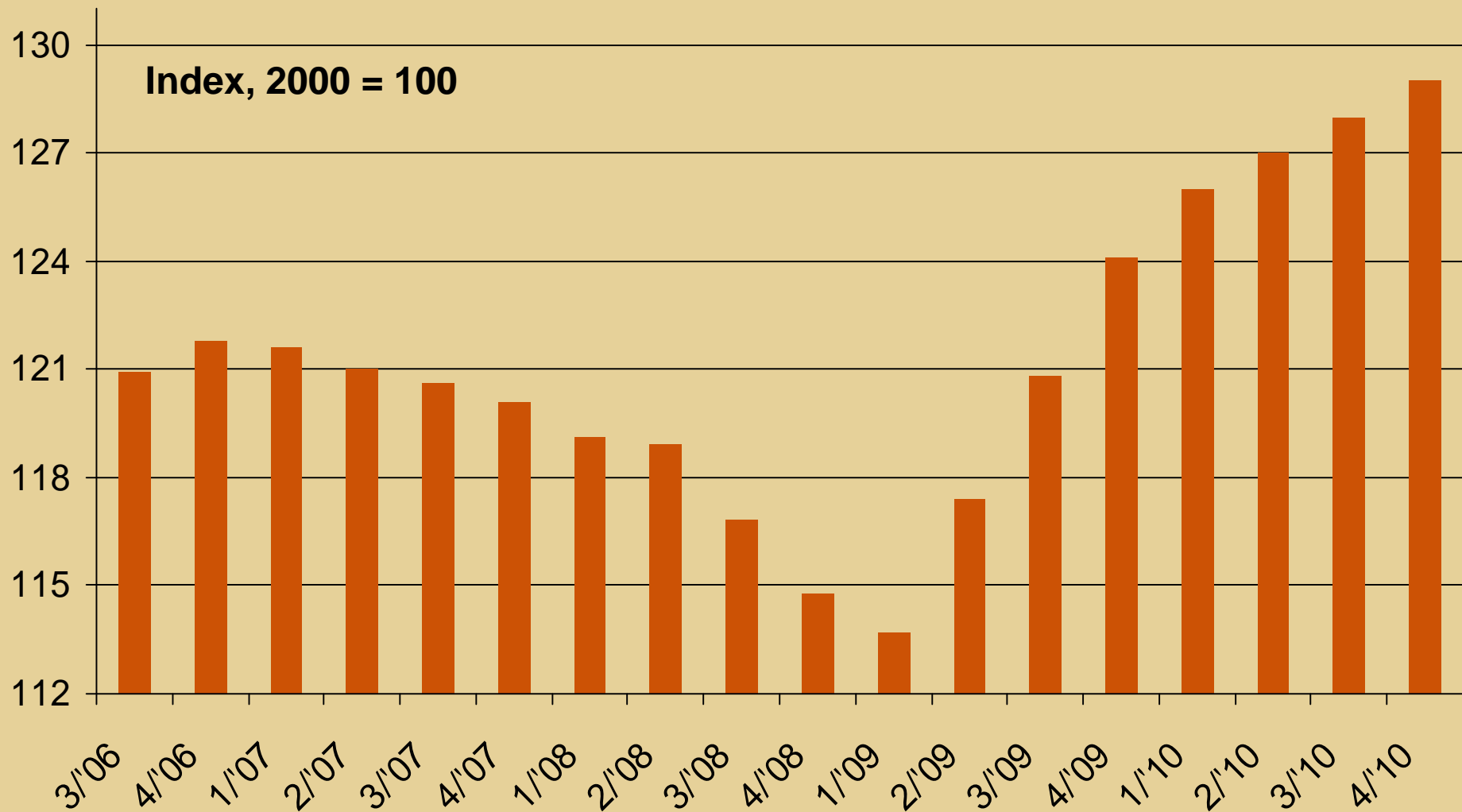
Household consumption expenditure at constant 2005 prices – durables & semi-durables



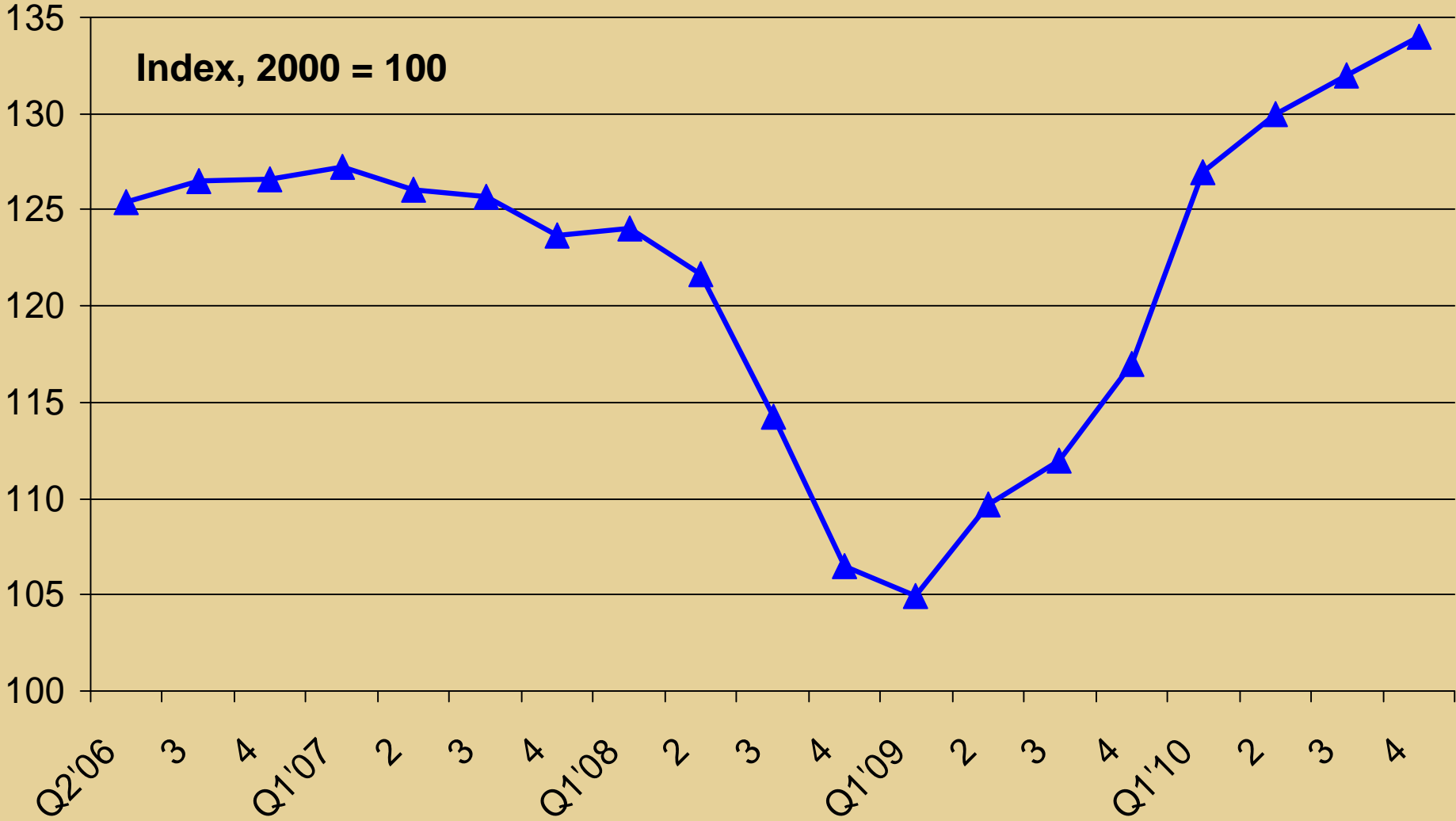
Change in inventories (constant 2005 prices)



