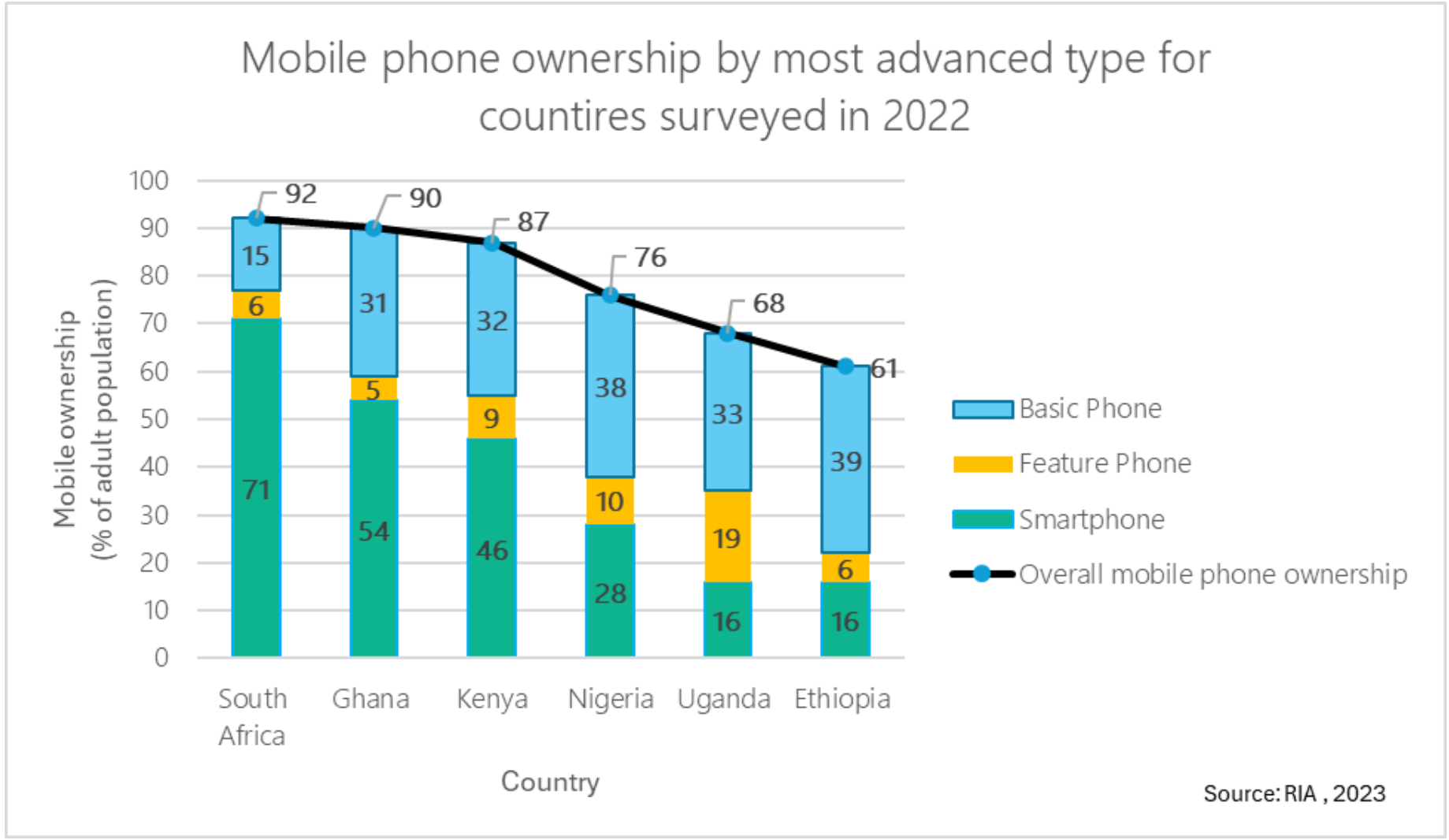
datacentrix showcase'24
Changing lives through technology

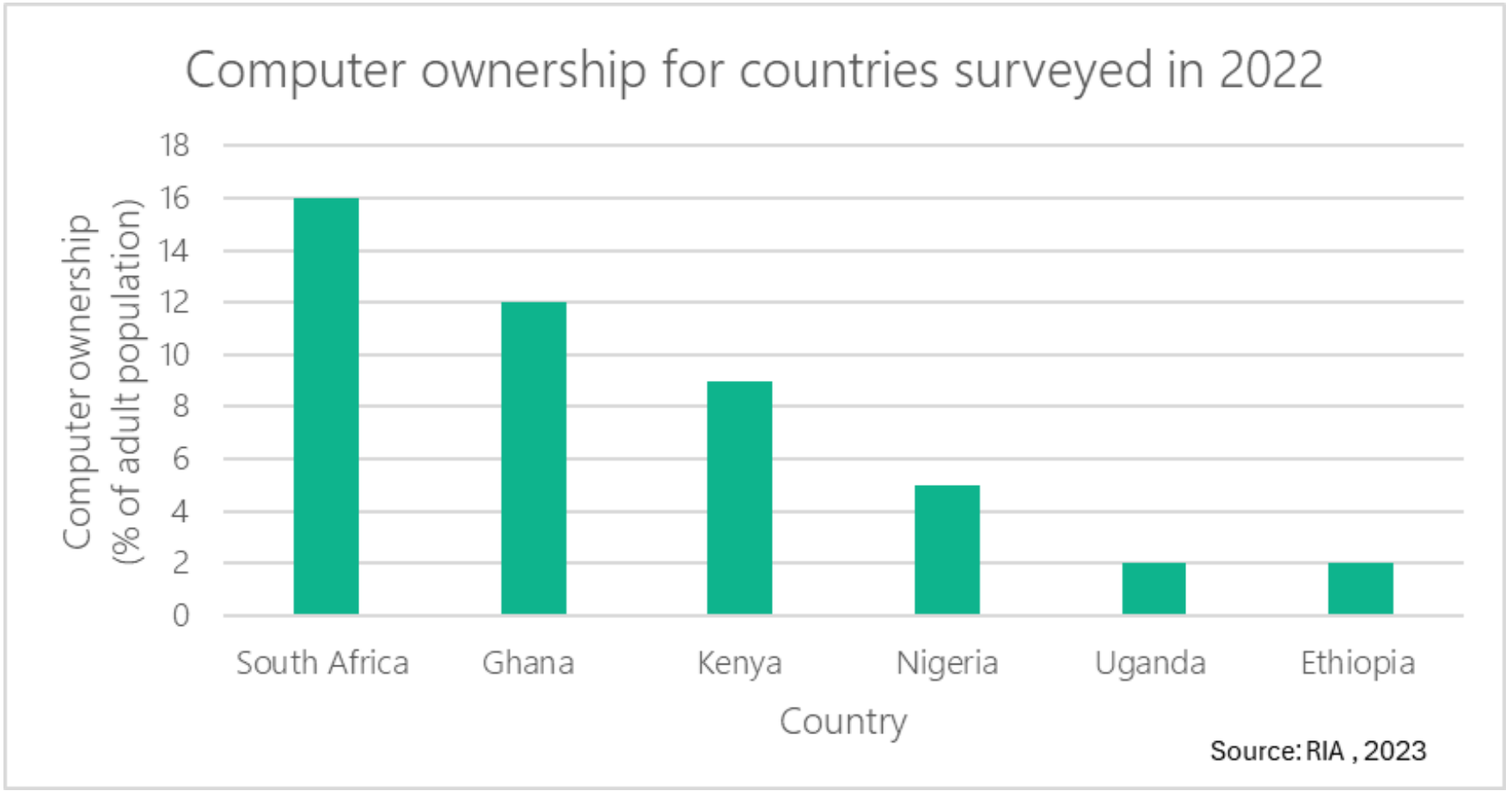
ECONOMETRIX

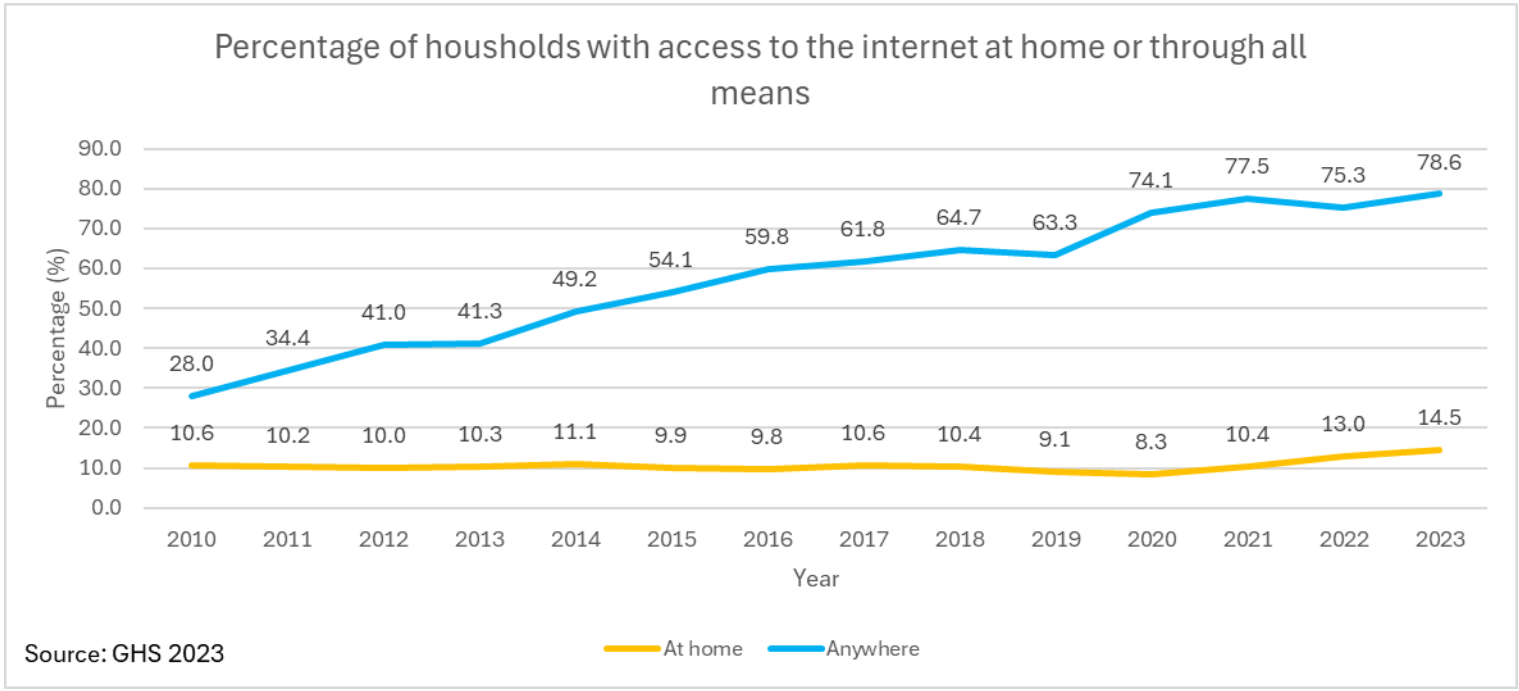
The Impact of Digitalisation on South Africa's Economic Growth

