

COUNTRY
PROFILE

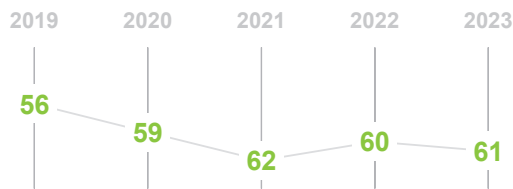
SOUTH AFRICA



South Africa

Competitiveness Trends – Overall

OVERALL PERFORMANCE (64 countries)



CHALLENGES IN 2023

- High unemployment and economic inequality.
- High public debt levels and shrinking fiscal space.
- Ongoing electricity supply problems and rolling blackouts.
- Lack of decisive plans to address economic structural problems.
- Deterioration of governance and sustainability of public institutions.

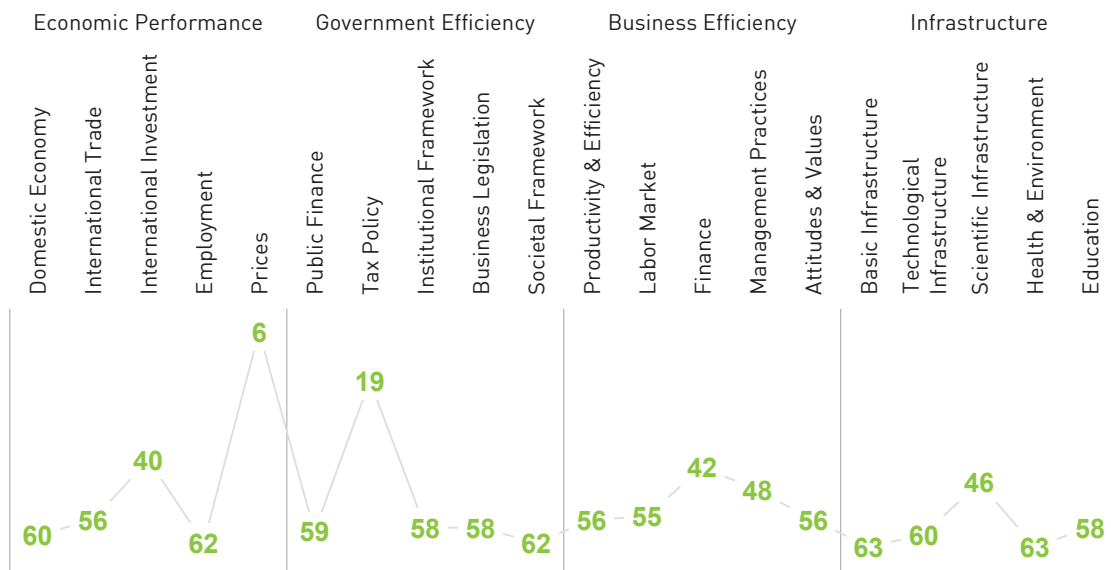
BASIC FACTS

Rank

Capital	Pretoria
Land area (square km '000)	1,219 ²⁰²²
Exchange rate (per \$)	16.356 ²⁰²²
Population - market size (millions)	60.60 ²⁰²² 14
Gross Domestic Product (GDP) (US\$ billions)	405.9 ²⁰²² 33
GDP (PPP) per capita (US\$)	15,673 ²⁰²² 57
Real GDP growth (%)	2.0 ²⁰²² 56
Consumer price inflation (%)	6.87 ²⁰²² 23
Unemployment rate (%)	32.70 ²⁰²² 64
Labor force (millions)	23.69 ²⁰²² 17
Current account balance (% of GDP)	-0.48 ²⁰²² 31
Direct investment stocks inward (\$bn)	173.1 ²⁰²¹ 35
Direct investment flows inward (% of GDP)	9.86 ²⁰²¹ 07

PROVIDED BY: Productivity SA

COMPETITIVENESS LANDSCAPE



PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (41 countries)



POPULATIONS > 20 MILLION (27 countries)



