

EFFICIENT

GROUP

This session will start at
18:00

**2026 Budget: Confessions,
confusions, and forecasts**

Why SA needs financial well-being:
Insights by Dawie Roodt



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THE **GLOBAL** SETTING

Financial Planning | Investments | Insurance | Life Assurance
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Healthcare



SOME MAJOR TRENDS

- + On/off tariffs
- + On/off wars
- + Asset bubbles?
- + AI disappoints
- + Shifting political alliances

SOME ECONOMIC TRENDS

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A stack of gold coins is the central focus, with a pen lying horizontally in front of it. The background is a dark, textured surface, possibly wood. The lighting is warm and directional, creating highlights on the edges of the coins and the pen.

Global inflation is drifting lower

Interest rates are also lower

Most of Europe is experiencing low growth

China is struggling

The US economic miracle – but this is slowing down

Table 2.1 Economic growth in selected countries

Region/country	2024	2025	2026	2027
Percentage	Actual	Estimate	Forecast	
World	3.3	3.3	3.3	3.2
Advanced economies	1.8	1.7	1.8	1.7
United States	2.8	2.1	2.4	2.0
Euro area	0.9	1.4	1.3	1.4
United Kingdom	1.1	1.4	1.3	1.5
Japan	0.1	1.1	0.7	0.6
Emerging and developing countries	4.3	4.4	4.2	4.1
Brazil	3.4	2.5	1.6	2.3
Russia	4.3	0.6	0.8	1.0
India	6.5	7.3	6.4	6.4
China	5.0	5.0	4.5	4.0
Sub-Saharan Africa	4.1	4.4	4.6	4.6
Nigeria	4.1	4.2	4.4	4.1
South Africa ¹	0.5	1.4	1.6	1.8
World trade volumes	3.6	4.1	2.6	3.1

1. National Treasury forecast

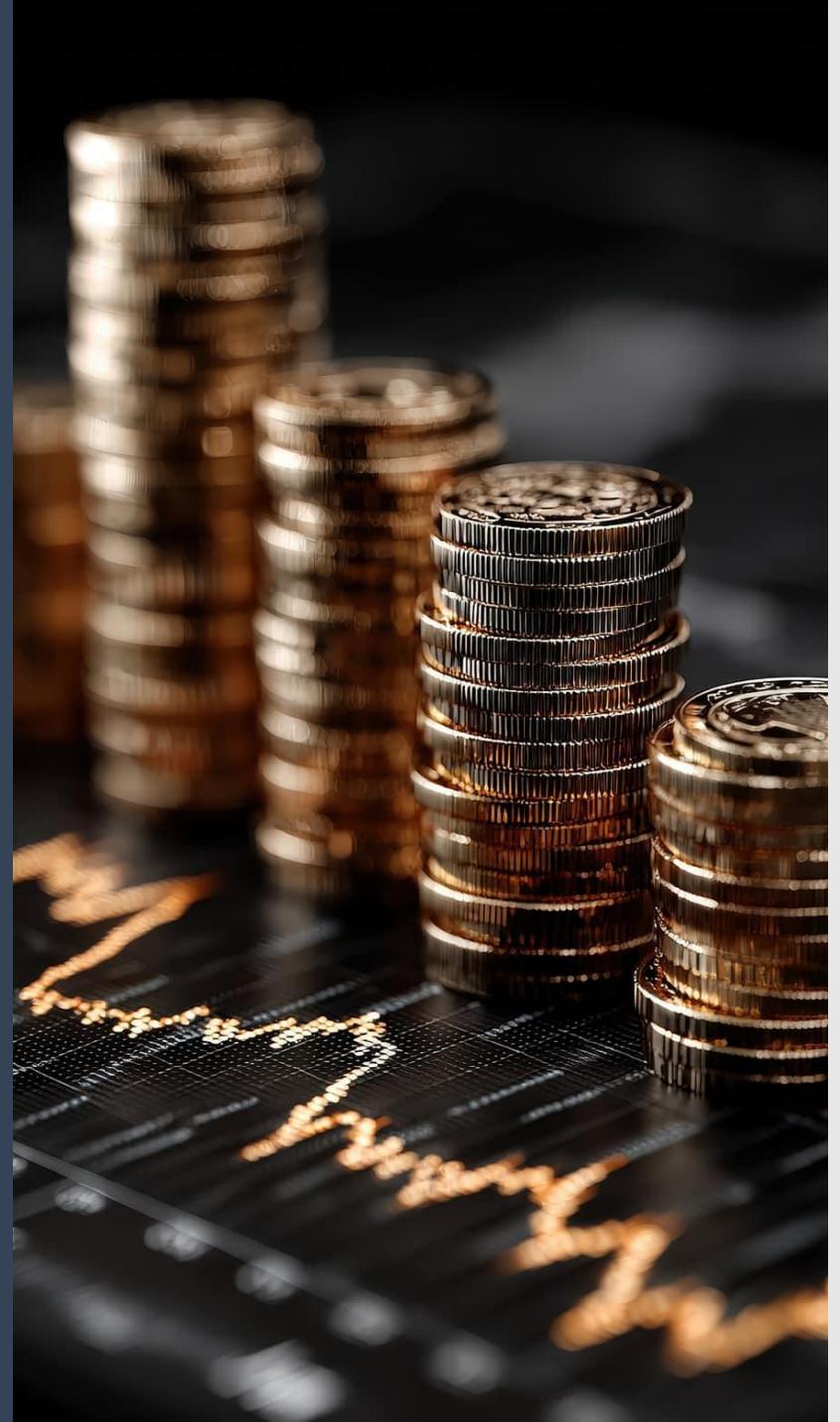
Source: IMF World Economic Outlook, January 2026

Total Stablecoin Supply



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GDP PER CAPITA (Nominal US\$)

South Africa has fallen to
7th place in Africa

Ranking of countries by GDP per capita (2023)

GDP per capita (Nominal), U.S. dollars

K - thousand

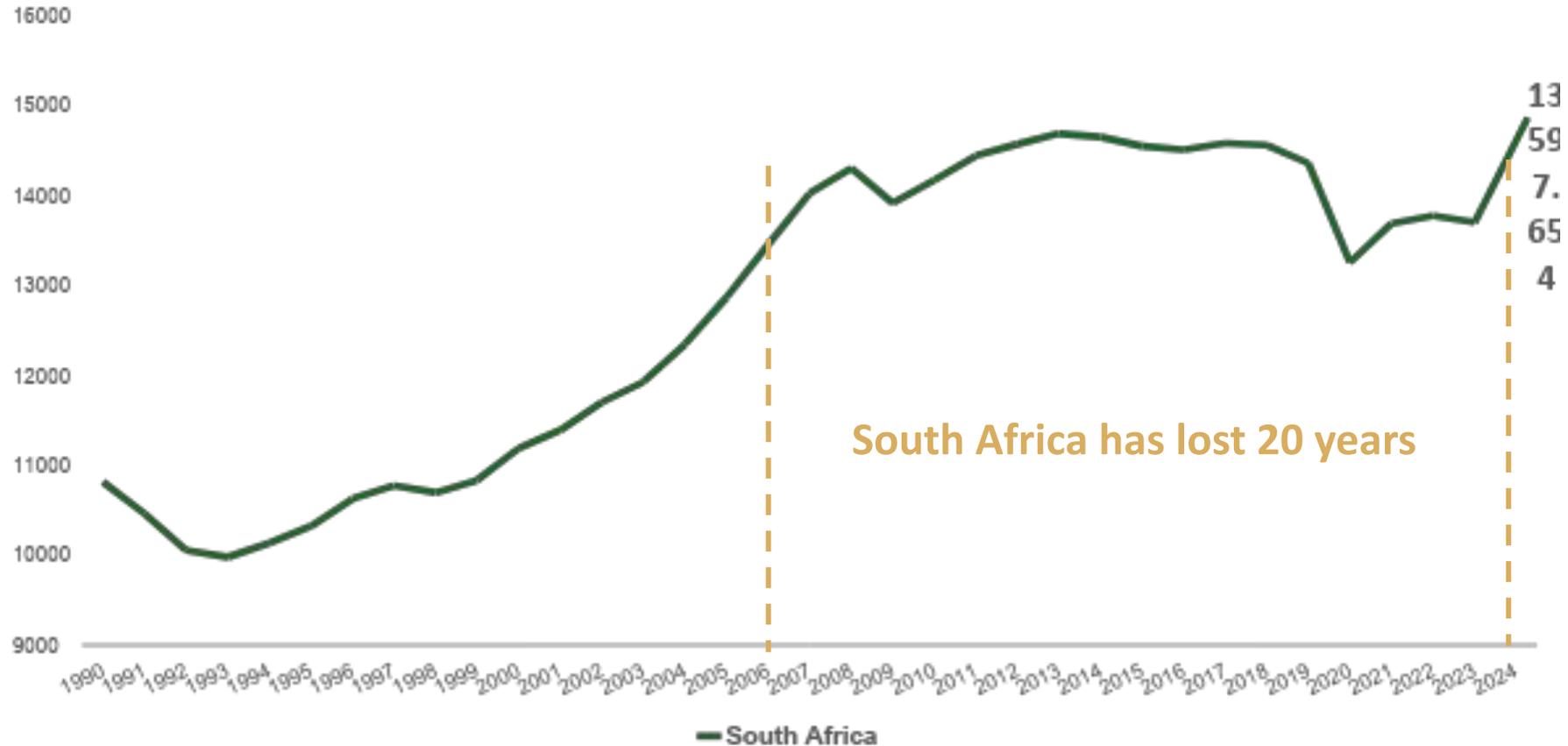
- \$100K and more
- \$75K - \$99.99K
- \$50K - \$74.99K
- \$35K - \$49.99K
- \$10K - \$34.99K
- Less than \$10K



©2023 theworldmaps

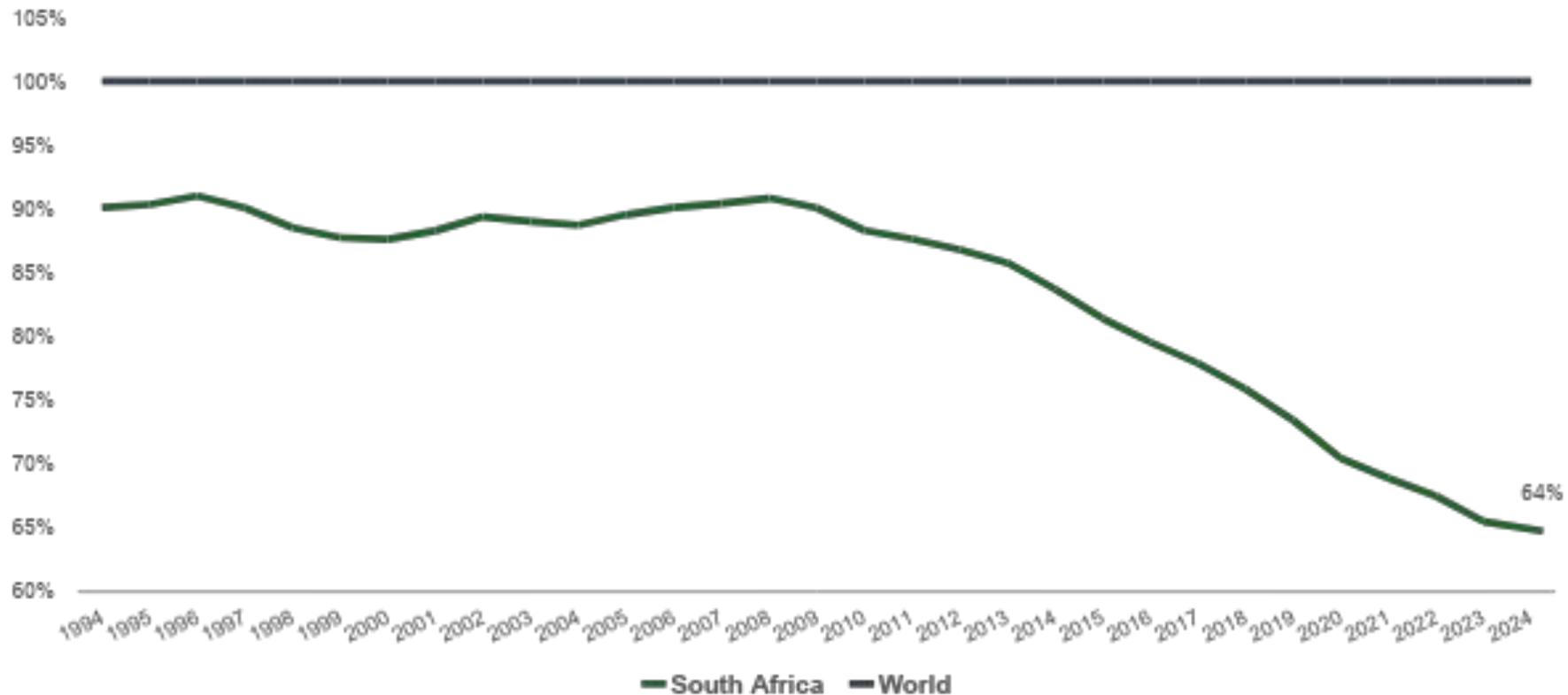
Including dependent territories
Source: International Monetary Fund

**GDP PER CAPITA (PPP US\$):
2021 PRICES**



Source: World Bank, OWID, 2026

GDP PER CAPITA (PPP US\$): SA RELATIVE TO THE WORLD (100)