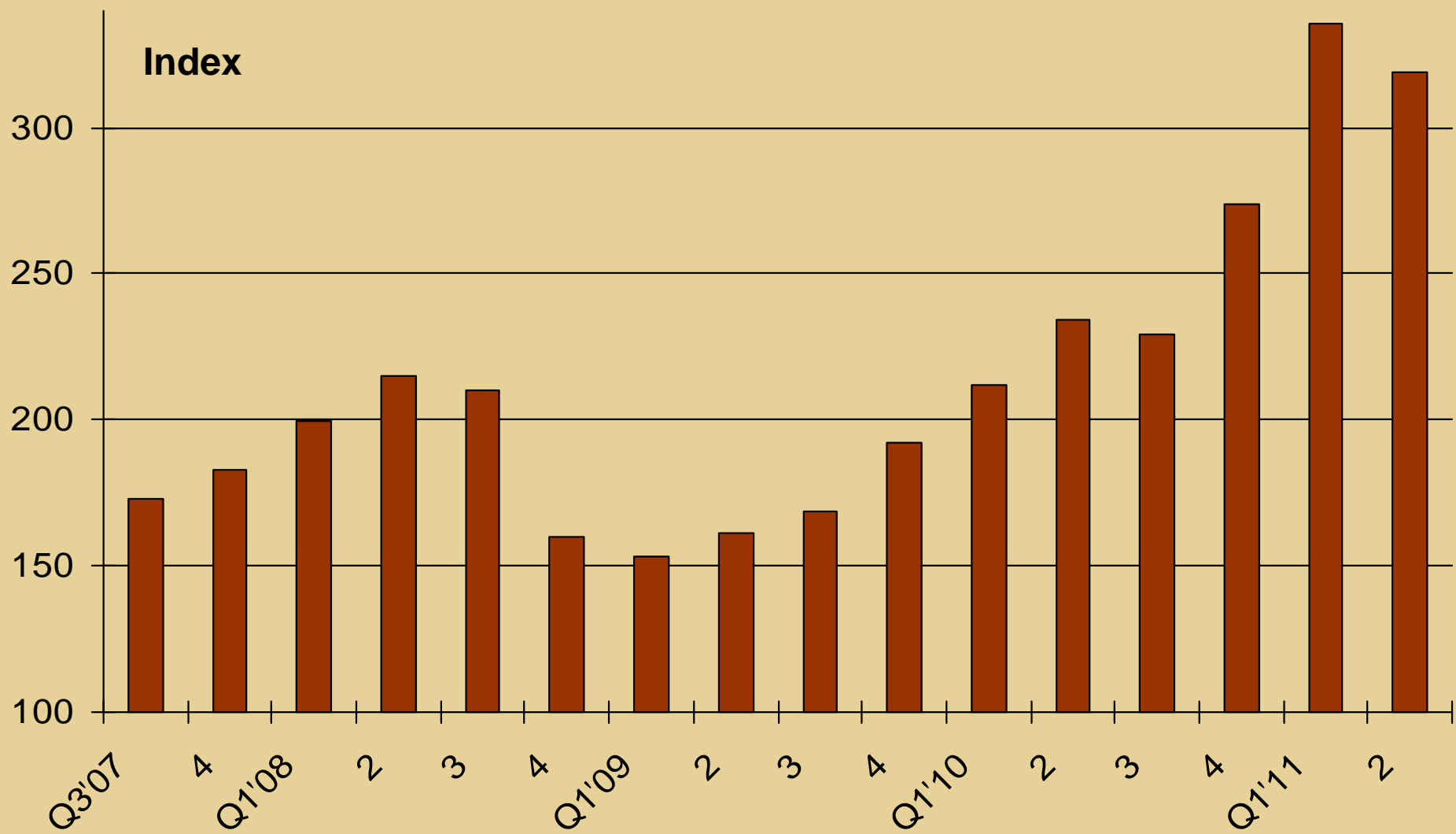
Sharp recovery of the leading business cycle in the US



