

Prof Raymond Parsons

Cell: 083 225 6642

MEDIA STATEMENT - IMMEDIATE RELEASE

3 Sep 2019

'SA ECONOMY NEEDS MORE POLICY CERTAINTY TO MAKE LATEST ECONOMIC IMPROVEMENT IN 2Q 2019 SUSTAINABLE AND BUILD INVESTOR CONFIDENCE', SAYS NWU BUSINESS SCHOOL ECONOMIST PROF RAYMOND PARSONS.

'The better-than-expected GDP figures in 2Q 2019 are good news for the economy, as they at least confirm that SA has avoided a 'technical recession' (two successive quarters of negative growth) after the bad growth performance of -3.2% in 1Q 2019. But the latest growth figures are nonetheless off a low base and include the once-off highly disruptive impact of Eskom load-shedding in that quarter. There remain no grounds for complacency about how growth will average out over 2019 as a whole, given continuing vulnerable factors.

On current economic trends GDP this year therefore is unlikely to exceed about 0.6%. This remains far too low to meet SA's socio-economic challenges. It continues to emphasize the need for the urgent implementation of pro-growth reforms, sooner rather than later. To make the latest economic improvement sustainable and to move the economy on to a higher growth path, will require much more policy certainty to boost investor confidence and job creation.

The outcomes needed from the possible implementation the latest Treasury growth strategy have the potential therefore to either enhance or reduce policy certainty. The growth plan, if broadly supported, could facilitate turning the economy around. It is essential now to provide the necessary leadership and to forge sufficient consensus around what needs to be urgently done to strengthen the SA economy.'

ENDS