



**SA economic trends  
pre- and post-COVID-19:  
Implications for industrial policy**

**TIPS Development Dialogue**

25 April 2024

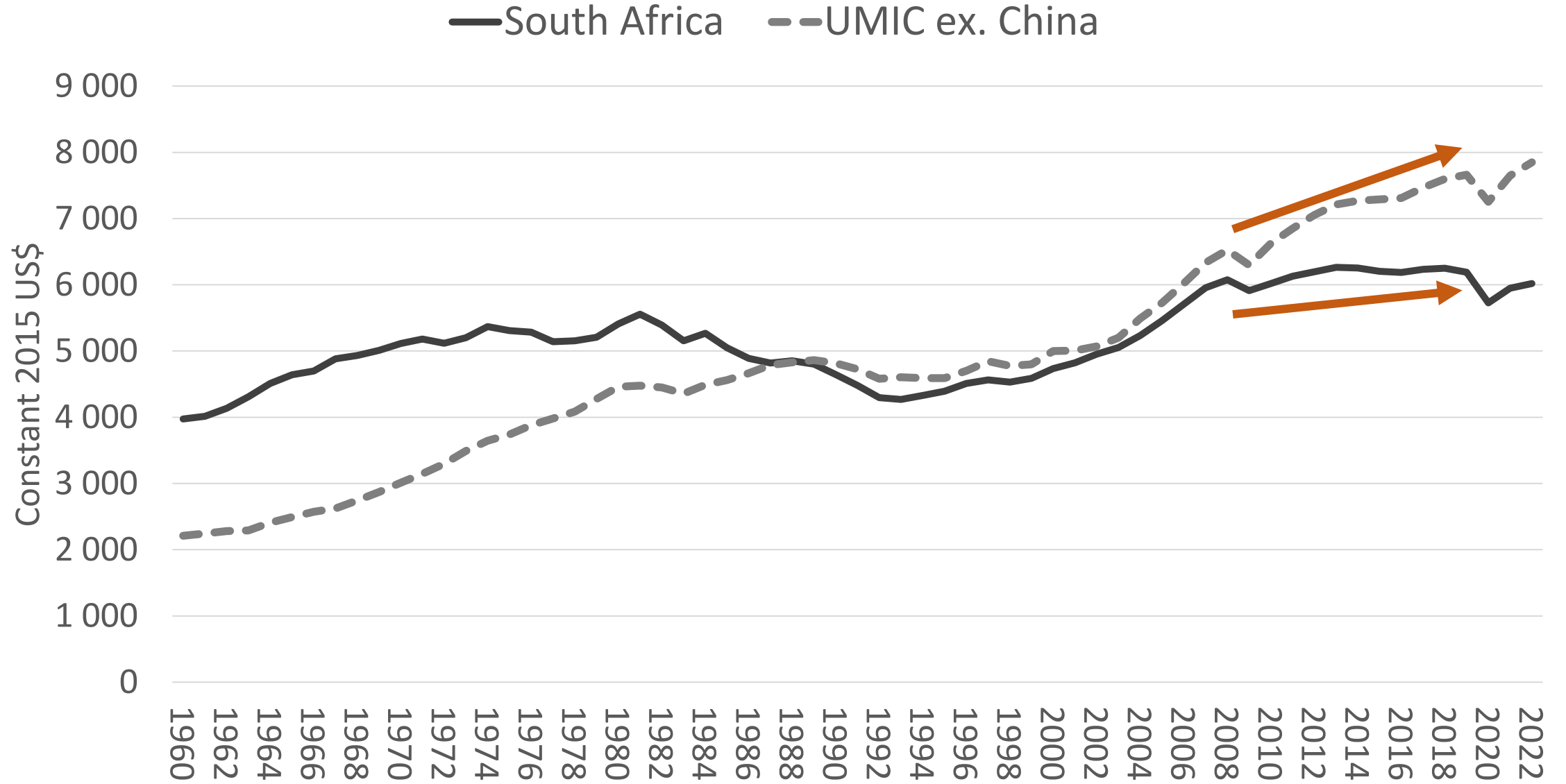
Nishal Robb

# Outline

## **Overview of trends pre- and post-COVID-19**

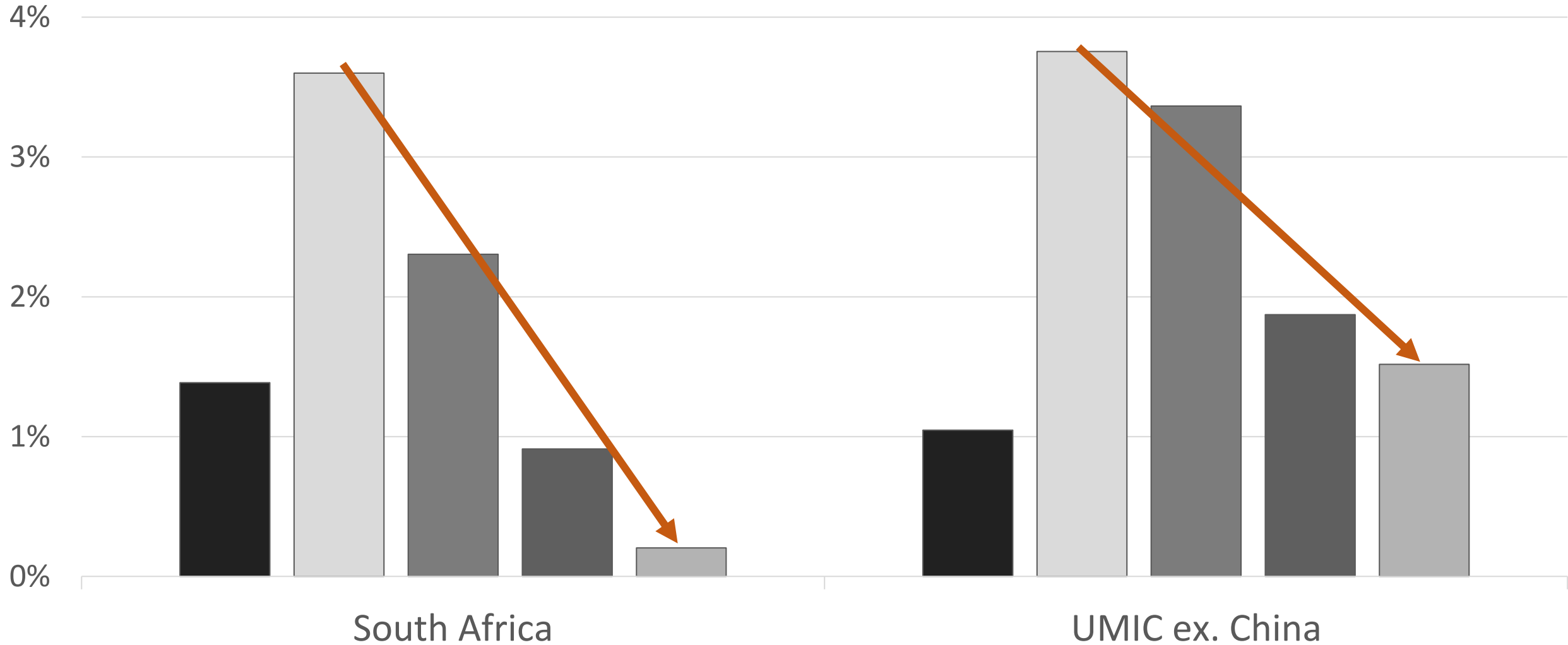
1. Broad focus on growth, investment, employment
2. Change and continuity in SA's economic structure
3. Deepening of key trends in COVID-19 shock and recovery period
4. Implications for industrial policy

