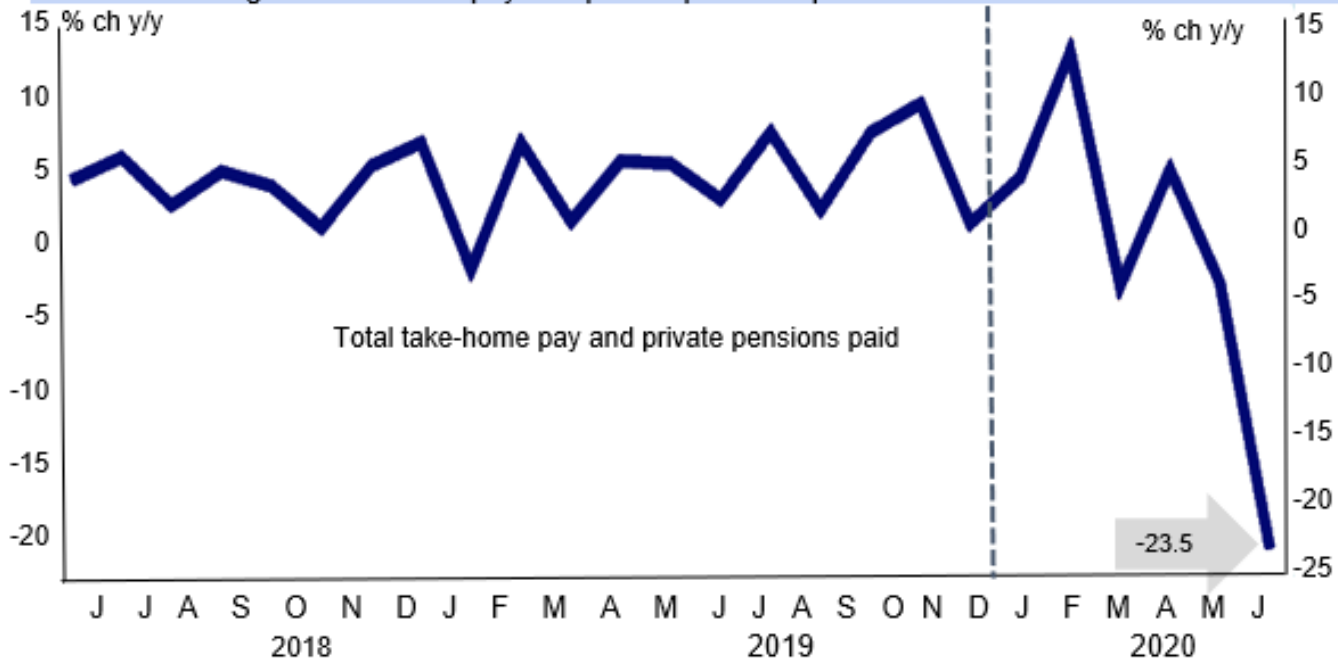


Covid-19 note

Friday 31 July 2020

21% of South Africans lost their income in June from the lagged effects of the extreme lockdown in April and May, showing the opening up of the economy in June (and only somewhat in May) had little mitigating effect

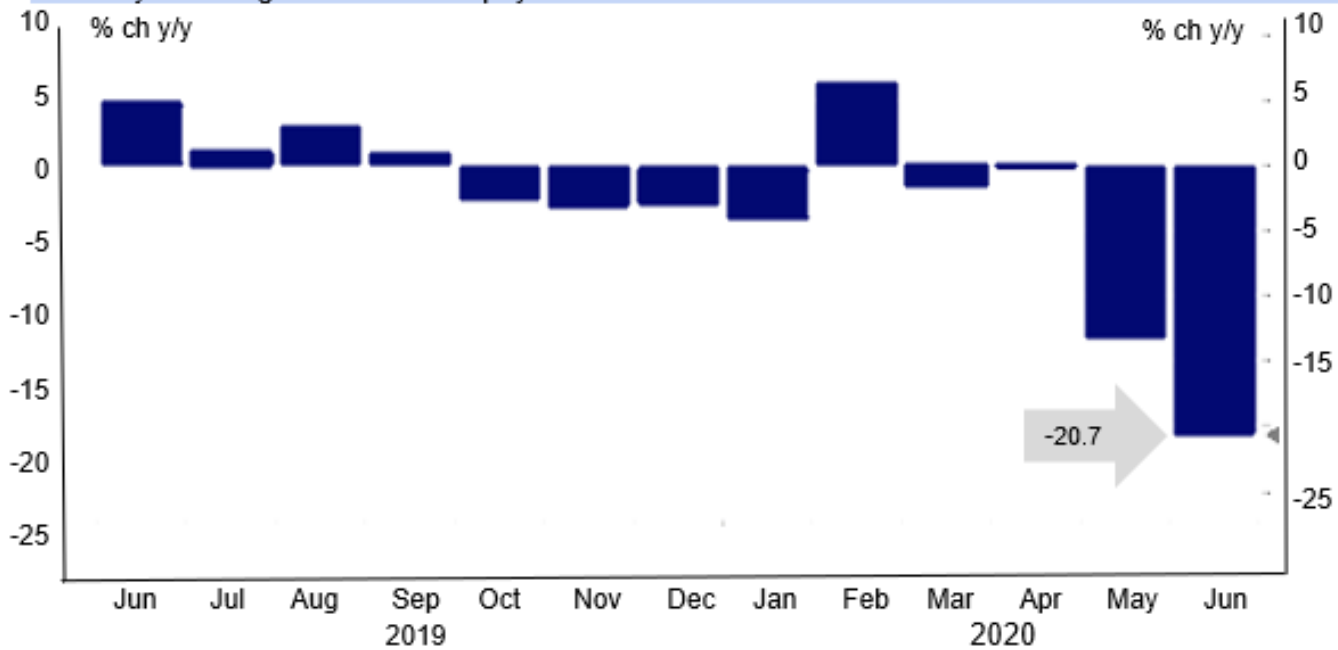
Annual % change of take-home pay and private pensions paid in June 2020