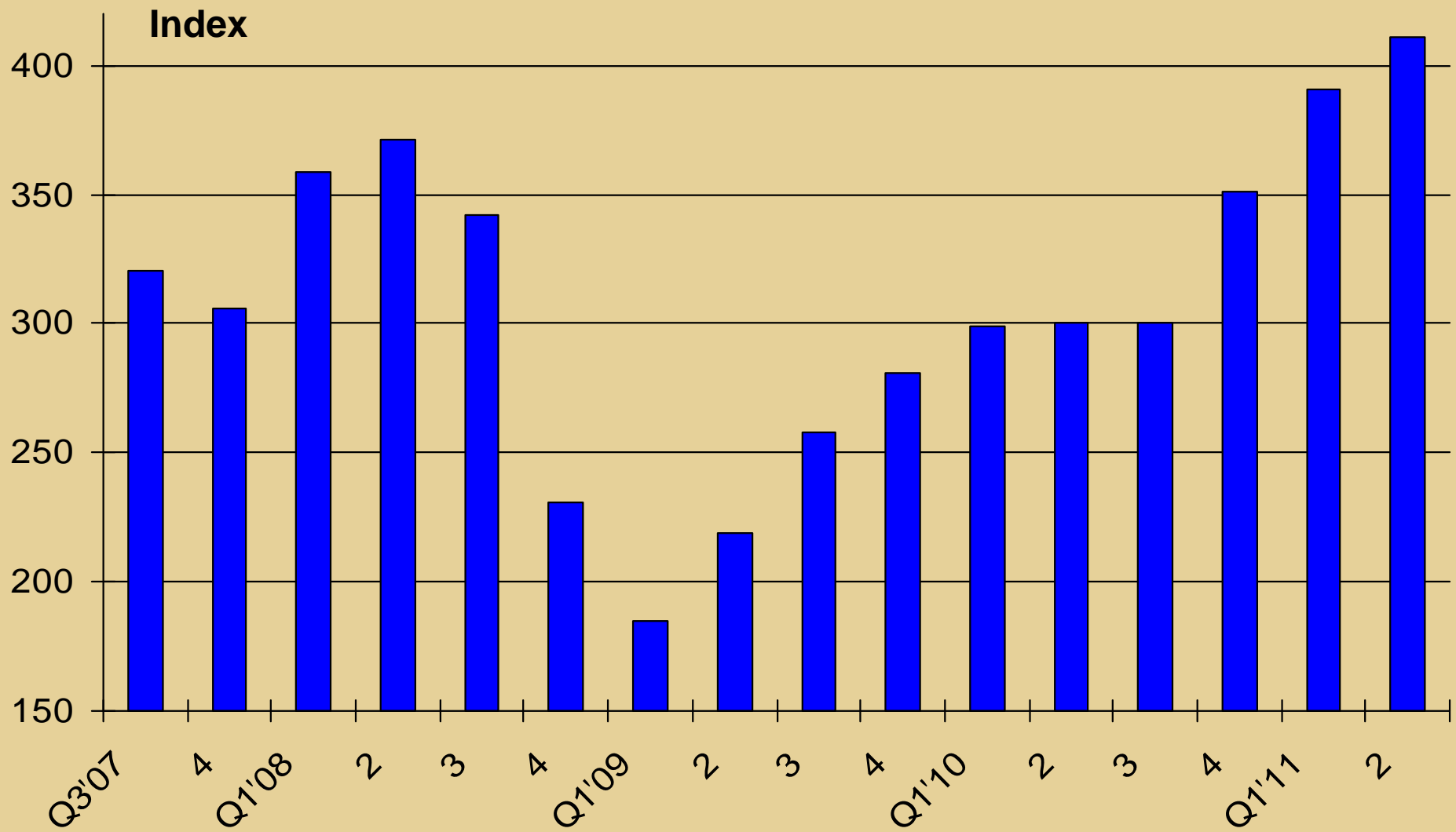
South Africa's leading business cycle indicator



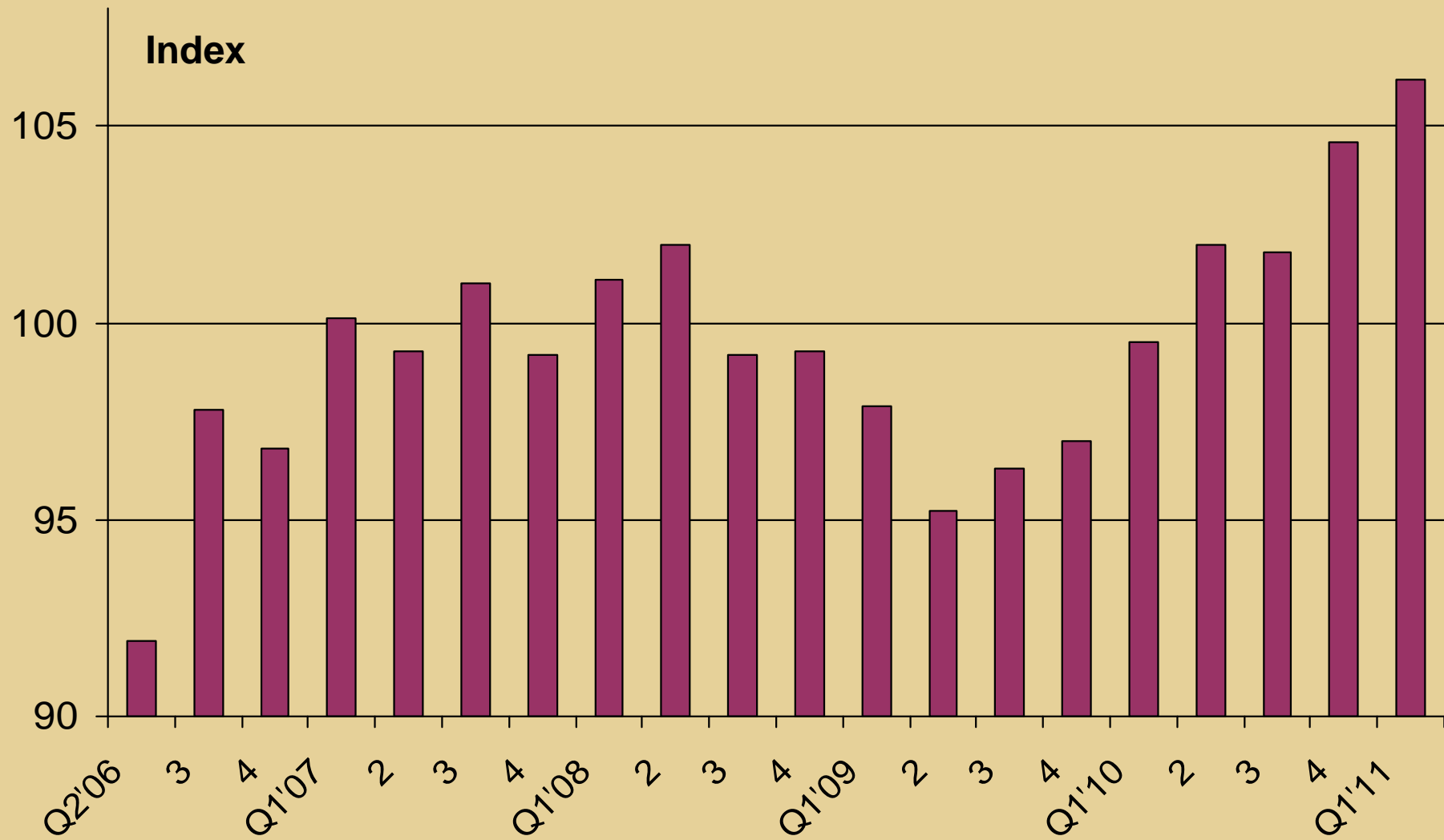
Recovery of World Bank commodity price index for raw materials (2000 = 100)