Dr Azar Jammine
Director and Chief Economist at Econometrix



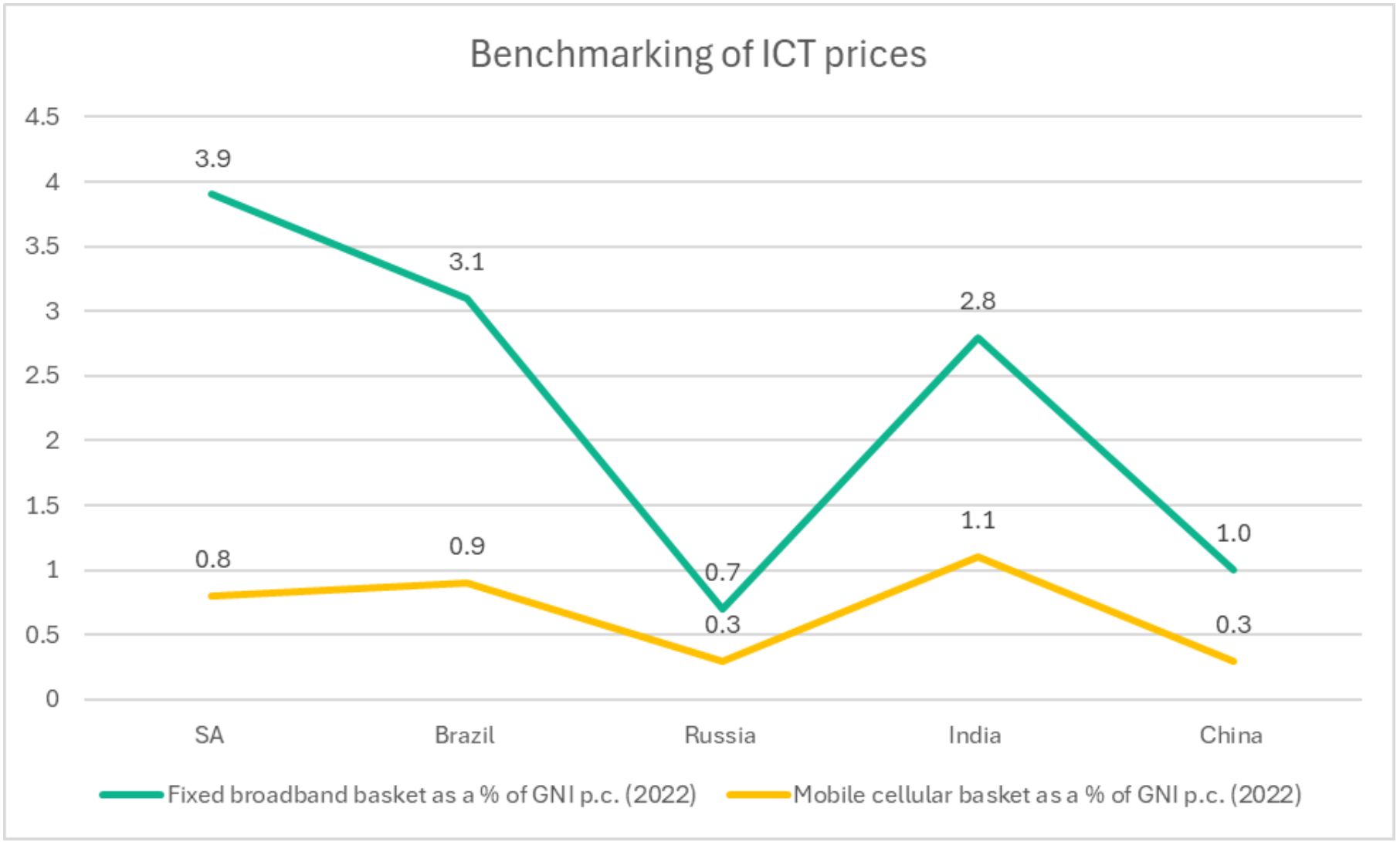
cmx ECONOMETRIX


Computer ownership for countries surveyed in 2022
Computer ownership (% of adult population)
18
16
14
12
10
8
6
4
2
0
South Africa
Ghana
Kenya
Nigeria
Uganda
Ethiopia
Country
Source: RIA , 2023

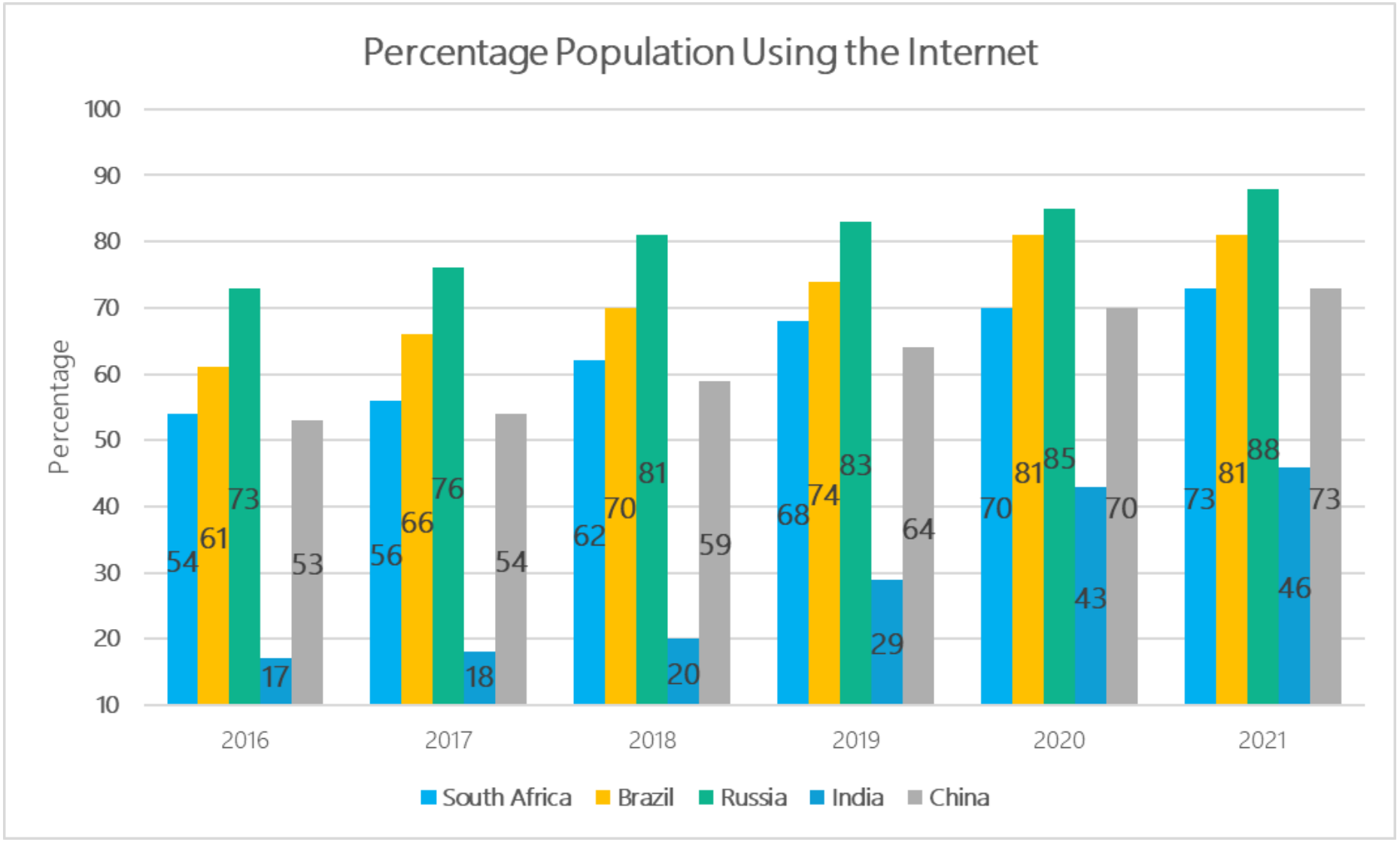


Source: GHS 2023

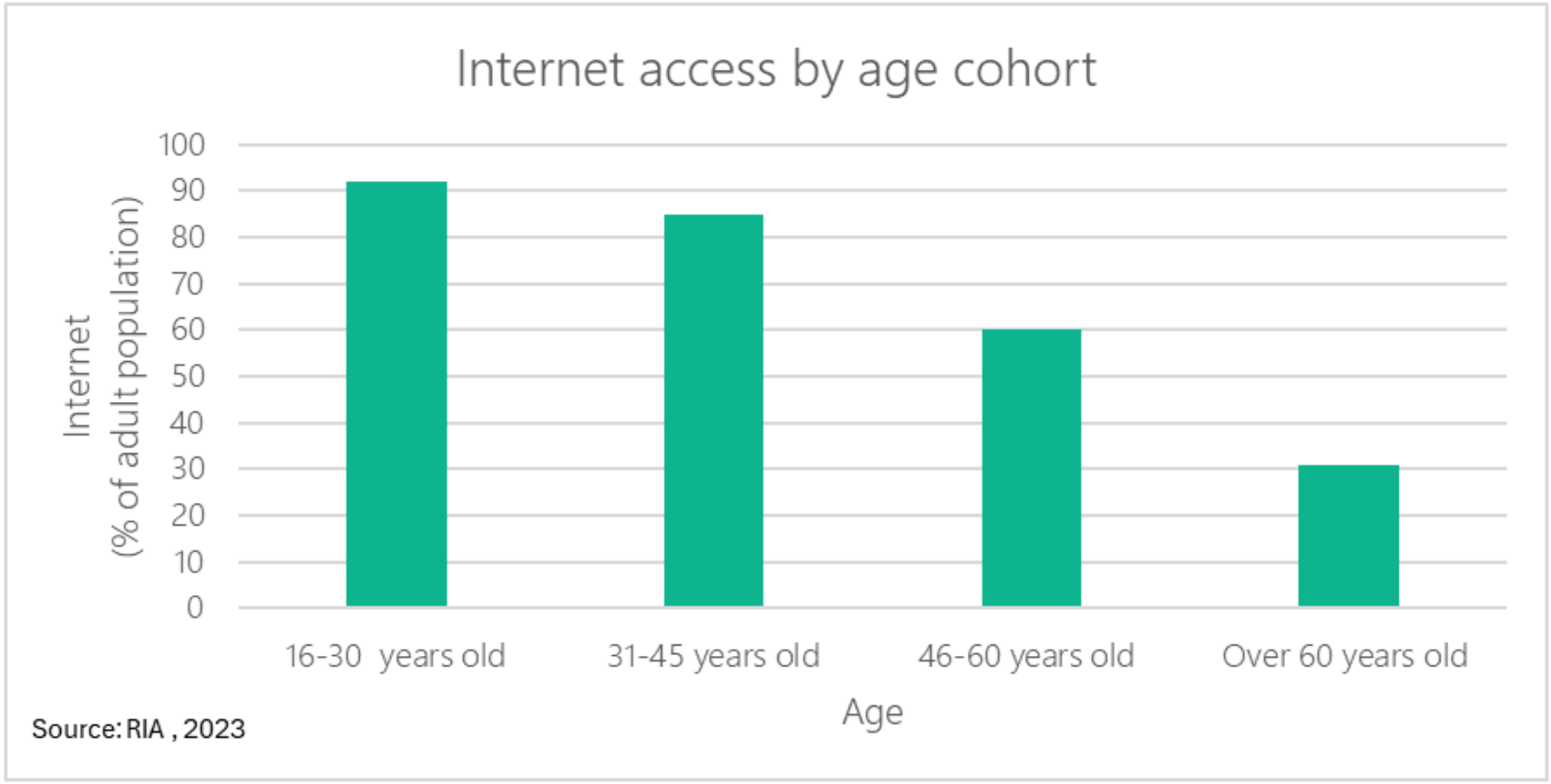
Percentage distribution of households with access to internet by province and type										
Type of access	**WC**	**EC**	**NC**	**FS**	**KZN**	**NW**	**GP**	**MP**	**LP**	**RSA**
Mobile	70.8	67.2	68	71.5	78.5	70.5	73.1	76.9	67.3	72.6
Fixed internet at home	40.1	7.7	7.4	6.3	6.9	5.3	21.5	3.1	4.5	14.5
Internet at work	22.3	8.8	9.7	9.8	16.9	5.4	18.3	7.1	5.4	14


Benchmarking of ICT prices
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
3.9
3.1
0.7
2.8
1.0
0.8
0.9
0.3
1.1
0.3
SA
Brazil
Russia
India
China
Fixed broadband basket as a % of GNI p.c. (2022)
Mobile cellular basket as a % of GNI p.c. (2022)

Source: NACI


Percentage Population Using the Internet
Percentage
100
90
80
70
60
50
40
30
20
10
2016
2017
2018
2019
2020
2021
54
61
73
17
53
56
66
76
18
54
62
70
81
20
59
68
74
83
29
64
70
81
85
43
70
73
81
88
46
73
South Africa
Brazil
Russia
India
China