Source: Stats SA, SARB, OWID, 2026

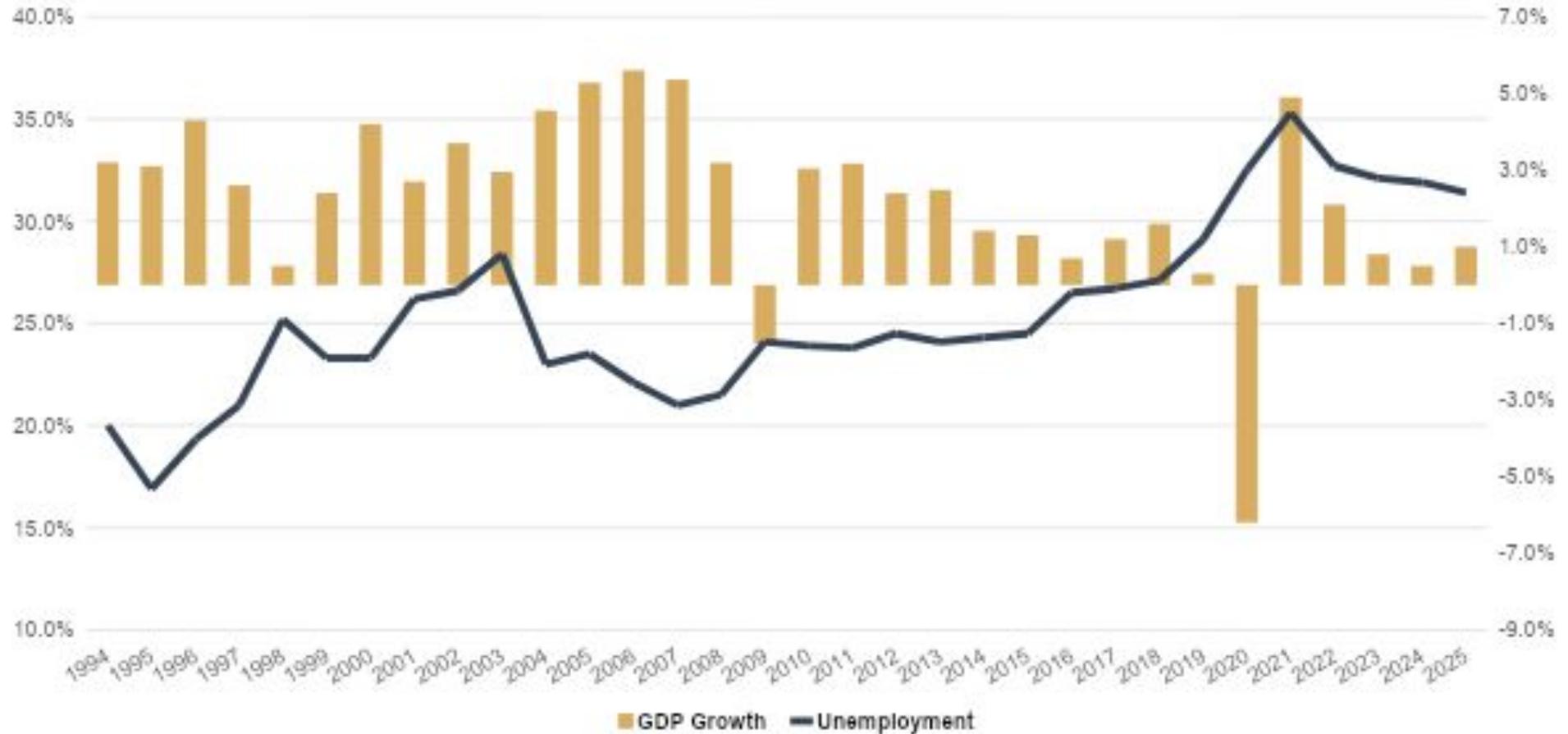
ENERGY INTENSITY

Energy consumption per unit of GDP, in kWh per dollar



Source: Efficient Group, OWID, 2026

UNEMPLOYMENT AND GDP GROWTH

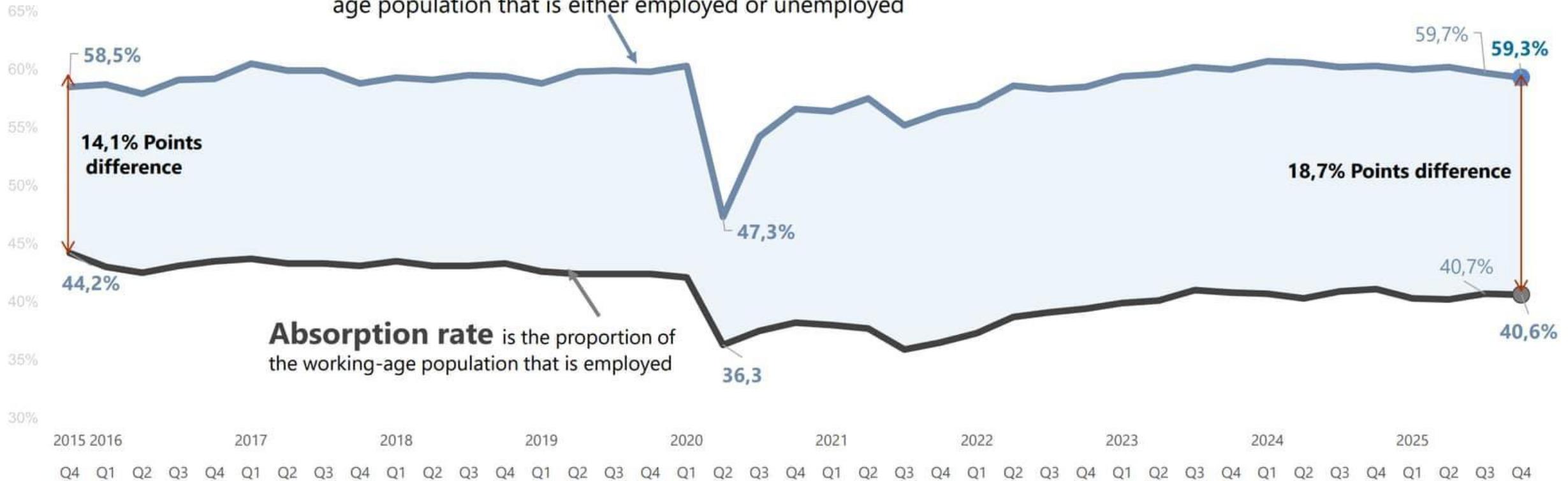


Source: Efficient Group, Stats SA, 2026

Labour force participation and absorption rates Q4:2015-Q4:2025

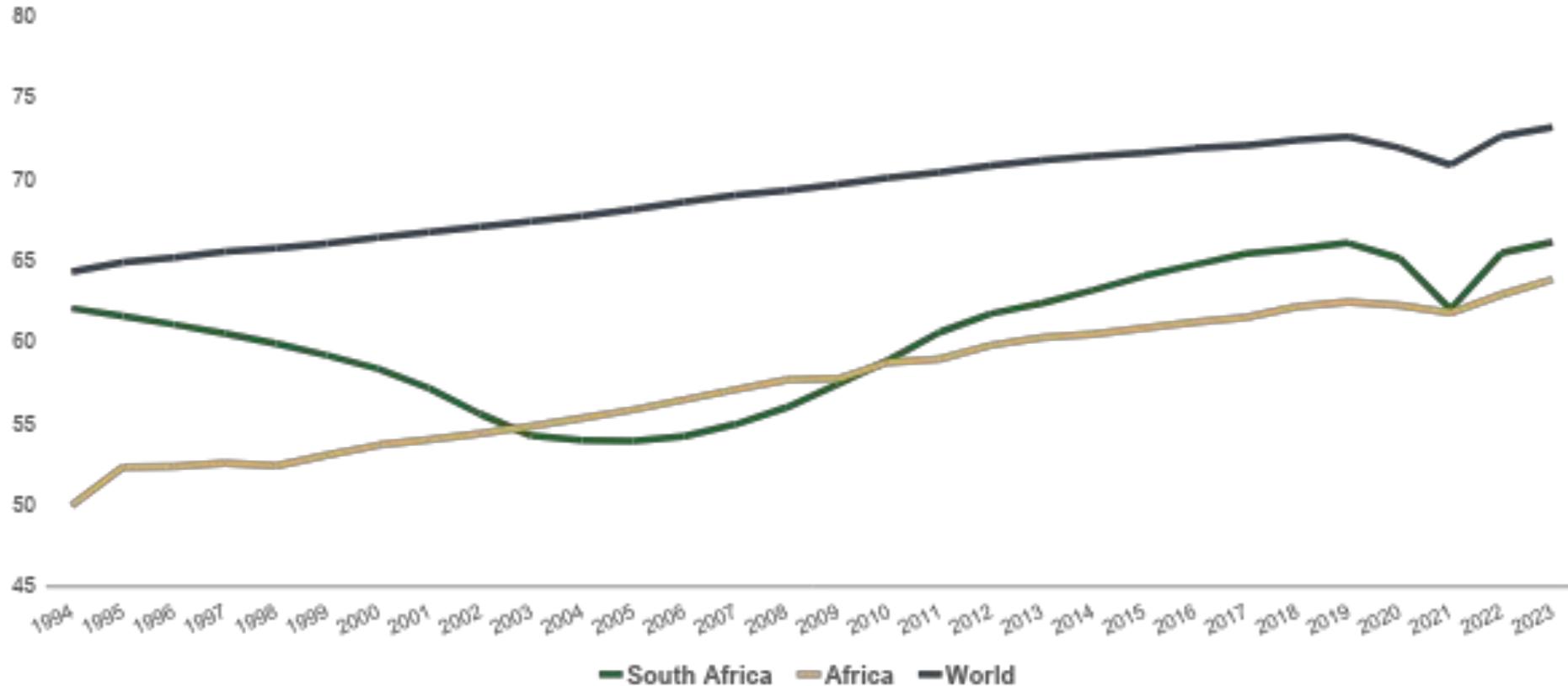
Labour force participation rate is the proportion of the working-age population that is either employed or unemployed

Absorption rate is the proportion of the working-age population that is employed



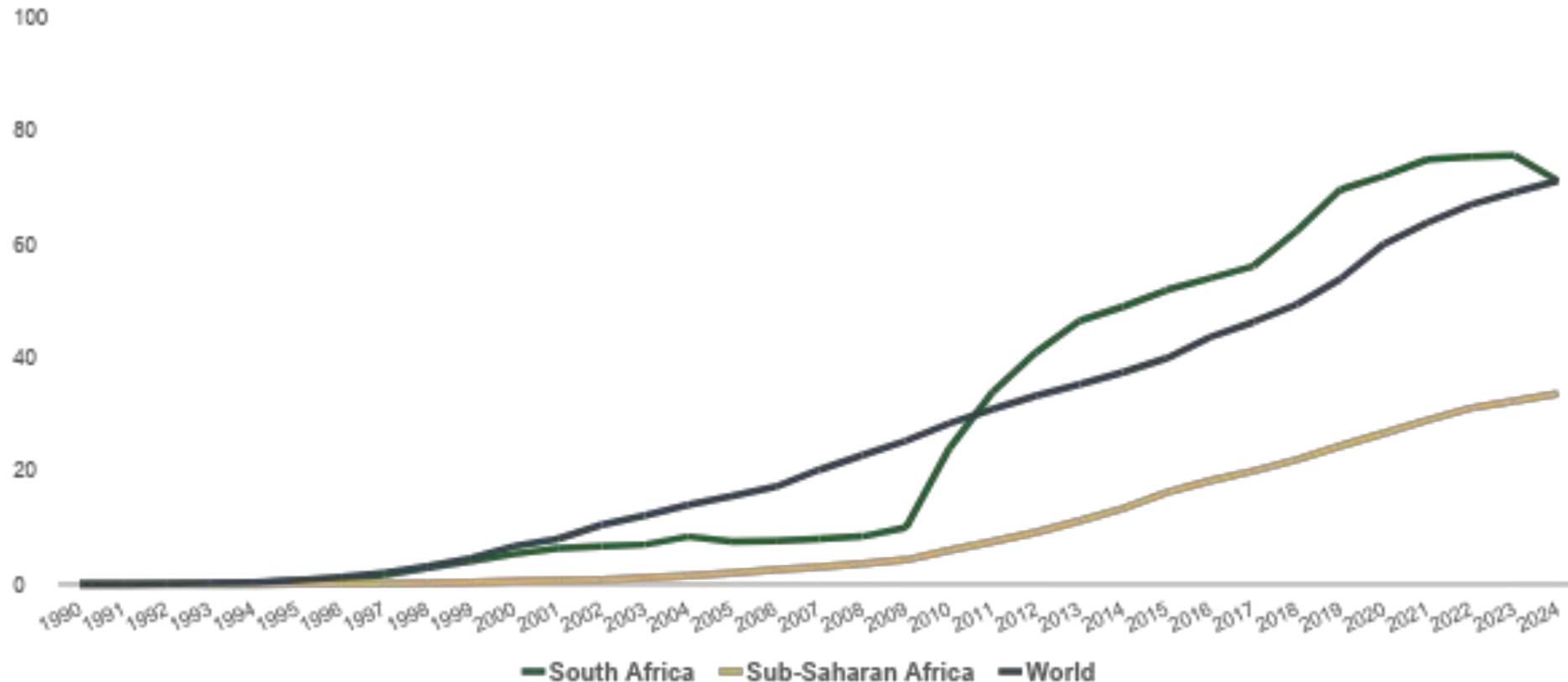
Source: Stats SA, 2026

**LIFE EXPECTANCY AT BIRTH,
TOTAL (YEARS)**



Source: OWIN, 2026

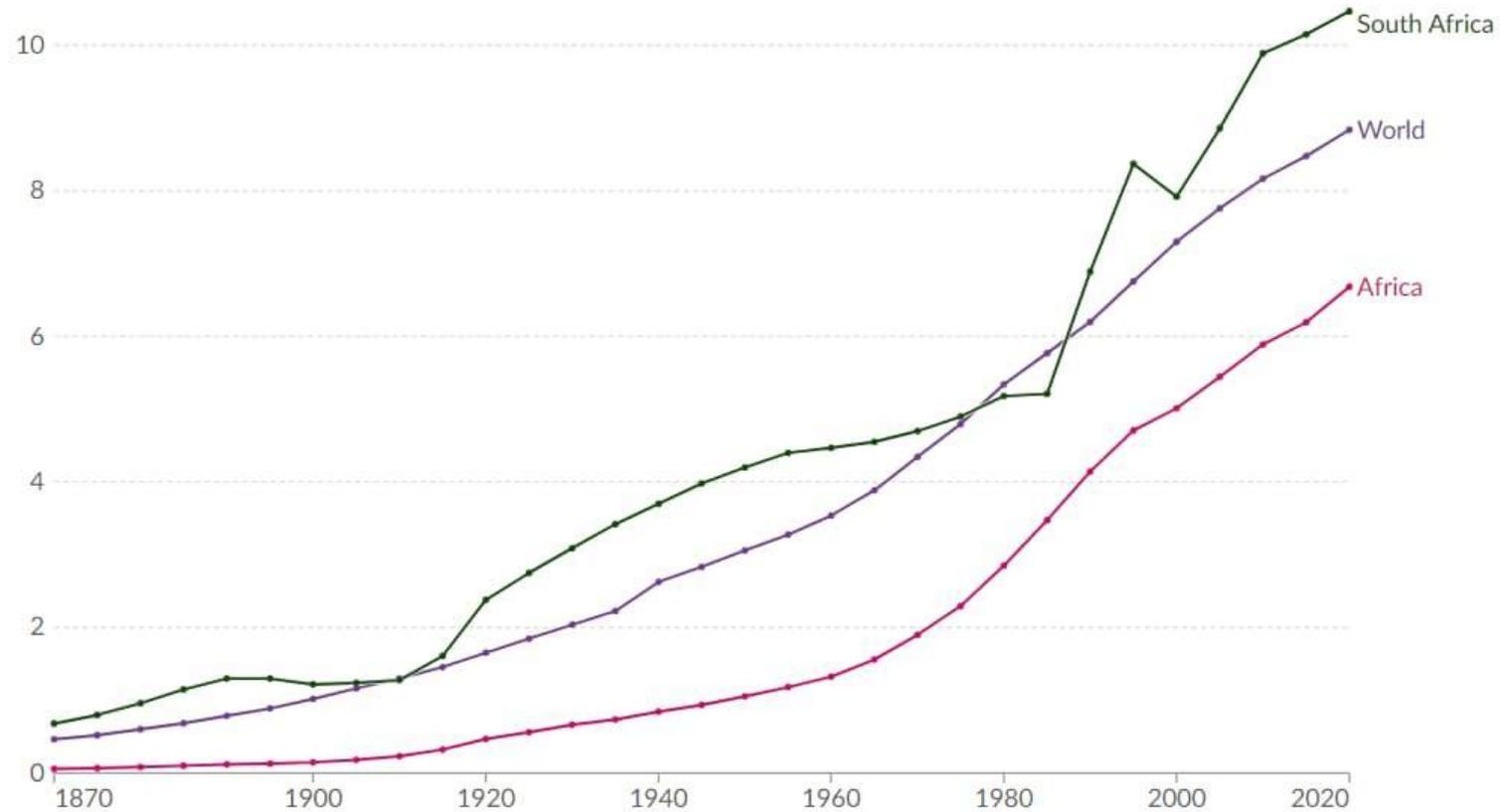
INDIVIDUALS USING THE INTERNET (% OF POPULATION)



Source: Efficient Group, OWID, 2026

Average years of schooling

Average years of formal education for individuals aged 15-64.

