



IMD World Competitiveness Yearbook 2022

COUNTRY
PROFILE

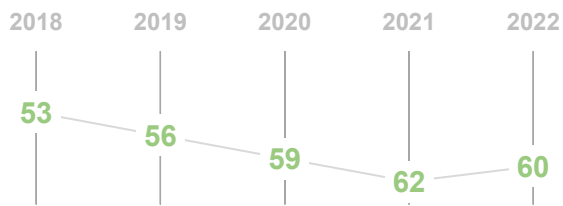
SOUTH AFRICA



South Africa

Competitiveness Trends – Overall

OVERALL PERFORMANCE (63 countries)



CHALLENGES IN 2022

- High headline and youth unemployment.
- High public debt levels and a shrinking fiscal space.
- Ongoing electricity supply problems and rolling blackouts.
- Lack of decisive plans to address socio-economic structural problems.
- Sluggish process to address State Capture Commission recommendations.

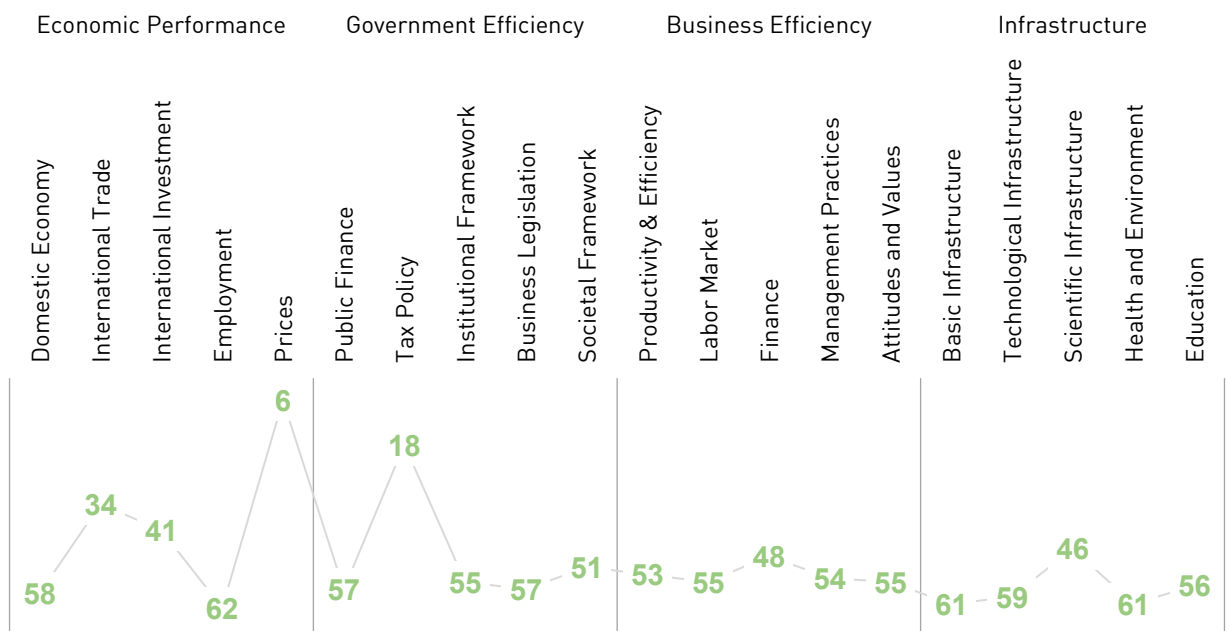
BASIC FACTS

Rank

Capital	Pretoria	
Land area (square km '000)	1,219	²⁰²¹
Exchange Rate (per \$)	14.779	²⁰²¹
Population - market size (millions)	60.14	²⁰²¹ 14
Gross Domestic Product (GDP) (US\$ billions)	419.9	²⁰²¹ 30
GDP (PPP) per capita (US\$)	14,396	²⁰²¹ 56
Real GDP growth (%)	4.9	²⁰²¹ 34
Consumer price inflation (%)	4.55	²⁰²¹ 49
Unemployment rate (%)	35.30	²⁰²¹ 62
Labor force (millions)	22.47	²⁰²¹ 18
Current account balance (% of GDP)	0.97	²⁰²¹ 27
Direct investment stocks inward (\$bn)	136.7	²⁰²⁰ 39
Direct investment flows inward (% of GDP)	0.95	²⁰²⁰ 43