# GDP per capita



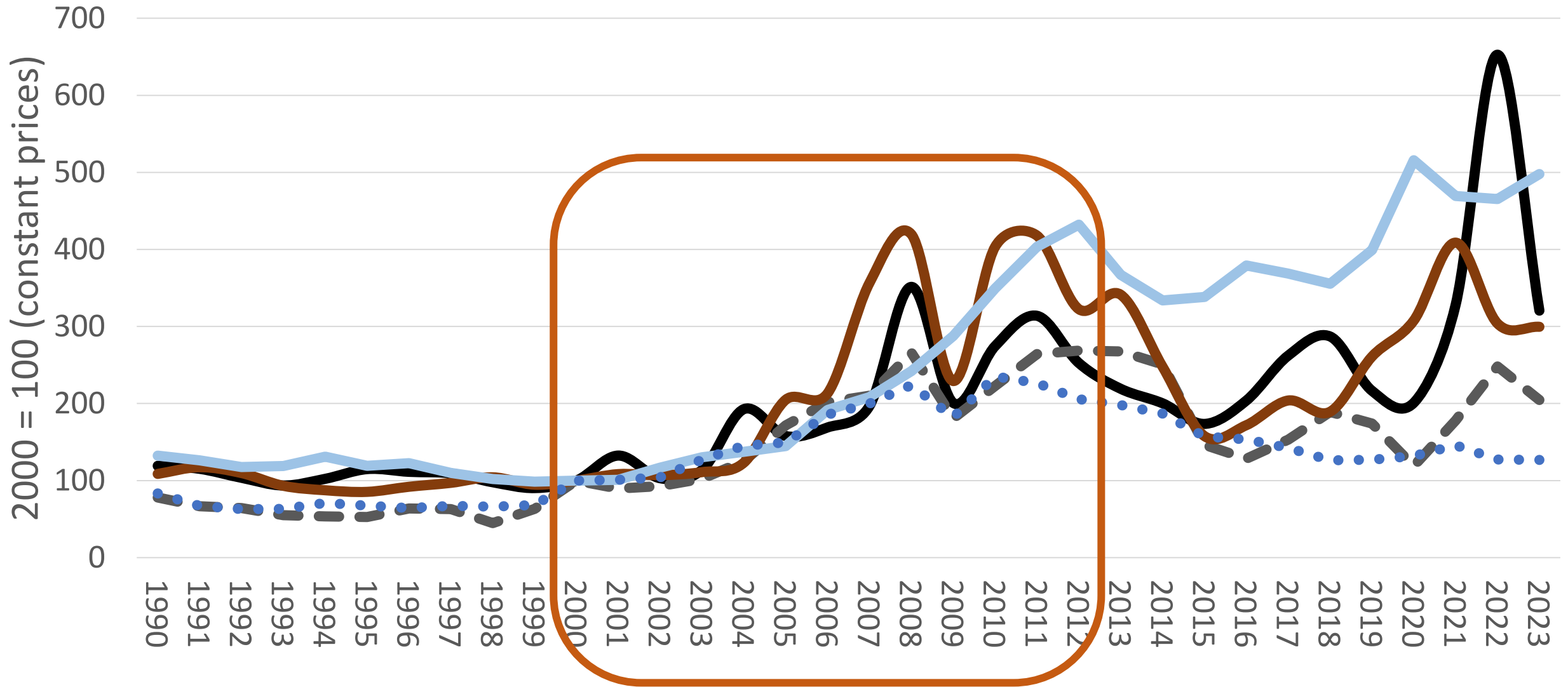
# GDP growth

■ 1990-1999    □ 2000-2009    ■ 2010-2015    ■ 2016-2019    □ 2020-2022

