



Economic Digest 19

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What Lies Ahead for Our Economy in 2021?

'Double, double toil and trouble, fire burn and cauldron bubble', the words spoken by the three witches in Shakespeare's Macbeth, would probably not be out of place at a meeting of economists as they try to determine what lies ahead for South Africa's economy. As these curated articles will show, all is not yet lost: there will be economic growth but, despite that, there is a chance that our economy may also follow the fate of Macbeth.

Five key factors that will affect South Africa's economy and your wallet this year

"The relaxation of lockdown regulations saw a 66% rebound in the third quarter (Q3), but a lot of ground remains lost. Estimates generally peg the 2020 contraction at between 8% and 10%. With renewed lockdown measures, the return of load shedding, mounting debt and shattered confidence, the outlook for 2021, with a few exceptions, is bleak". <https://tinyurl.com/4y2n89dh>

The magic number for economic growth

At what rate must South Africa grow to revitalise the economy? The experts don't all agree on the exact number, but they do agree that there will be growth. <https://tinyurl.com/jvgilvxy>

Things will have to get worse before they get better

While some predict some economic growth, others argue that this growth will not be enough to ward off a period of severe economic hardship. <https://tinyurl.com/13z3zww0>

South Africa's long-term outlook not all bad despite pandemic

"While the pandemic has played havoc with the hospitality and leisure industries, other sectors of the economy have fared better. Agriculture benefited from good rainfall and healthy crop yields during the year, and mining companies and export industries profited from a weaker currency and strong commodity prices." <https://tinyurl.com/xuw2mypi>

South Africa's economic revival will largely depend on these actions

A recent report by the North-West University's Policy Uncertainty Index (PUI) pointed to six actions needed to support a revival of the economy. The PUI is an assessment tool that can provide decision-makers with the means to understand the impact of their policies on the welfare of South Africa.

<https://tinyurl.com/45scuk6g>

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