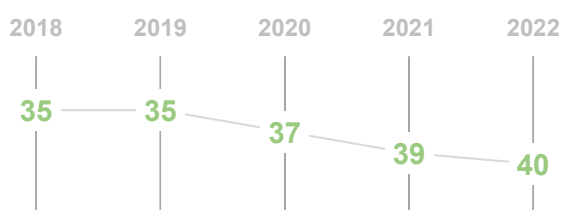
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COMPETITIVENESS LANDSCAPE

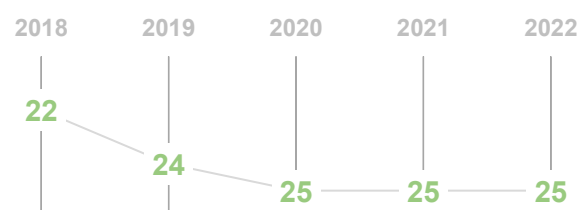


PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (40 countries)



POPULATIONS > 20 MILLION (27 countries)



South Africa

Competitiveness Evolution & Attractiveness Indicators

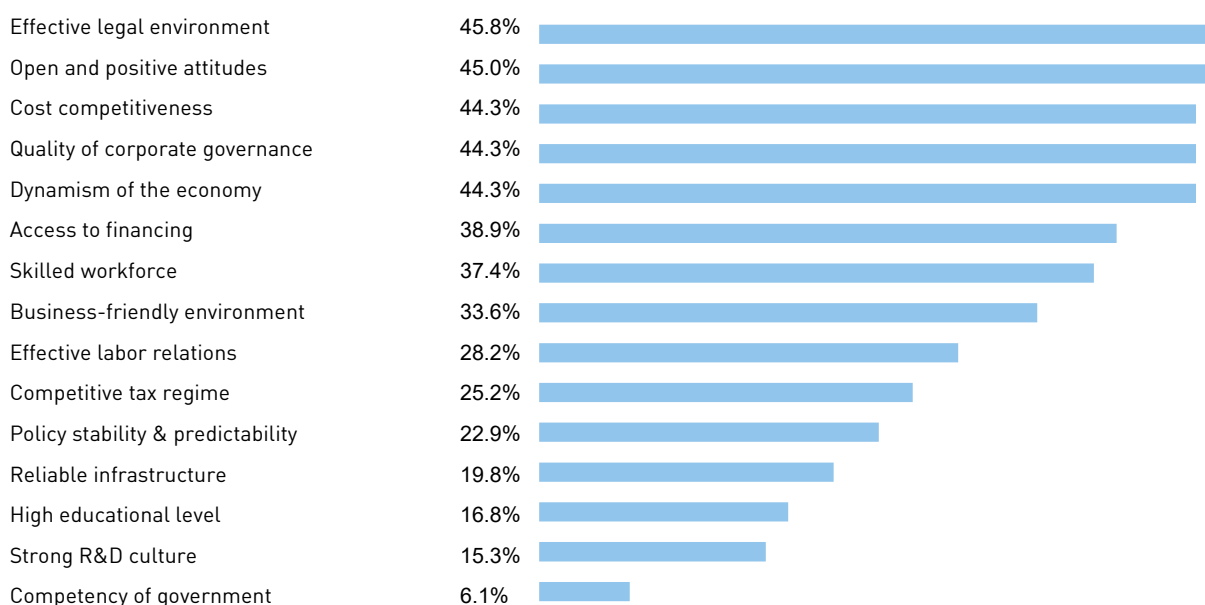
COMPETITIVENESS EVOLUTION

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.