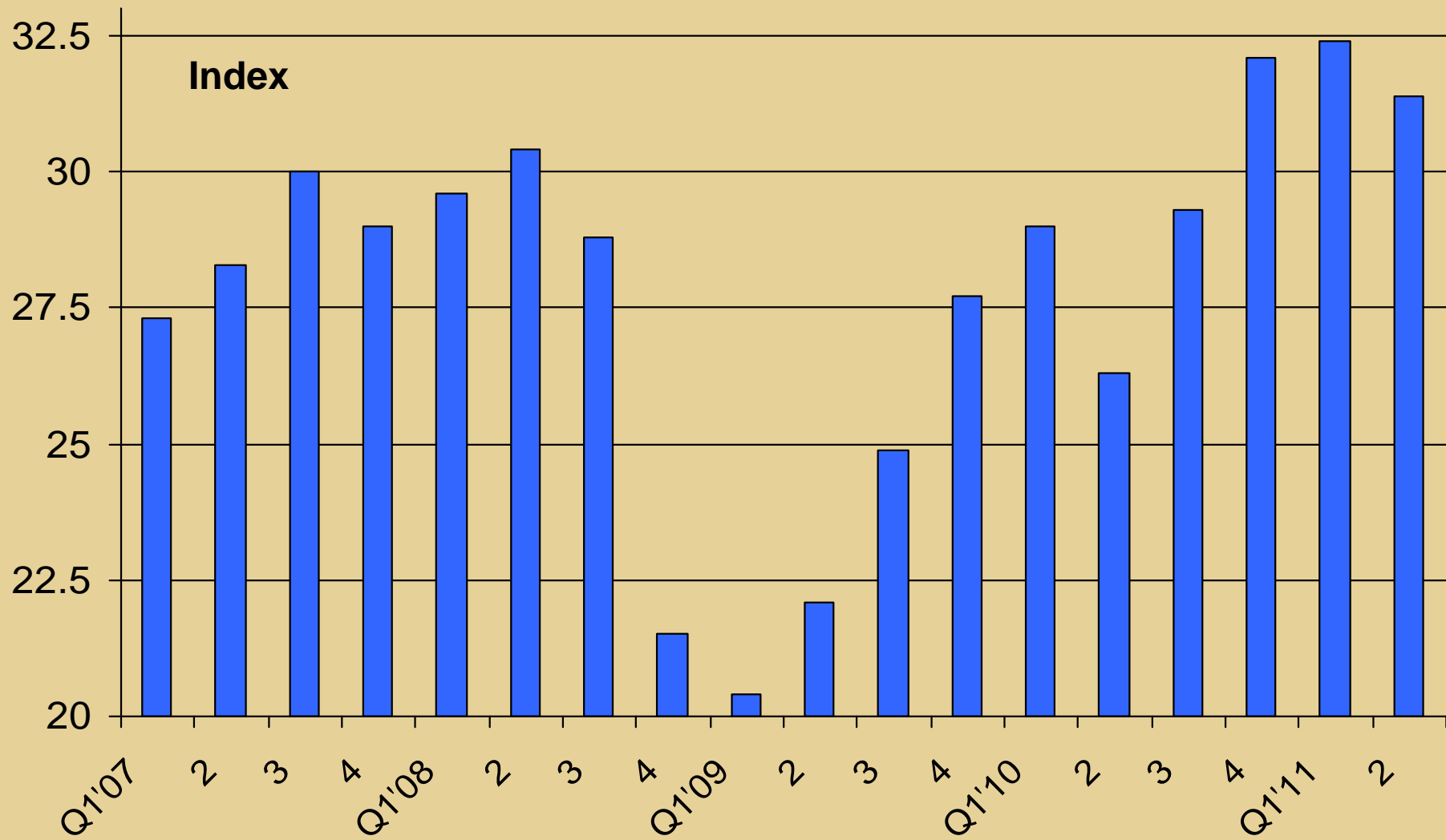
Recovery of World Bank commodity price index for metals & minerals (2000 = 100)



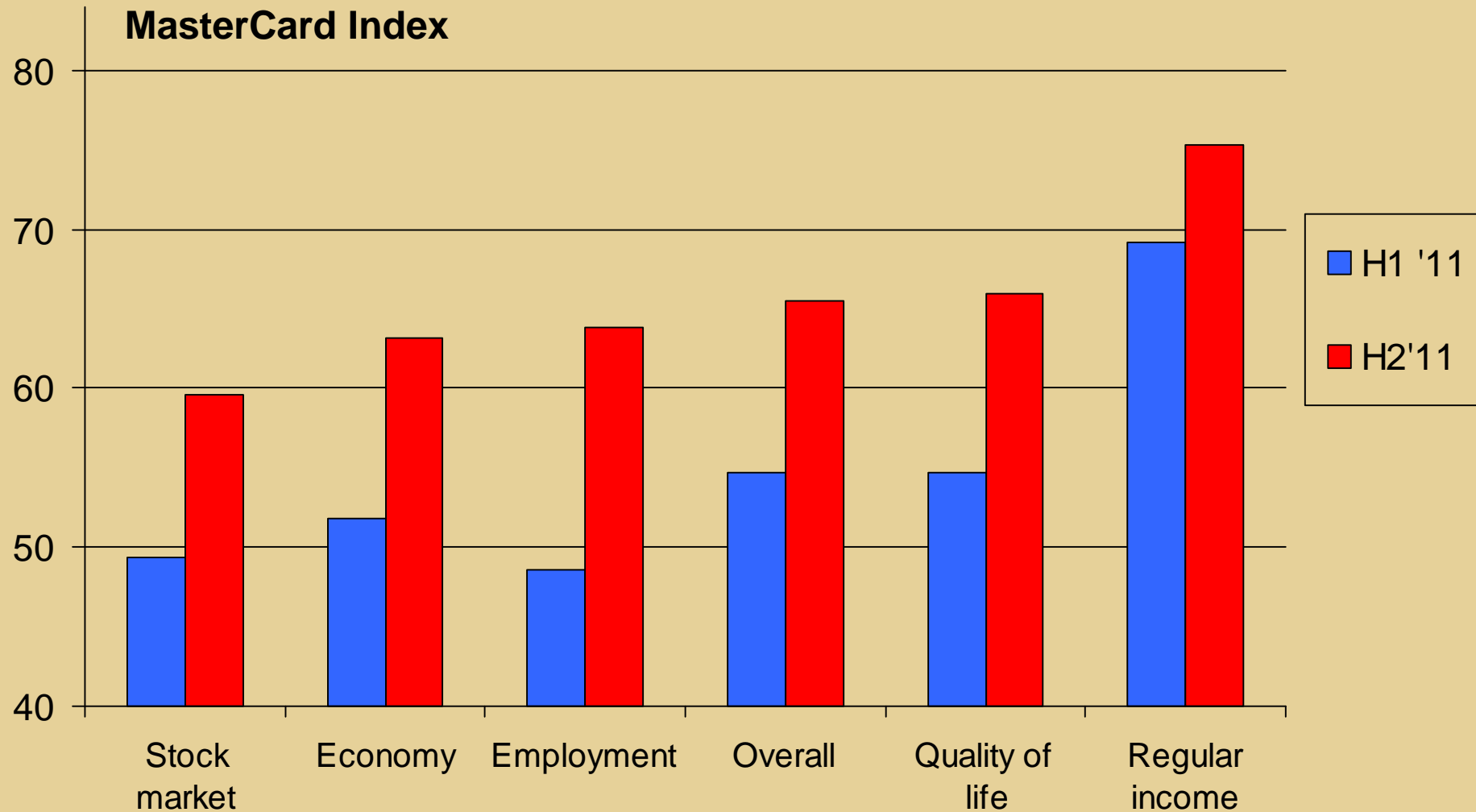
Real retail trade sales (index, 2008 = 100)