Source: NACI



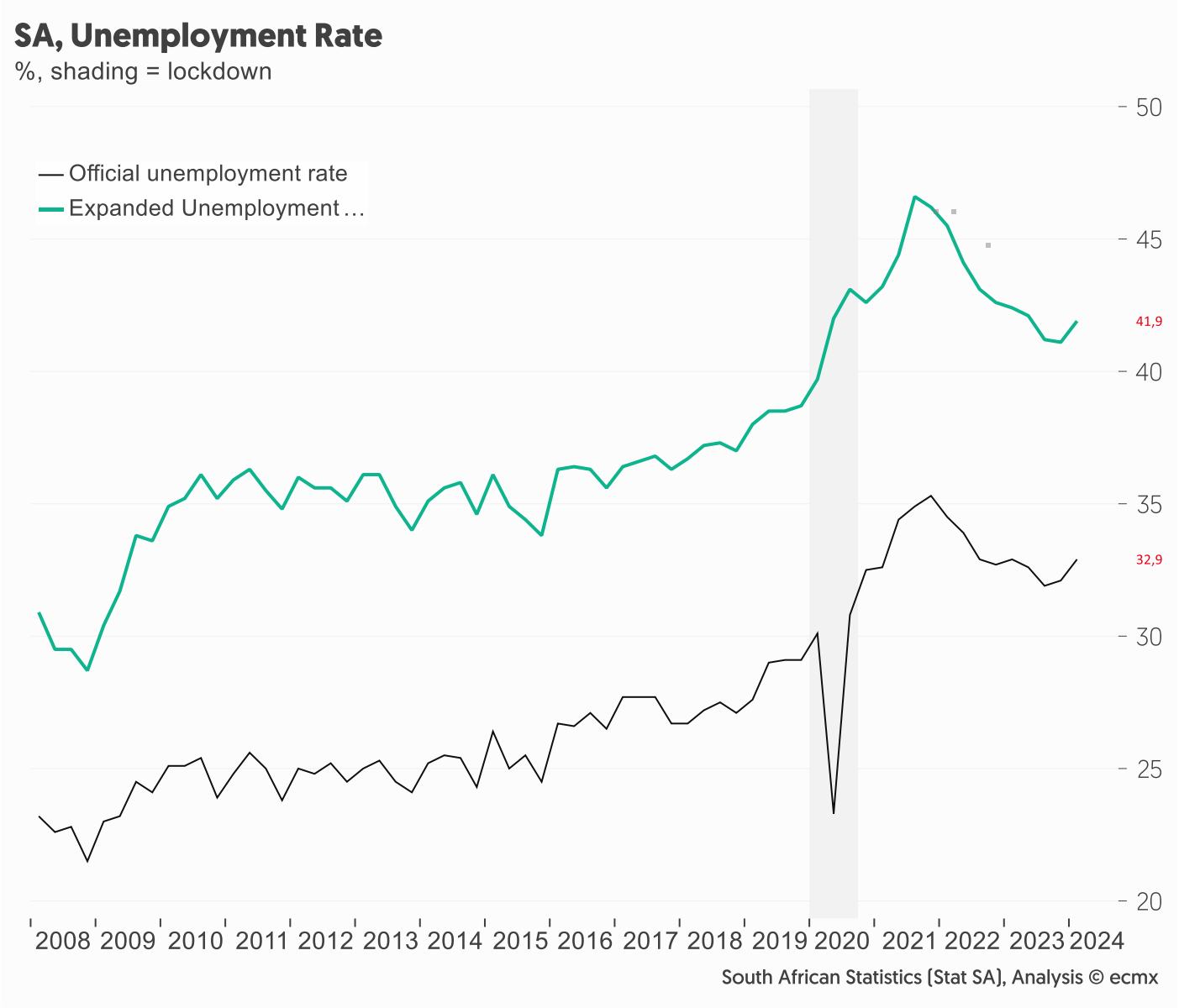
Source: RIA , 2023

The 80 : 20 Principle of Income Distribution

CPI weights by Income Group (2021 prices)

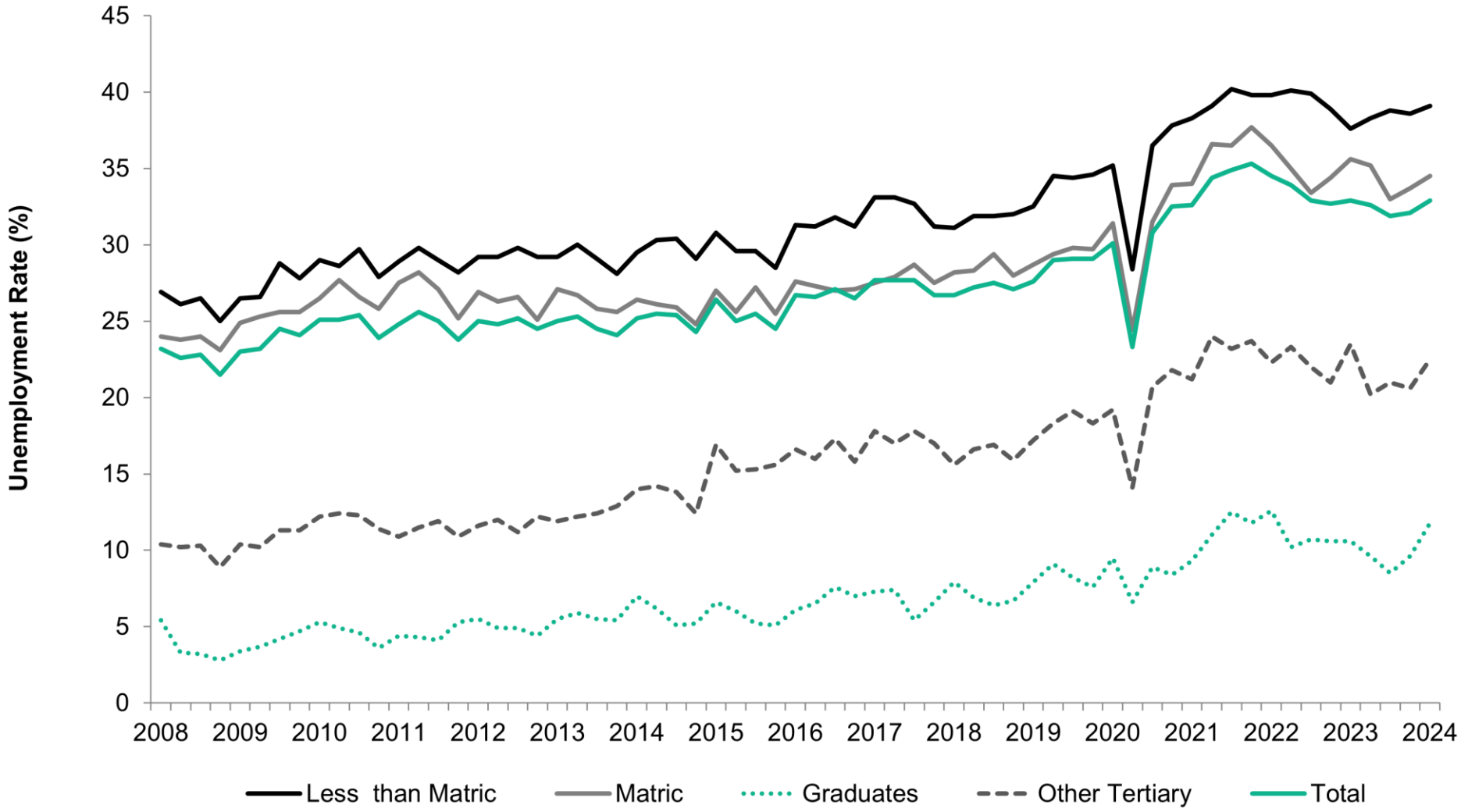
Expenditure Quintile	Weight	% of approximate households	Current Inflation Rate %
1: Up to R33 619	1.58	50.6	5.8
2: R33 620 up to R65 213	4.63	18.2	5.0
3: R65 214 up to R109 163	9.46	12.9	4.7
4: R109 164 up to R199 920	19.17	18.2	4.8
5: Over R199 921	65.16		5.4