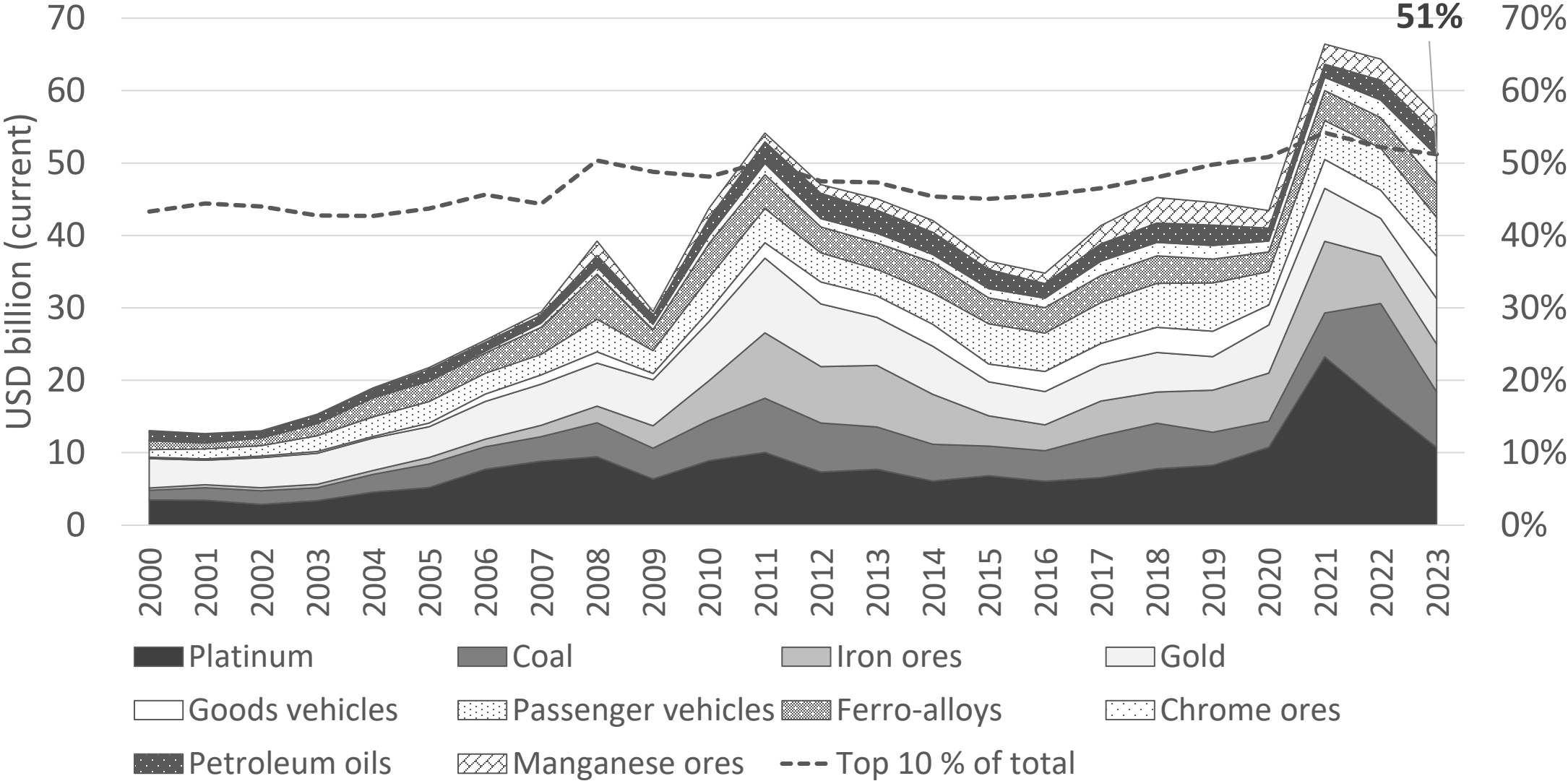


# Commodity prices

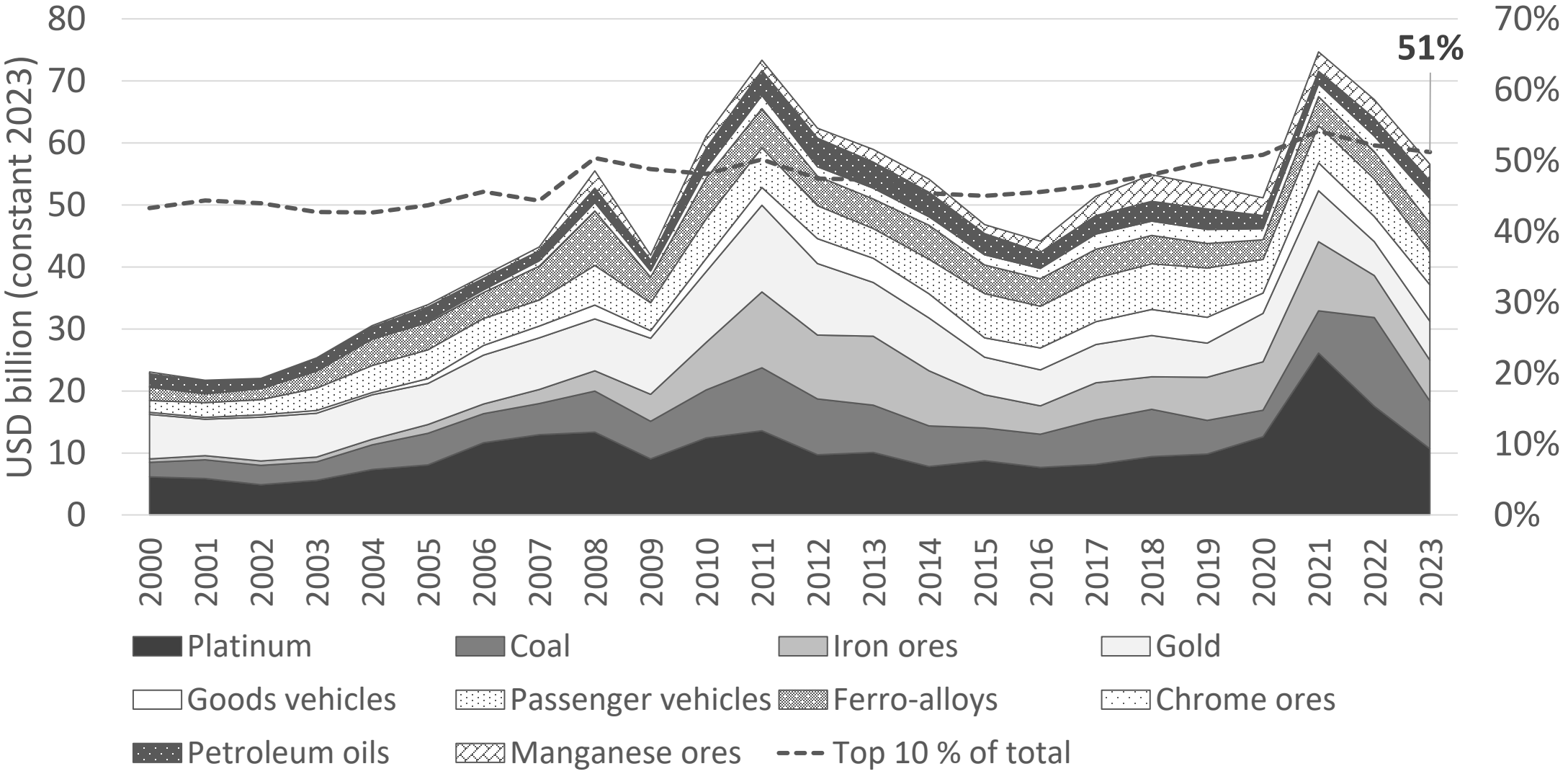
Coal Crude oil Iron ore Gold Platinum



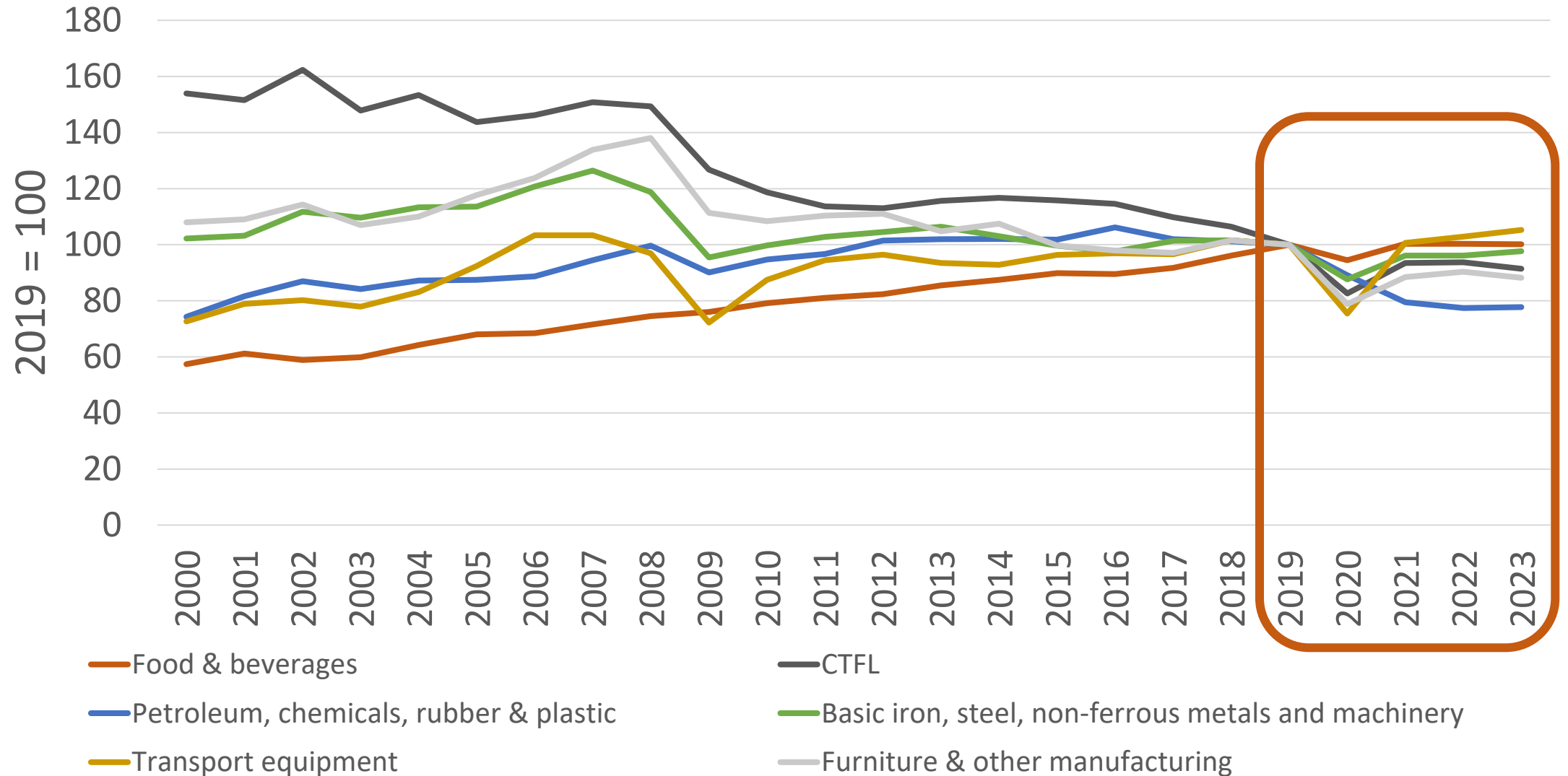