	WCY 2021	WCY 2022		WCY 2021	WCY 2022
IMPROVEMENTS			DECLINES		
1.1.14 Real GDP growth	-7.0	4.9	1.2.25 Tourism receipts	2.39	0.75
4.5.07 Higher education achievement	5.6	14.9	1.2.02 Current account balance	2.17	0.97
1.1.15 Real GDP growth per capita	-8.28	4.01	4.1.07 Population - growth	1.44	0.87
1.1.18 Gross fixed capital formation - real growth	-17.45	7.80	1.5.01 Consumer price inflation	3.27	4.55
2.3.13 Bribery and corruption	0.72	1.74	1.4.08 Long-term unemployment	23.40	28.20
4.5.08 Women with degrees	7.3	16.9	3.2.01 Compensation levels	4.36	5.18
2.3.12 Bureaucracy	1.14	2.52	1.1.09 Gross fixed capital formation (%)	15.8	13.0
2.3.08 Exchange rate stability	0.223	0.054	1.2.13 Exports of commercial services (%)	2.57	2.14
3.2.21 Brain drain	2.26	3.92	3.3.01 Banking sector assets	108.46	91.65
2.4.09 State ownership of enterprises	2.10	3.55	3.3.19 Corporate debt	5.32	4.49
2.3.10 Adaptability of government policy	1.77	2.96	1.4.04 Employment - long-term growth	-12.32	-13.90
2.1.08 Tax evasion	2.44	4.03	1.2.23 Trade to GDP ratio	64.66	56.45
2.1.07 Public finances	1.64	2.67	3.2.19 Finance skills	5.31	4.78
3.4.14 Total early-stage Entrepreneurial Activity	10.77	17.49	3.3.08 Stock markets	5.62	5.06
2.4.16 Labor regulations	2.34	3.72	3.3.07 Regulatory compliance (banking laws)	6.96	6.33

KEY ATTRACTIVENESS INDICATORS

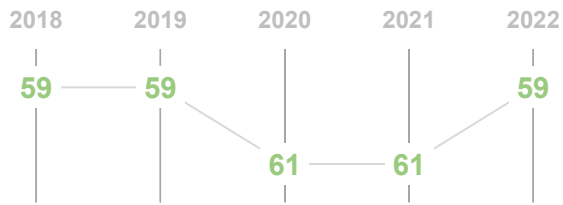
From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



South Africa

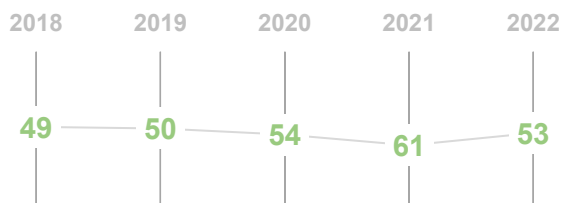
Competitiveness Trends – Factor Breakdown

ECONOMIC PERFORMANCE



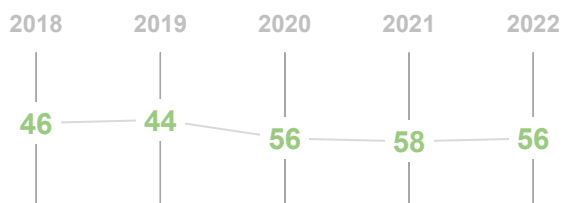
SUB-FACTOR RANKINGS :	2021	2022
Domestic Economy	60	58
International Trade	42	34
International Investment	46	41
Employment	64	62
Prices	05	06

GOVERNMENT EFFICIENCY



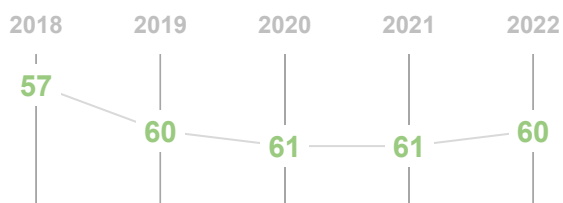
SUB-FACTOR RANKINGS :	2021	2022
Public Finance	60	57
Tax Policy	28	18
Institutional Framework	58	55
Business Legislation	60	57
Societal Framework	59	51

BUSINESS EFFICIENCY



SUB-FACTOR RANKINGS :	2021	2022
Productivity & Efficiency	56	53
Labor Market	59	55
Finance	38	48
Management Practices	52	54
Attitudes and Values	61	55

INFRASTRUCTURE



SUB-FACTOR RANKINGS :	2021	2022
Basic Infrastructure	62	61
Technological Infrastructure	61	59
Scientific Infrastructure	47	46
Health and Environment	62	61
Education	63	56