Source: StatsSA



ECONOMETRIX

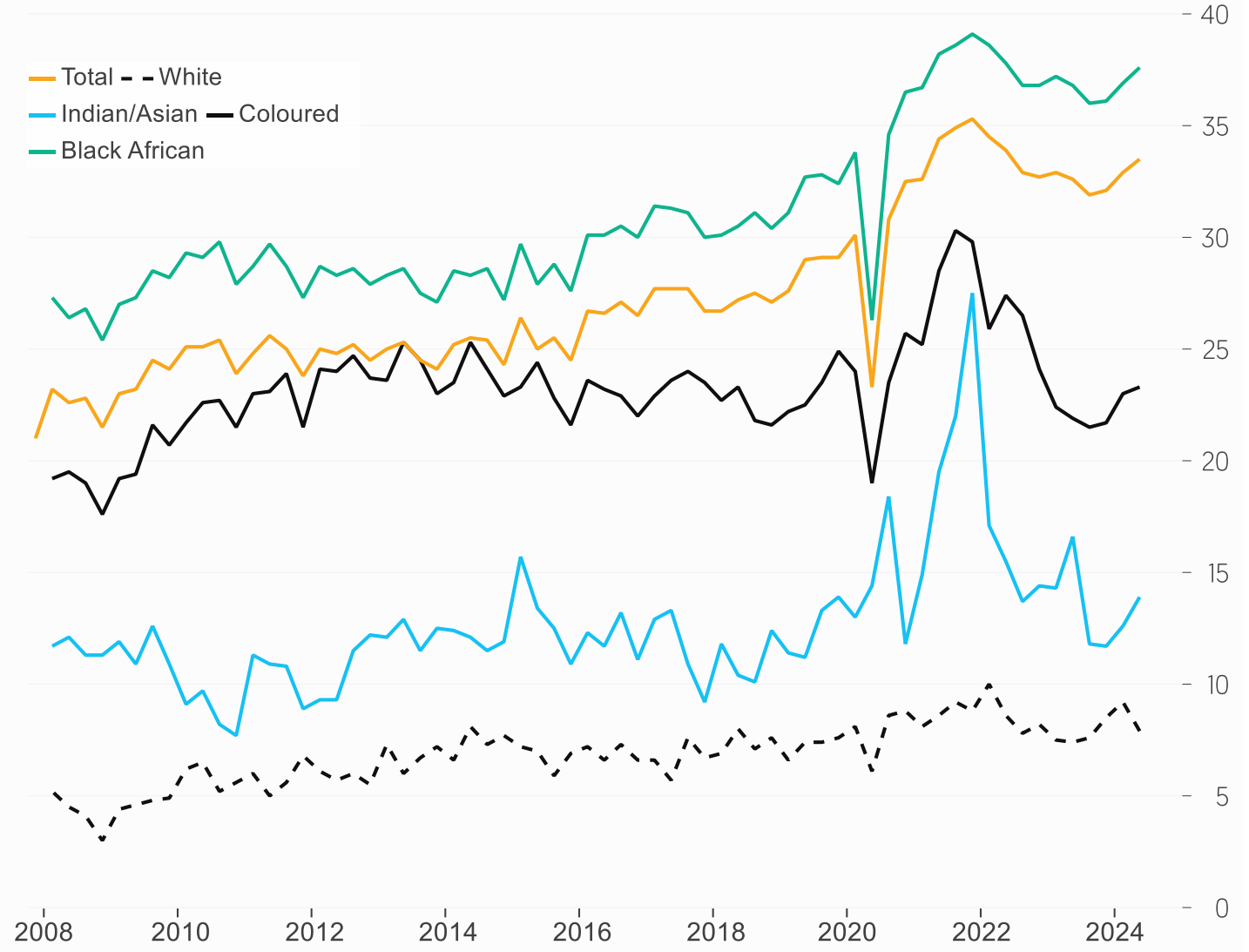
Unemployment rate by education status



Source: Statistics South Africa

cmx ECONOMETRIX

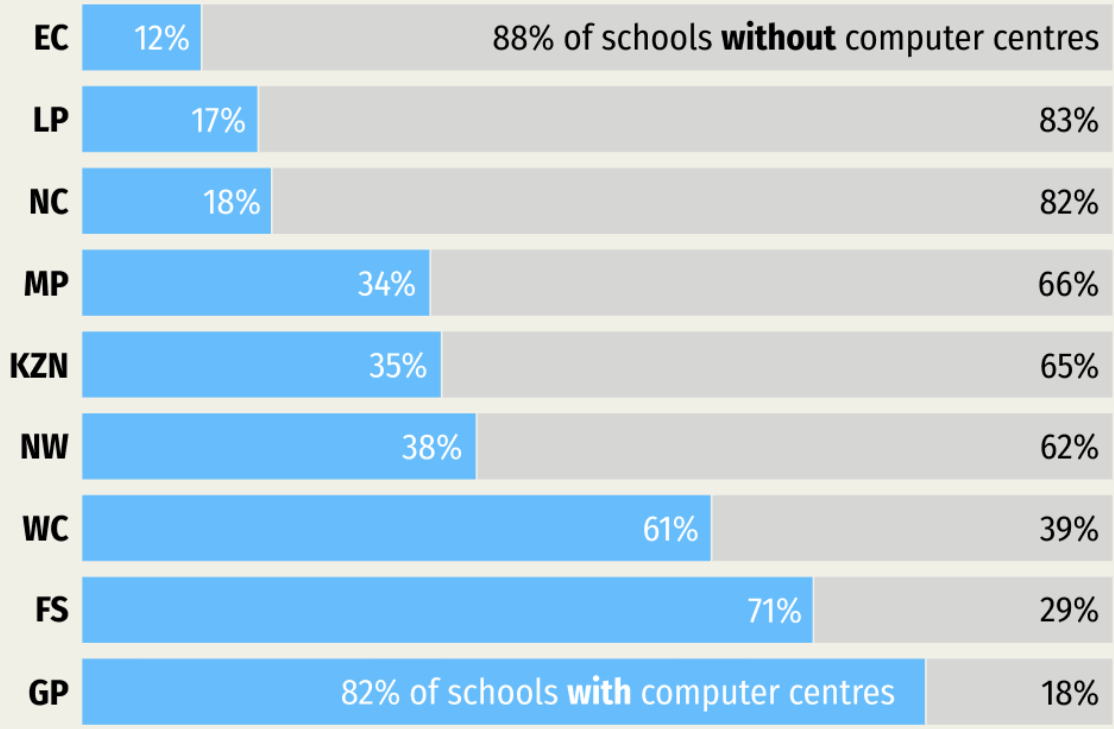
SA, Unemployment rate by race



ecmx ECONOMETRIX

Tech divide: Few SA schools have computer centres

One in 10 schools in the Eastern Cape has a computer centre

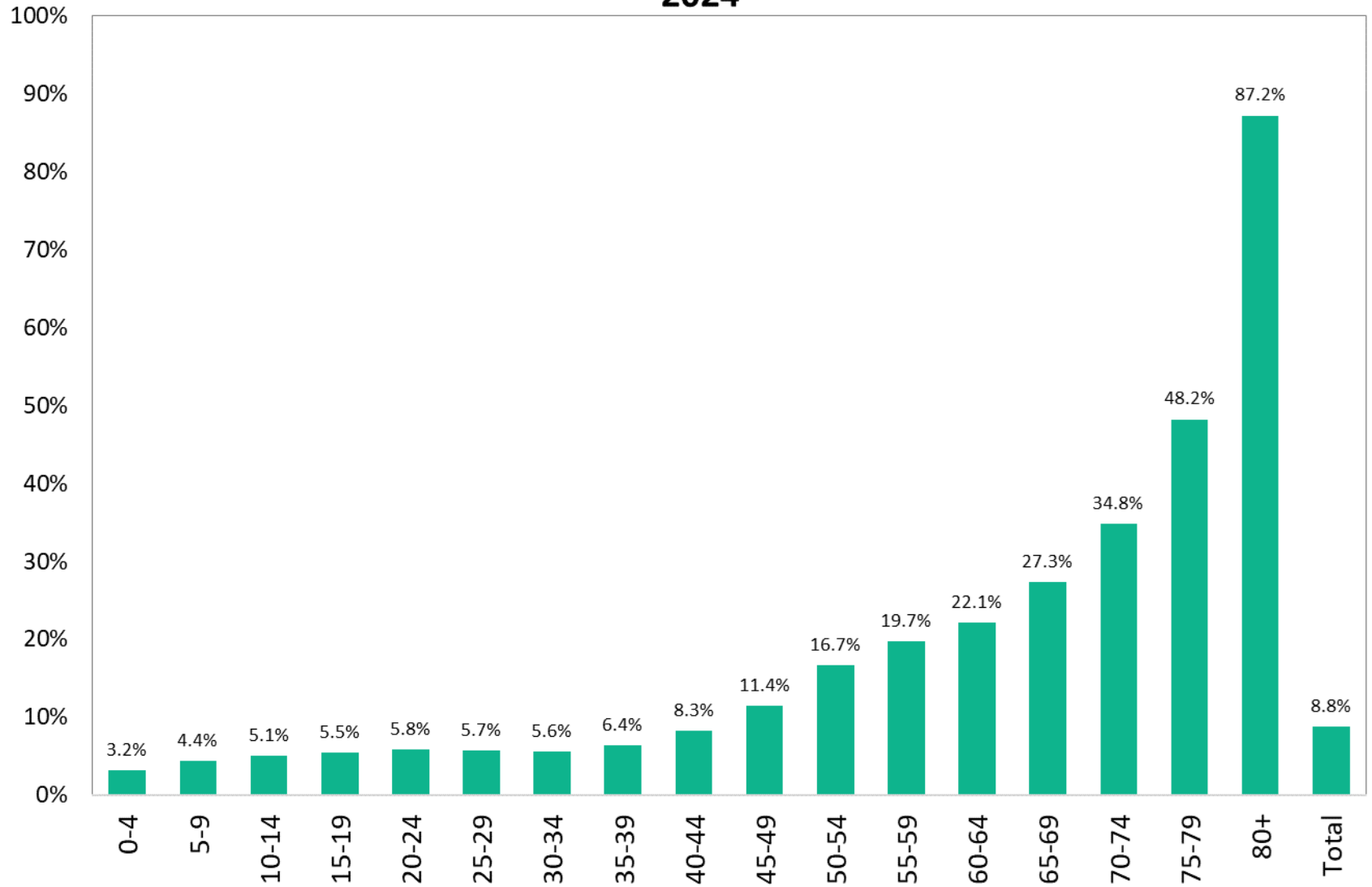


Source: Education Facility Management System (July 2024)

theoutlier.co.za

ECONOMETRIX

White population as a proportion of Black African population 2024



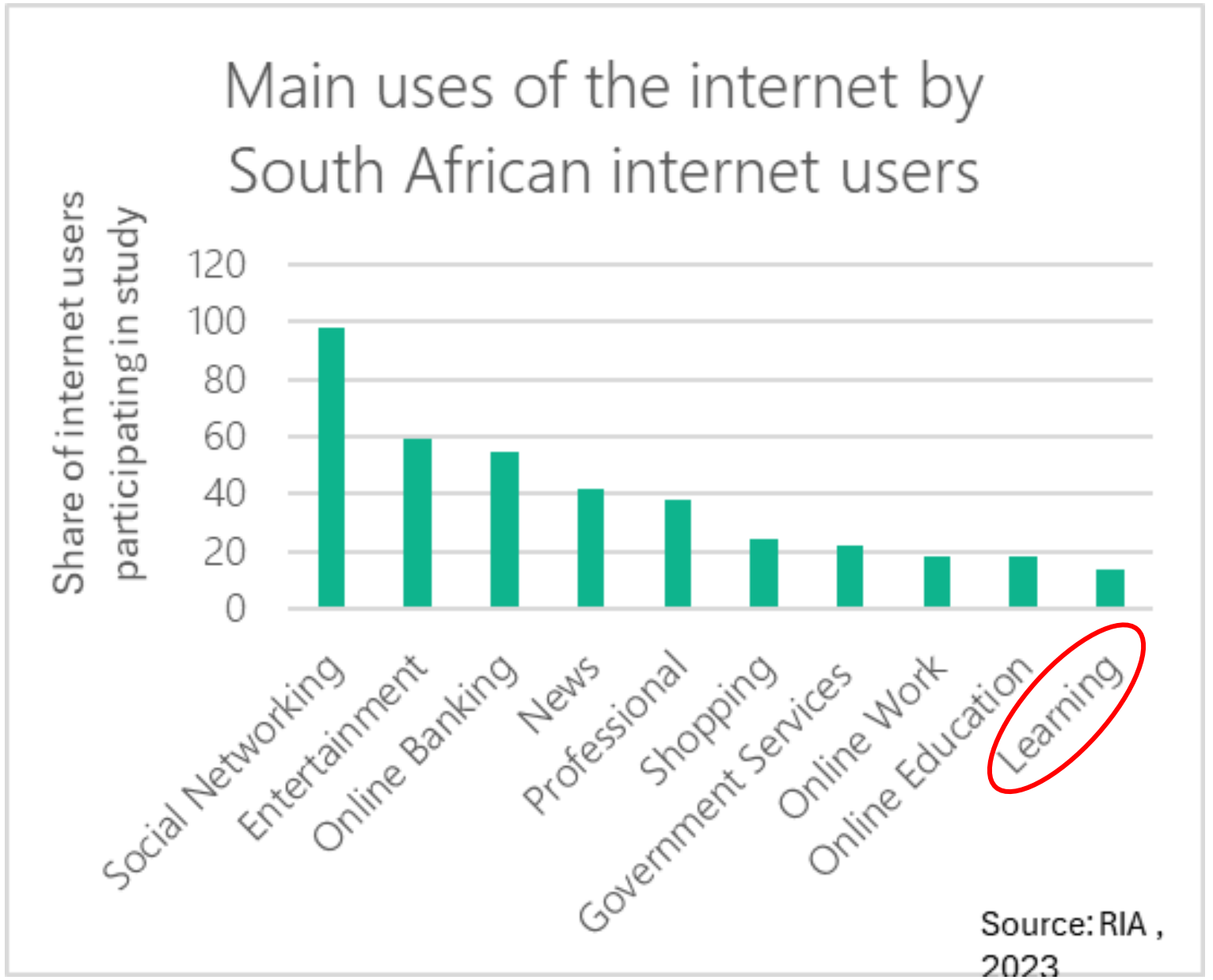
Source: Mid-Year Population Estimates, StatsSA

Matric Results Public Schools

	2023	% of Total who started in 2012	% of who passed matric 2023
Started School 12 yrs earlier	1 208 973	100,0	
No. writing matric	691 160	57,2	
No. passing matric	572 983	47,4	100,0
No. receiving university endorsement	282 894	23,0	49,0
Wrote Maths	262 016	22,0	46,0
Wrote Maths Literacy	421 835	35,0	74,0
Maths > 30%	166 337	14,0	29,0
Maths > 60%	38 171	3,0	7,0
Maths Literacy > 30%	347 227	29,0	61,0
Maths Literacy > 70%	29 109	2,0	5,0
Science > 30%	157 368	13,0	27,0

Source: Department of Education, News24

Performance of 2023 Matric Class		
	NSC	IEB
Number of students who wrote	691 160	15 180
Number of students who passed	572 983	14946
Pass rate	82.9%	98.5%
University endorsement	40.9%	88.6%

