Economic Risks: South Africa

A. GNP, GDP, GNP/capita (GNI)

GNP: Gross National Product (GNP) is the measure of the value of goods and services of a country within a period of one year. In other words it measures total economic activity of a nation. The GNP of South Africa is continuing rising at 110.6 billion PPP dollars in 1980 to 718.9 PPP dollars in 2016.

GDP: Gross domestic product (GDP) measures the total money value of all goods and services of a country produced for a specific period of time. GDP is mostly referred to the size of the economy.The GDP of South Africa is continuing rising from 1970 to 2011 at the highest point at 416.4 billion USD. But from 2011 to 2016 is continuing decreasing to the point at 294.8 billion USD.

GNI : Gross National Income (GNI) which was previously referred as Gross national product measures the country income which is the total foreign and domestic output which includes gross domestic product claimed by residents of a nation, plus foreign residents incomes earned, minus nonresidents income earned in the domestic economy.GNI of South Africa is continuing rising from 1980 to 2015. The amount is from 110.6 billion PPP dollars to 718.9 billion PPP dollars.

B. Purchasing power parity

Purchasing power parity states that over time the prices of goods and services of countries should equalize. This allows people across the world to purchase goods and services at the best prices.The Gross Domestic Product per capita in South Africa was last recorded at 12294.88 US dollars in 2017, when adjusted by purchasing power parity(PPP). The GDP per Capita, in South Africa, when adjusted by Purchasing Power Parity is equivalent to 69 percent of the world's average.

C. Exchange rate and type of currency

Exchange rate is the comparison of a country currency with another currency in terms of their prices thus it has the foreign currency and the domestic currency. Type of currency is the function of specific currency which differs in different countries. Now 1 south African Rand equals to 0.069 USD.

D. Growth rate of the economy

The South African economy shrank a seasonally adjusted annualized 0.7 percent on quarter in the three months to June of 2018, following a 2.6 percent contraction in the prior period and missing market consensus of a 0.6 percent growth. It was the second consecutive period of contraction, as output fell for agriculture, transport and trade. GDP Growth Rate in South Africa averaged 2.78 percent from 1993 until 2018, reaching an all time high of 7.60 percent in the fourth quarter of 1994 and a record low of -6.10 percent in the first quarter of 2009.

E. Import/export data

South Africa had a total export of 74,110,816.97 in thousands of US$ and total imports of 74,744,010.29 in thousands of US$ leading to a negative trade balance of -633,193.32 in thousands of US$ The Effectively Applied Tariff Weighted Average (customs duty) for South Africa is 4.51% and the Most Favored Nation (MFN) Weighted Average tariff is 6.49%.The trade growth is -8.68% compared to a world growth of -4.43%. GDP of South Africa is 294,840,648,280 in current US$. South Africa services export is 14,360,177,850 in BoP, current US$ and services import is 14,953,835,693 in Bop, current US$.South Africa exports of goods and services as percentage of GDP is 30.32% and imports of goods and services as percentage of GDP is 30.18%.

F. Economic composition – type of economic activity

was traditionally rooted in the primary sectors – the result of a wealth of mineral resources and favourable agricultural conditions. ... Since the early 1990s, economic growth has been driven mainly by the tertiary sector – which includes wholesale and retail trade, tourism and communications.

G. Overall economic situation

The long-term potential growth rate of South Africa under the current policy environment has been estimated at 3.5%. ... The high levels of unemployment, at over 25%, and inequality are considered by the government and most South Africans To be the most salient economic problems facing the country.

H. Ease of Doing Business

South Africa is ranked 82 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. ... Ease of Doing Business in South Africa averaged 51.60 from 2008 until 2017, reaching an all time high of 82 in 2017 and a record low of 32 in 2008.