South Africa

Competitiveness Evolution & Attractiveness Indicators

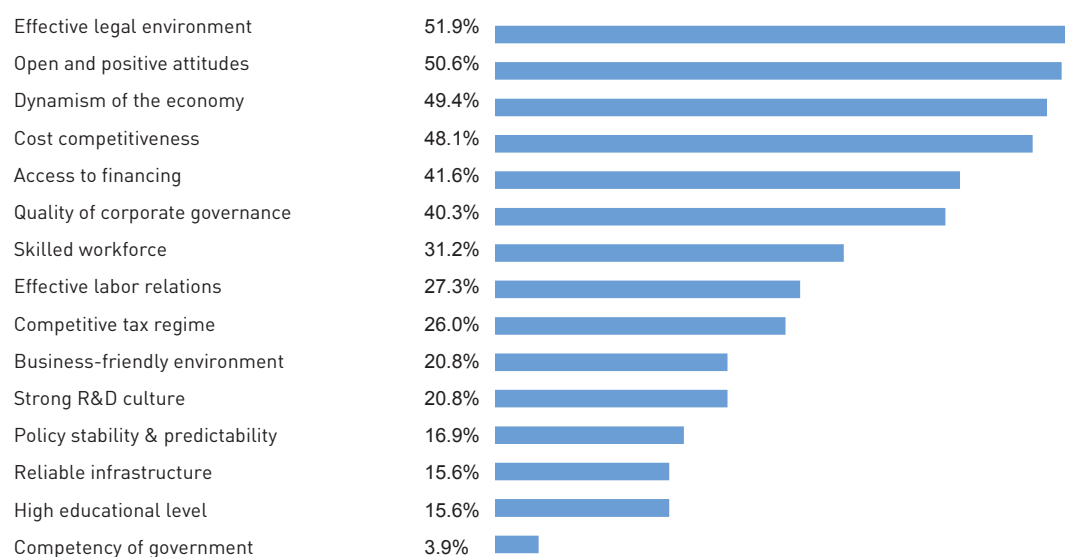
COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

IMPROVEMENTS	2022 WCY	2023 WCY	DECLINES	2022 WCY	2023 WCY
4.3.16 Patent applications per capita	2.44	4.57	1.2.02 Current account balance	0.97	-0.48
1.2.13 Exports of commercial services (%)	2.14	3.23	1.1.15 Real GDP growth per capita	4.01	1.26
3.2.15 Labor force - long-term growth	-4.36	-2.36	1.1.13 Economic complexity index	0.24	0.09
1.2.12 Exports of commercial services (\$bn)	8.98	13.10	1.1.14 Real GDP growth	4.9	2.0
2.1.02 Government budget surplus/deficit (%)	-6.38	-4.49	4.1.15 Energy infrastructure	2.76	1.29
3.3.04 Access to financial services	69.22	85.38	1.5.01 Consumer price inflation	4.55	6.87
3.3.16 Credit	3.85	4.56	4.3.05 Business expenditure on R&D (%)	0.34	0.19
4.4.17 Exposure to particle pollution	28.33	23.34	1.1.18 Gross fixed capital formation - real growth	7.80	4.74
2.4.12 New business density	10.7	12.5	2.3.13 Bribery and corruption	1.74	1.16
3.2.21 Attracting and retaining talents	5.39	6.30	1.2.25 Tourism receipts	0.75	0.50
2.3.08 Exchange rate stability	0.054	0.046	2.4.09 State ownership of enterprises	3.55	2.43
1.4.04 Employment - long-term growth	-13.90	-11.83	2.5.04 Risk of political instability	3.36	2.30
3.4.02 Changing market conditions	6.06	6.89	3.2.22 Brain drain	3.92	2.86
3.4.01 Agility of companies	4.97	5.62	4.3.02 Total expenditure on R&D (%)	0.83	0.61
3.5.04 Flexibility and adaptability	5.53	6.21	2.1.07 Public finances	2.67	1.97

KEY ATTRACTIVENESS INDICATORS

From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



South Africa

Competitiveness Trends – Factor Breakdown

ECONOMIC PERFORMANCE



SUB-FACTOR RANKINGS :	2022	2023
Domestic Economy	58	60
International Trade	34	56
International Investment	41	40
Employment	62	62
Prices	06	06

GOVERNMENT EFFICIENCY



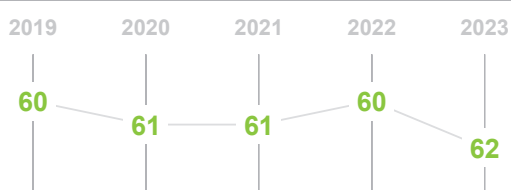
SUB-FACTOR RANKINGS :	2022	2023
Public Finance	57	59
Tax Policy	18	19
Institutional Framework	55	58
Business Legislation	57	58
Societal Framework	51	62