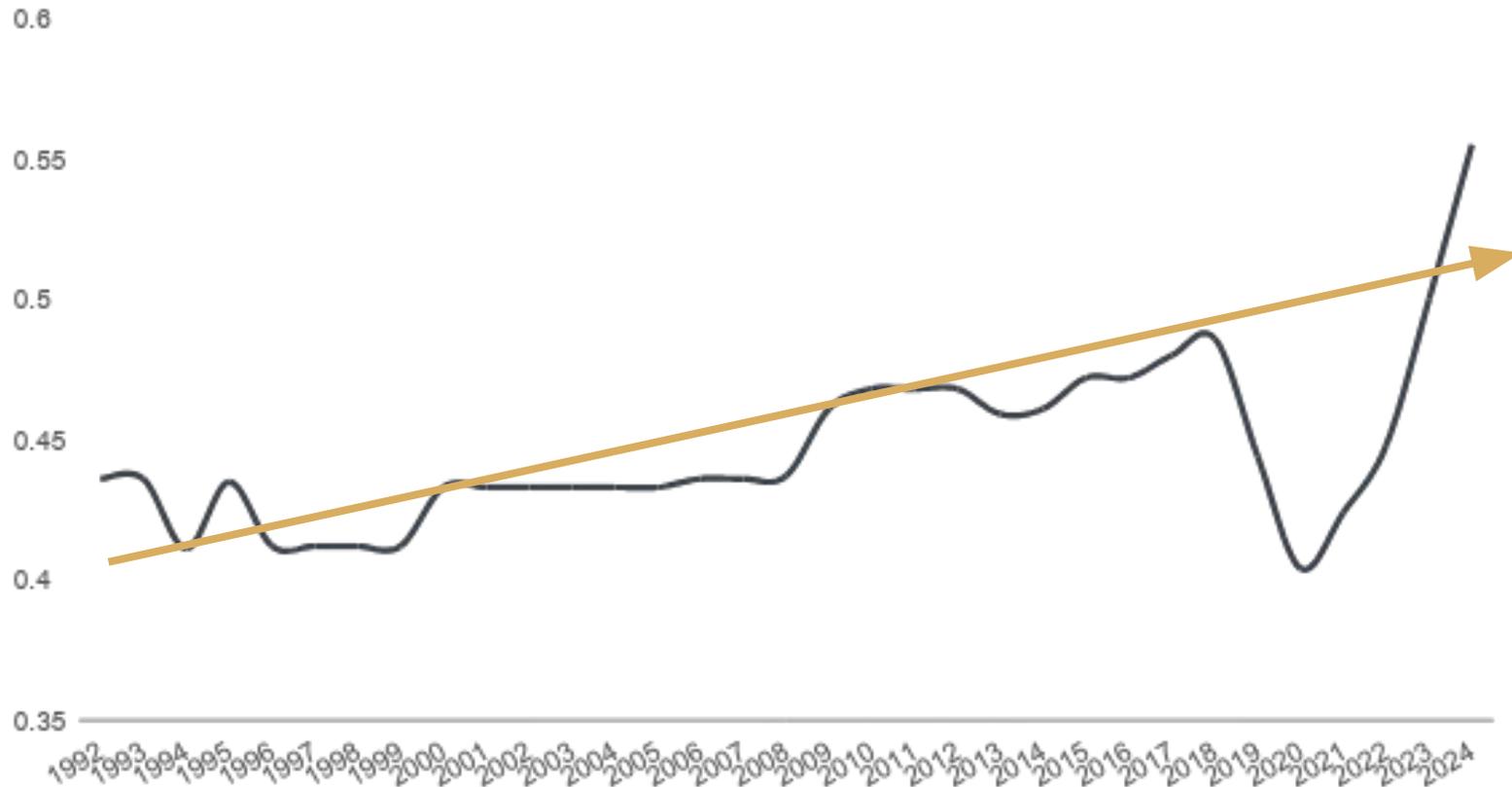


Data source: Barro and Lee (2015); Lee and Lee (2016)

OurWorldInData.org/global-education | CC BY

Note: Formal education is primary¹/ISCED 1 or higher. This does not include years spent repeating grades. Data for the years before 2015 are estimates, while data from 2015 onwards are projections.

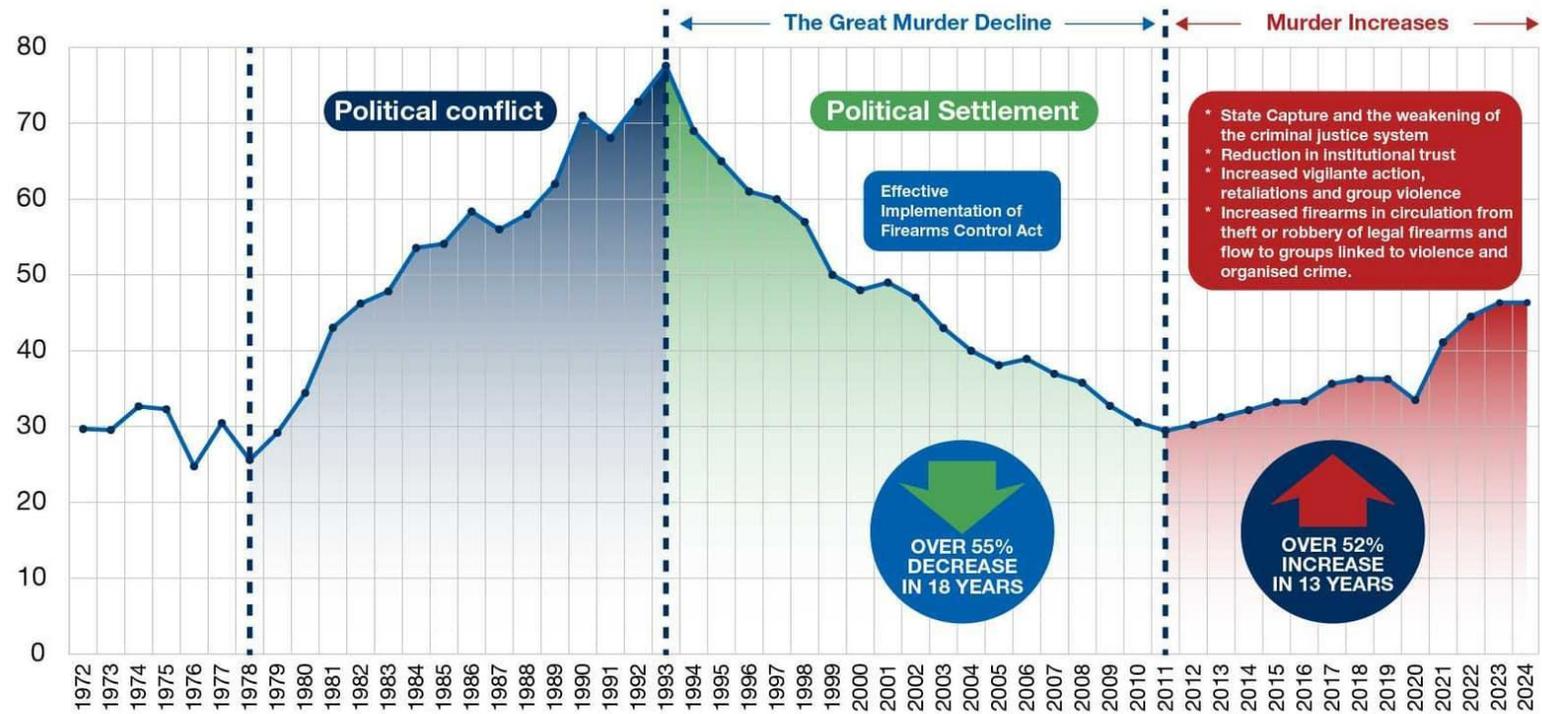
POLITICAL CORRUPTION INDEX



*Expert estimates of the extent to which the executive, legislative, judiciary, and bureaucracy engage in bribery and theft, and the making and implementation of laws that are susceptible to corruption. The index ranges from 0 to 1 (highly corrupt).

Source: Varieties of Democracy, OWID, 2026

SOUTH AFRICA'S MURDER RATE OVER 50 YEARS*



*Murders per 100 000 population as recorded by the police over 50+ years

Sources: Global Initiative Against Transnational Crime, Strategic Organised Crime Risk Assessment: South Africa, 2022 and Institute for Security Studies, 2023 and 2024.



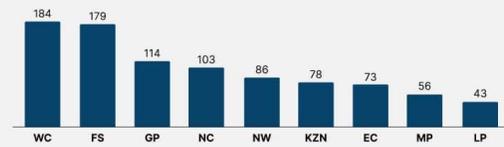
Violence against women: reported cases in SA double in four years

Violence may have increased, or more cases are being reported

Women targeted in domestic violence incidents



Domestic violence against women per 100k people in each province, 2023/24



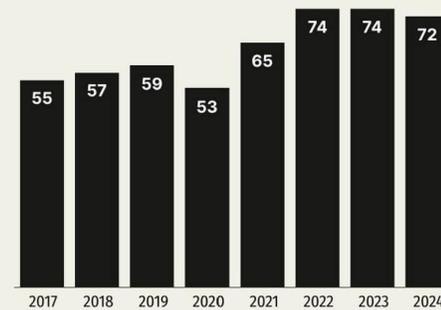
Note: The South African Police Service uses crimes committed in a domestic relationship as a proxy for gender-based violence.
Source: Minister of Police response to parliamentary question (June 2023); Statistics South Africa Mid-year population estimates 2024

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72 people murdered a day in South Africa in 2024

The police crime stats reported 26,232 murders in 2024

Average number of murders per day



Source: South African Police Service, crime stats, 2017 - 2024. Murders are per calendar year.

Figure 6 – Trends in sexual offences, 2020/21–2024/25

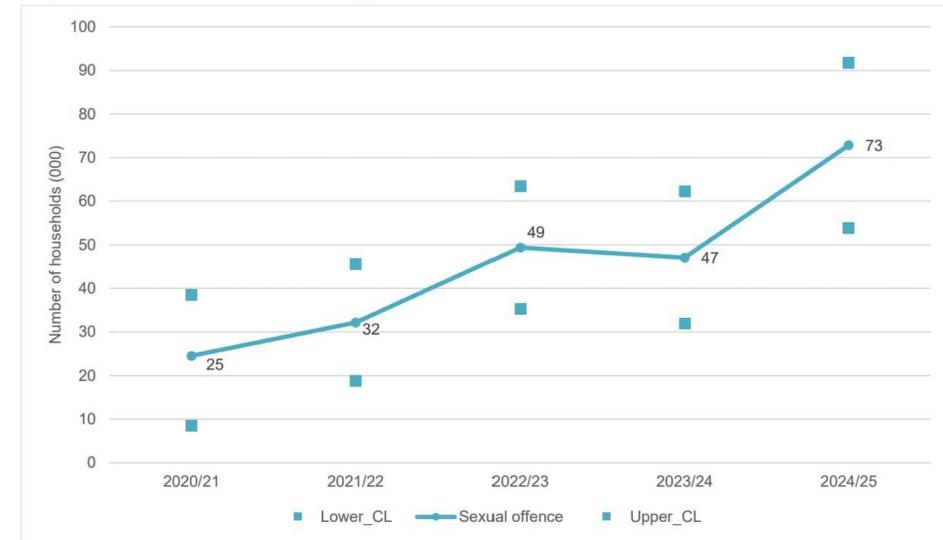


Figure 2 – Trends in home robbery, 2020/21–2024/25

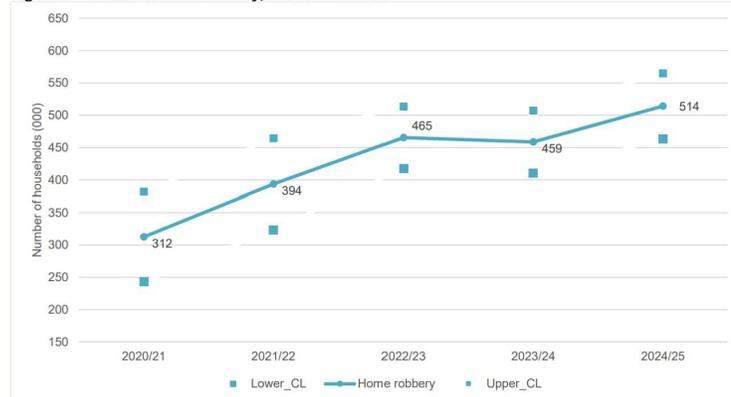
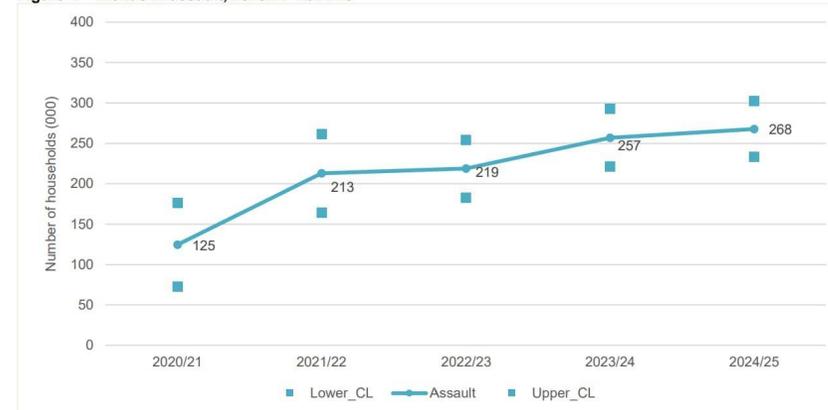


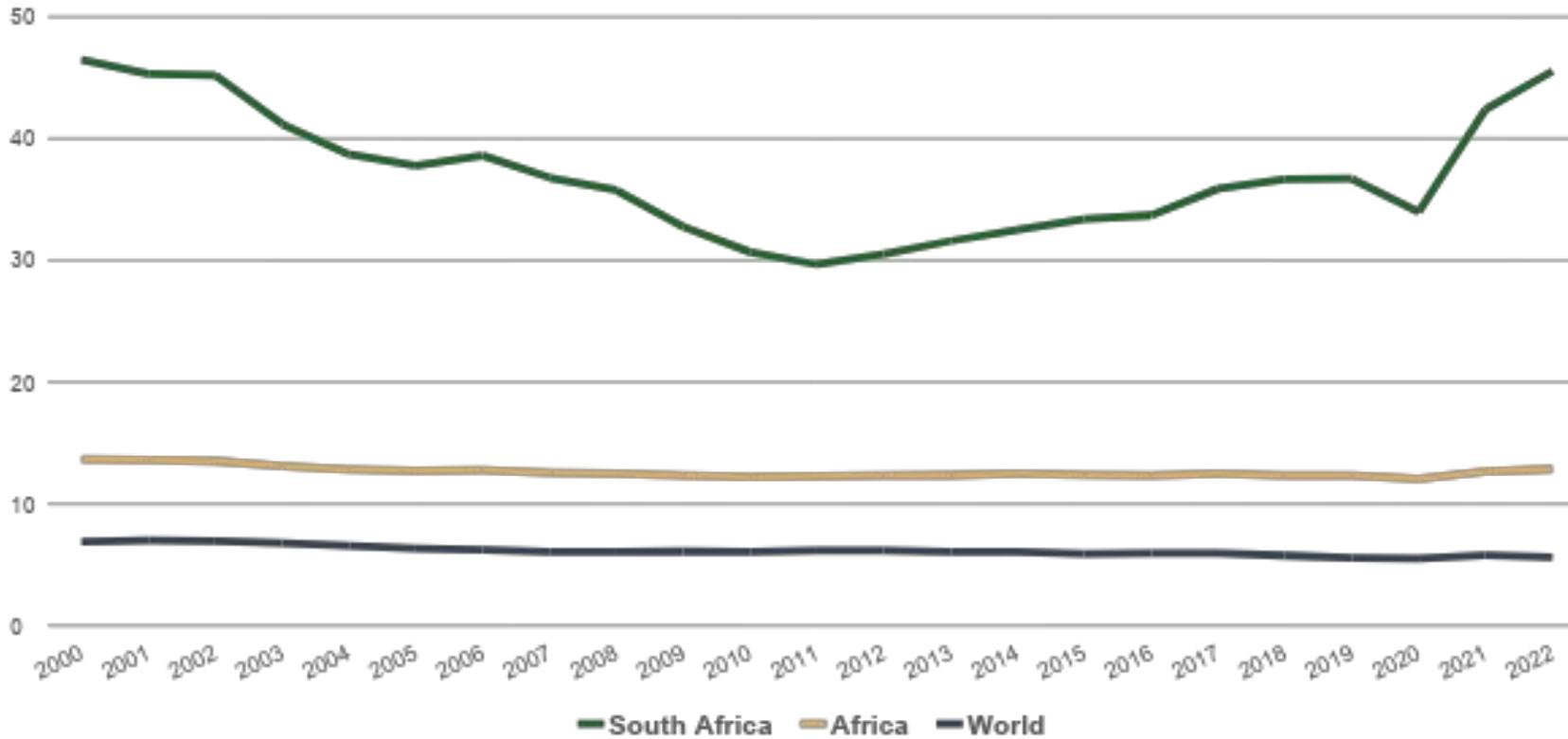
Figure 4 – Trends in assault, 2020/21–2024/25



