



momentum

Safari into Credit

COVID and CREDIT both a “Numbers Game”

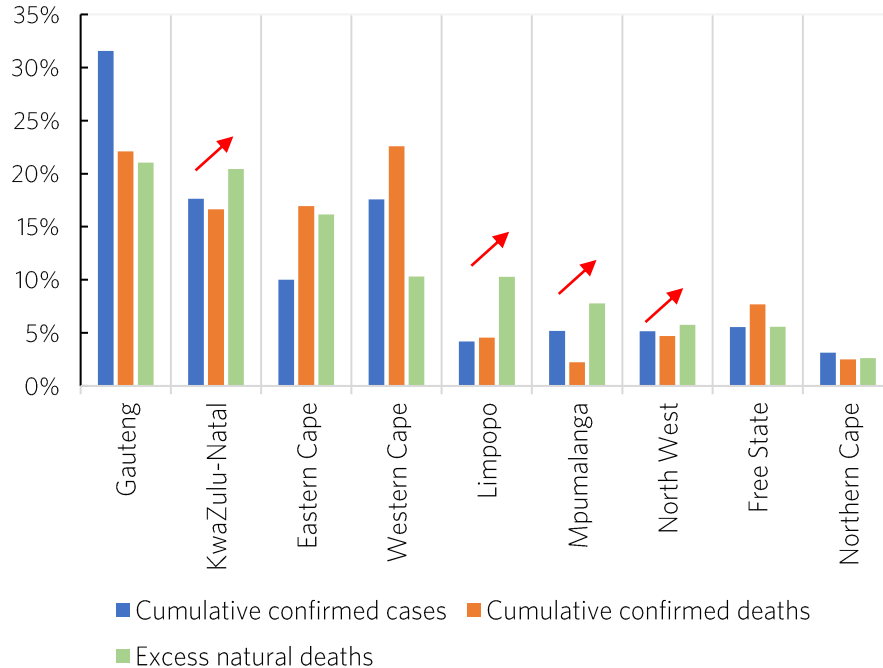
A macroeconomic perspective

12 October 2021
Indaba Hotel

COVID-19: Confirmed cases, confirmed deaths and excess natural deaths (4 October 21)



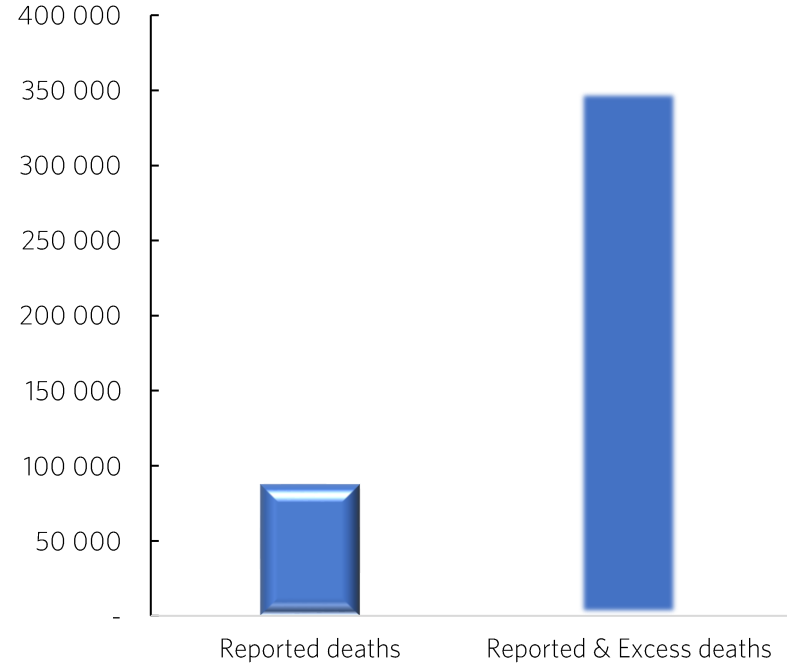
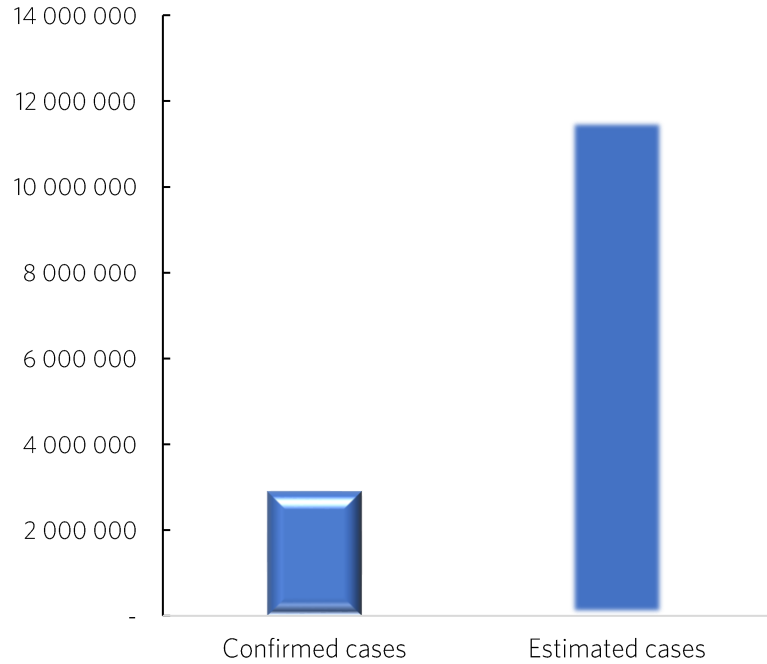
% of SA total