JSE all share index ('000)



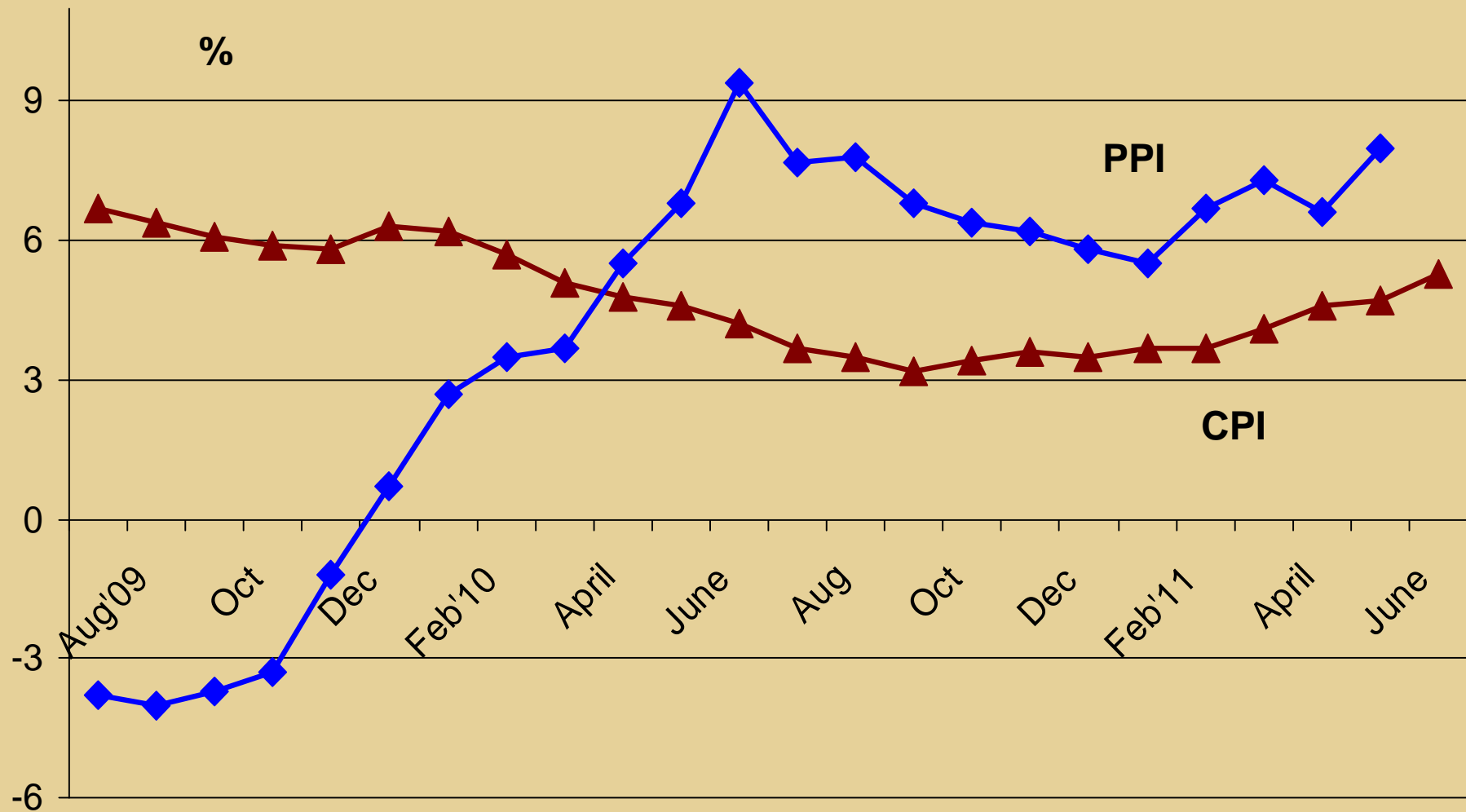
Strengthening of South African consumer confidence levels in all categories *(Note: 50 = neutral)*