Source: Stats SA, 2026

HOMICIDE RATE

Annual number of deaths from homicide per 100 000 people



The homicide rate in 2023 increased by 68% since 2012 to 45 murders per 100 000 people

Source: Institute for Security Studies, OWID, 2024

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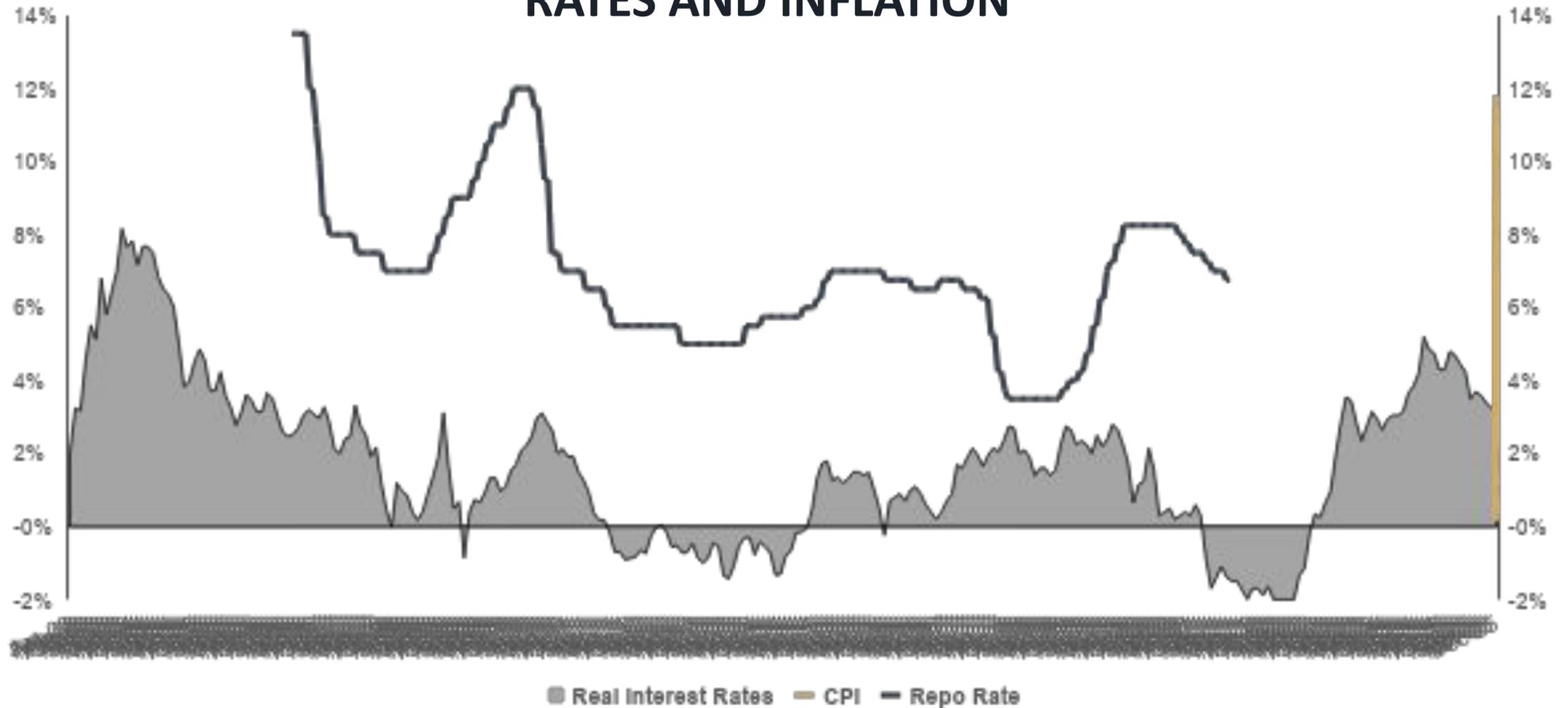


SA ECONOMIC TRENDS

Financial Planning | Investments | Insurance
Life Assurance | Business Assurance
Employee Benefits | Fiduciary Services
Healthcare

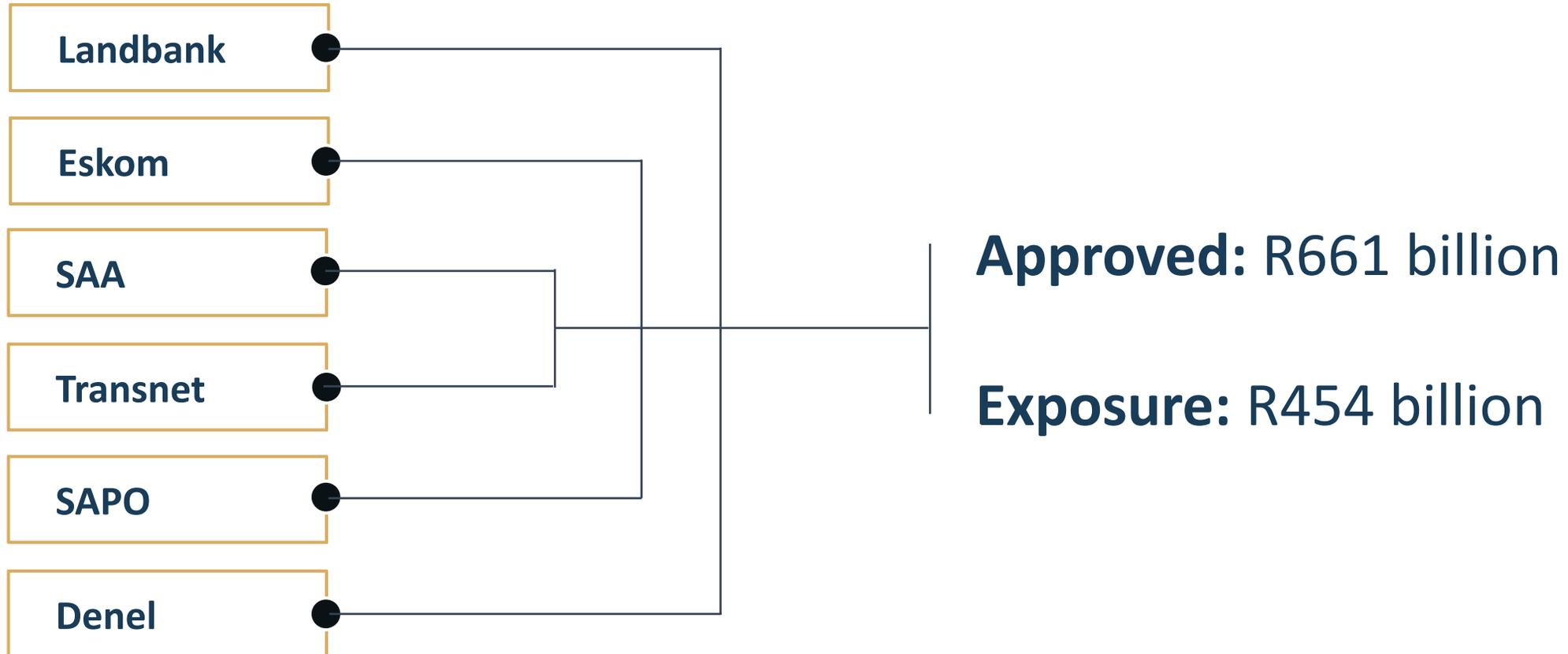
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RATES AND INFLATION



Source: SARB, 2026

SOE DEBT (2025/2026)



Source: National Treasury, 2025



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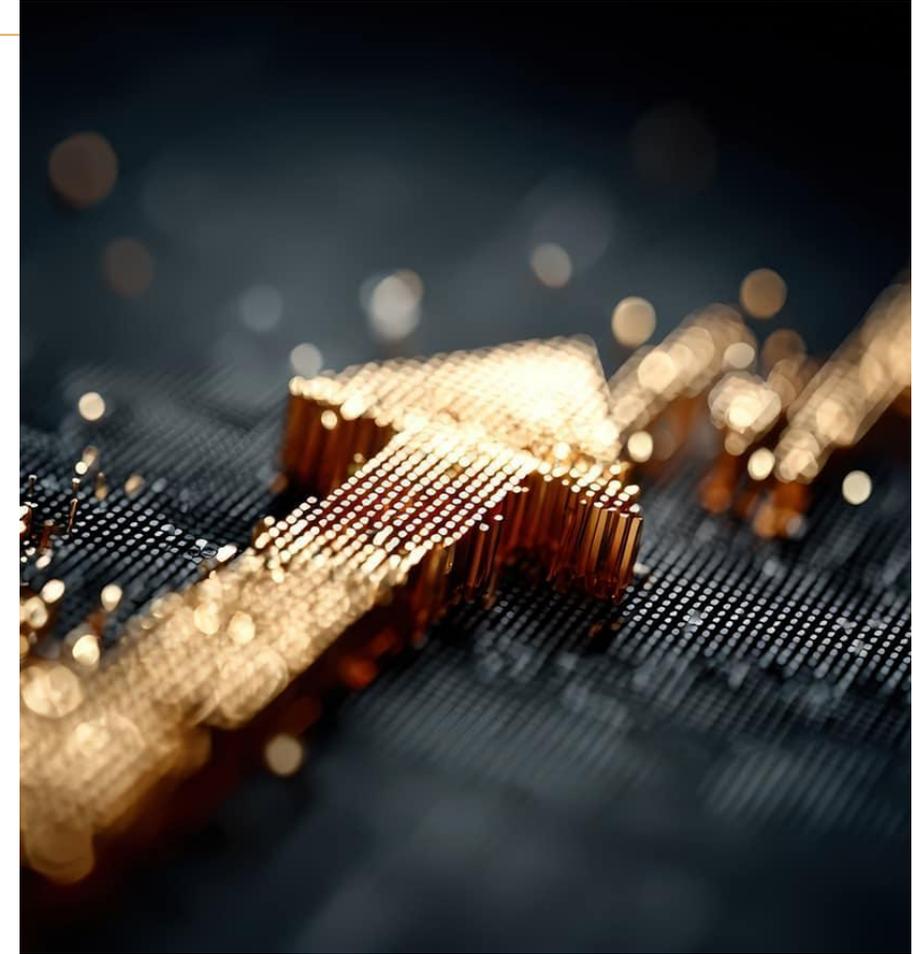
SA BUDGET

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Life Assurance | Business Assurance
Employee Benefits | Fiduciary Services
Healthcare

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THE FISCAL SETTING

- + Weak growth
- + Ballooning deficits
- + Unsustainable debt
- + Rising dependency on the state
- + Narrow tax base
- + Inefficiencies
- + Corruption

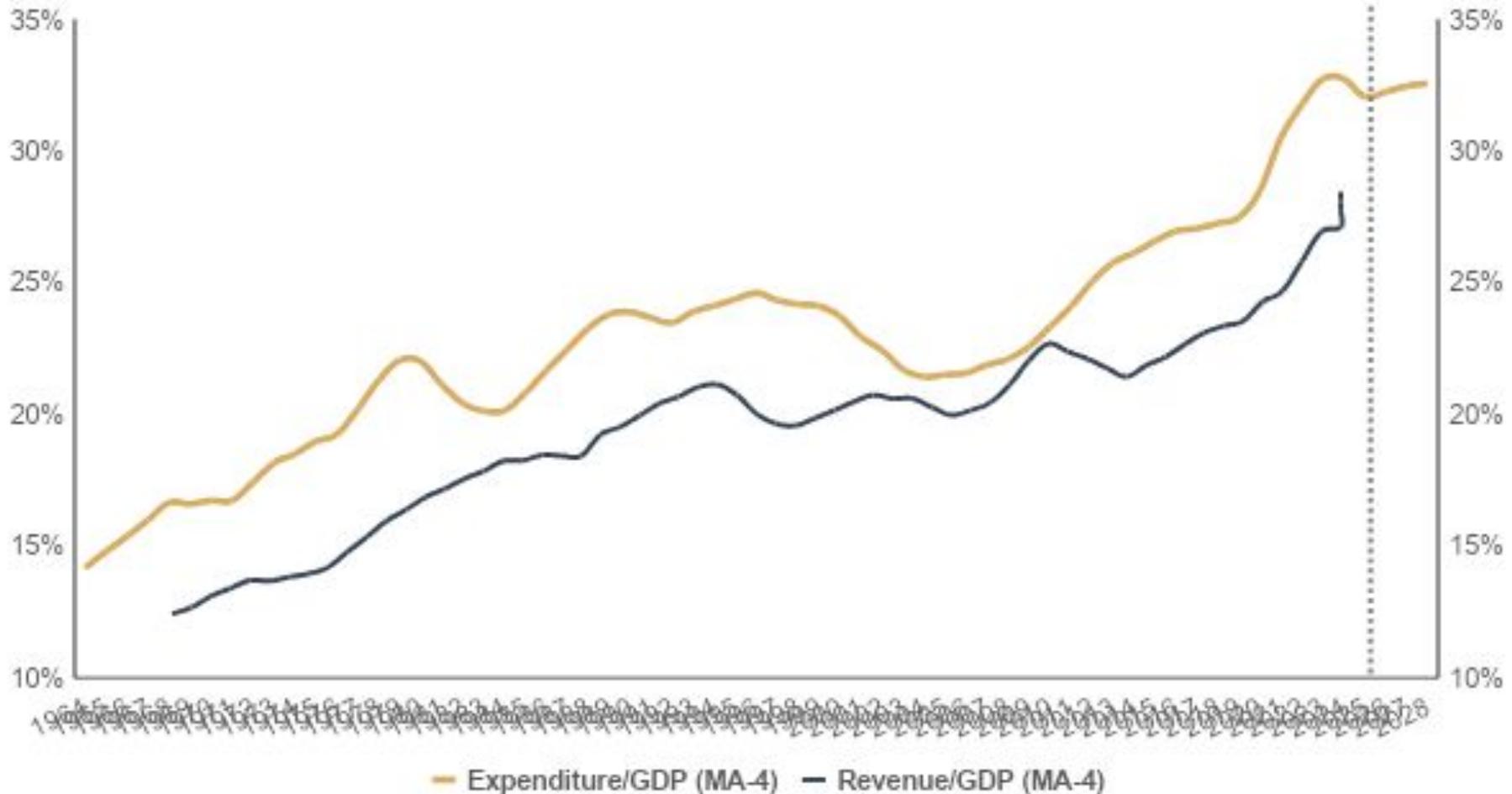


CAN THIS BE THE TURN AROUND?