South Africa

Balance Sheet – Factor Breakdown

ECONOMIC PERFORMANCE

STRENGTHS		Rank	WEAKNESSES		Rank
1.2.24	Terms of trade index	03	1.4.09	Youth unemployment	63
1.5.02	Cost-of-living index	03	1.4.07	Unemployment rate	62
1.5.04	Office rent	05	1.4.02	Employment (%)	62
1.2.17	Export concentration by partner	07	1.1.09	Gross fixed capital formation (%)	61
1.5.06	Gasoline prices	11	1.4.04	Employment - long-term growth	60
1.3.04	Direct investment stocks abroad (% of GDP)	12	1.4.10	Youth exclusion	60
1.2.18	Export concentration by product	23	1.4.08	Long-term unemployment	57
1.3.03	Direct investment stocks abroad (\$bn)	23	1.1.21	GDP (PPP) per capita	56
1.1.18	Gross fixed capital formation - real growth	26	1.2.13	Exports of commercial services (%)	55
1.3.02	Direct investment flows abroad (% of GDP)	53	1.1.19	Resilience of the economy	55

GOVERNMENT EFFICIENCY

STRENGTHS		Rank	WEAKNESSES		Rank
2.2.09	Employer social security tax rate	01	2.5.02	Homicide	61
2.2.10	Employee social security tax rate	01	2.4.09	State ownership of enterprises	61
2.4.07	Government subsidies	07	2.4.14	Start-up days	61
2.4.12	New business density	09	2.4.03	Public sector contracts	59
2.5.16	Freedom of the Press	15	2.3.15	Sustainable Development Goals	58
2.2.08	Consumption tax rate	21	2.5.11	Equal opportunity	58
2.2.01	Collected total tax revenues	22	2.1.07	Public finances	57
2.4.19	Redundancy costs	27	2.4.02	Protectionism	57
2.1.04	Total general government debt (%)	35	2.3.13	Bribery and corruption	57
2.3.16	Democracy Index	36	2.3.07	Foreign currency reserves per capita	57

BUSINESS EFFICIENCY

STRENGTHS		Rank	WEAKNESSES		Rank
3.3.10	Stock market capitalization (%)	03	3.4.09	Entrepreneurship	62
3.2.04	Remuneration of management	05	3.4.01	Agility of companies	61
3.3.05	Access to financial services - gender ratio	09	3.5.03	National culture	60
3.4.14	Total early-stage Entrepreneurial Activity	10	3.3.16	Credit	60
3.2.06	Working hours	14	3.2.12	Labor force (%)	60
3.2.01	Compensation levels	17	3.3.17	Venture capital	60
3.2.03	Remuneration in services professions	24	3.4.08	Customer satisfaction	59
3.4.11	Women in management	27	3.2.09	Apprenticeships	59
3.4.07	Use of big data and analytics	27	3.2.07	Worker motivation	58
3.2.16	Female labor force	34	3.2.20	Attracting and retaining talents	57

INFRASTRUCTURE

STRENGTHS		Rank	WEAKNESSES		Rank
4.5.01	Total public expenditure on education	02	4.4.06	Life expectancy at birth	63
4.2.03	Mobile Telephone costs	12	4.5.05	Pupil-teacher ratio (secondary education)	62
4.1.20	Electricity costs for industrial clients	12	4.4.11	Human development index	62
4.1.07	Population - growth	21	4.5.04	Pupil-teacher ratio (primary education)	61
4.4.01	Total health expenditure	22	4.2.02	Mobile Broadband subscribers	61
4.5.17	University education index	33	4.1.15	Energy infrastructure	61
4.2.05	Secure internet servers	37	4.1.05	Management of cities	61
4.4.24	Environmental agreements	39	4.5.07	Higher education achievement	60
-		-	4.2.06	Internet users	60
-		-	4.1.04	Access to water	59

About the International Institute for Management Development (IMD)

IMD is an independent academic institution with Swiss roots and global reach, founded 75 years ago by business leaders for business leaders. Since its creation, IMD has been a pioneering force in developing leaders who transform organizations and contribute to society.

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