# Export structure



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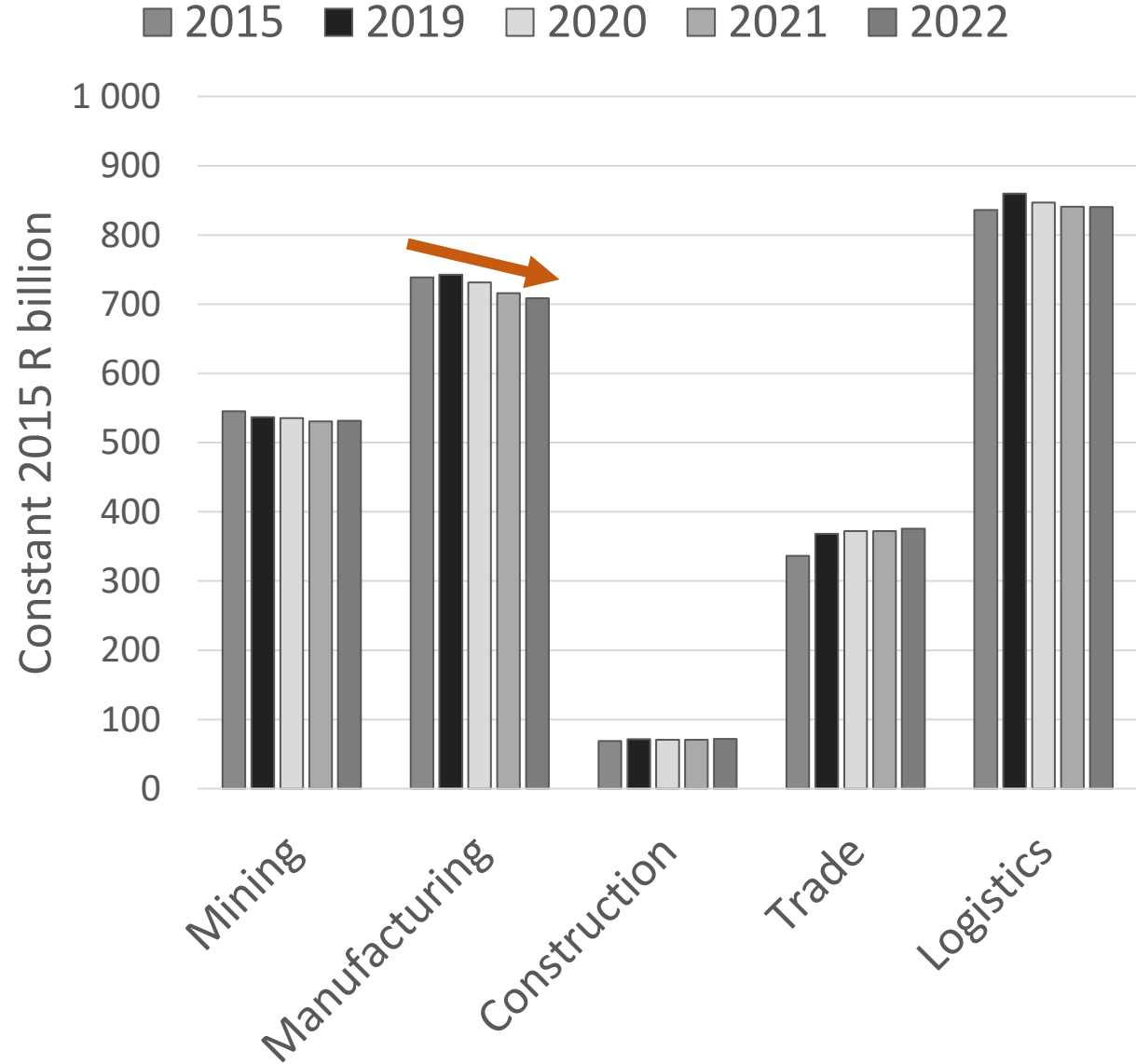
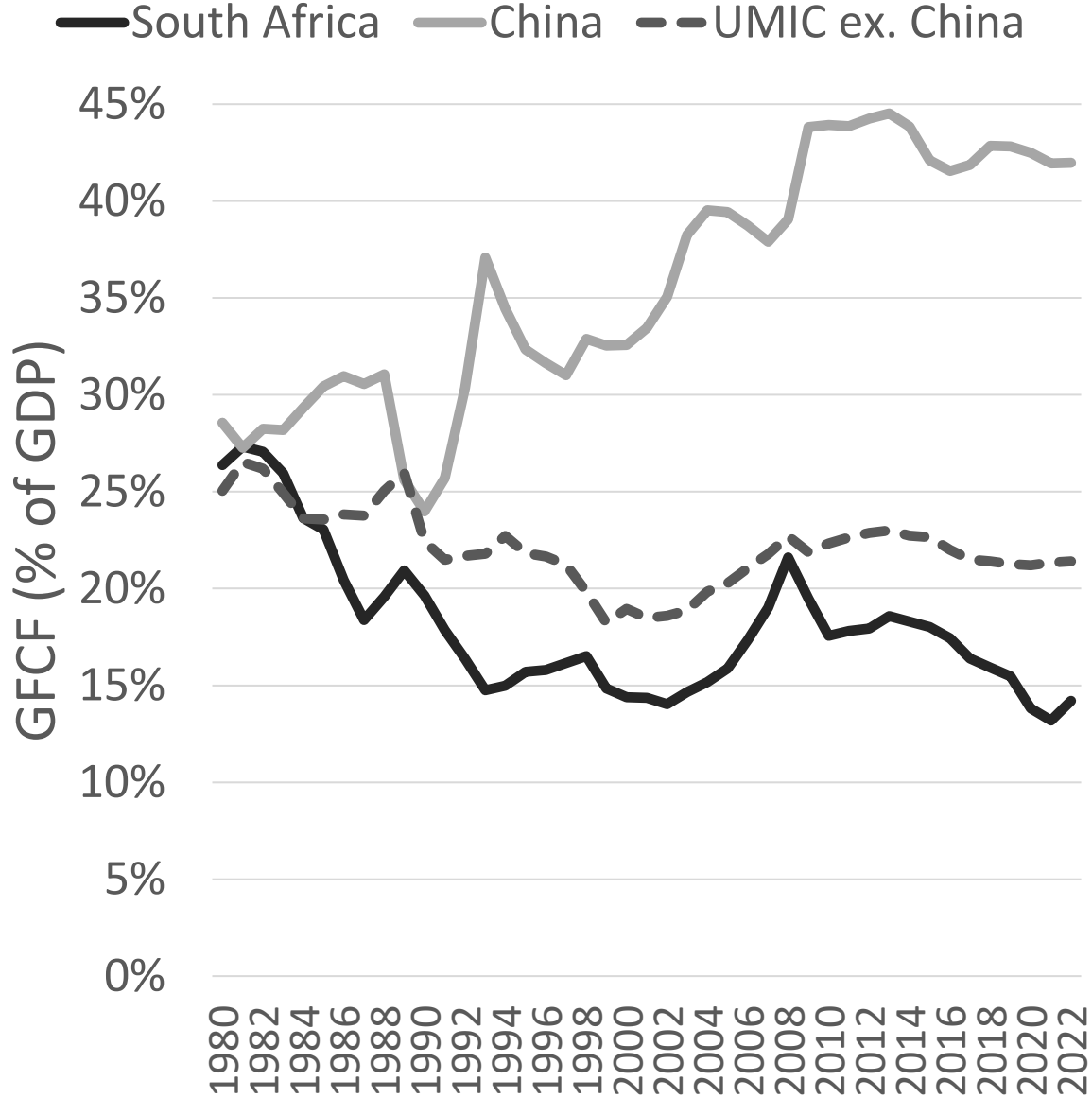