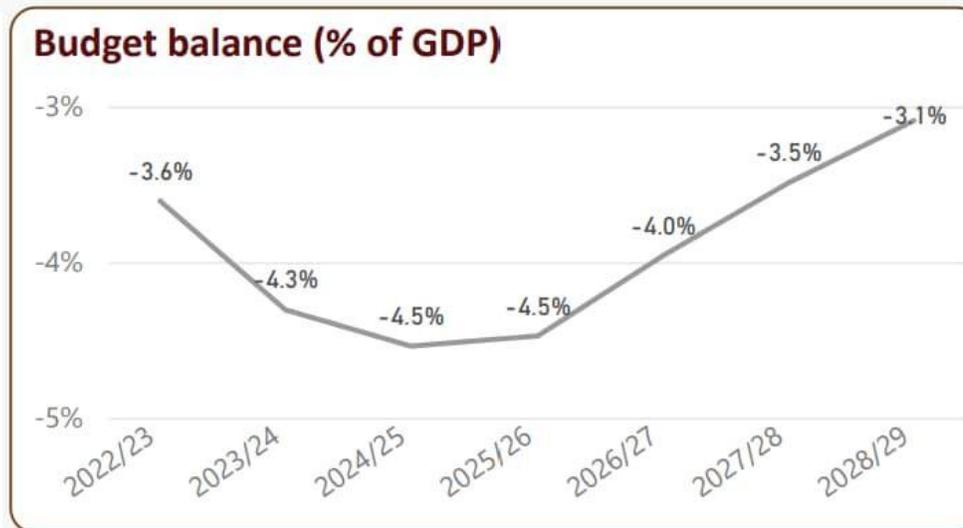
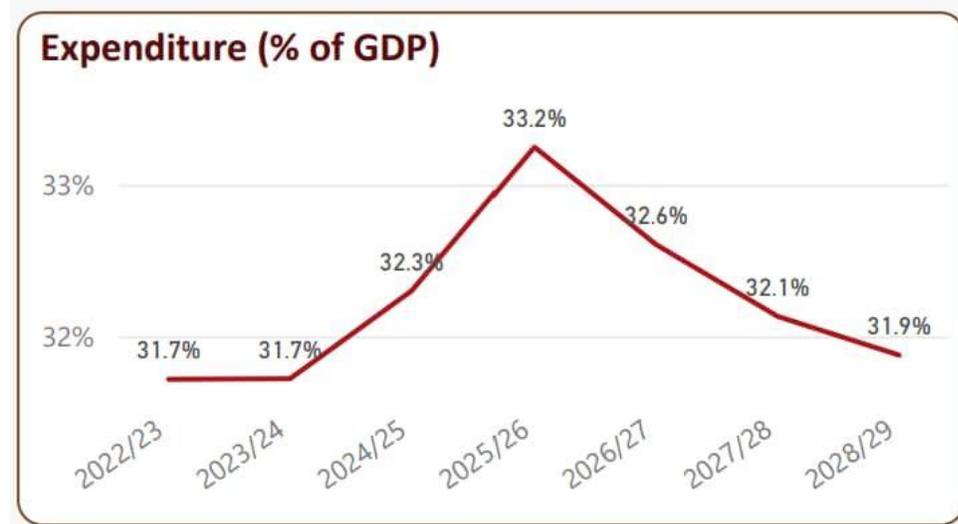
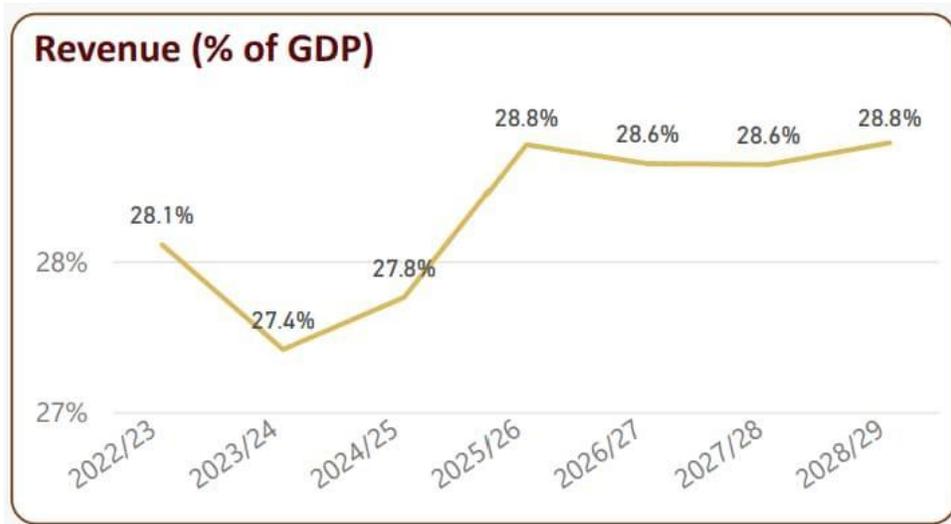
- + Revenue overrun with R31 billion
- + Weak, yet better growth
- + Bond yields much lower
- + Equities rally
- + Rand much stronger
- + Interest rates lower
- + Deficit narrows
- + Debt service cost lower
- + Off FATF's grey list
- + Rating upgrade
- + New inflation target (3%)



GOVERNMENT FINANCES (% OF GDP)



Source: National Treasury, Efficient Group, 2025



Source: National Treasury, Efficient Group, 2025

CONSOLIDATED FISCAL FRAMEWORK

R billion/percentage of GDP	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Outcome			Estimate	Medium-term estimates		
Revenue	1 902.4	1 950.2	2 053.8	2 231.7	2 345.4	2 467.3	2 612.7
	28.1%	27.4%	27.8%	28.8%	28.6%	28.6%	28.8%
Expenditure	2 146.6	2 256.7	2 389.8	2 578.9	2 669.7	2 768.1	2 893.4
	31.7%	31.7%	32.3%	33.2%	32.6%	32.1%	31.9%
Budget balance	-244.2	-306.5	-336.0	-347.2	-324.3	-300.8	-280.7
	-3.6%	-4.3%	-4.5%	-4.5%	-4.0%	-3.5%	-3.1%
Gross domestic product	6 768.2	7 114.4	7 398.9	7 756.7	8 188.1	8 615.1	9 077.3

Source: National Treasury, 2025

THE MINISTER'S ESTIMATES

MACROECONOMIC PERFORMANCE AND PROJECTIONS					
Percentage change	2024	2025	2026	2027	2028
	Actual	Estimate	Forecast		
Household consumption	1.0	3.1	1.8	2.0	2.2
Gross fixed-capital formation	-3.9	-2.0	2.4	3.3	3.9
Exports	-2.8	-2.0	1.6	2.4	2.9
Imports	-6.4	1.0	3.0	2.9	3.1
Real GDP growth	0.5	1.4	1.6	1.8	2.0
CPI inflation	4.4	3.2	3.4	3.3	3.2
Current account balance (% of GDP)	-0.7	-0.9	-1.0	-1.2	-1.3

Source: National Treasury, 2025

GDP



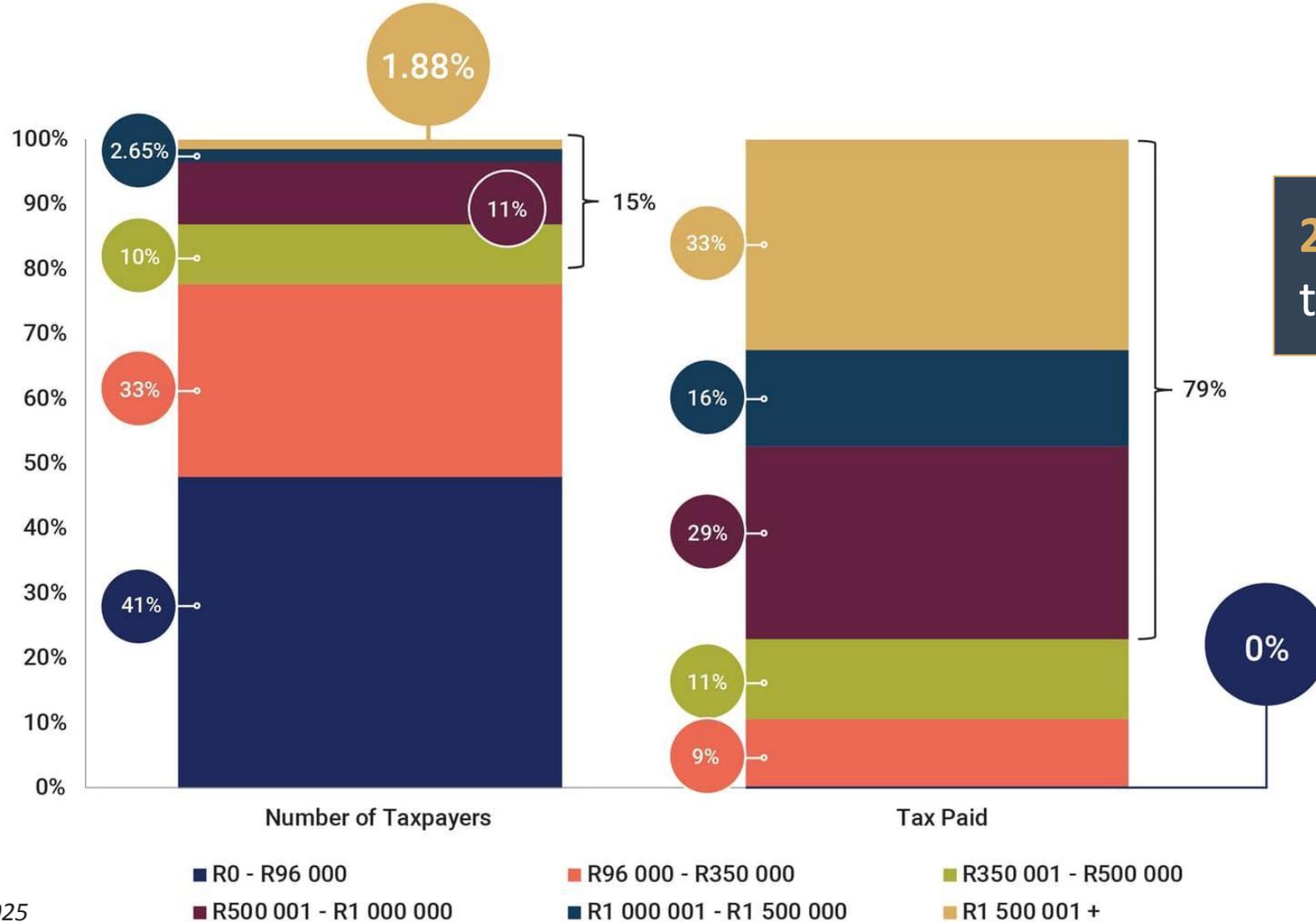


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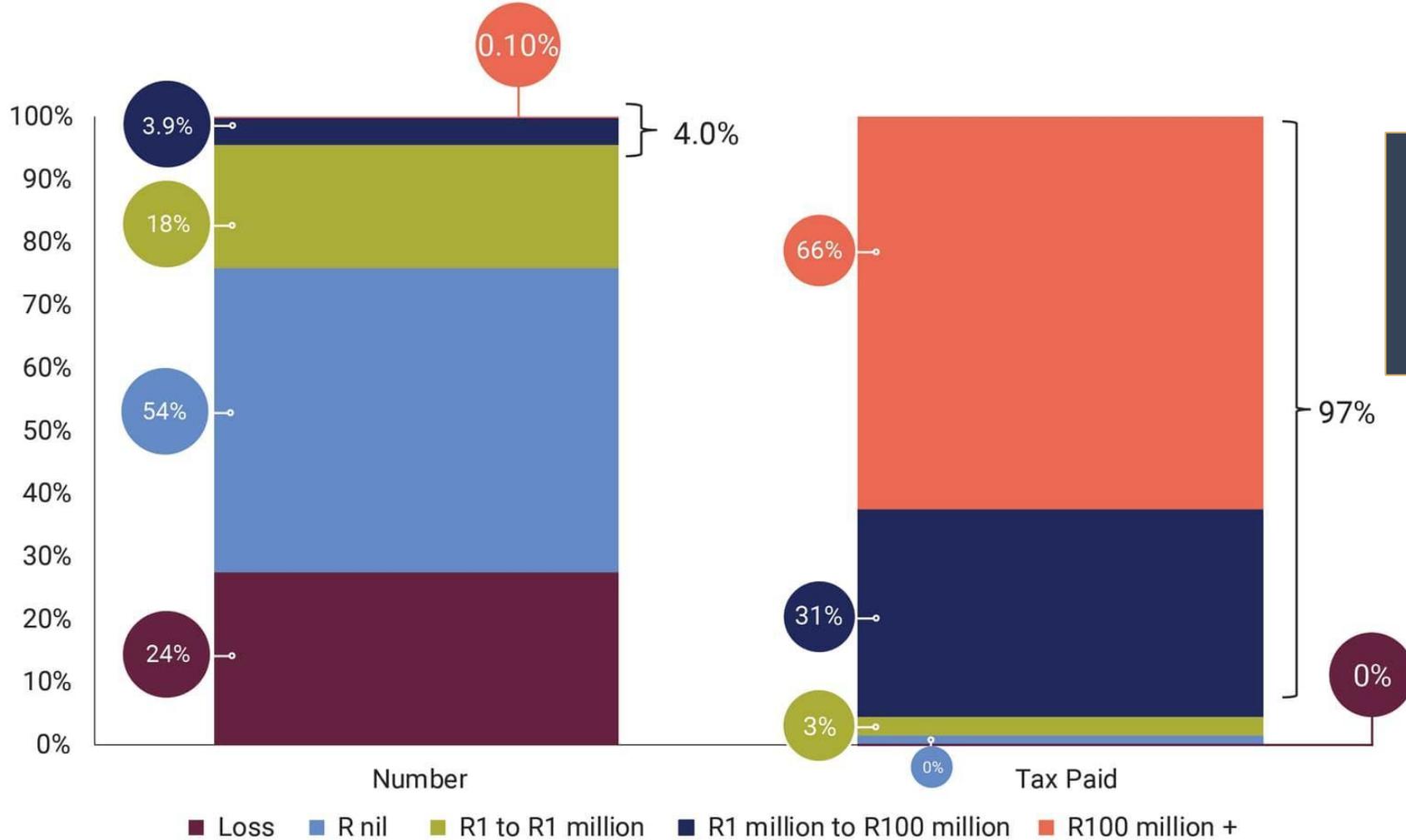
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Healthcare

WHO PAYS WHAT
(PIT, 2025)



Source: National Treasury, 2025

**WHO PAYS WHAT
(CIT, 2023)**



1 195 (0.1%) of companies pay 66% of all CIT

Source: SARS, 2025

REVENUE

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REVENUE ANNOUNCEMENTS

- + Capital gains tax exclusion: R2 million to R3 million
- + Capital gains tax exclusion on death: R300 000 to R440 000
- + Donations tax threshold: R100 000 to R150 000
- + Tax-free savings: R36 000 to R46 000
- + Retirement contribution: R350 000 to R430 000
- + Travel allowance: R1 million to R2 million