Source: BankservAfrica and Economists.co.za

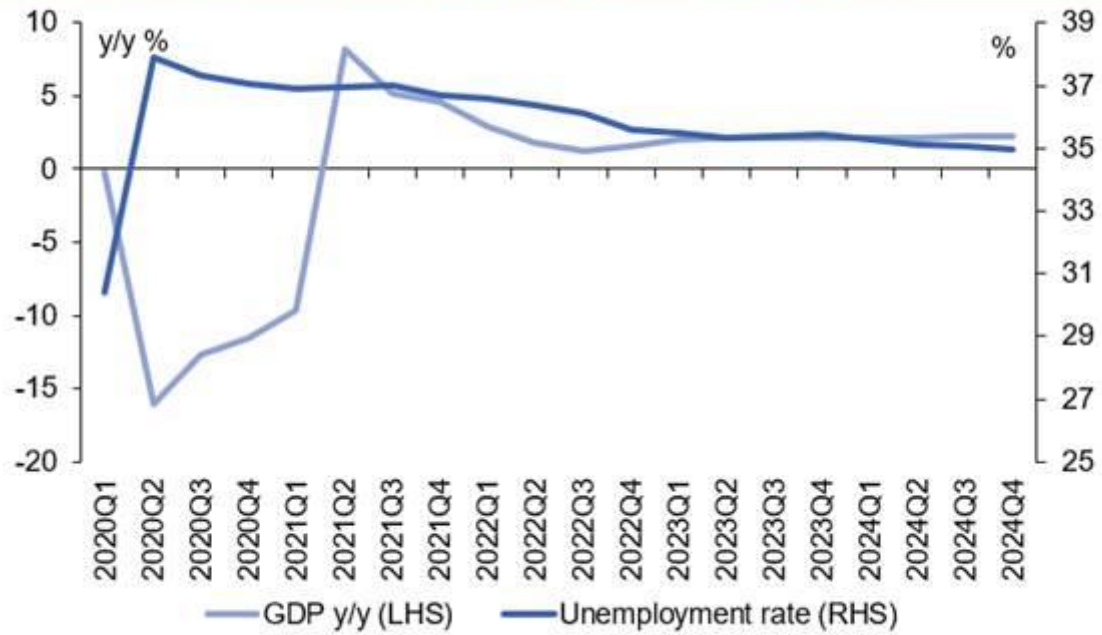
Note: the dotted line represents the inflation forecast

Monthly % change of take-home pay for 2020 and 2019



Source: BankservAfrica and Economists.co.za

GDP y/y and unemployment growth quarterly forecasts – 2020Q1 -2024Q4



Source: Investec

GDP summary, % real growth rates	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
GDP (real, y/y %)	0.0	1.0	0.1	-0.6	-0.3	-16.1	-12.6	-11.6	-9.6	8.2	5.2	4.6
HCE (real, y/y %)	0.7	1.3	1.3	0.8	1.2	-12.6	-9.5	-8.8	-6.9	7.3	3.8	2.9
GCE (real, y/y %)	1.3	1.5	1.7	1.5	1.2	0.7	1.0	1.5	2.6	0.8	0.3	-0.2
GFCF (real, y/y %)	-2.8	-0.4	0.8	-1.2	-5.8	-24.2	-26.0	-24.8	-20.8	-1.8	0.9	2.9
GDE (real, y/y %)	-0.6	1.8	0.4	1.0	-1.8	-14.3	-13.9	-12.9	-10.5	4.6	6.8	7.1
Export (goods & non-factor services) - (real, y/y %)	1.5	0.2	-4.6	-6.6	0.5	-30.9	-15.8	-13.2	-8.9	26.8	3.7	1.0
Imports (goods & non-factor services) - (real, y/y %)	-0.3	3.7	-3.6	-1.6	-4.8	-24.3	-20.3	-17.9	-12.2	10.3	9.7	10.1
Current Account – (% GDP)	-3.0	-4.1	-3.7	-1.3	-0.7	0.4	-1.3	-0.1	-1.5	-2.4	-3.1	-3.4
Imports as % of GDP	30.3	31.3	30.7	30.1	28.9	28.3	28.0	28.0	28.5	28.8	29.2	29.4
Exports as % of GDP	28.8	28.5	28.8	29.1	29.0	23.5	27.7	28.5	27.9	27.5	27.4	27.5

Note: The GDP figures are from the expenditure side and so include the residual. Source: SARB, Investec

GDP summary, % real growth rates	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
GDP (real, y/y %)	2.9	1.7	1.3	1.6	2.0	2.1	2.2	2.1	2.1	2.1	2.2	2.3
HCE (real, y/y %)	1.4	1.5	1.8	2.1	2.2	2.2	2.2	2.3	2.2	2.2	2.2	2.2
GCE (real, y/y %)	-0.7	1.0	1.5	2.1	1.7	1.4	0.9	0.6	0.9	1.0	1.2	1.3
GFCF (real, y/y %)	2.1	3.5	2.3	1.8	2.4	2.6	2.6	2.4	2.3	2.5	3.0	3.3
GDE (real, y/y %)	4.1	2.1	1.0	1.1	1.8	2.1	2.3	2.6	2.4	2.3	2.2	2.0
Export (goods & non-factor services) - (real, y/y %)	2.5	3.3	3.7	3.7	3.5	3.7	3.9	4.0	4.2	3.9	3.8	3.8
Imports (goods & non-factor services) - (real, y/y %)	6.6	4.3	2.3	1.8	2.7	3.8	4.6	5.6	4.9	4.4	3.8	2.9
Current Account – (% of GDP)	-3.6	-3.6	-3.5	-3.4	-3.6	-3.7	-3.7	-3.5	-3.4	-3.5	-3.4	-3.1
Imports as % of GDP	29.5	29.5	29.5	29.5	29.7	30.0	30.2	30.5	30.6	30.7	30.7	30.7
Exports as % of GDP	27.8	27.9	28.0	28.1	28.2	28.3	28.5	28.6	28.7	28.8	29.0	29.1