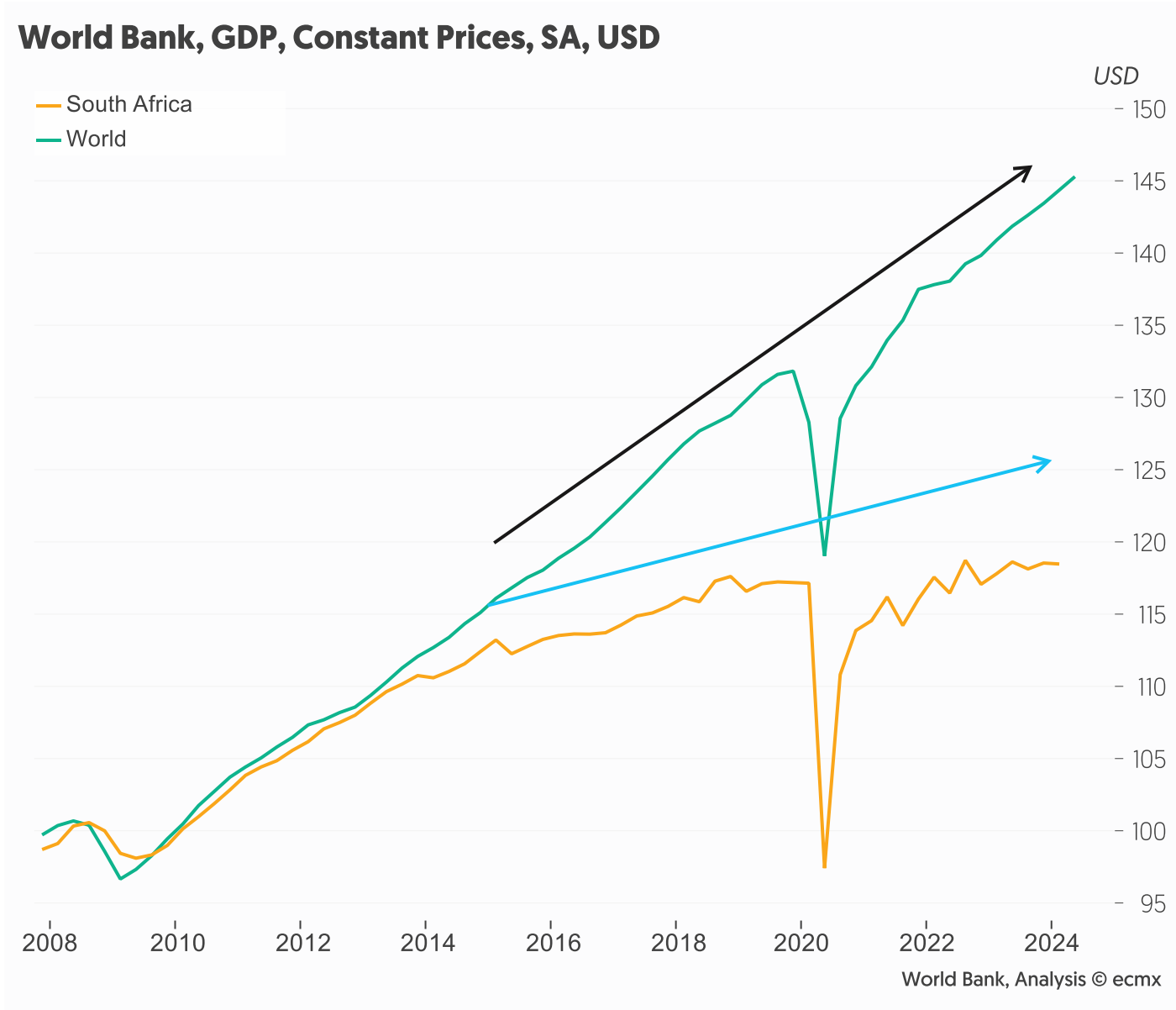


ECONOMETRIX

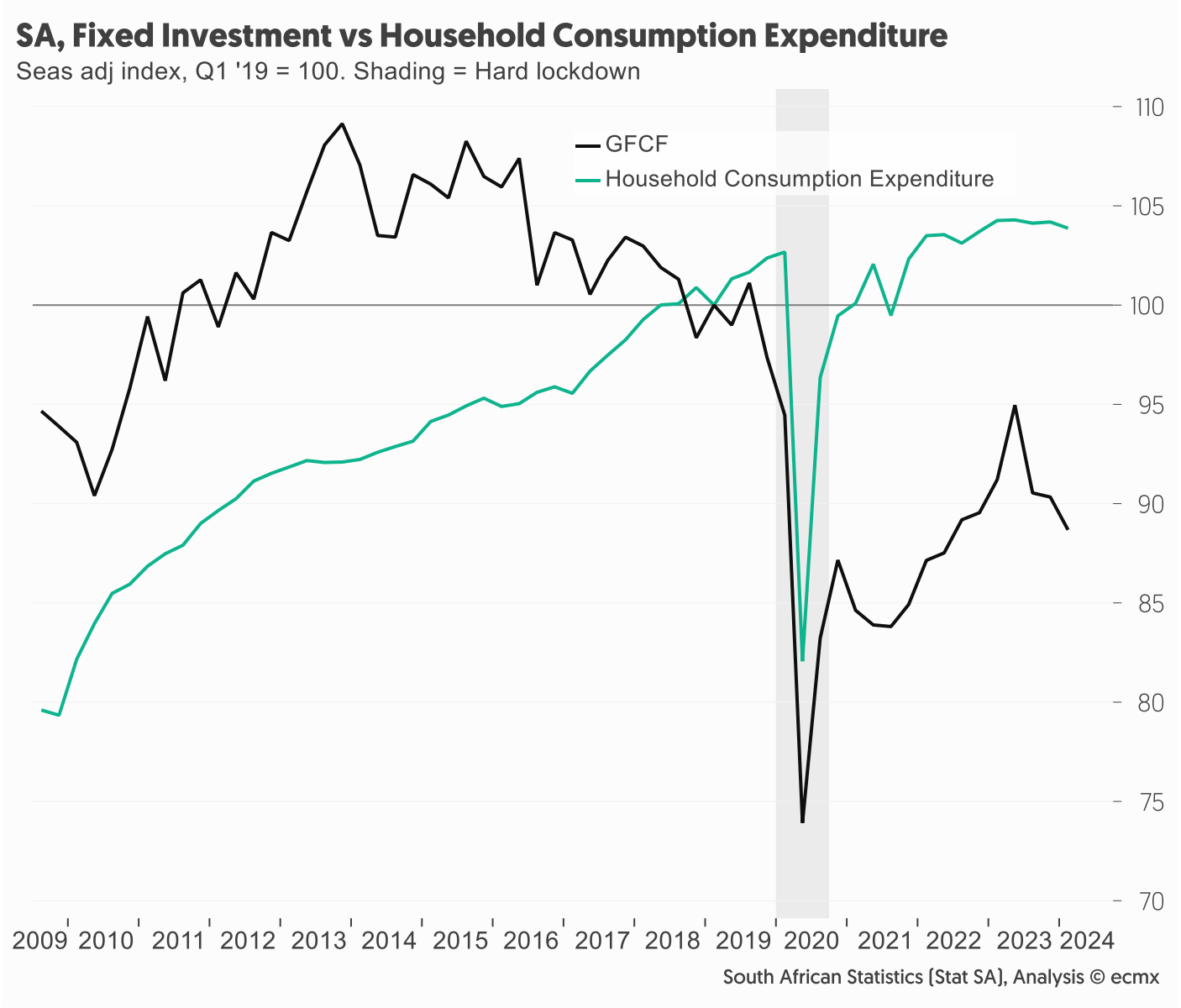
Digital Competitiveness Ranking Comparison with BRICS

	2018	2019	2020	2021	2022	2023
South Africa	49	48	60	60	58	58
Brazil	55	57	57	51	52	57
China	31	30	22	16	17	19
India	51	48	44	48	44	49
Russia	42	40	38	43	N/A	N/A