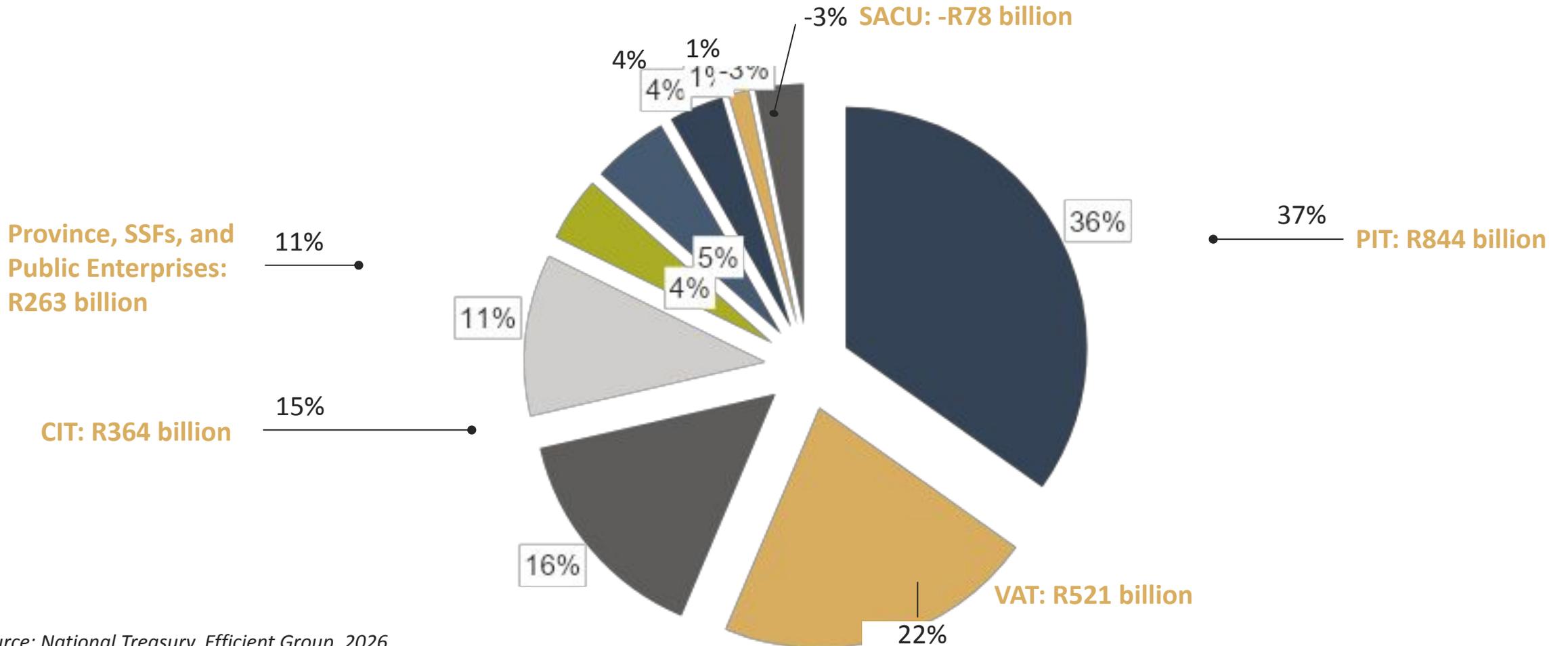
REVENUE

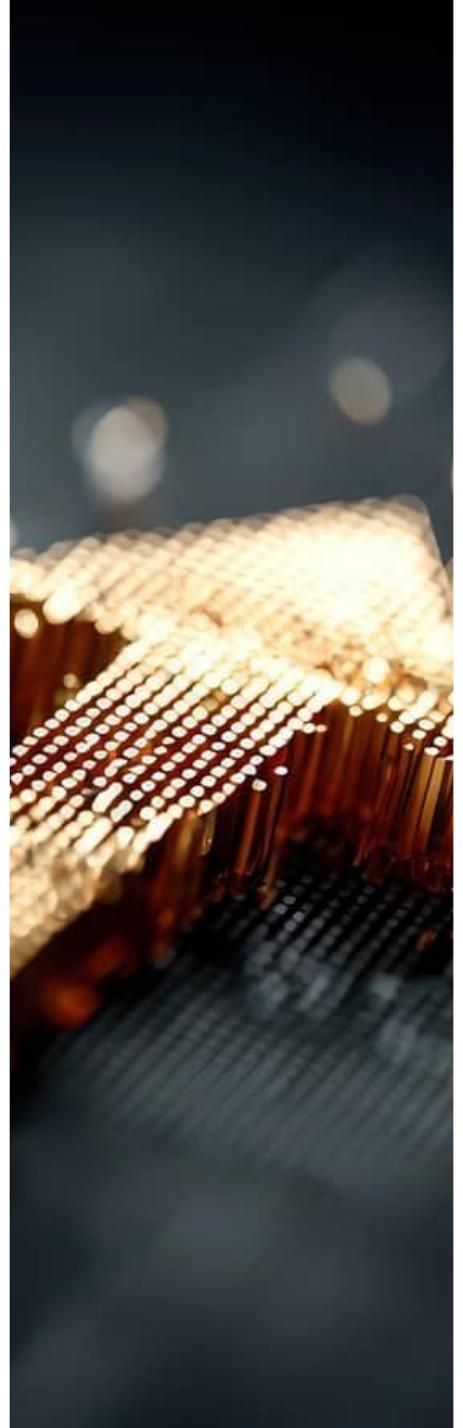
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REVENUE ANNOUNCEMENTS

- + Fuel Levy up 9c
- + Carbon tax up 5c
- + RAF up 7c
- + PIT brackets adjusted for inflation
- + VAT threshold: R1 million to R2.3 million
- + Withdrawal of R20 billion provisional increase

**REVENUE COMPOSITION
R2.35 TRILLION (2026/2027)**



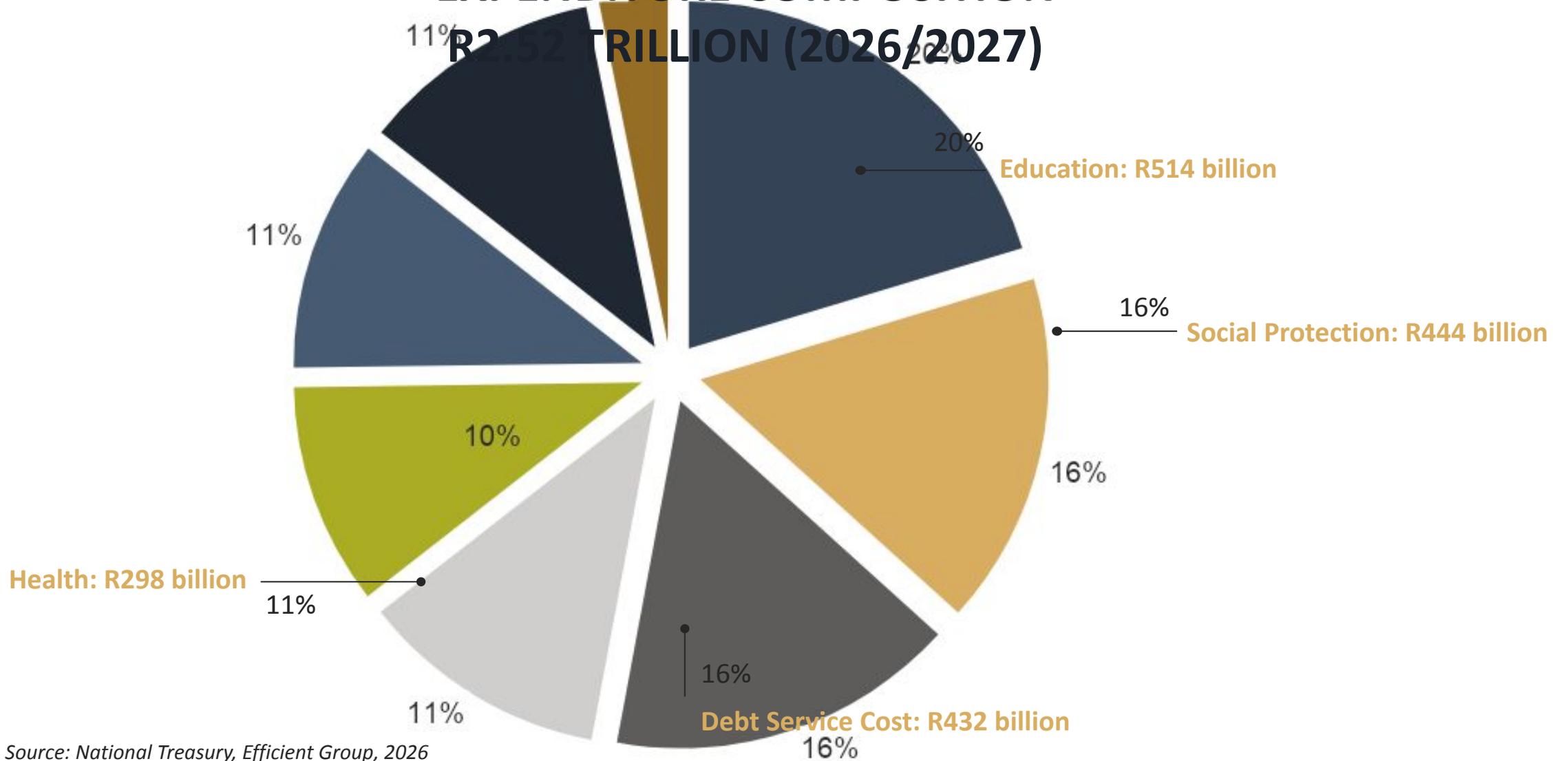


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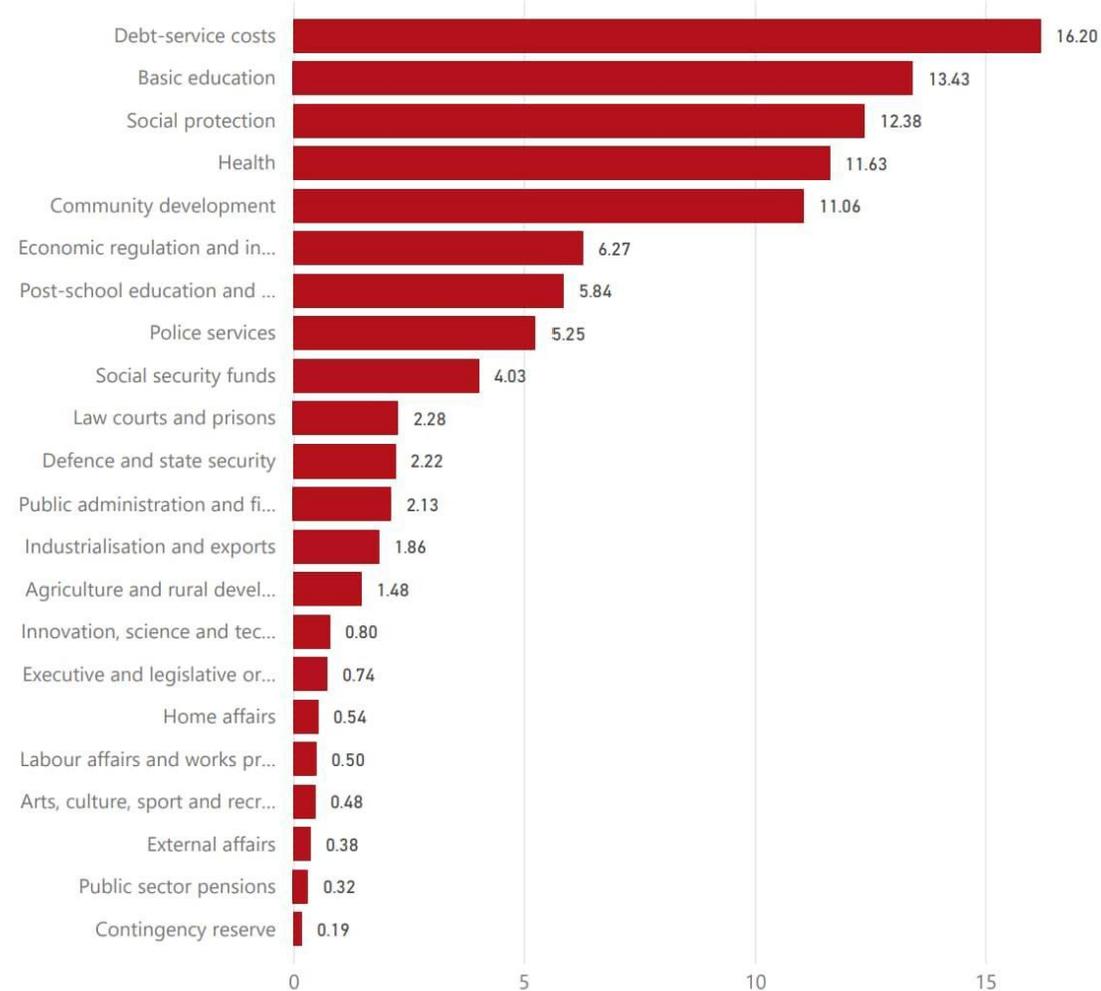
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EXPENDITURE COMPOSITION
R2,52 TRILLION (2026/2027)



Source: National Treasury, Efficient Group, 2026

Expenditure by sub-function

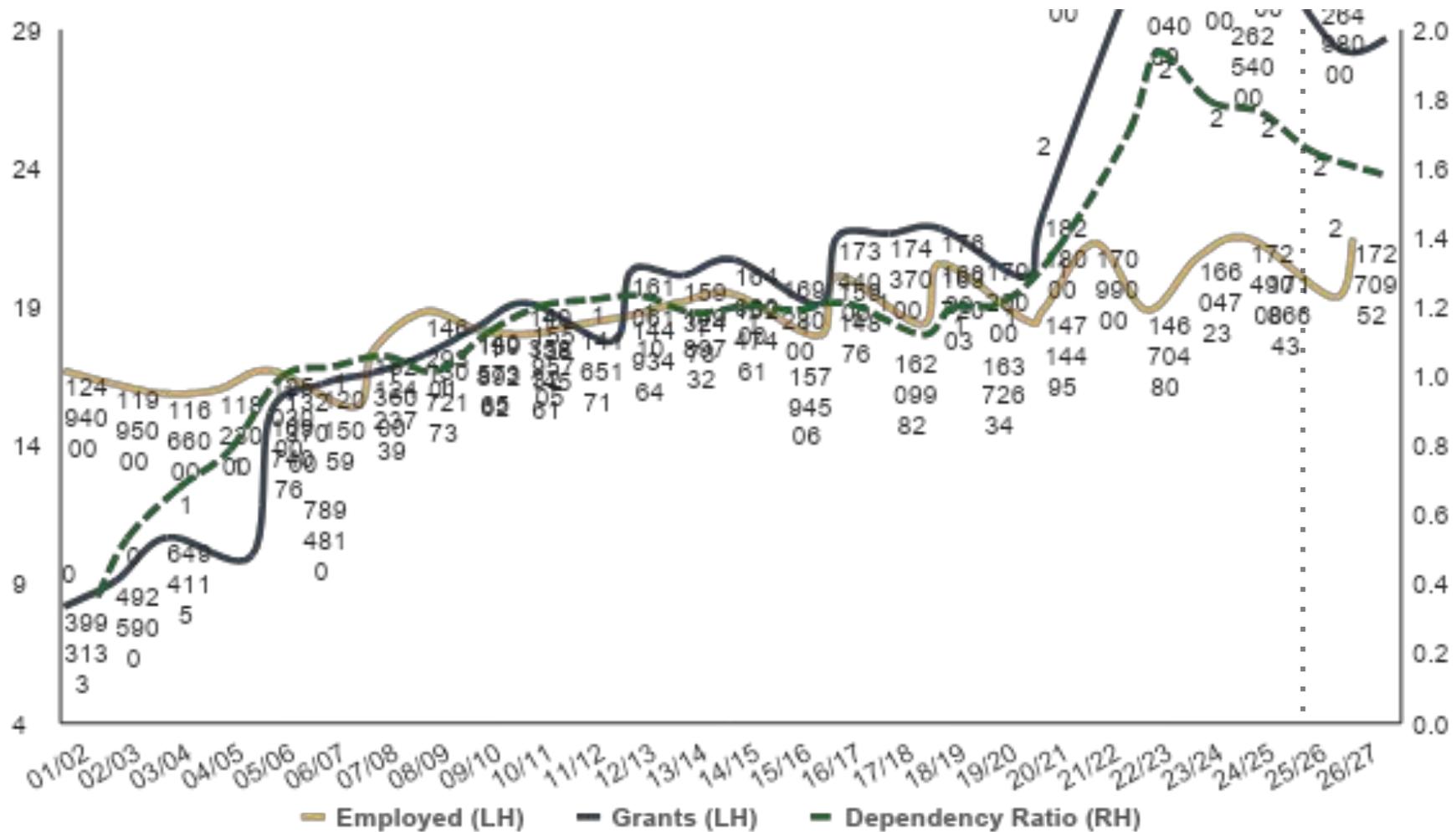


Source: National Treasury, 2026

Social grant beneficiary numbers by grant type				
(thousands)	2025/26	2026/27	2027/28	2028/29
Child support	12 860	12 612	12 380	12 164
Old age ¹	4 199	4 267	4 337	4 408
Disability	1 059	1 072	1 085	1 098
Foster care	184	154	130	110
Care dependency	179	184	189	194
Social relief of distress	7 773	8 209		
Total	26 254	26 498	18 120	17 975