# Physical volume of manufacturing production

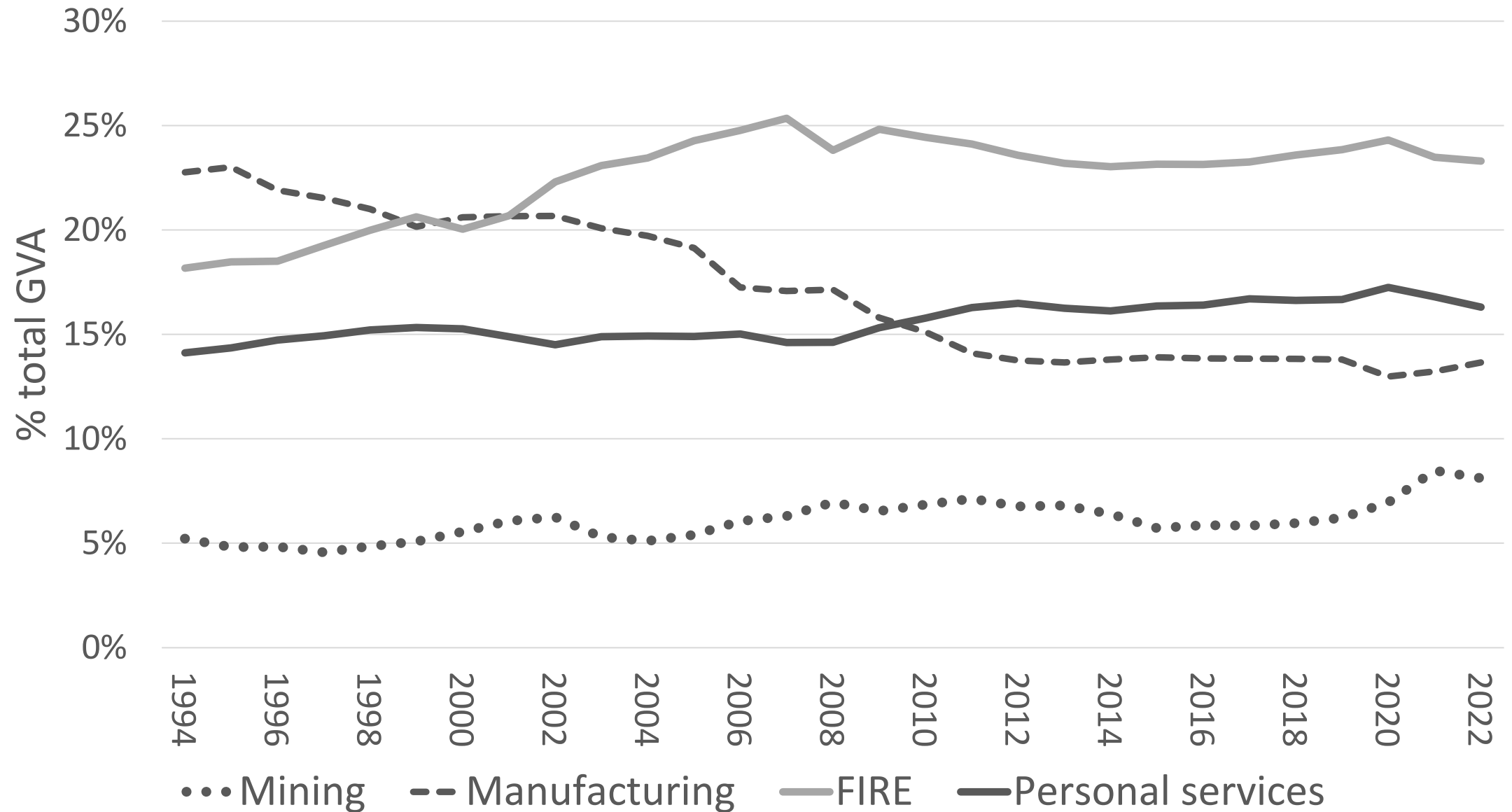




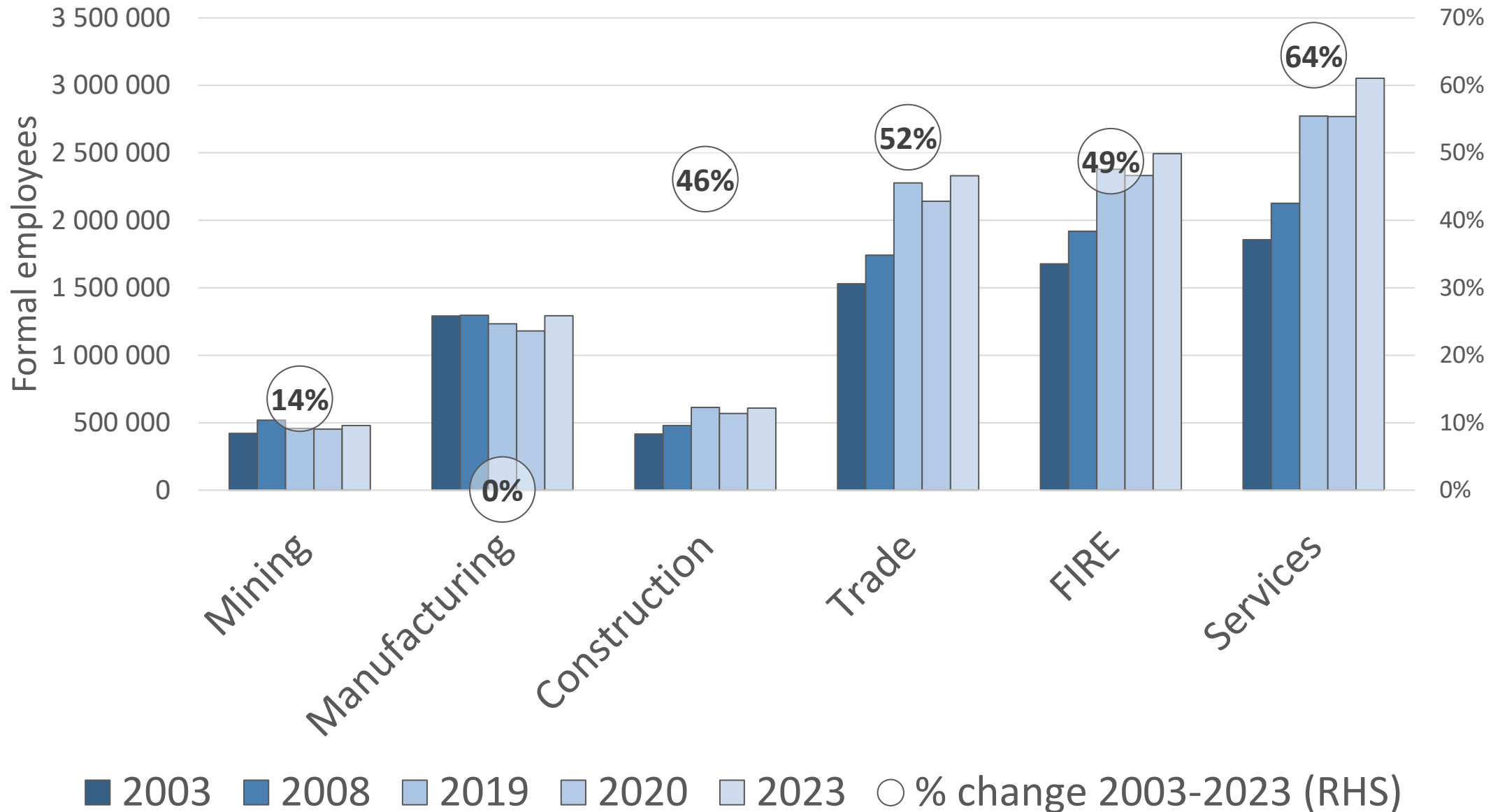
# GFCF and capital stock



# GVA by sector

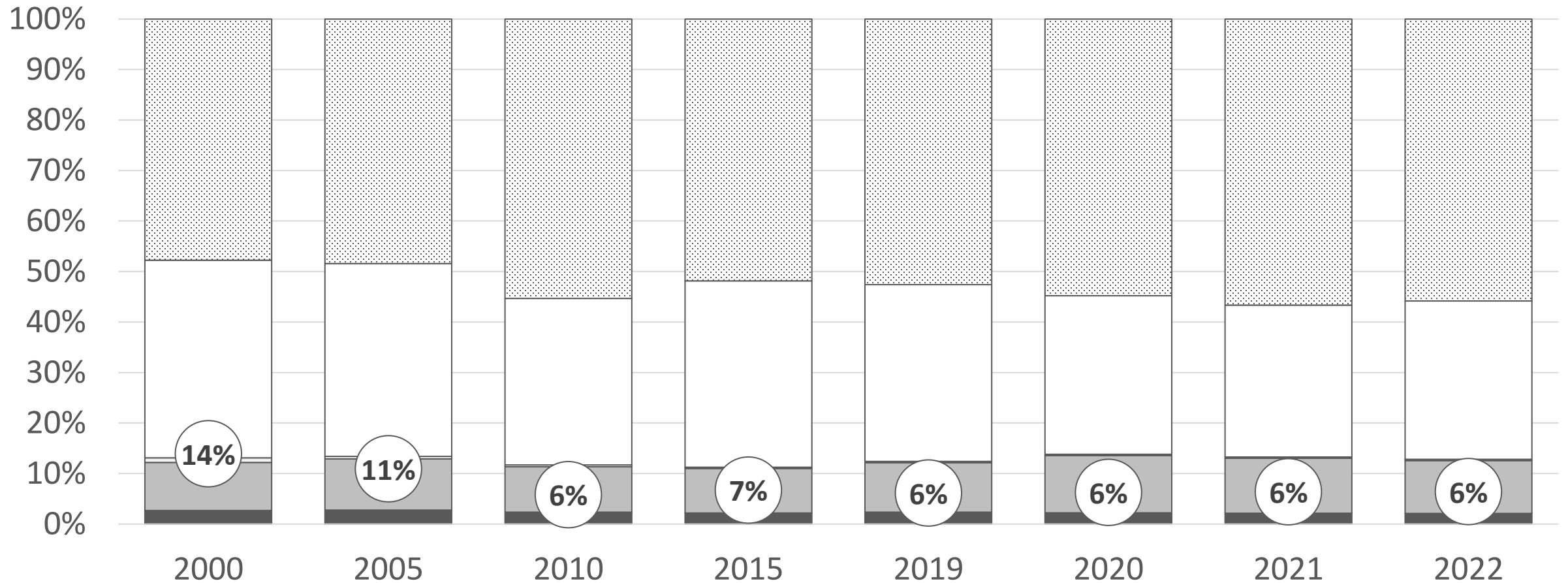