Source: NACI



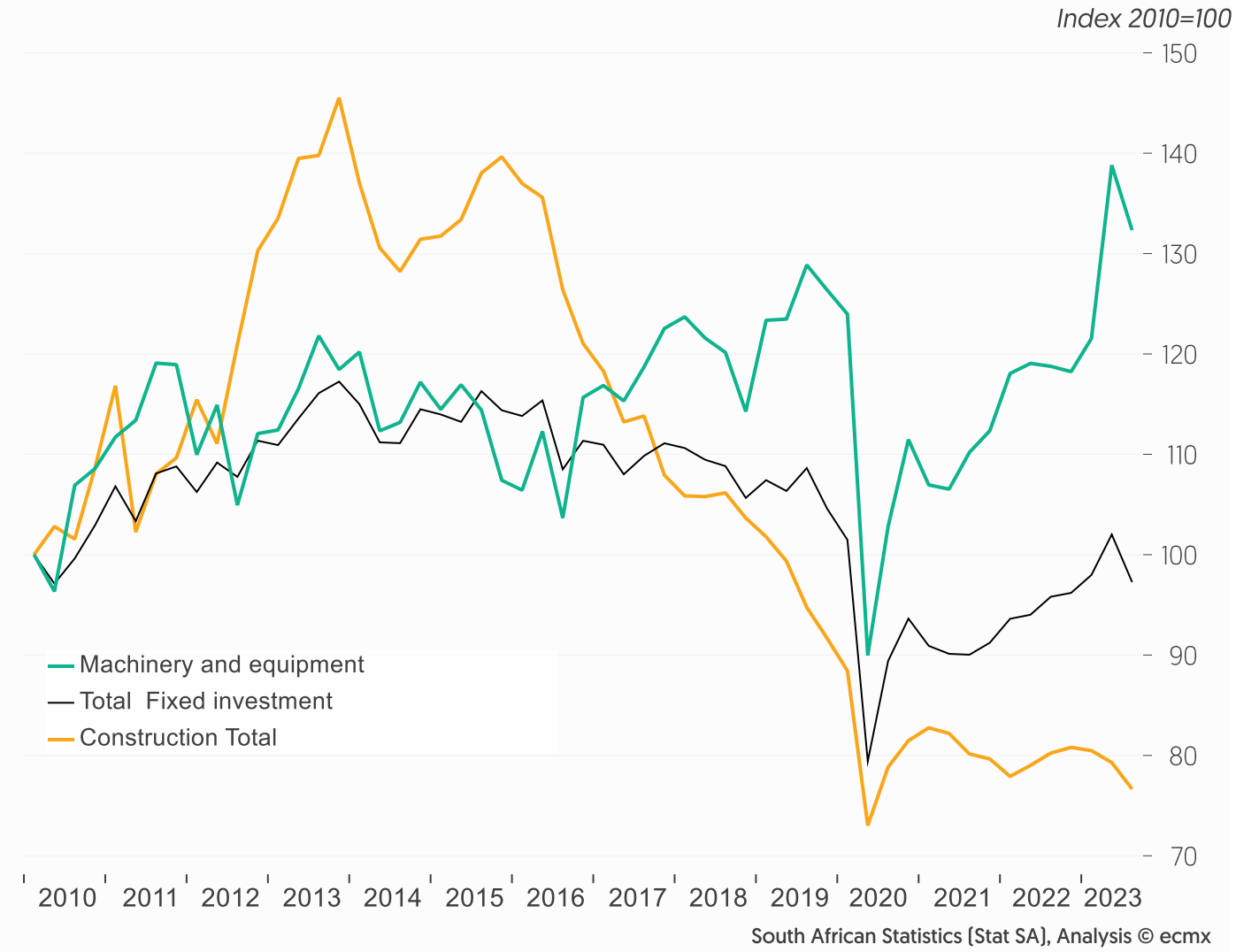
ECONOMETRIX



ECONOMETRIX

SA, Gross Fixed Capital Formation

Total vs Construction vs Machinery and Equipment

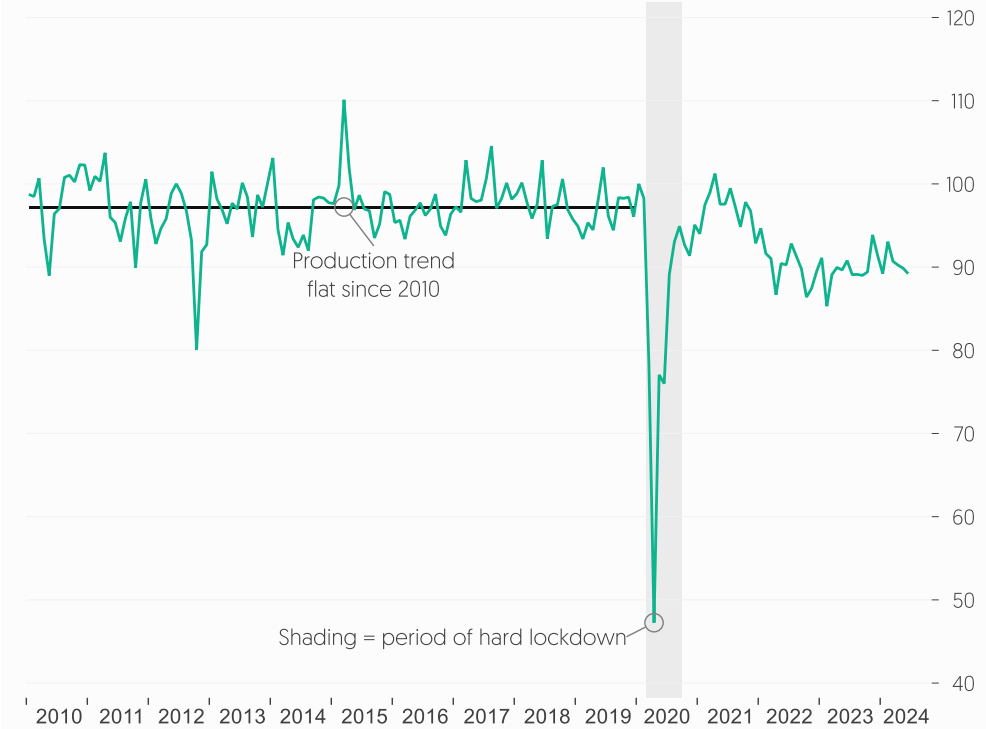


South African Statistics (Stat SA), Analysis © ecmx

ECONOMETRIX

SA, Mining Production Index

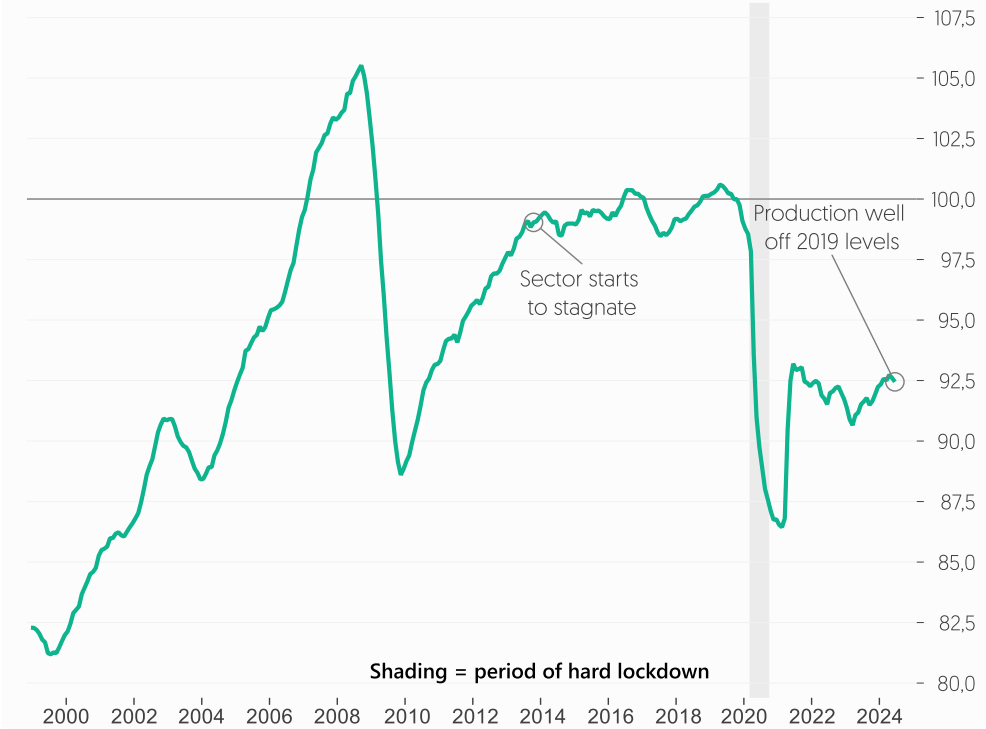
seas-adj index. Jan '20 = 100



South African Statistics (Stat SA), Analysis © ecmx

SA, Manufacturing Production

seas-adj index. Smoothed 1 year. Rebased 2019/10 = 100



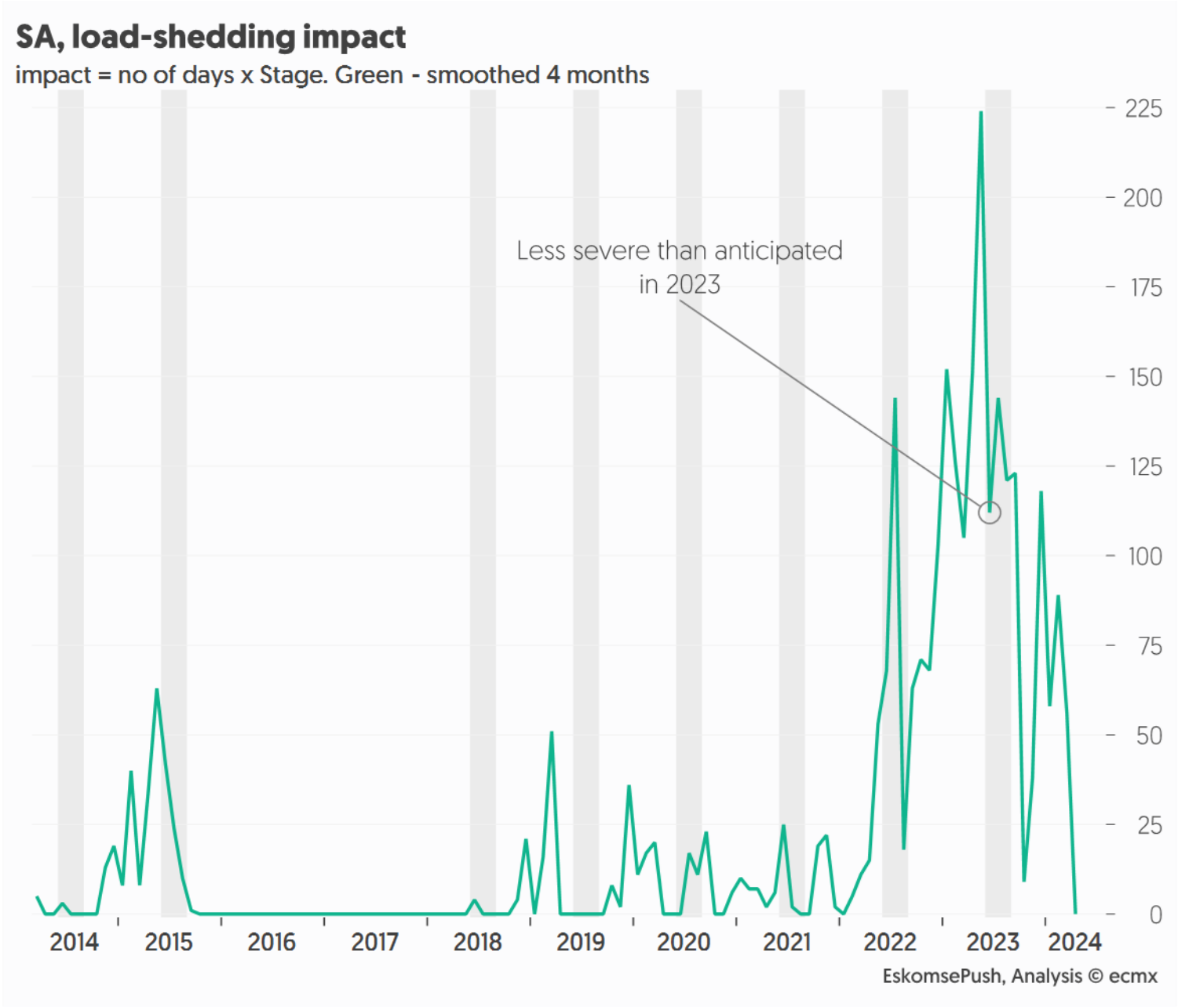
South African Statistics (Stat SA), Analysis © ecmx

GNU Offers Hope, But Has Challenges

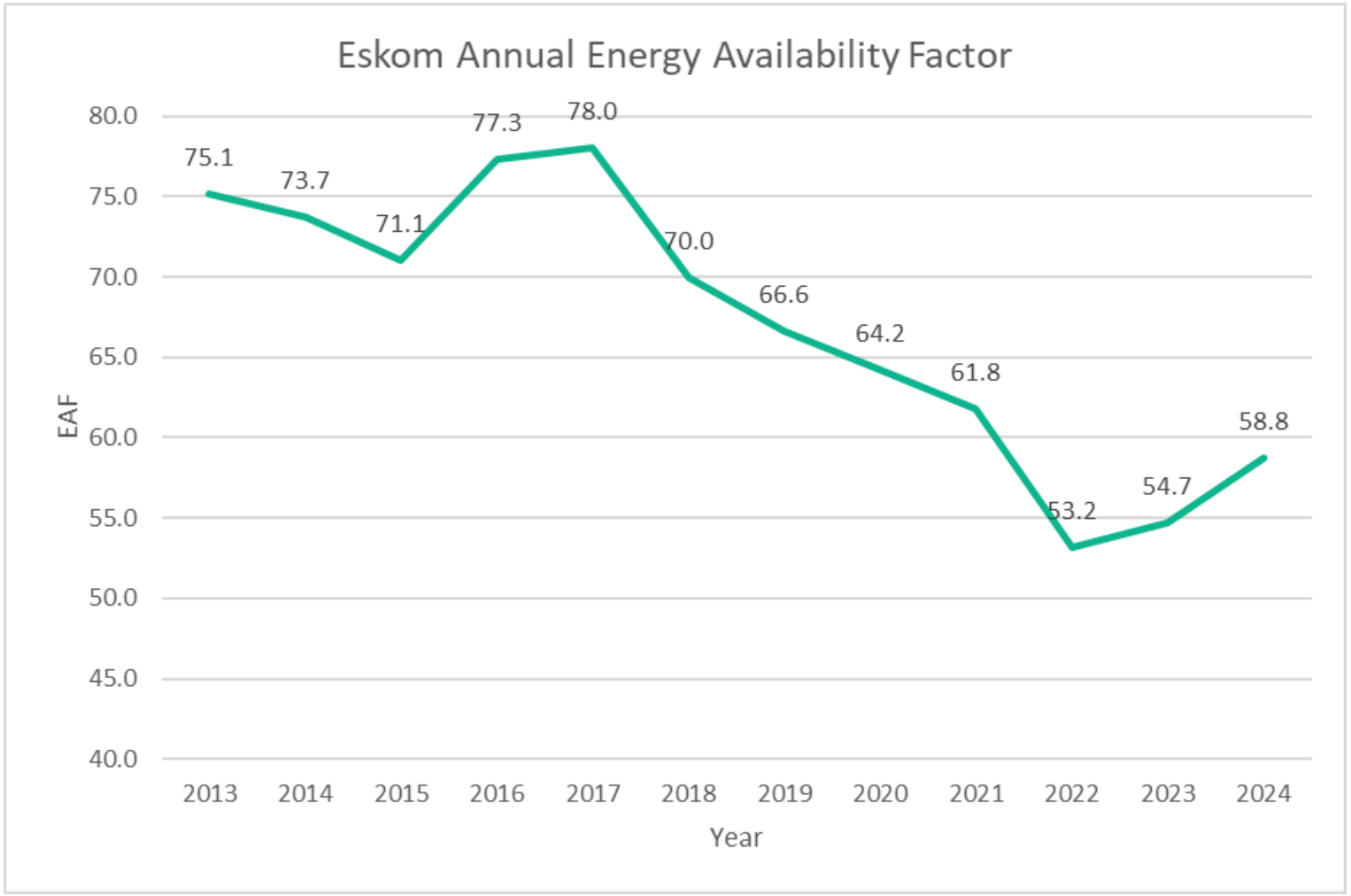
- Splendid commitment to Constitution and democratic principles
- ANC resists formation of populist coalition
- ANC does not rebel against loss of majority
- GNU highlights strength of country's heterogeneity
- Peace maintained through our potentially divisive elections
- SA an example of democracy in motion
- GNU offers hope for oversight of corrupt practices
- Many ineffectual Cabinet Ministers jettisoned
- Welcome configuration of Finance Ministry

SA, load-shedding impact

impact = no of days x Stage. Green - smoothed 4 months

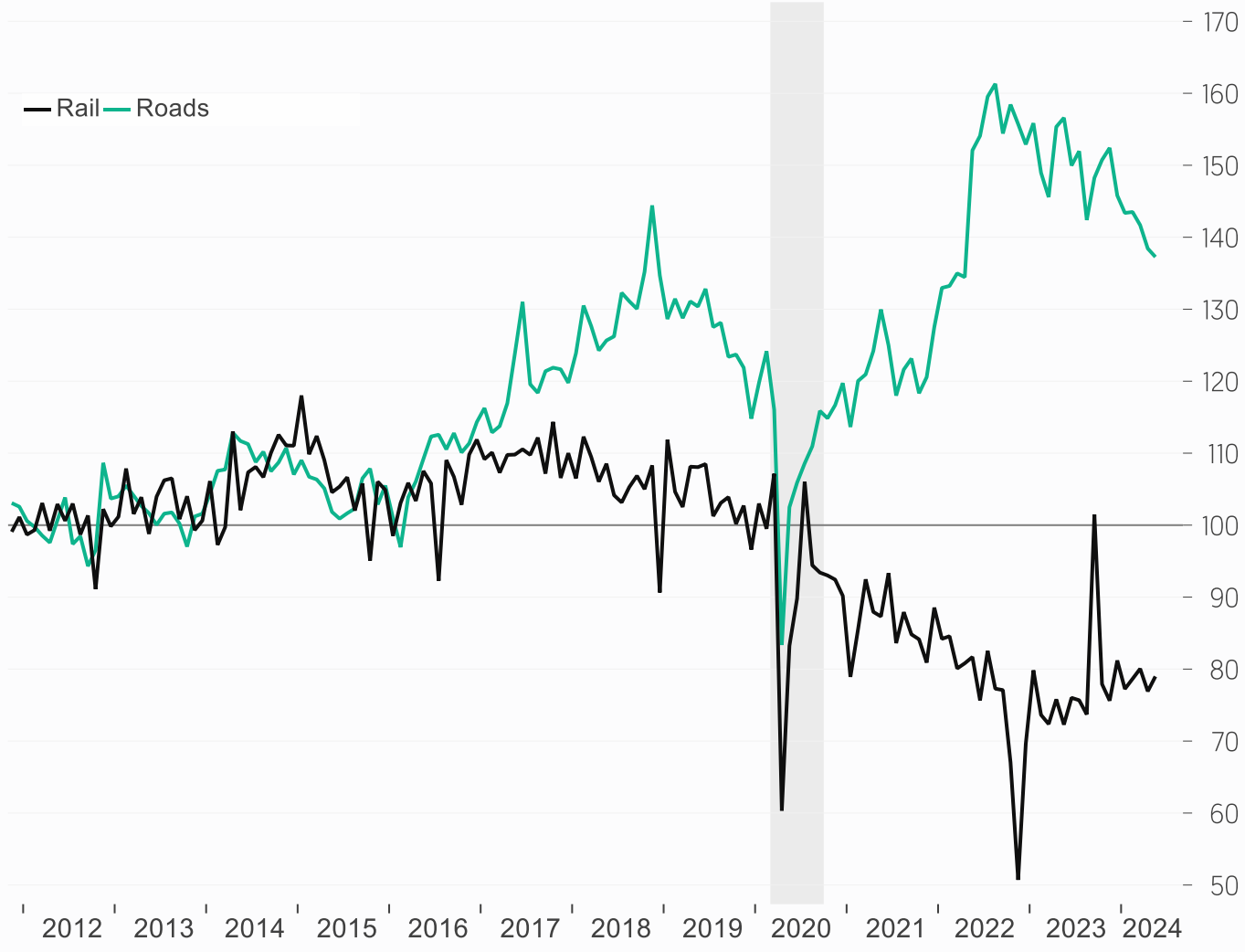


ecmx ECONOMETRIX


Eskom Annual Energy Availability Factor
80.0
75.0
70.0
65.0
60.0
55.0
50.0
45.0
40.0
EAF
75.1
73.7
71.1
77.3
78.0
70.0
66.6
64.2
61.8
53.2
54.7
58.8
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Year