Source: Stats SA, National Treasury, Efficient Group, 2026

GRANTS AND EMPLOYEES



Source: Stats SA, National Treasury, Efficient Group, 2026

Select year:

2022/23

2023/24

2024/25

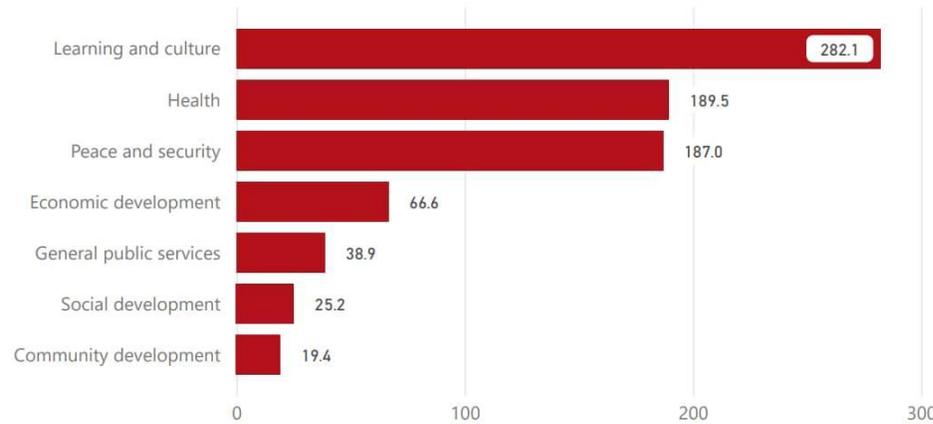
2025/26

2026/27

2027/28

2028/29

CoE spending by function group (R billion)



% of non-interest spending

37.6%

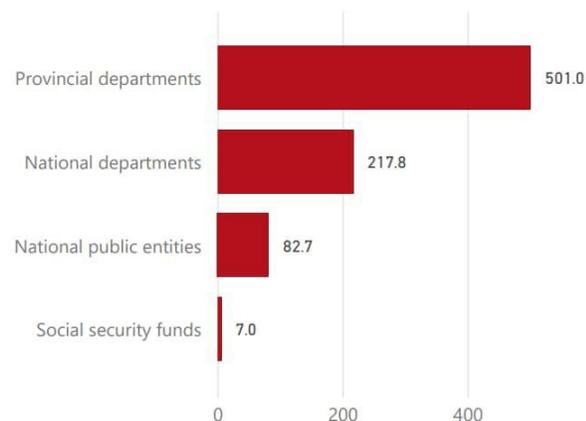
Avg. % growth historically

5.5%

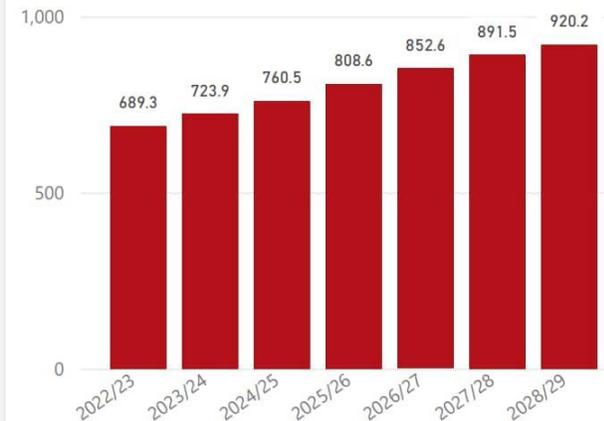
Avg. % growth over MTEF

4.4%

CoE spending by component (R billion)



CoE spending trend (R billion)



Source: National Treasury, 2026

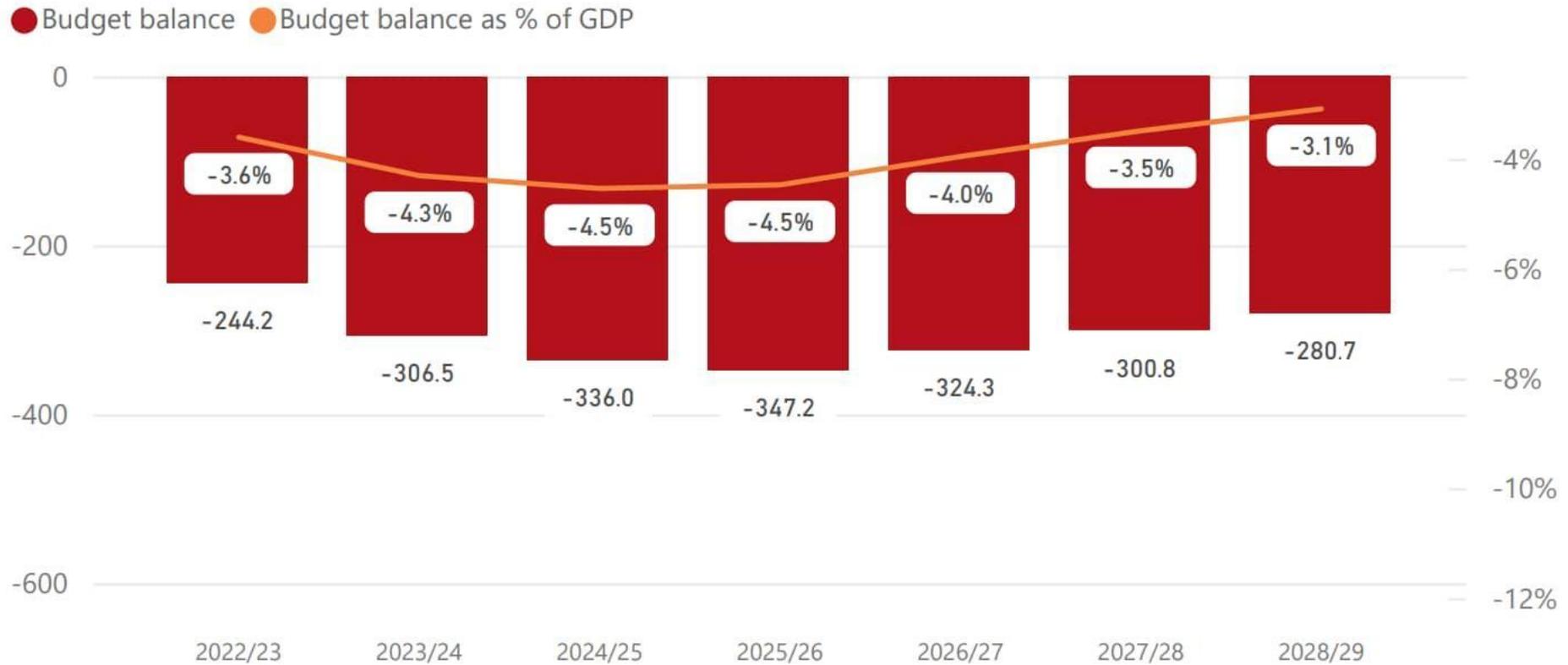
- + **SA population: 63.1 million**
- + **Civil servants (excluding local authorities and SOEs): 1.2 million**
- + **Civil servants as % of total population: 1.9%**
- + **Wage bill as % of GDP: 10.5%**
- + **Average wage of a civil servant is ± R700 000 per annum (± R58 300 per month)**
- + **MTEF Budget: 4.4% increase**
- + **Inflation target: 3%!**

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Budget balance (R billion) and % of GDP



DEFICIT AND DEBT ANNOUNCEMENT
(Consolidated Budget)

Fiscal anchor – primary budget surplus

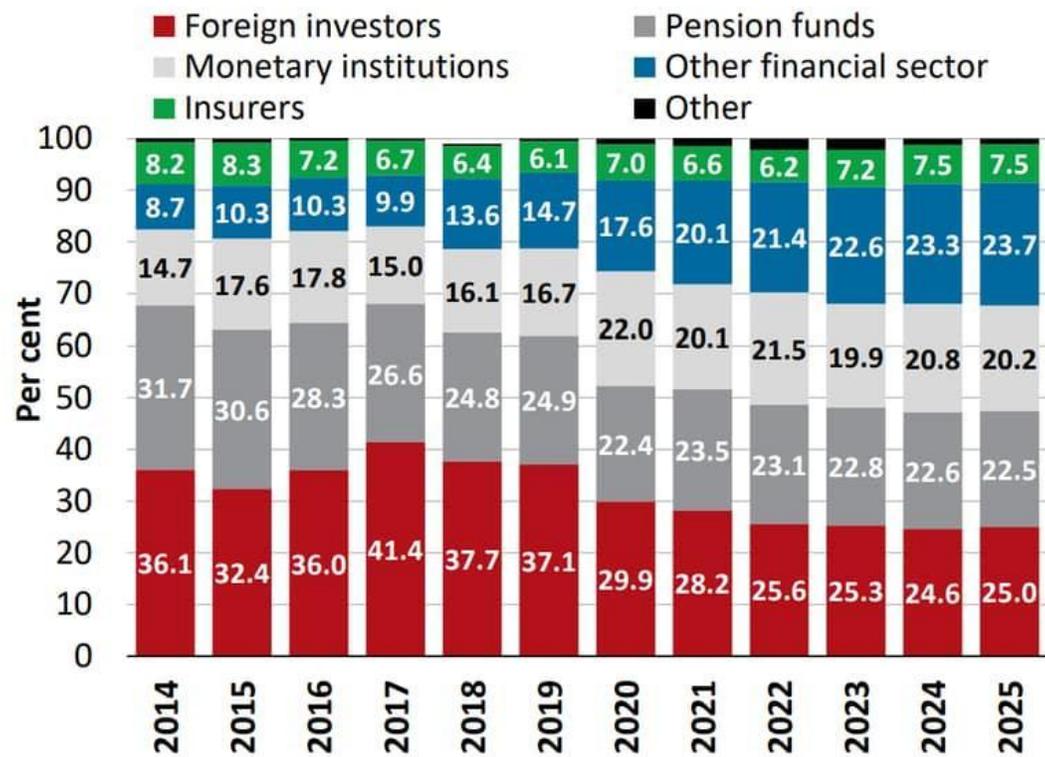
Deficit/GDP: -4.5% (2025/2026)

-4.0%
(2026/2027)

Debt/GDP: 78.9% (2025/2026)

77.3%
(2026/2027)

Figure 7.4 Ownership of domestic bonds



Source: National Treasury

Figure 7.5 Domestic bonds held by foreign

Investors

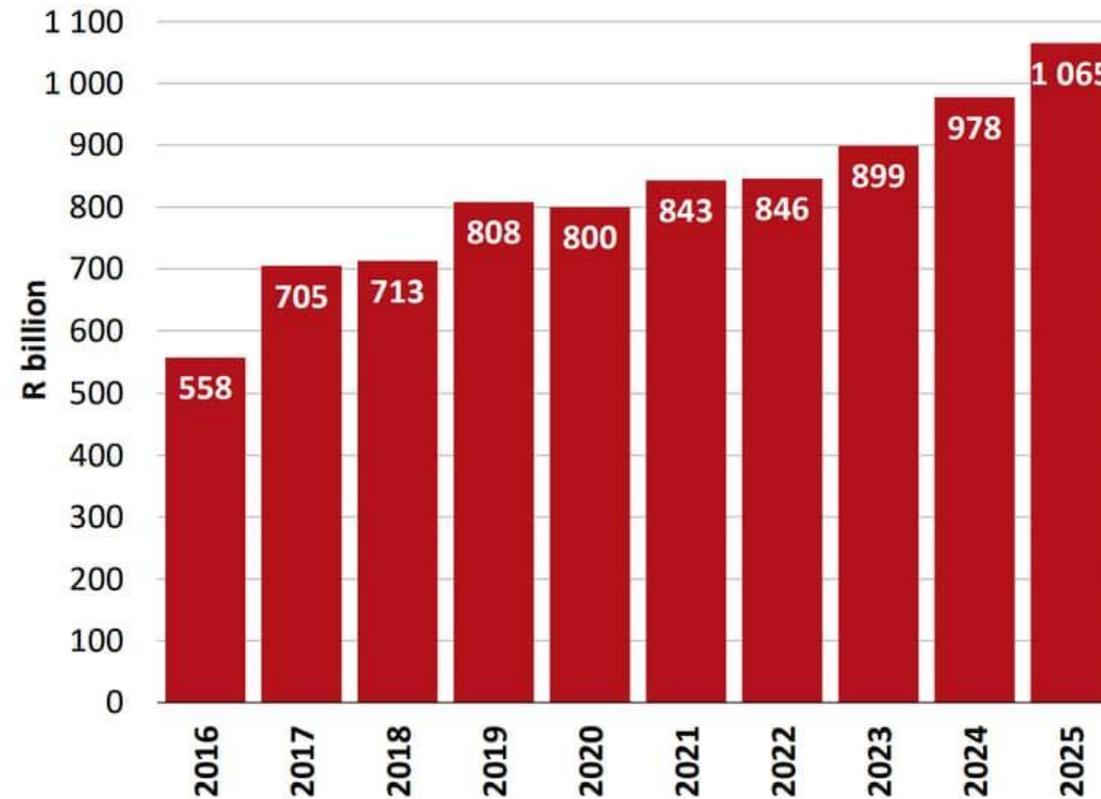
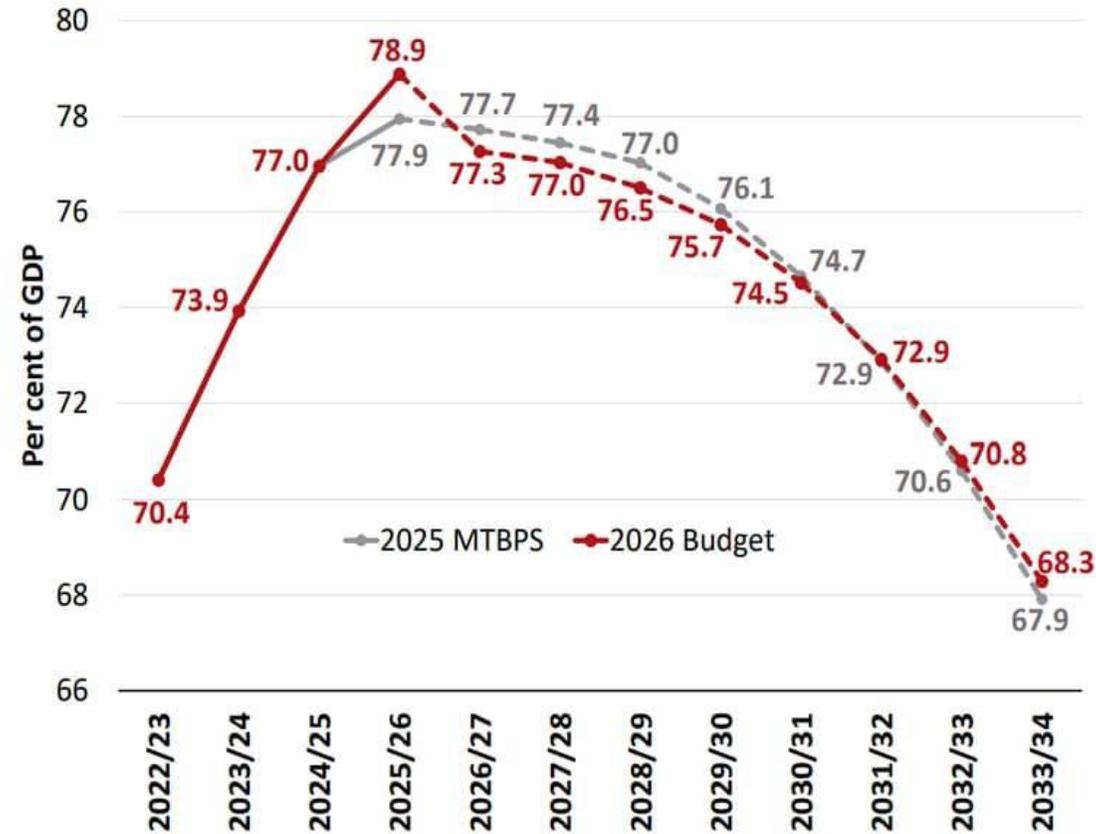
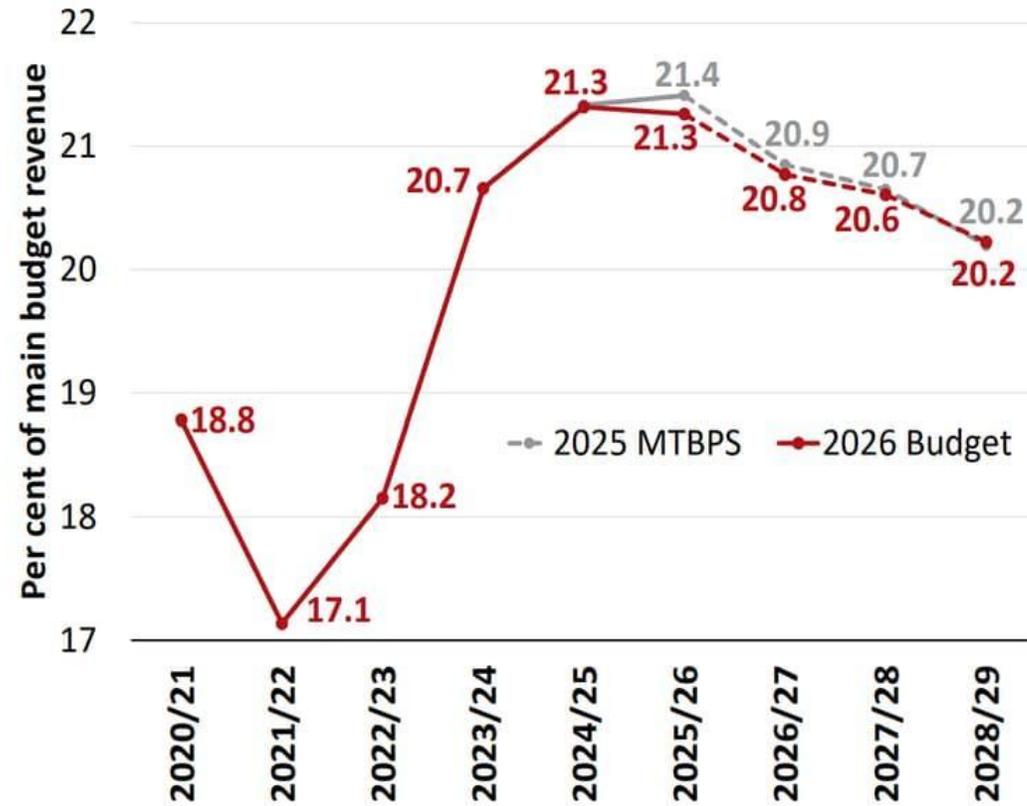