Note: The GDP figures are from the expenditure side and so include the residual. Source: SARB, Investec

GDP summary, % real growth rates	2025 Q1	2025 Q2	2025 Q3	2025 Q4
GDP (real, y/y %)	2.2	2.3	2.3	2.5
HCE (real, y/y %)	2.2	2.2	2.2	2.2
GCE (real, y/y %)	1.2	1.1	1.1	1.2
GFCF (real, y/y %)	3.3	3.4	3.6	3.9
GDE (real, y/y %)	2.1	2.2	2.4	2.7
Export (goods & non-factor services) - (real, y/y %)	4.0	4.1	4.3	4.2
Imports (goods & non-factor services) - (real, y/y %)	3.4	3.9	4.5	5.1
Current Account – (% of GDP)	-3.2	-3.5	-3.3	-3.1
Imports as % of GDP	30.9	31.1	31.3	31.5
Exports as % of GDP	29.2	29.3	29.5	29.6

Note: The GDP figures are from the expenditure side and so include the residual. Source: SARB, Investec

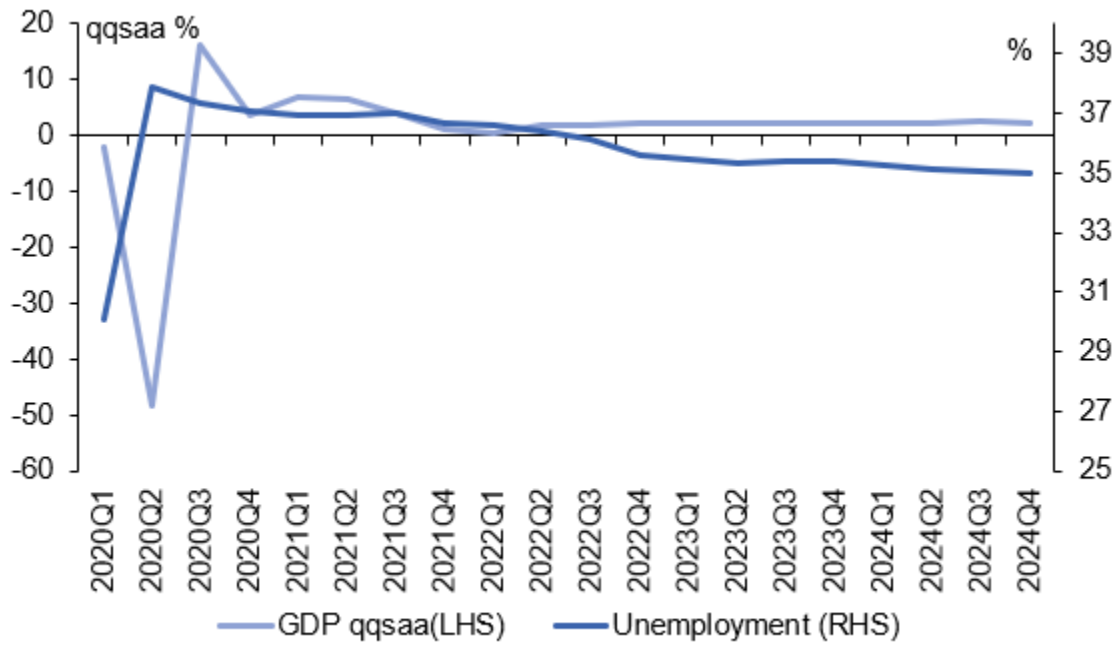
Estimates of the number of payments that declined by salary category

Type of payment description	% change from June 2019
Number of overall take-home payments (monthly equivalent)	-20.7%
Daily/Casual payments	-35.2%
Weekly payments	-17.1%
Monthly payments	-9.1%