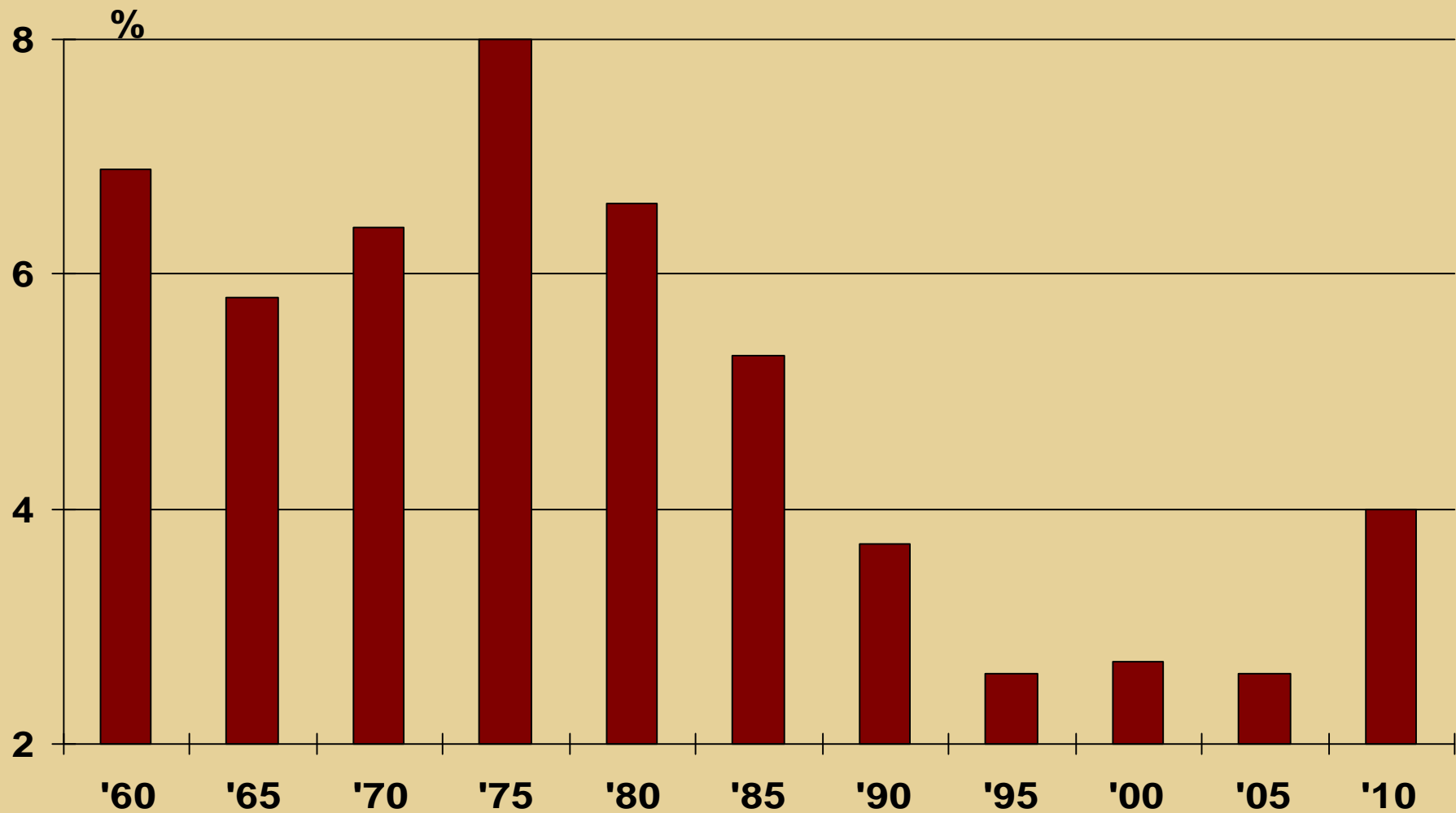
Progress with meeting basic needs

- 2.9 million houses
- 1000 new health clinics
- Access to clean water for 10 million people
- New sanitation facilities for 7 million people
- 4.5 million new electricity connections
- Free education
- Redistribution of 3 million hectares of land
- Primary School Nutrition Programme for 5 million children
- 14 million new social grant beneficiaries (BIG?)