Figure 1.1 Gross debt-to-GDP outlook



Source: National Treasury

Figure 1.2 Debt-service costs to revenue



Source: National Treasury

Interest
payments
per year

R432.4 billion

Interest
payments
per second

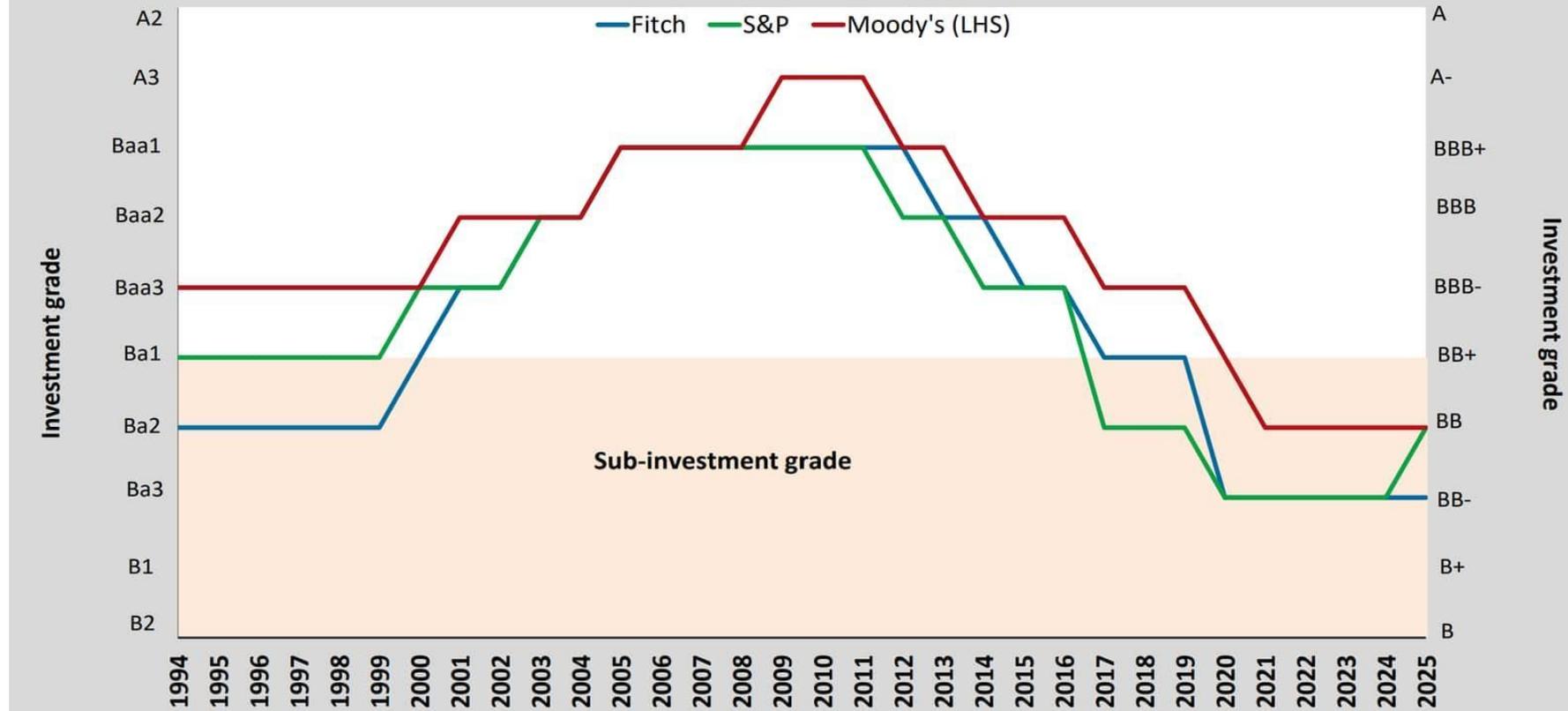
R13 711

R100 260

National
debt per
citizen

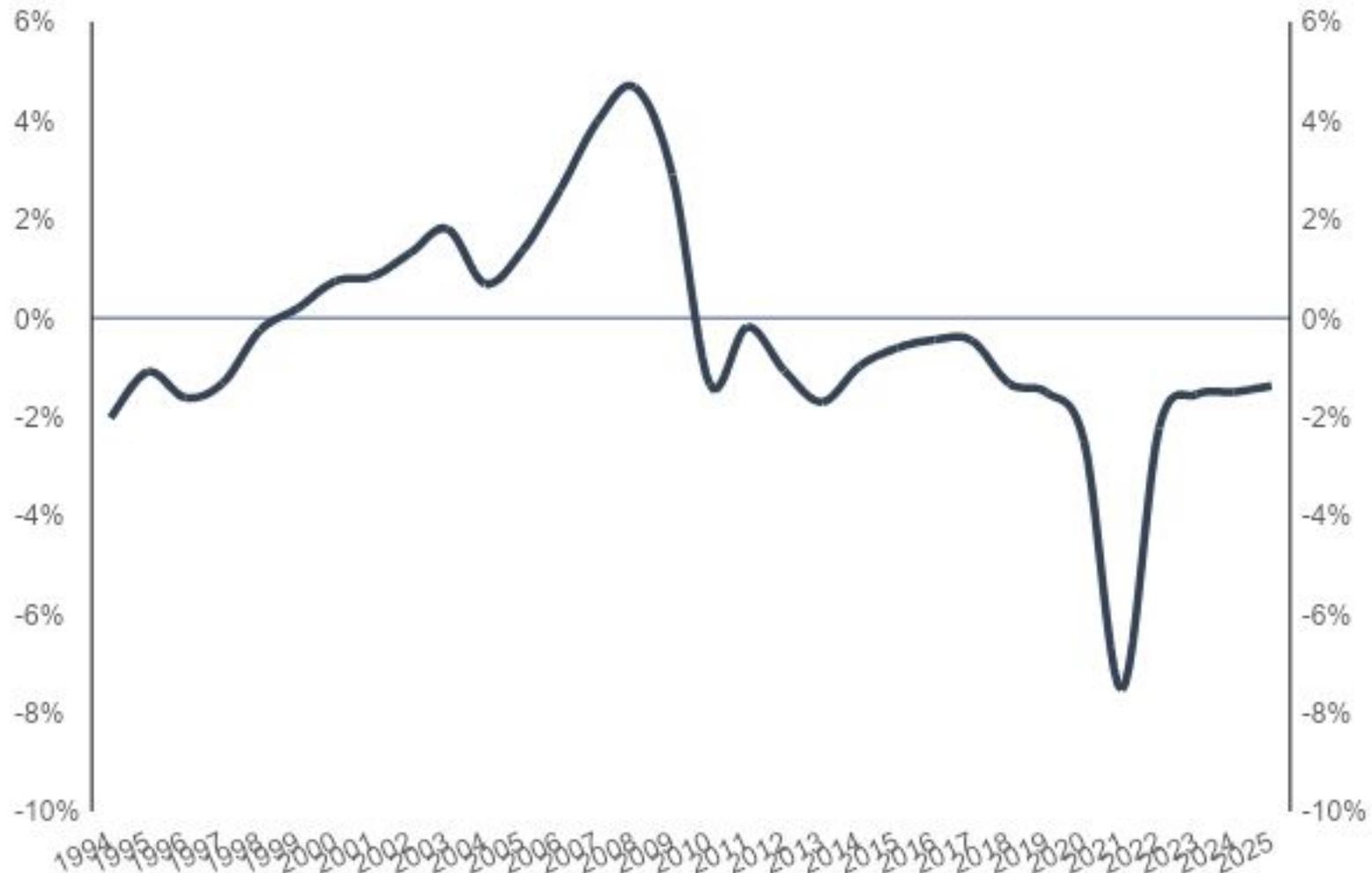
STILL A TICKING TIME BOMB
Government debt (2026/2027)

Figure 7.1 South Africa's credit ratings (1994–2025)



Source: Moody's, Fitch and S&P

STATE DISSAVING (% OF GDP)



R104 billion

Source: SARB, National Treasury, Efficient Group, 2026

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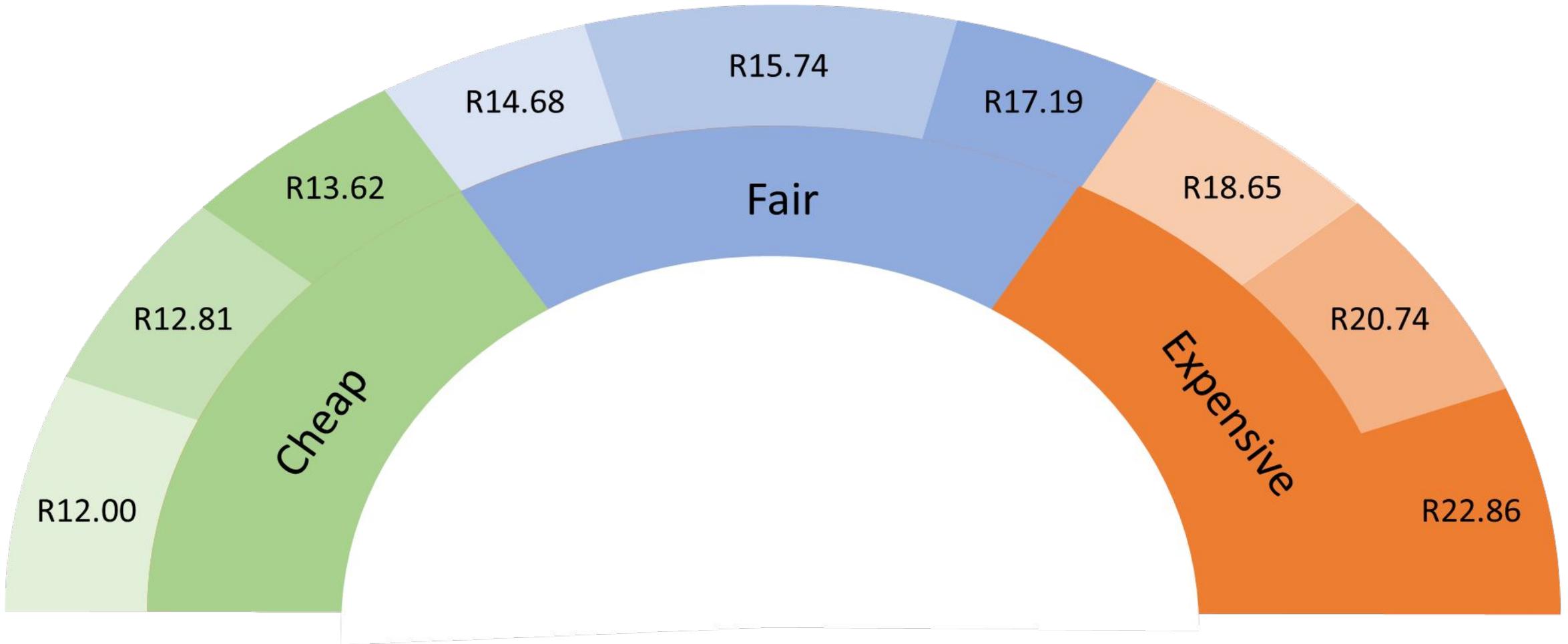
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FINAL IMPRESSIONS: NOW WHAT?

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Business Assurance | Employee Benefits | Fiduciary Services
Healthcare

- + **New fiscal anchor**
- + **Bank notes in possession: R25 000 to R100 000**
- + **Grey list**
- + **Lower inflation targets**
- + **BUT MORE IS REQUIRED:**
 - + EWC
 - + NHI
 - + BEE
 - + Local authorities
 - + SOEs

RAND FAIRNESS BAROMETER





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Thank you

Dawie Roodt

Efficient Group Chief Economist

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