Confirmed deaths disproportionately high in:
Eastern Cape;
Western Cape; and
Free State.

Excess natural deaths very high in:
KwaZulu-Natal;
Limpopo;
Mpumalanga; and
North West.

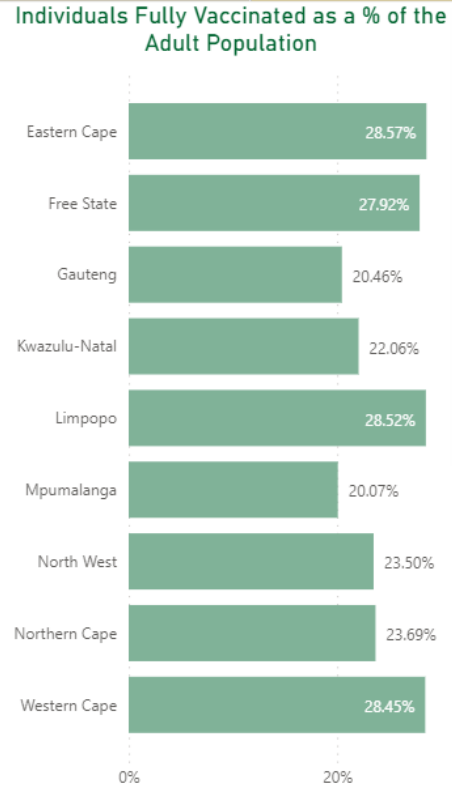
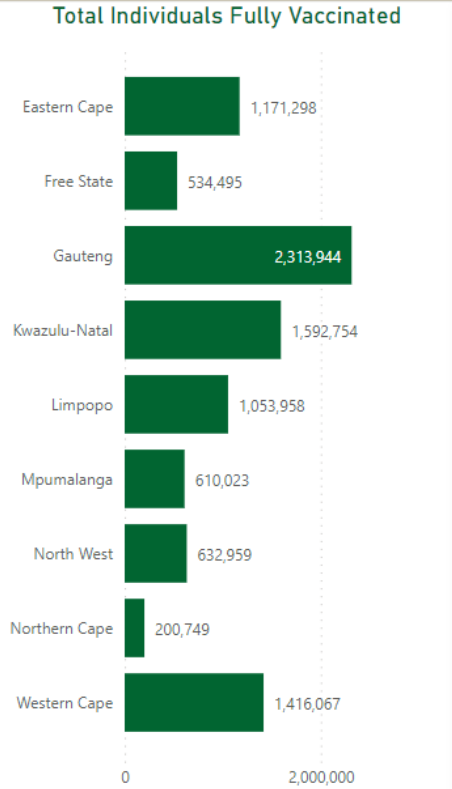
Confirmed & Estimated cases; Confirmed deaths and Excess natural deaths



Low vaccination rates may also be explained by higher number of cases (natural immunity)