Source: BankservAfrica and economists.co.za

- The number of individuals losing their salaries over June fell by -20.7% y/y (according to the latest BankservAfrica data), while May saw a figure closer to -14% y/y and April around only -1.0% y/y, as the lagged effect of the very severe lockdown the South African economy has experienced this year has started to come through in the data.
- The BankservAfrica Take-home Index (BTPI) “records the majority of payments from large corporates and a fair number of medium-sized firms that are served by payroll service providers and firm-owned payroll administrators, the recent decrease may not reflect the full impact of salary declines on small firms.”
- Employment lags (is affected by earlier periods of) economic activity, and the state induced collapse in the economy in April on the severe lockdown, along with a collapse in the global economy in the same period as governments around the world also shut down large parts of their economies’ activities, has had a dire impact on household incomes in general.
- In South Africa, state subsidies to low income earners have assisted households, and many high income earners and savers have managed to subsist on savings, but the middle income band has been severely affected, with many sliding into poverty, in turn contributing to further severe weakening in economic activity as demand has reduced.
- The private sector is seeing markedly lower levels of remuneration overall this year compared to last year, while civil servants do not see this collapse, managing to avoid their salaries being reduced by and large, and instead even having agitated via unions for higher levels of remuneration despite the collapse in government’s tax revenues this year.
- BankservAfrica says that with its Take-home Index (or BTPI) “representing the majority of payments from civil servant and state-owned entity payrolls, it becomes evident that the reduced salary numbers are most likely to be in the private sector.” The President has urged high paid civil servants to take pay cuts, and salary freezes more broadly.
- BankservAfrica adds, “an estimated 30% of the BTPI monthly equivalent payments are paid by the broader government sector compared to 21% shown in Stats SA’s Quarterly Employment Survey.” The civil service has swollen over the past decade, while their wages have tended to increase at a faster pace than those in the private sector.
- As the largest automated payments clearing house in Africa, BankservAfrica says the drop in take-home payments in June 2020 (-20.7% y/y) “are concerning and will have a profound impact on the South African economy. The knock-on impact is also likely to be larger than many have estimated and will have a severe impact on retail sales and consumer spending.”
- For those that have savings, these are increasingly being used to service debt and to meet living costs, as the vast majority of the indebted battle, despite low interest rates. Consumer expenditure is down sharply in the monthly data releases, which will drive GDP to contract sharply in Q2.20, and we continue to expect by -48.2% qqsaa.

GDP qqsaa and unemployment growth quarterly forecasts – 2020Q1 -2024Q4



Source: Investec

GDP Summary, % real growth rates (incl. residual)	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
GDP (real, qqsaa %)	-3.2	3.3	-0.8	-1.4	-2.0	-48.2	16.3	3.5	6.9	6.5	3.9	1.1
HCE (real, qqsaa %)	-0.9	2.5	0.3	1.4	0.7	-42.2	15.2	4.3	8.1	2.0	0.8	0.8
GCE (real, qqsaa %)	2.2	2.7	1.4	-0.2	1.1	1.9	2.3	2.0	4.1	-4.8	0.2	0.0
GFCF (real, qqsaa %)	-4.1	5.8	4.1	-10.0	-20.5	-59.0	-5.1	-3.9	5.3	-3.2	5.6	4.3
GDE (real, qqsaa %)	4.5	8.6	-4.1	-4.4	-6.7	-41.5	-2.5	0.1	12.3	9.2	6.0	1.3
Export (goods & non-factor services) - (real, qqsaa %)	-27.0	-1.5	3.5	2.3	-2.3	-73.2	127.7	15.3	-2.1	0.6	2.0	3.7
Imports (goods & non-factor services) - (real, qqsaa %)	-4.9	18.4	-8.9	-8.5	-16.7	-55.6	12.0	2.9	15.8	10.7	9.6	4.5

Note: The GDP figures are from the expenditure side and so include the residual. Source: SARB, Investec

GDP Summary, % real growth rates (incl. residual)	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
GDP (real, qqsaa %)	0.4	1.7	2.0	2.3	2.2	2.1	2.1	2.1	2.1	2.2	2.4	2.3
HCE (real, qqsaa %)	2.0	2.2	2.2	2.1	2.2	2.3	2.3	2.3	2.1	2.2	2.2	2.3
GCE (real, qqsaa %)	2.0	1.9	2.3	2.0	0.5	0.6	0.5	0.8	1.5	1.3	1.2	1.2
GFCF (real, qqsaa %)	2.0	2.1	0.7	2.3	4.4	2.8	0.9	1.6	4.0	3.4	2.9	3.0
GDE (real, qqsaa %)	-0.1	1.3	1.5	1.5	3.0	2.5	2.1	2.8	2.0	2.2	1.9	1.9
Export (goods & non-factor services) - (real, qqsaa %)	3.7	3.6	3.8	3.9	2.7	4.5	4.7	4.3	3.4	3.4	4.3	3.9
Imports (goods & non-factor services) - (real, qqsaa %)	1.8	1.3	1.5	2.5	5.6	5.7	4.7	6.4	3.0	3.4	2.4	2.7

Note: The GDP figures are from the expenditure side and so include the residual. Source: SARB, Investec

GDP Summary, % real growth rates (incl. residual)	2025 Q1	2025 Q2	2025 Q3	2025 Q4
GDP (real, qqsaa %)	2.1	2.4	2.6	2.8
HCE (real, qqsaa %)	2.2	2.2	2.3	2.3
GCE (real, qqsaa %)	0.9	0.8	1.3	1.8
GFCF (real, qqsaa %)	3.9	3.9	3.7	4.3
GDE (real, qqsaa %)	2.3	2.5	2.8	3.1
Export (goods & non-factor services) - (real, qqsaa %)	4.5	3.9	4.8	3.7
Imports (goods & non-factor services) - (real, qqsaa %)	5.3	5.1	5.0	4.9

Note: The GDP figures are from the expenditure side and so include the residual. Source: SARB, Investec

Summary, % real growth rates	2019	2020	2021	2022	2023	2024	2025
GDP (real, %)	0.2	-10.1	1.6	1.9	2.1	2.2	2.3
HCE (real, %)	1.0	-7.5	1.5	1.7	2.2	2.2	2.2
GCE (real, %)	1.5	1.0	0.9	1.0	1.1	1.1	1.1
GFCF (real, %)	-0.9	-19.8	-5.7	2.4	2.5	2.8	3.6
GDE (real, %)	0.6	-10.3	1.5	2.0	2.2	2.2	2.3
Export (goods & non-factor services) - (real, %)	-2.5	-16.0	4.2	3.3	3.8	3.9	4.2
Imports (goods & non-factor services) - (real, %)	-0.5	-16.5	3.7	3.7	4.2	4.0	4.2
Balance: Current Account - (% of GDP)	-3.0	-0.4	-2.6	-3.5	-3.6	-3.4	-3.3
Imports as % of GDP	30.6	28.4	29.0	29.5	30.1	30.6	31.2
Exports as % of GDP	28.8	26.8	27.6	28.0	28.4	28.9	29.4