SA, Freight, Total

Seasonally-adjusted, tons million, Index 2012=100



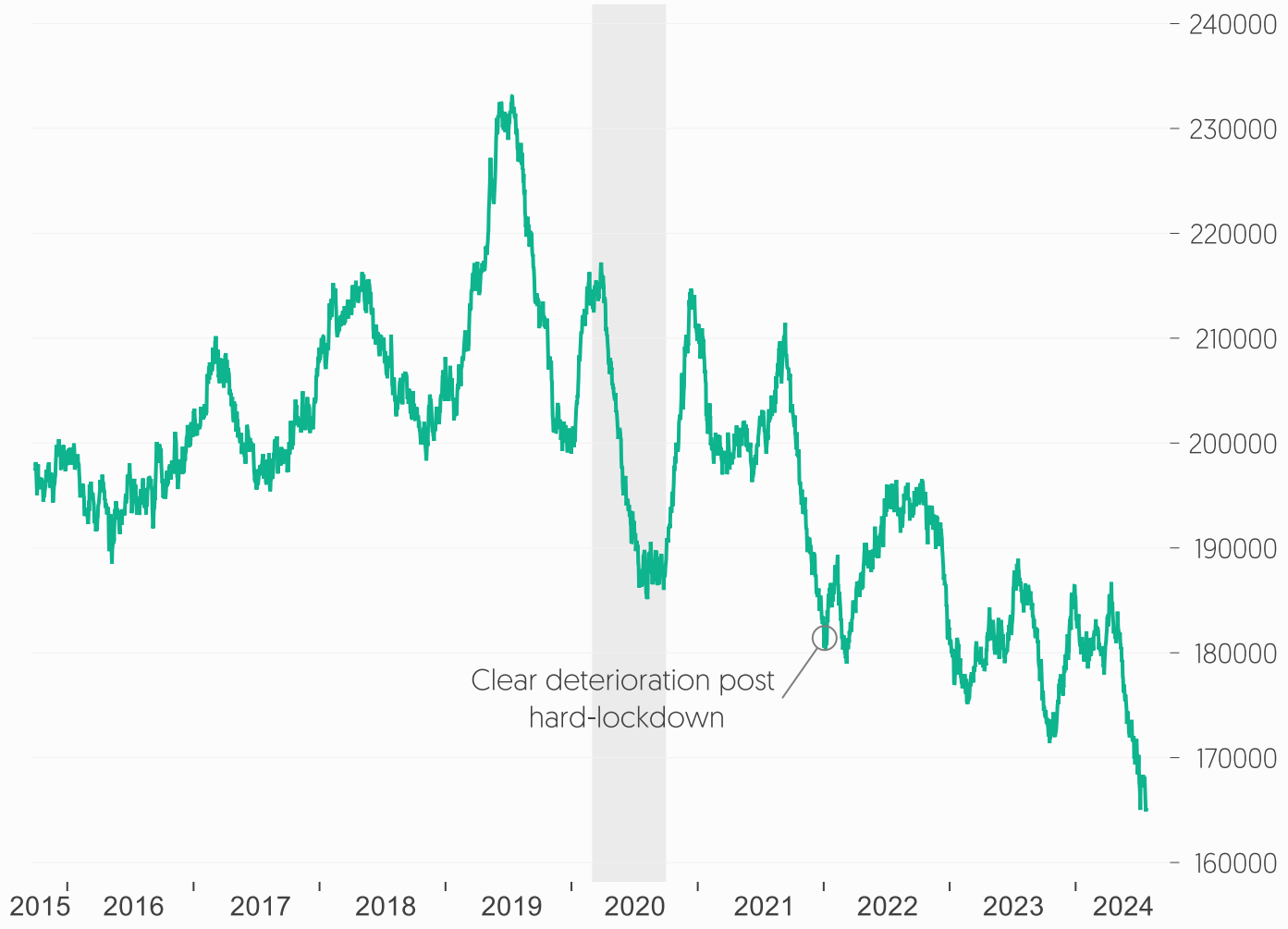
South African Statistics (Stat SA), Analysis © ecmx

ecmx ECONOMETRIX

SA seaborn bulk cargo export volume

Million metric tons, smoothed 6months, all ship types

Examples of bulk cargo include grains, coal, iron ore, cement, and fertilisers

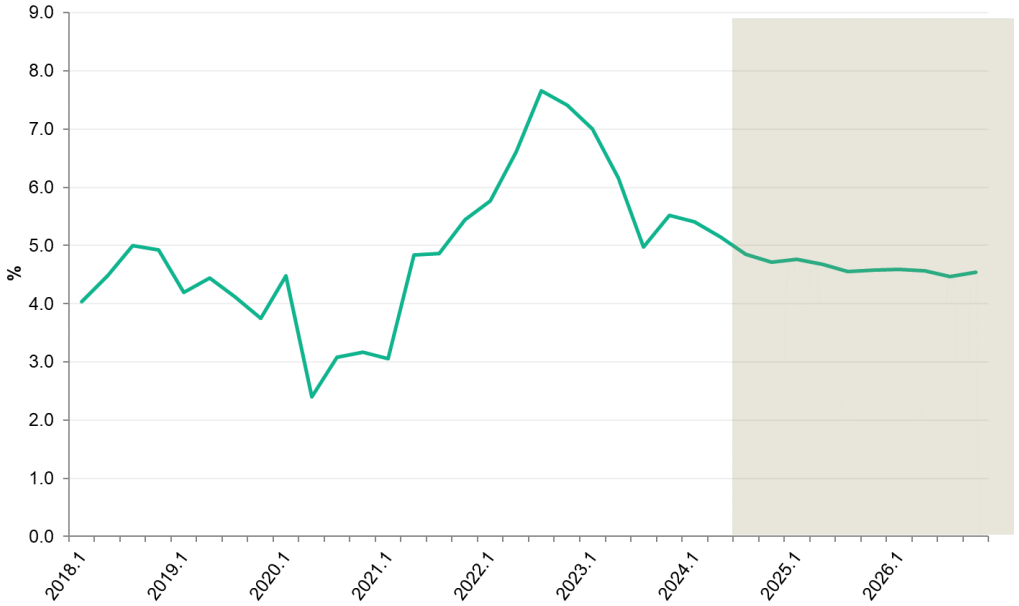


United Nations International Trade Statistics Database (UN COMTRADE), Analysis © ecmx

ecmx ECONOMETRIX

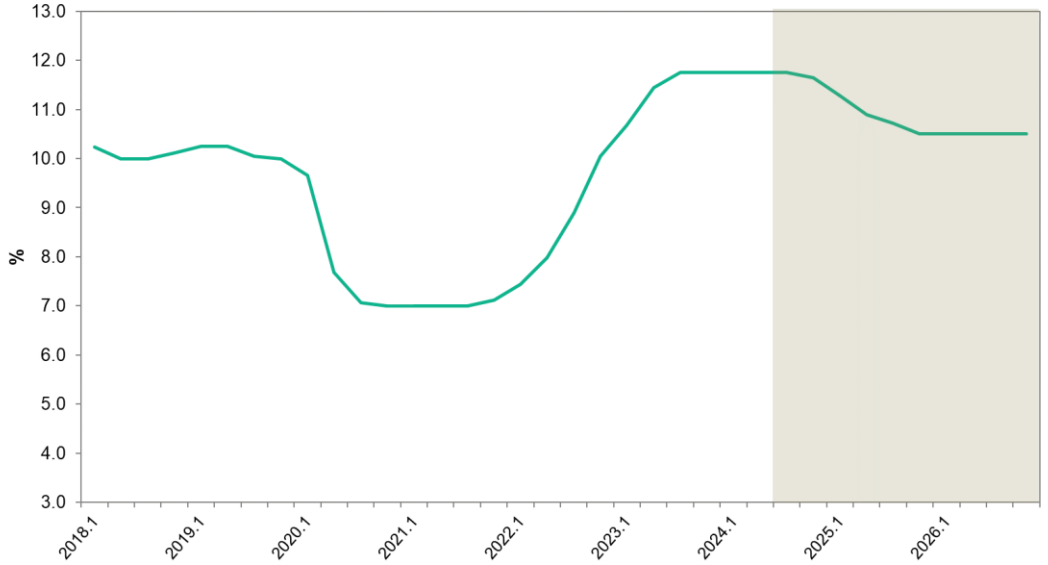
SA Economic Forecast (Growth %)				
	2024	2025	2026	2027
Gross Domestic Product	0.7 (0.9)	1.7 (1.3)	1.8 (1.4)	2.0 (1.5)
Private Consumption	0.3 (0.6)	1.8 (1.4)	2.0 (1.9)	2.2 (2.2)
Fixed Investment	1.4 (3.2)	4.4 (3.1)	4.3 (3.9)	4.2 (4.3)
Source: SARB; Econometrix, Q2 Forecasts				