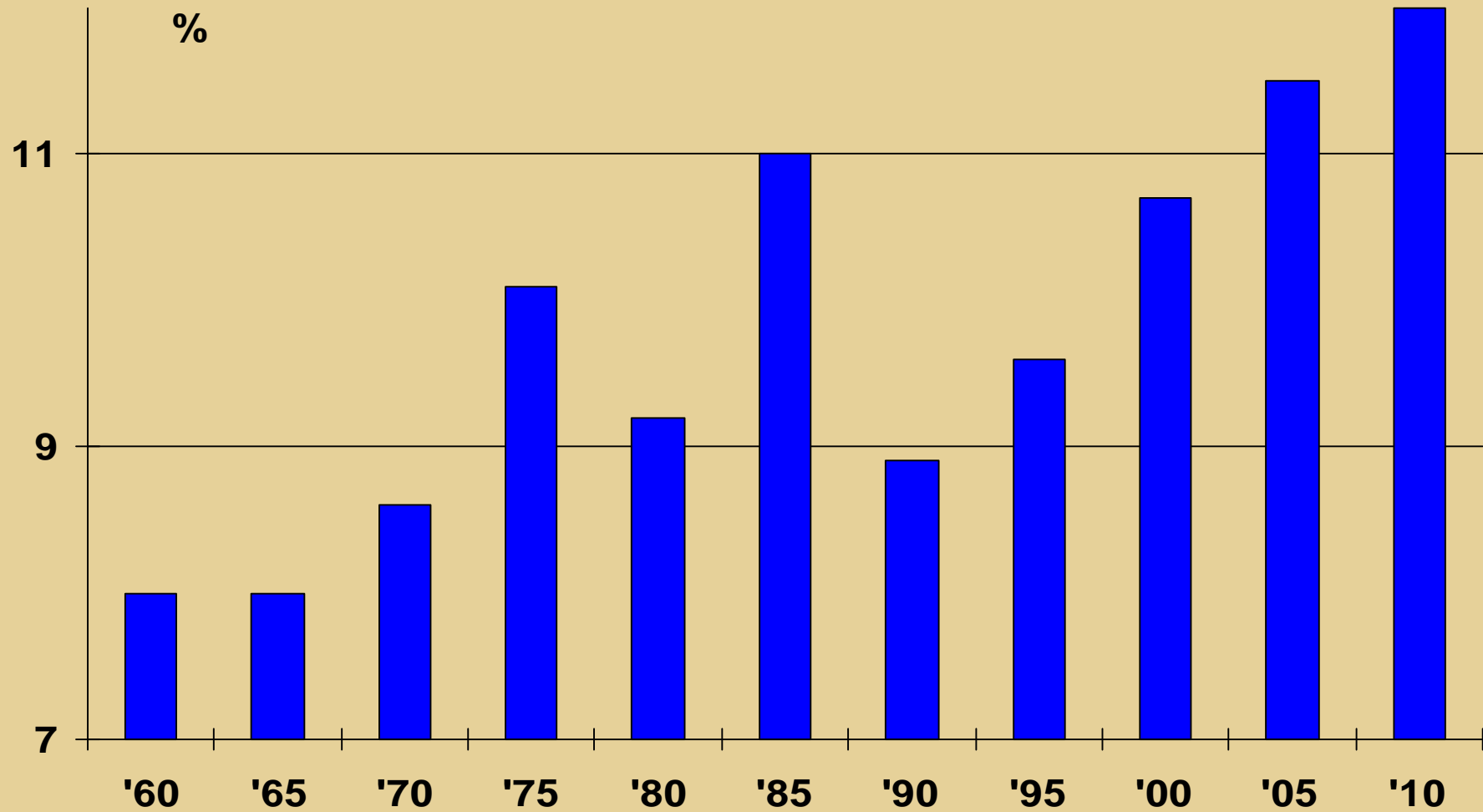
Consumer & producer price trends



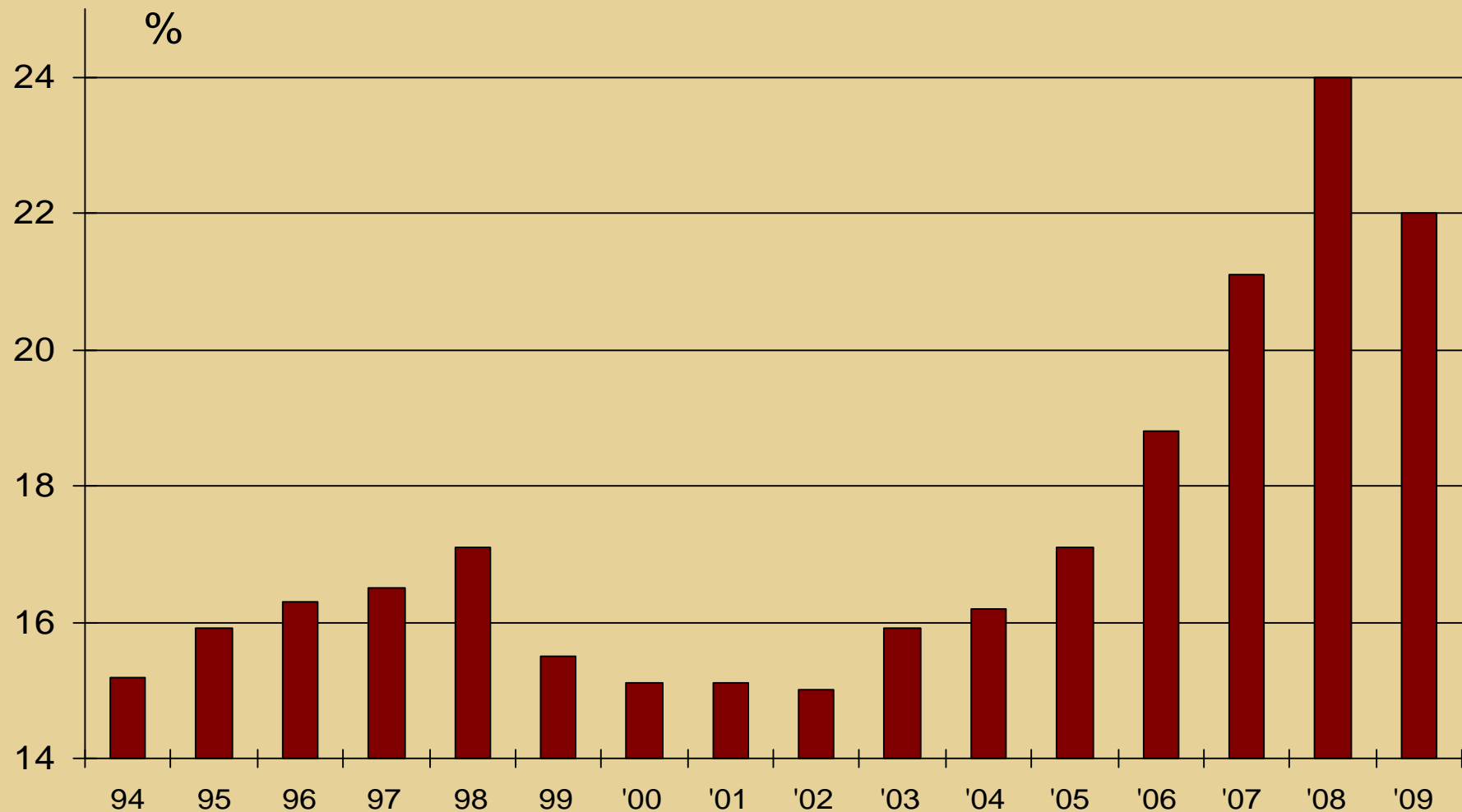
Capital expenditure by SA Government as % of GDP returns to growth mode



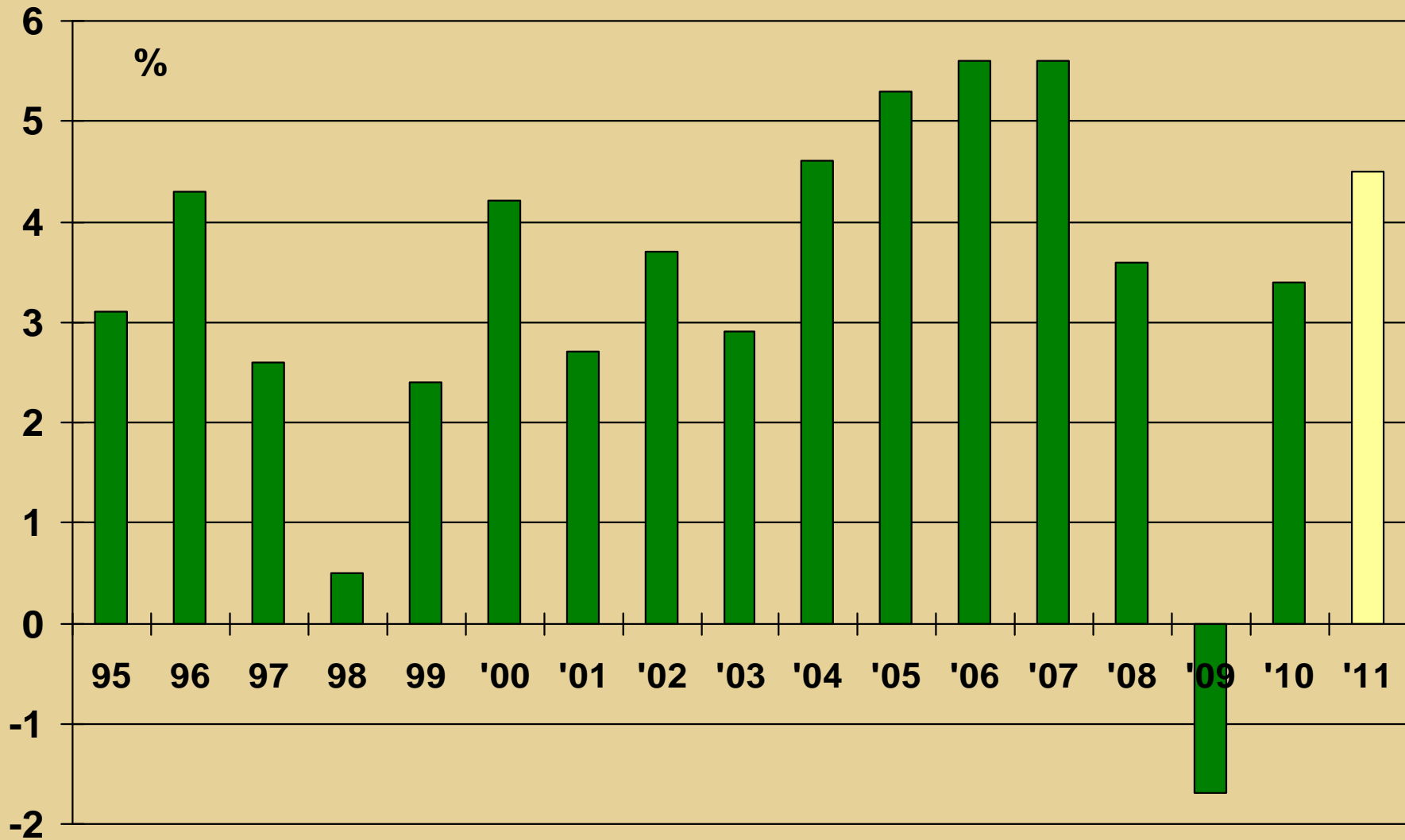
Private sector capital expenditure continues to anticipate a rise in demand