Consumption Expenditure	2019	2020	2021	2022	2023	2024	2025
HCE, total (real, %)	1.0	-7.5	1.5	1.7	2.2	2.2	2.2
HCE as % of GDP	62.2	64.0	63.9	63.8	63.8	63.9	63.8
Unemployment rate (%)	28.7	35.7	36.9	36.2	35.4	35.1	34.9
Population (million)	58.6	59.3	60.0	60.8	61.5	62.1	62.8
Employment growth rate (%)	-0.3	-8.7	-1.1	1.9	2.0	1.3	1.2
Compensation of employees (%)	4.3	1.5	2.6	4.9	4.6	5.3	5.9
GCE as % of GDP	20.7	23.3	23.1	22.9	22.6	22.4	22.1

Gross Fixed Capital Formation	2019	2020	2021	2022	2023	2024	2025
GFCF, total (real, %)	-0.9	-19.8	-5.7	2.4	2.5	2.8	3.6
GFCF as % of GDP	19.2	17.1	15.9	16.0	16.0	16.1	16.3
Private sector (real, %)	1.1	-22.7	-4.6	2.5	3.6	3.9	5.0
Government (real, %)	-5.5	-12.7	-8.0	2.2	0.1	0.1	0.2
Non-residential GFCF (real, %)	1.8	-22.8	-4.7	2.4	3.4	3.8	5.0
Residential buildings (real, %)	-3.8	-22.0	-3.9	3.4	4.7	4.7	4.9

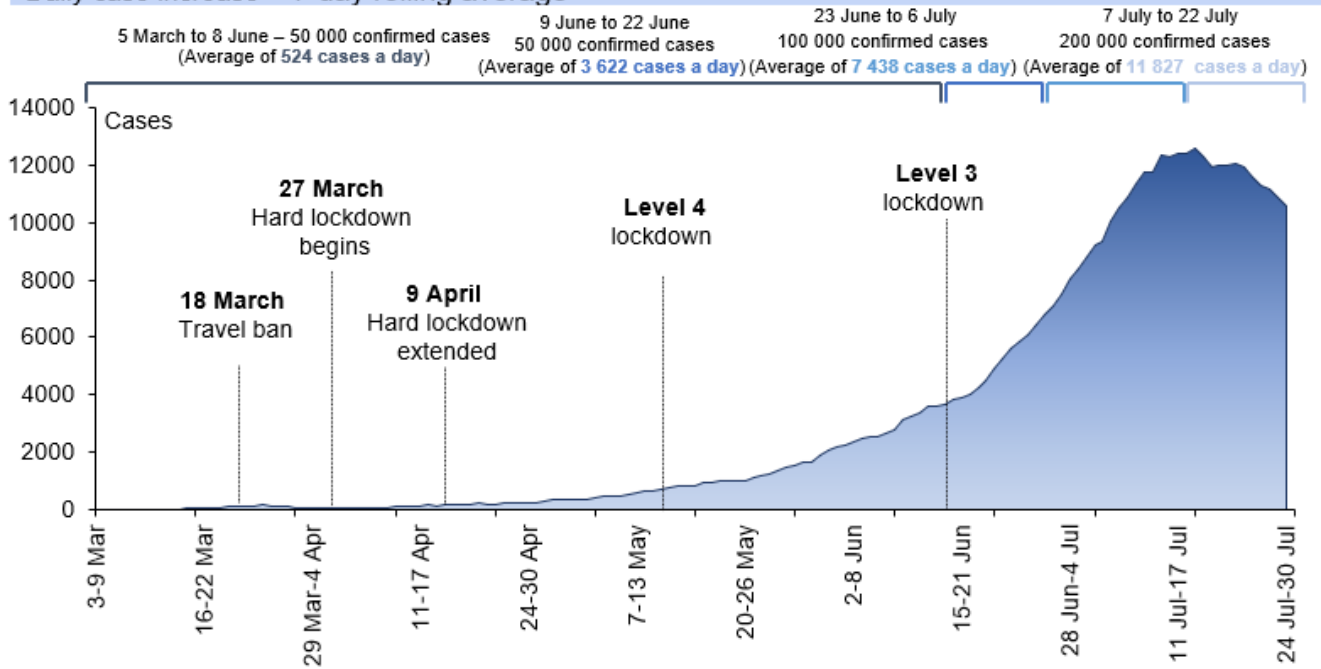
Please note: all data may be subjected to historical revisions

- The latest incoming BankservAfrica data further showed that “(t)he actual average take-home pay declined by -0.5% in real terms”, “overall employees received reduced salaries compared to a year ago and that less employees were paid”. “This strongly suggests tougher times for employees and their ability to spend.”
- Households were highly indebted before Covid-19, with savings low, but the severe prohibitions on a number of forms of economic activity during the different levels of lockdown has seen the situation worsen

dramatically to a crisis, with the worst yet to come for many households and corporates that run out of the savings they have been living on.