# Employment by sector

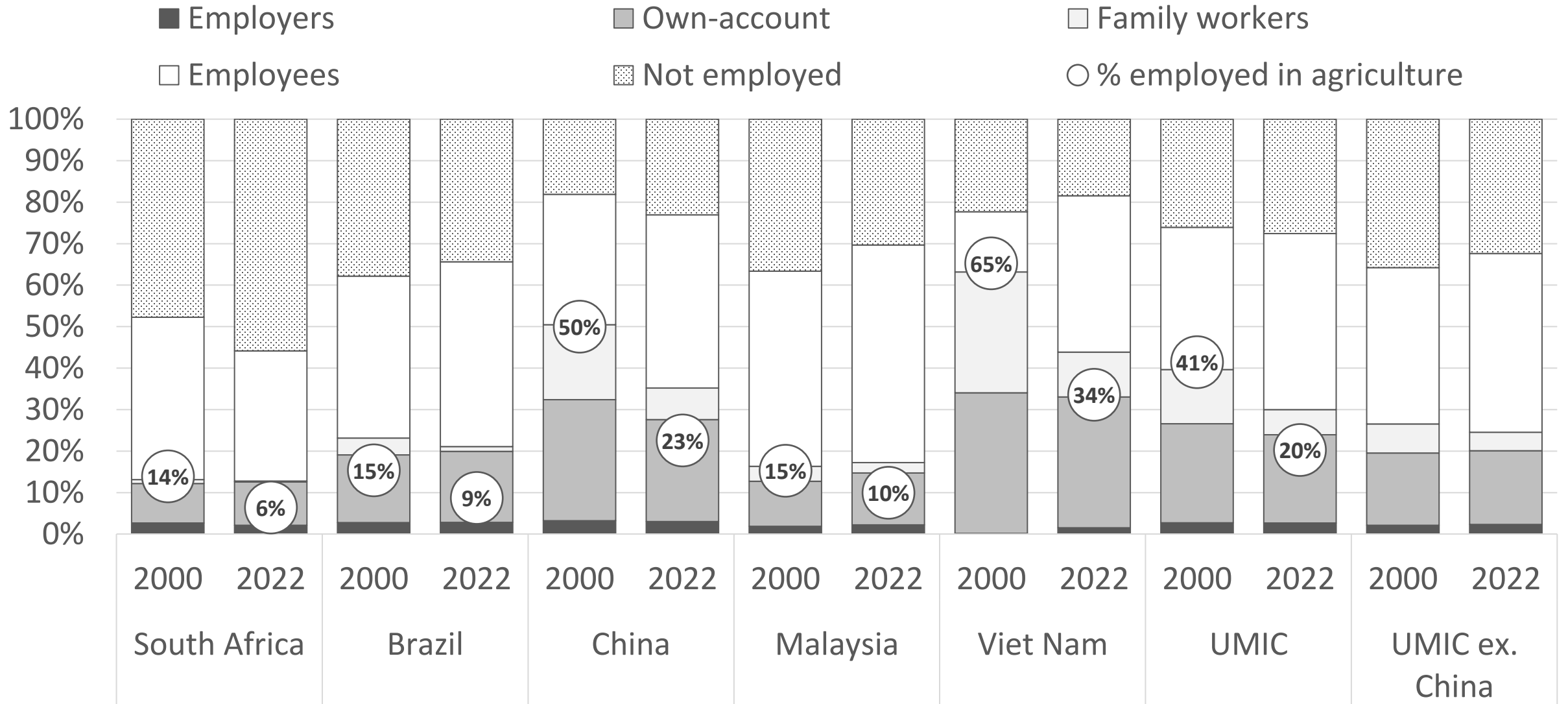


# Employment by status

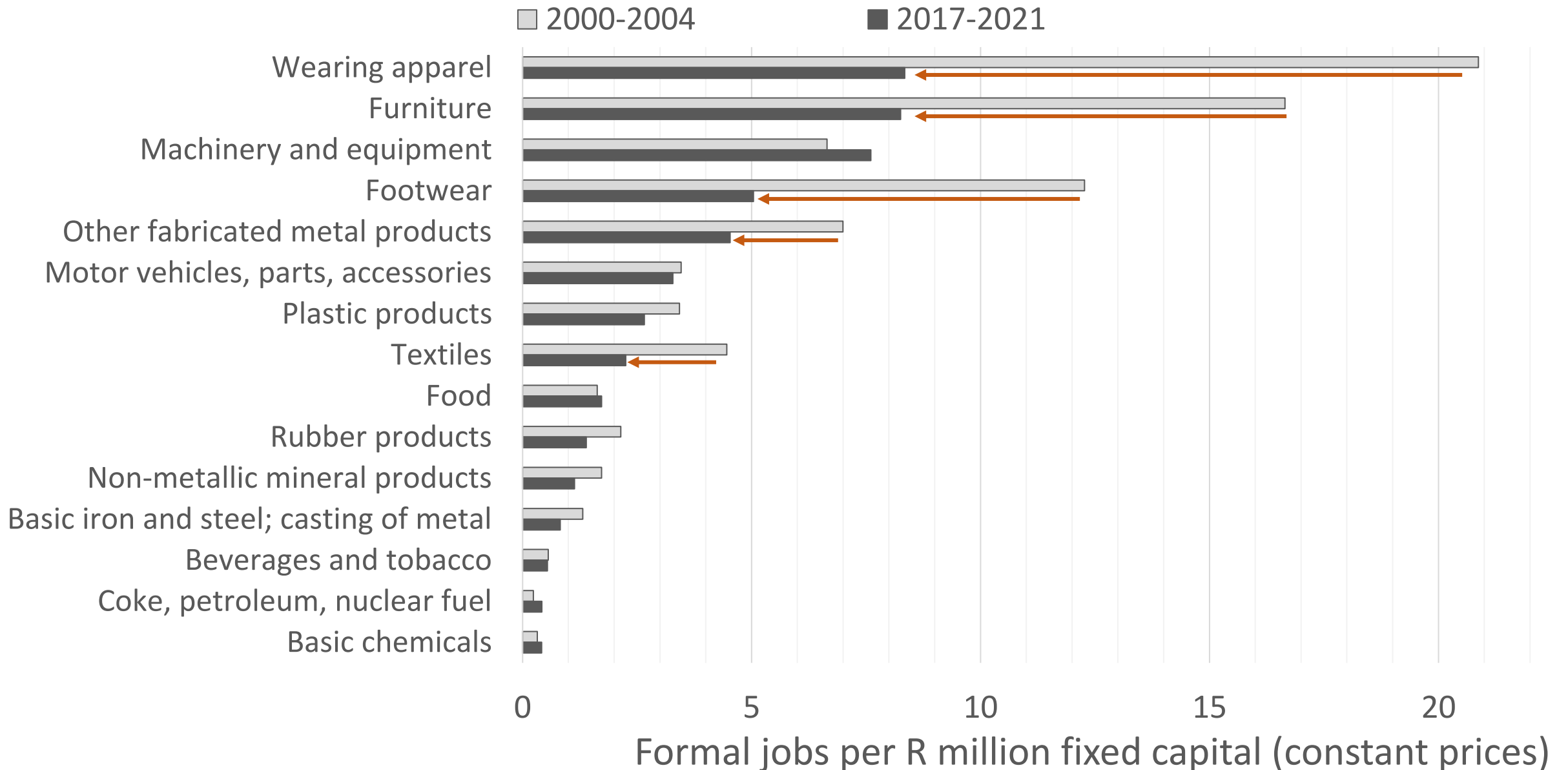
- Employers
- Own-account
- Family workers
- Employees
- Not employed
- % employed in agriculture