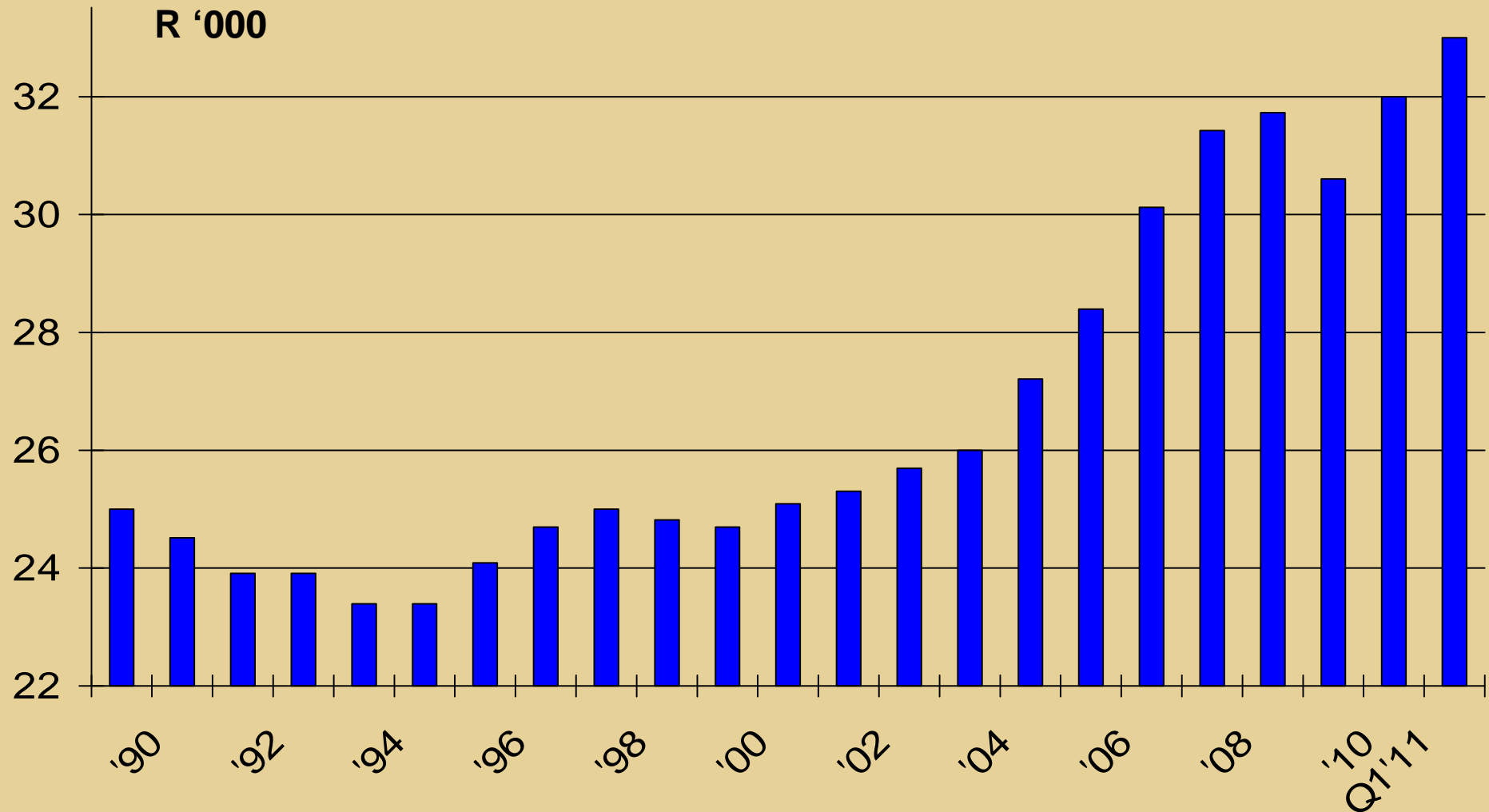
Medium-term growth prospects buoyed by rise in capital formation/GDP ratio



Real GDP forecast to return swiftly to pre-recession growth trajectory



New record high for real disposable income *per capita* of households (at constant 2010 prices)



Researched & prepared by Dr Roelof Botha

Sources of basic data include the SA Reserve Bank, Stats SA, The Economist Intelligence Unit, the IMF & the World Bank Group

Biographical notes:

- ✓ Dr Roelof Botha received his early schooling in Sweden, Germany, the Netherlands and three different provinces in South Africa
- ✓ A diversified career has been followed in management accounting; financial journalism; lecturing; consulting; and economic research
- ✓ He is a regular commentator & columnist in the national media and has authored more than 500 articles, books and research publications
- ✓ His Honours and Masters degrees were both obtained *cum laude* at the University of Pretoria, whilst the Doctorate was completed at the University of Johannesburg
- ✓ In 2005, he received the prestigious *Finmedia Economist of the Year* award, based on the accuracy of forecasts of key economic indicators
- ✓ Current activities include being a Senior Adjunct Faculty member of the Gordon Institute of Business Science (GIBS)
- ✓ He has been an economic advisor to PricewaterhouseCoopers for the past 20 years

Mobile no: 083 226 8921; **E-mail:** gopasa@worldonline.co.za