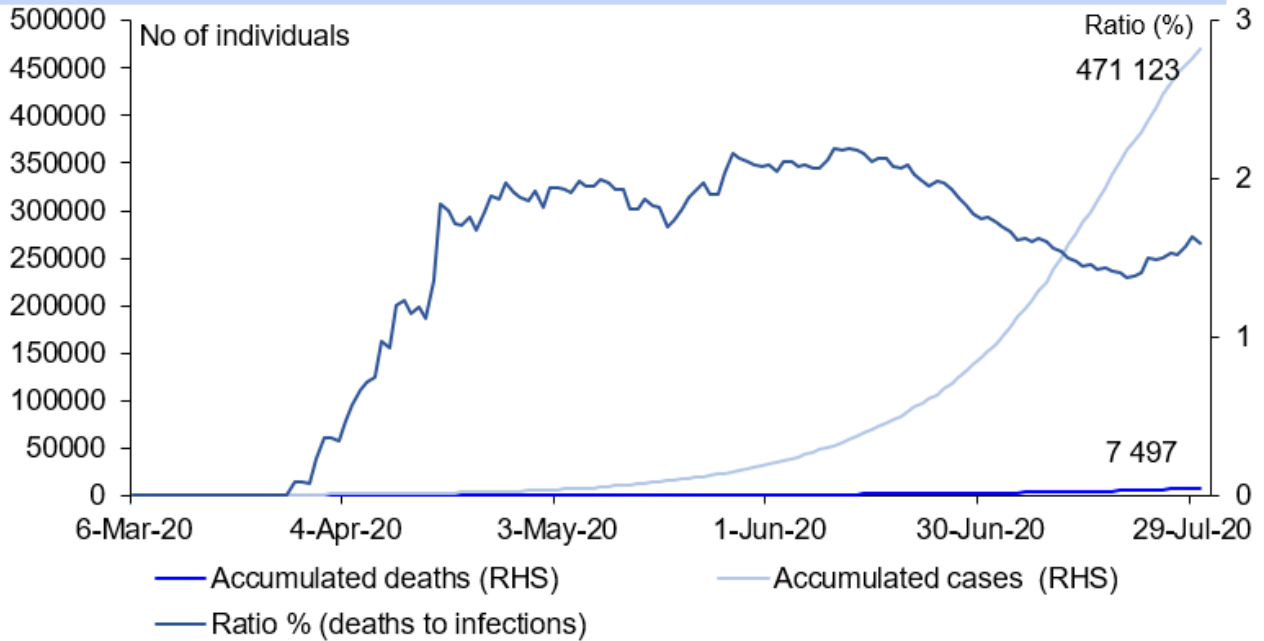
- The latest incoming data releases into June show that economic activity is still very suppressed on a year ago, evidencing a slower pace of contraction y/y for some indicators as opposed to any actual pick up. We continue to expect that GDP will contract by around -10% y/y overall this year, the worst contraction on record.
- In particular the clearing house highlights that “(t)he total value of take-home salaries paid in June declined by -25.6% ... (,) total pensions paid dropped by -4.6% both in nominal terms. The combined decline for total take-home pay and pensions was by far the biggest on record at -23.5%!” (BankservAfrica).
- This provides early signs that consumer spending has weakened since mid-June as a result, with payments in the economy moving markedly lower. BankservAfrica clears and processes billions of low value card, ATM and EFT transactions annually.
- Our previous view that the vast majority of individuals in the private sector will receive much lower earnings this year (after tax, i.e. disposable incomes) compared to last year is currently being borne out, and that this will have deeply suppressing and lagged effects on GDP.
- Other data released a little earlier has shown a high number of individuals have lost their jobs in Q2.20 (up to 3 million estimated by the CRAM survey) and that almost all (89% of) individuals are concerned about their ability to meet their debt obligations (Transunion data).
- As we previously warned, lifting the remaining restrictions on economic activity, and even the lessening of restrictions in May and June will not see a sharp recovery. The ability of individuals to purchase goods and services has been greatly harmed, with 68% having said they can only survive one month by living on savings (Transunion data).
- The South African Reserve Bank’s coincident indicator also showed a collapse of over -20% (actually -27% y/y) in recent incoming data. The co-incident indicator indicates the level of economic activity experienced, recording the -27% y/y collapse in the month of April, and evidencing the lagged effect on incomes out to June in the BankservAfrica data.