# Employment by status vs. peers

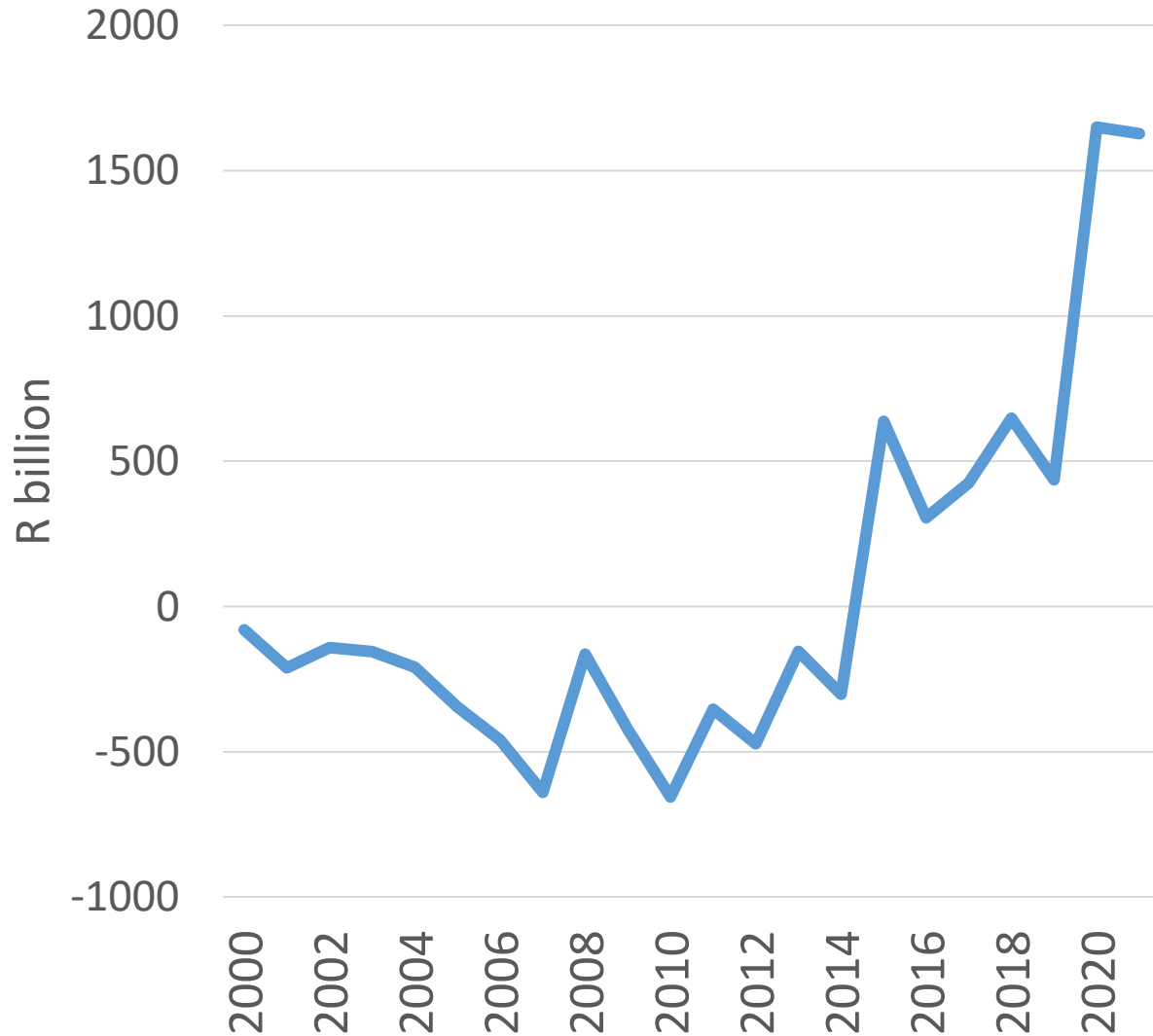


# Employment – Labour intensity

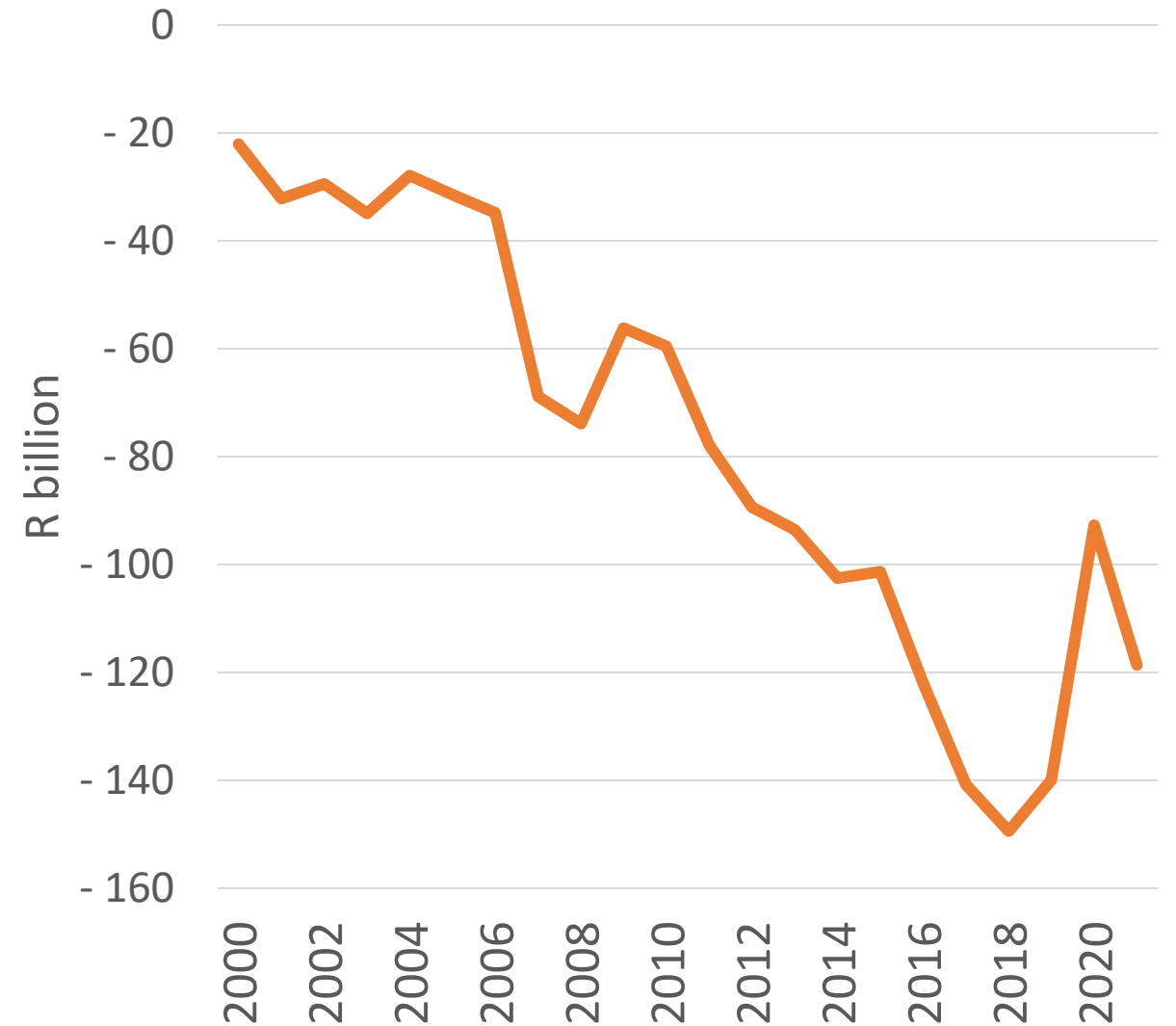


# Global financial integration

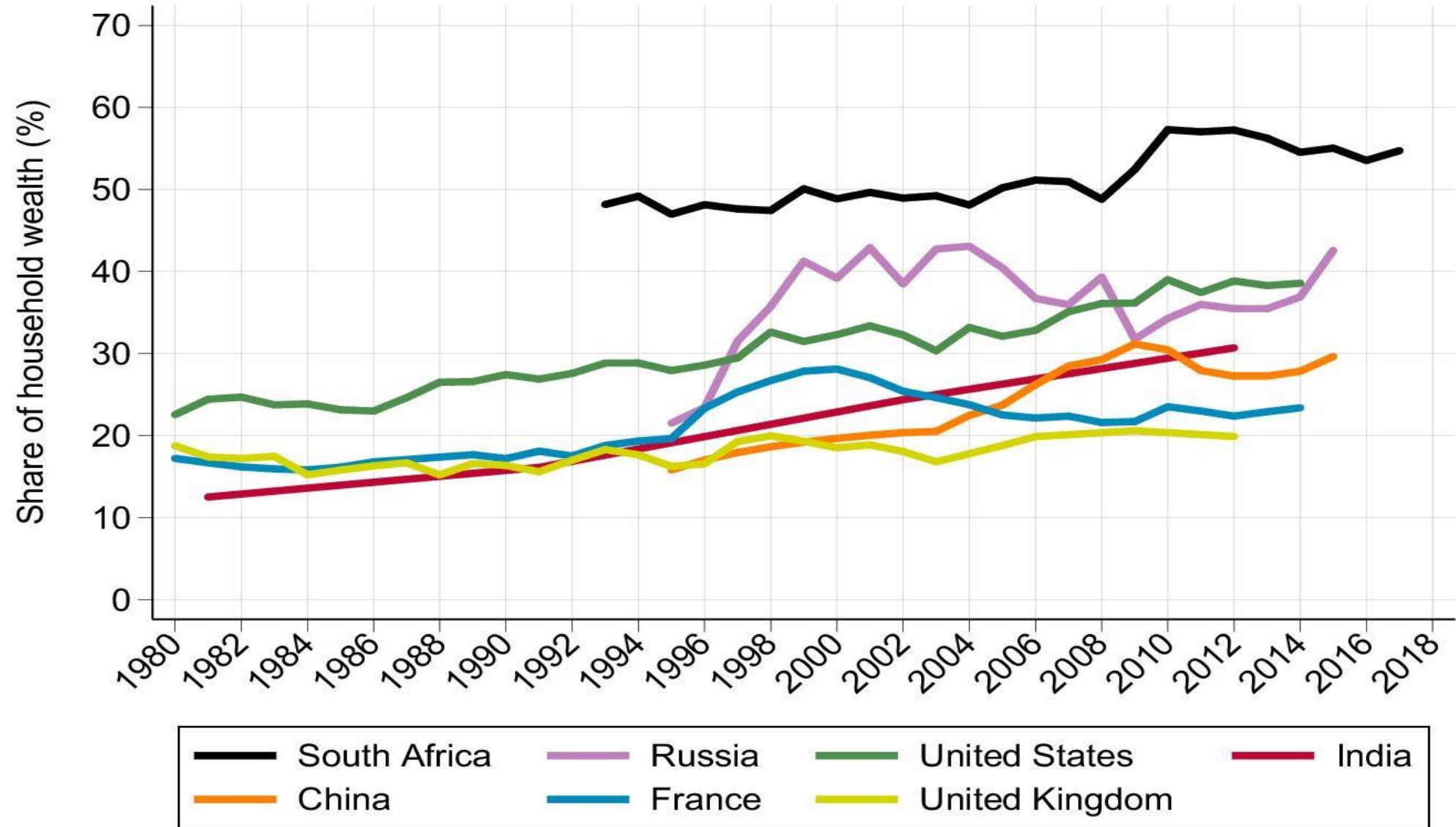
## Net international investment position



## Balance on primary income



# Inequality



Source:

[Chatterjee et al. \(2021\)](#)



# Implications for industrial policy

## Range of major challenges

- **Unchanged/worsening economic structure suggests need for new strategies** – not viable to continue current path but disruption is risky
- **More influential role for industrial policies if desired outcomes are to be met** – but decline in manufacturing + inequality + urgency of social crisis + fiscal constraints undermine basis for strong coalition for industrialisation
- **Increasingly adverse global conditions for manufacturing- and export-led growth strategies** – re-emergence of industrial/trade policies in building local capabilities, managing energy transitions and navigating geopolitics.

**In these conditions, how to grow scope, scale and ambition of SA's industrial policy to avoid being left behind?**

Thank you