CPI Inflation Forecast



Source: StatsSA, Econometrix

Prime Overdraft

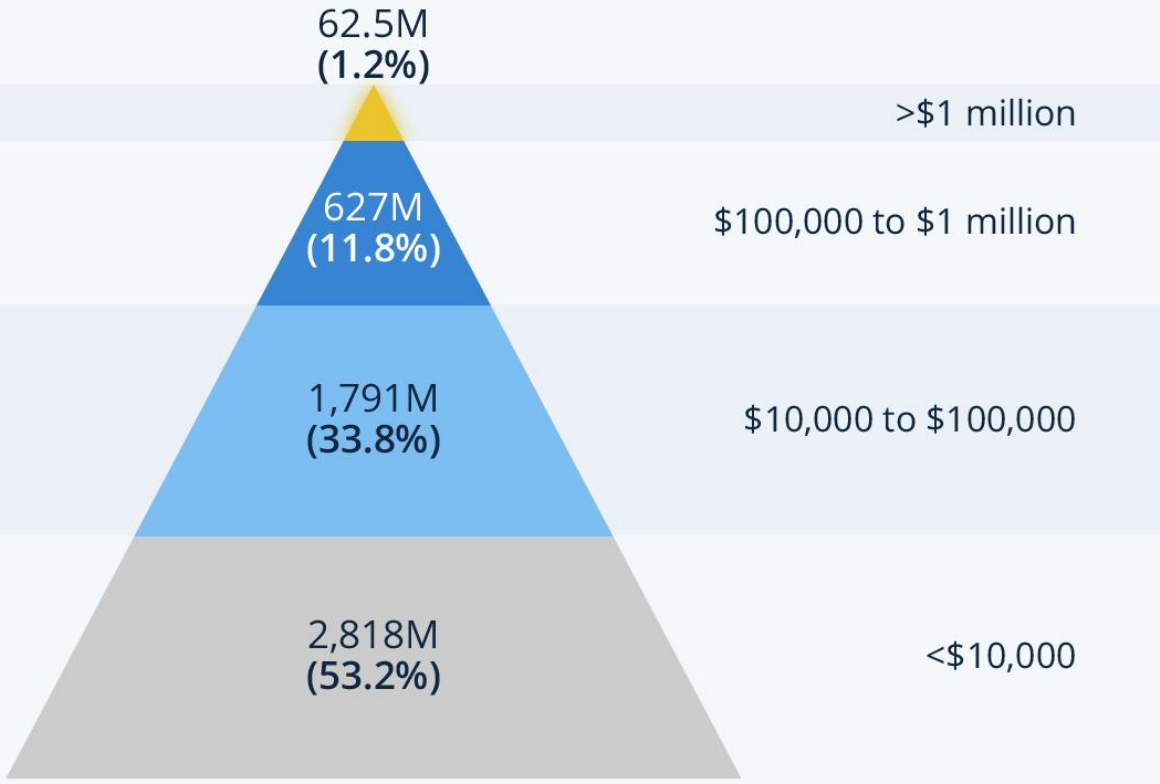


Source: SARB, Econometrix

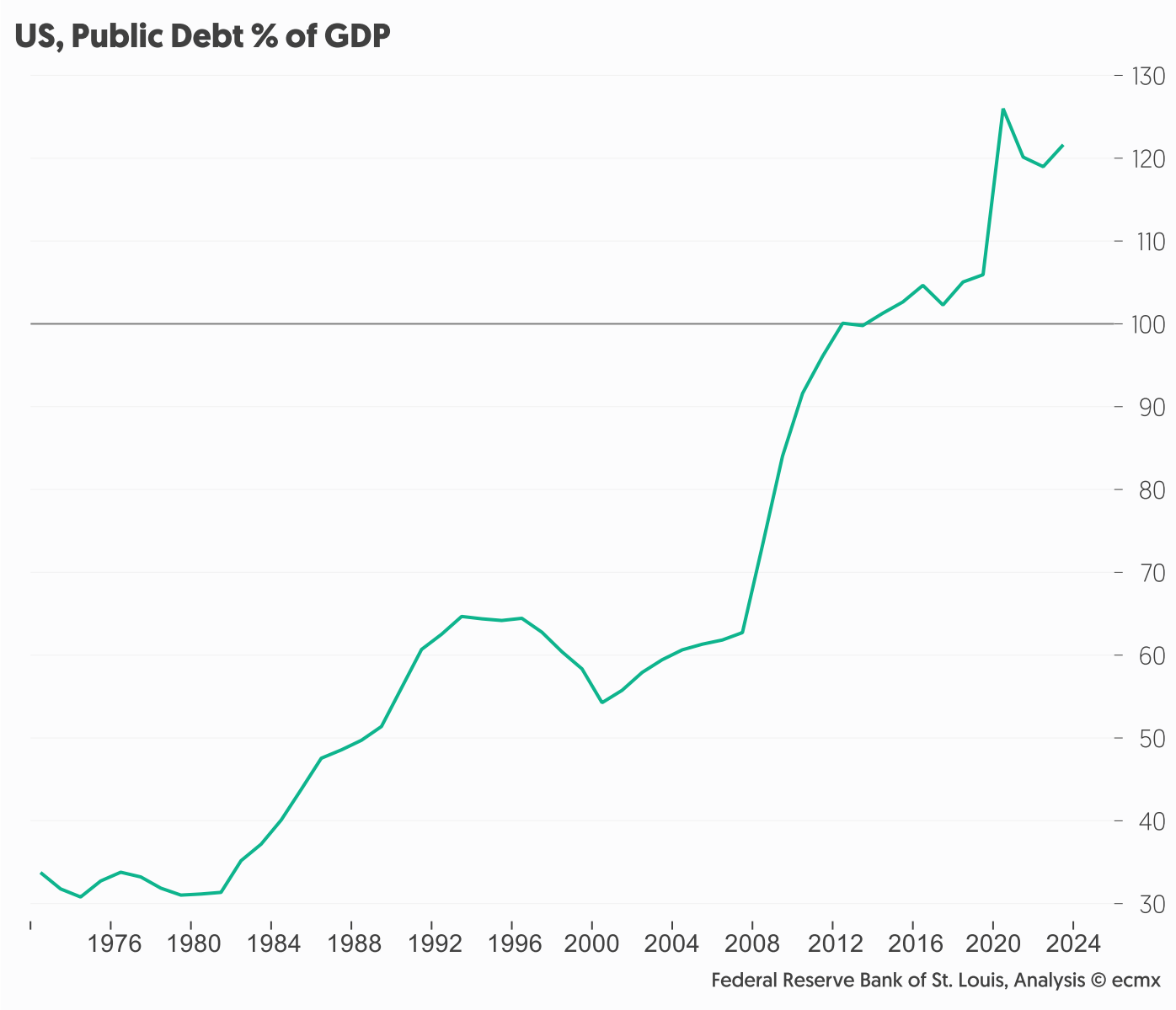
Exchange Rate Forecast			
	2024	2025	2026
R / $	18.31	18.16	18.89
Year End (Q4)	17.90	18.37	19.15
R / €	19.79	20.03	20.64
Year End (Q4)	19.43	20.16	20.71
R / £	23.31	24.07	25.02
Year End (Q4)	23.25	24.37	25.35
R/Yen	8.47	8.08	7.86
Year End (Q4)	8.74	7.93	7.83
$ / €	1.08	1.10	1.09
Year End (Q4)	1.09	1.10	1.08
Source: Econometrix			

The Global Wealth Pyramid

An overview of global wealth distribution in 2021

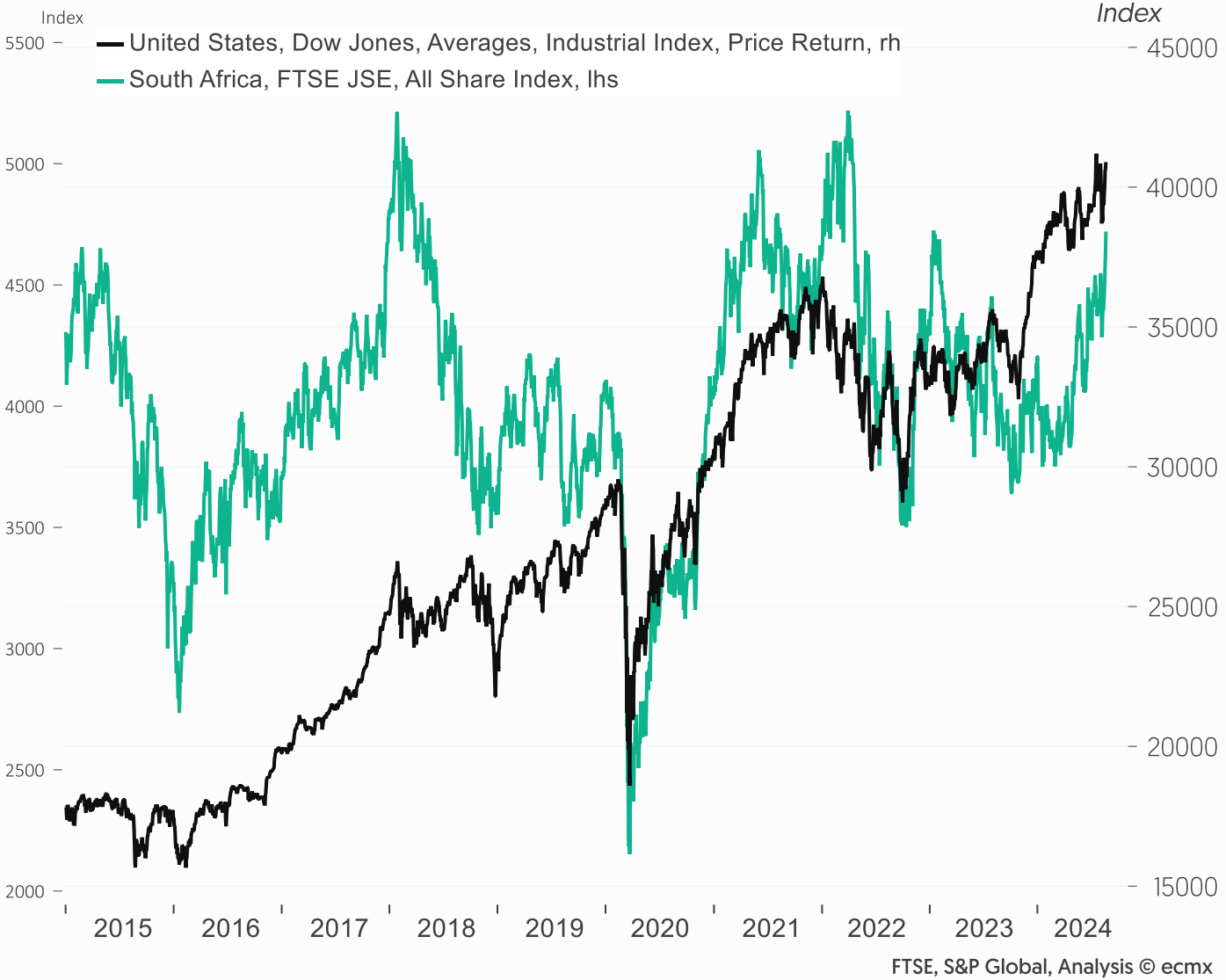


Source: Credit Suisse 2022 Global Wealth Report



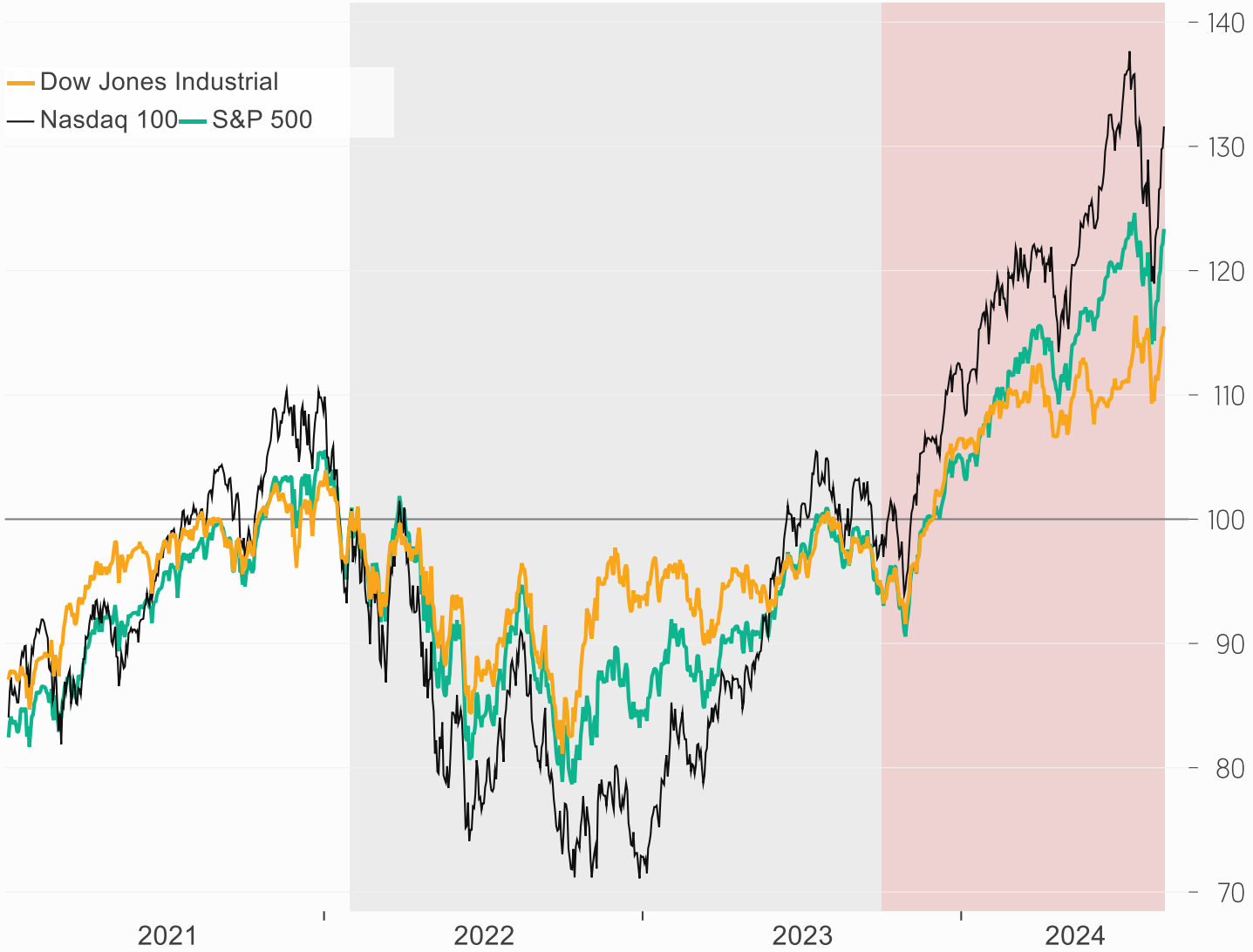
ECONOMETRIX

JSE vs. Dow Jones USD



US Equity Indices

Rebased 2022/02. Shading = Ukraine invasion & Israel-Hamas war



S&P Global, Nasdaq, Analysis © ecmx


datacentrix
showcase'24
Changing lives through technology
Thank You
#DCxShowcase