Daily case increase – 7 day rolling average



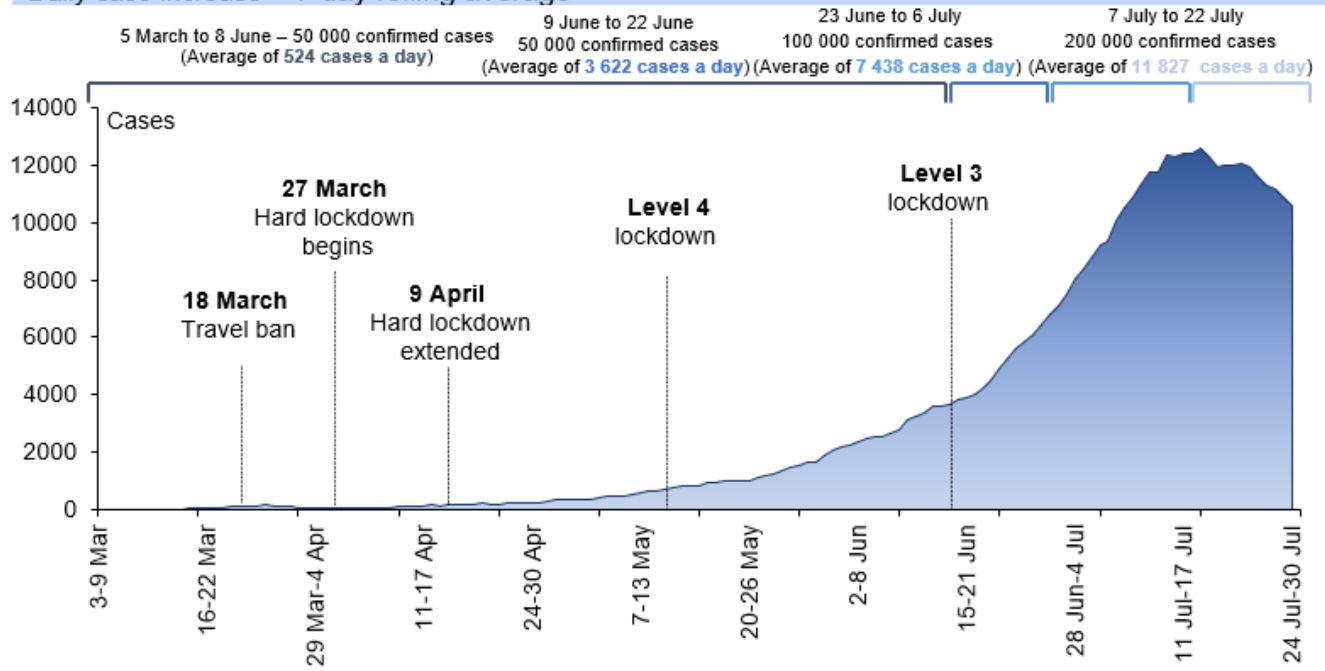
Source: National Department of Health

Covid-19 infections and deaths in South Africa



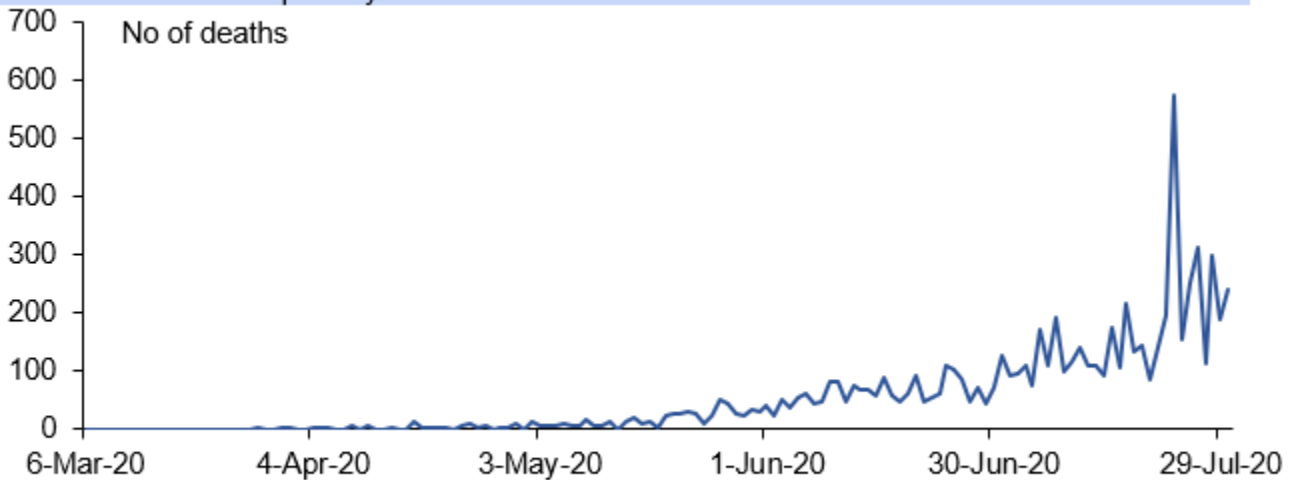
Source: World Health Organization

Daily case increase – 7 day rolling average



Source: National Department of Health

Number of new deaths per day in South Africa



Source: World Health Organization

Covid-19 situation in numbers (total and new cases in past 24 hours for the 30^h July)

Reporting regions	Confirmed	Total confirmed new cases	Total Deaths	Total new deaths	Ratio of deaths to infections
European Region	3 307 388	23 438	212 079	460	6.4
Globally	16 812 755	253 793	662 095	5 999	3.9
Region of the Americas	8 980 181	139 657	346 554	3 919	3.9
Western Pacific Region	299 460	3 847	8 291	29	2.8
South-East Asia Region	1 949 850	57 794	43 117	884	2.2
Eastern Mediterranean Region	1 520 745	13 011	39 203	388	2.6
African Region	754 390	16 046	12 838	319	1.7
South Africa	471 123	11 362	7 497	240	1.6

Source: World Health Organization

Covid-19 situation in numbers (total and new cases in past 24 hours for the 23rd July)

Reporting regions	Confirmed	Total confirmed new cases	Total Deaths	Total new deaths	Ratio of deaths to infections
European Region	3 147 860	22 909	208 970	501	6.6
Globally	15 012 731	247 225	619 150	7 097	4.1
Region of the Americas	7 948 513	137 386	317 962	4 153	4.0
Western Pacific Region	272 829	3 235	8 095	9	3.0
Eastern Mediterranean Region	1 429 084	14 622	36 118	490	2.5
South-East Asia Region	1 571 317	50 537	37 203	1 312	2.4
African Region	642 387	18 536	10 789	632	1.7
South Africa	394 948	13 150	5 940	572	1.5