BUSINESS EFFICIENCY



SUB-FACTOR RANKINGS :	2022	2023
Productivity & Efficiency	53	56
Labor Market	55	55
Finance	48	42
Management Practices	54	48
Attitudes & Values	55	56

INFRASTRUCTURE



SUB-FACTOR RANKINGS :	2022	2023
Basic Infrastructure	61	63
Technological Infrastructure	59	60
Scientific Infrastructure	46	46
Health & Environment	61	63
Education	56	58

South Africa

Balance Sheet – Factor Breakdown

ECONOMIC PERFORMANCE

STRENGTHS		Rank	WEAKNESSES		Rank
1.5.02	Cost-of-living index	05	1.4.09	Youth unemployment	64
1.5.04	Office rent	05	1.4.07	Unemployment rate	64
1.2.24	Terms of trade index	07	1.4.02	Employment (%)	63
1.3.06	Direct investment flows inward (% of GDP)	07	1.1.09	Gross fixed capital formation (%)	62
1.5.06	Gasoline prices	12	1.4.04	Employment - long-term growth	61
1.3.05	Direct investment flows inward (\$bn)	13	1.3.13	Relocation threats of business	60
1.3.04	Direct investment stocks abroad (% of GDP)	14	1.1.19	Resilience of the economy	60
1.5.01	Consumer price inflation	23	1.4.08	Long-term unemployment	58
1.3.03	Direct investment stocks abroad (\$bn)	25	1.4.10	Youth exclusion	58
1.3.02	Direct investment flows abroad (% of GDP)	55	1.1.20	GDP per capita	58

GOVERNMENT EFFICIENCY

STRENGTHS		Rank	WEAKNESSES		Rank
2.2.10	Employee social security tax rate	01	2.4.09	State ownership of enterprises	64
2.2.09	Employer social security tax rate	01	2.5.17	Inequality in life expectancy	62
2.4.07	Government subsidies	05	2.5.02	Homicide	62
2.4.12	New business density	09	2.4.14	Start-up days	62
2.5.16	Freedom of the press	20	2.3.10	Adaptability of government policy	62
2.2.08	Consumption tax rate	22	2.5.11	Equal opportunity	61
2.2.01	Collected total tax revenues	26	2.4.18	Immigration laws	61
2.4.19	Redundancy costs	27	2.3.13	Bribery and corruption	61
2.3.16	Democracy Index	37	2.5.06	Gini coefficient	60
2.3.08	Exchange rate stability	43	2.1.07	Public finances	60

BUSINESS EFFICIENCY

STRENGTHS		Rank	WEAKNESSES		Rank
3.3.10	Stock market capitalization (%)	02	3.2.10	Apprenticeships	63
3.2.05	Remuneration of management	05	3.4.09	Entrepreneurship	63
3.3.05	Access to financial services - gender ratio	06	3.5.02	Image abroad or branding	62
3.2.07	Working hours	10	3.5.07	Value system	62
3.4.14	Total early-stage Entrepreneurial Activity	11	3.2.13	Labor force (%)	62
3.2.04	Statutory minimum wage	12	3.2.08	Worker motivation	61
3.2.01	Compensation levels	19	3.3.17	Venture capital	59
3.4.11	Women in management	28	3.5.03	National culture	58
3.4.02	Changing market conditions	30	3.2.24	International experience	58
3.2.17	Female labor force	35	3.1.07	Workforce productivity	57

INFRASTRUCTURE

STRENGTHS		Rank	WEAKNESSES		Rank
4.5.01	Total public expenditure on education	02	4.1.15	Energy infrastructure	64
4.2.03	Mobile telephone costs	12	4.5.05	Pupil-teacher ratio (secondary education)	63
4.1.20	Electricity costs for industrial clients	12	4.4.06	Life expectancy at birth	63
4.2.01	Investment in Telecommunications	12	4.1.04	Access to water	63
4.4.01	Total health expenditure	28	4.5.04	Pupil-teacher ratio (primary education)	62
4.5.17	University education index	34	4.2.02	Mobile broadband subscribers	62
4.2.05	Secure internet servers	37	4.1.05	Management of cities	62
			4.2.11	Public-private partnerships	62
			4.5.14	Primary and secondary education	62
			4.2.06	Internet users	62

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