Source: World Health Organization

Reporting Country/territory/Area*	Total confirmed cases ^a	Total confirmed new cases	Total deaths	Total new deaths	Ratio of deaths to infections	Ratio of new deaths to new infections	Days last reported case
South Africa	471 123	11 362	7 497	240	1.6	2.1	0
Nigeria	42 208	404	873	5	2.1	1.2	0
Ghana	35 142	738	175	7	0.5	1.0	0
Algeria	29 229	614	1 188	12	4.1	2.0	0
Kenya	19 125	544	311	12	1.6	2.2	0
Cameroon	17 255	76	391	0	2.3	0.0	0
Ethiopia	15 810	61	253	14	1.6	23.0	0
Cote d'Ivoire	15 713	0	98	0	0.6	-	1
Madagascar	10 317	213	99	6	1.0	2.8	0
Senegal	9 961	156	200	2	2.0	1.3	0
Democratic Republic of the Congo	8 930	58	212	5	2.4	8.6	0
Gabon	7 352	163	49	0	0.7	0.0	0
Guinea	7 183	57	46	0	0.6	0.0	0
Mauritania	6 270	21	156	0	2.5	0.0	0
Zambia	5 249	247	146	4	2.8	1.6	0
Central African Republic	4 605	6	59	0	1.3	0.0	0
Malawi	3 858	120	107	4	2.8	3.3	0
Congo	3 200	0	54	0	1.7	-	1
Zimbabwe	2 879	62	41	1	1.4	1.6	0
Eswatini	2 551	147	40	1	1.6	0.7	0
Mali	2 521	1	124	0	4.9	0.0	0
Cabo Verde	2 373	19	23	1	1.0	5.3	0
Equatorial Guinea	2 350	0	41	0	1.7	-	13
South Sudan	2 322	0	46	0	2.0	-	1
Namibia	1 986	69	9	1	0.5	1.4	0
Guinea-Bissau	1 981	27	26	0	1.3	0.0	0
Rwanda	1 963	37	5	0	0.3	0.0	0
Benin	1 805	0	36	0	2.0	-	1
Sierra Leone	1 803	17	67	1	3.7	5.9	0
Mozambique	1 748	28	11	0	0.6	0.0	0
Liberia	1 179	12	72	0	6.1	0.0	0
Uganda	1 135	0	2	0	0.2	-	1
Niger	1 134	2	69	0	6.1	0.0	0
Burkina Faso	1 106	1	53	0	4.8	0.0	0
Angola	1 078	78	48	1	4.5	1.3	0
Chad	926	0	75	0	8.1	-	1
Togo	896	22	18	0	2.0	0.0	0
Sao Tome and Principe	868	1	15	1	1.7	1.7	0
Botswana	804	65	2	0	0.2	0.0	0
Lesotho	576	71	13	1	2.3	1.4	0
United Republic of Tanzania	509	0	21	0	4.1	-	83
Burundi	378	0	1	0	0.3	-	2
Comoros	378	0	7	0	1.9	-	1
Mauritius	344	0	10	0	2.9	-	5
Gambia	326	0	8	0	2.5	-	2
Eritrea	265	0	0	0	0.0	-	2
Seychelles	114	0	0	0	0.0	-	2
Territories^b							
Mayotte	2 905	0	39	0	1.3	0.0	1
Reunion	657	0	4	0	0.6	0.0	4
Total Africa	754 390	15 497	12 838	319	1.7	2.1	121
Subtotal for all regions	16 812 014	253 793	662 082	5 999	3.9	2.4	
Other ^c	741	0	13	0			
Grand total	16 812 755	253 793	662 095	5 999	3.9	2.4	

Caution must be taken when interpreting all data presented. Differences are to be expected between information products published by WHO, national public health authorities, and other sources using different inclusion criteria and different data cut-off times. While steps are taken to ensure accuracy and reliability, all data are subject to continuous verification and change. Case detection, definitions, testing strategies, reporting practice, and lag times differ between countries/territories/areas. These factors, amongst others, influence the counts presented with variable underestimation of true case and death counts, and variable delays to reflecting these data at global level.

The designations employed, and the presentation of these materials do not imply the expression of any opinion whatsoever on the part of WHO concerning the legal status of any country, territory or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Dotted and dashed lines on maps represent approximate border lines for which there may not yet be full agreement. Countries, territories and areas are arranged under the administering WHO region.

The mention of specific companies or of certain manufacturers' products does not imply that they are endorsed or recommended by WHO in preference to others of a similar nature that are not mentioned. Errors and omissions excepted; the names of proprietary products are distinguished by initial capital letters.

[1] All references to Kosovo should be understood to be in the context of the United Nations Security Council resolution 1244 (1999). In the map, number of cases of Serbia and Kosovo (UNSCR 1244, 1999) have been aggregated for visualization purposes.

Counts reflect laboratory-confirmed cases and deaths, based on WHO case definitions, unless stated otherwise (see Country, territory, or area-specific updates and errata), and include both domestic and repatriated cases.

* Other: includes cases reported from international conveyances.

Due to the recent trend of countries conducting data reconciliation exercises which remove large numbers of cases or deaths from their total counts, WHO will now display such data as negative numbers in the "new cases" / "new deaths" columns as appropriate. This will aid readers in identifying when such adjustments occur. When additional details become available that allow the subtractions to be suitably apportioned to previous days, graphics will be updated accordingly. Prior situation reports will not be edited; see covid19.who.int for the most up-to-date data.

Additional table notes

i Transmission classification is based on a process of country/territory/area self-reporting. Classifications are reviewed on a weekly basis, may be revised as new information becomes available, and are based on the highest category reported. Differing degrees of transmission may be present within countries/territories/areas. Categories:

- No cases: with no confirmed cases
- Sporadic cases: with one or more cases, imported or locally detected.
- Clusters of cases: experiencing cases, clustered in time, geographic location and/or by common exposures.
- Community transmission: experiencing larger outbreaks of local transmission defined through an assessment of factors including, but not limited to: large numbers of cases not linkable to transmission chains; large numbers of cases from sentinel lab surveillance; and/or multiple unrelated clusters in several areas of the country/territory/area.
- Pending: transmission classification has not been reported to WHO.

ii "Territories" include territories, areas, overseas dependencies and other jurisdictions of similar status.