Total Number of Individuals Fully Vaccinated (2) 9,526,247

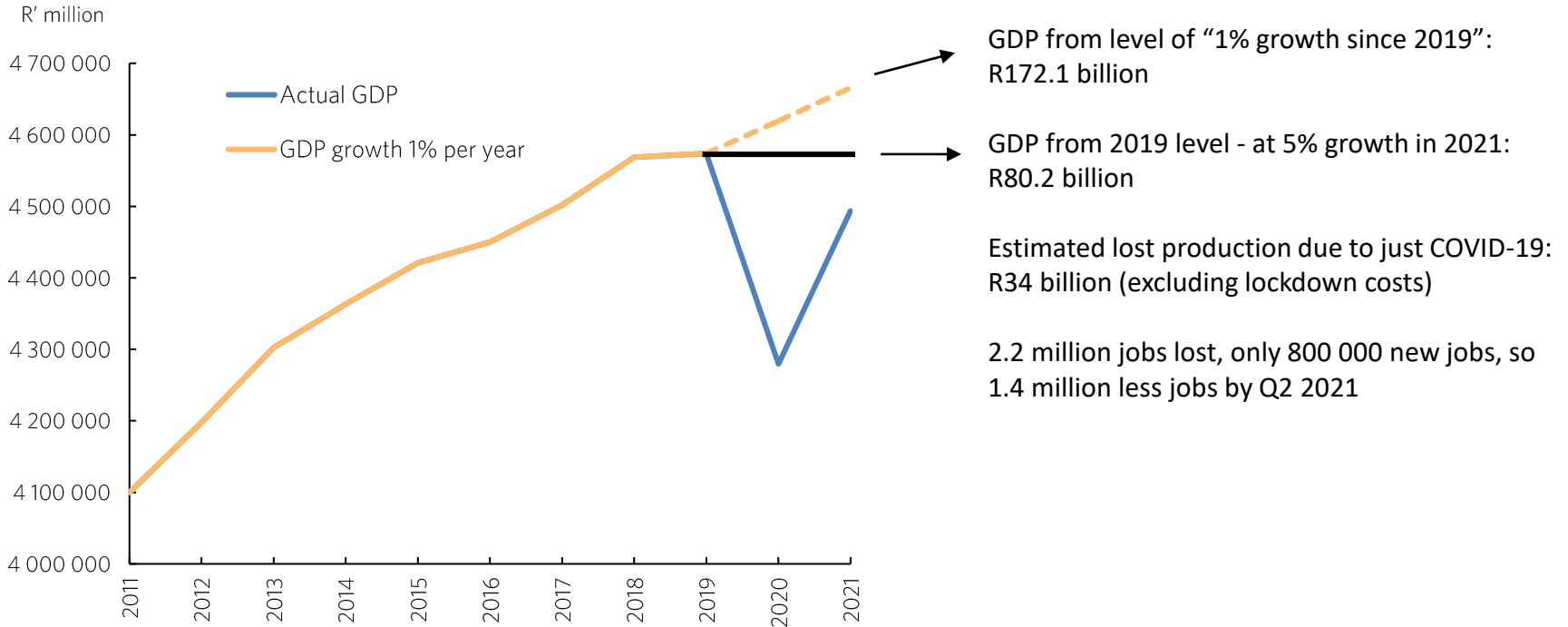
Individuals Fully Vaccinated as a % of the Adult Population (3) 23.94%



Province	Total Adult Population [18 Years & Older]	Total Individuals Fully Vaccinated	Individuals Fully Vaccinated as a % of the Adult Population
Western Cape	4,976,903	1,416,067	28.45%
Northern Cape	847,545	200,749	23.69%
North West	2,693,247	632,959	23.50%
Mpumalanga	3,039,520	610,023	20.07%
Limpopo	3,695,801	1,053,958	28.52%
Kwazulu-Natal	7,219,795	1,592,754	22.06%
Gauteng	11,311,326	2,313,944	20.46%
Free State	1,914,521	534,495	27.92%
Eastern Cape	4,099,543	1,171,298	28.57%
Total	39,798,201	9,526,247	23.94%

Age Group	Total Adult Population [18 Years & Older]	Total Individuals Fully Vaccinated	Individuals Fully Vaccinated as a % of the Adult Population
	0	2,807	0.00%
18-34 Years	17,788,511	1,514,785	8.52%
35-49 Years	11,686,937	3,150,010	26.95%
50-59 Years	4,817,271	2,030,988	42.16%
60+ Years	5,505,482	2,827,657	51.36%
Total	39,798,201	9,526,247	23.94%

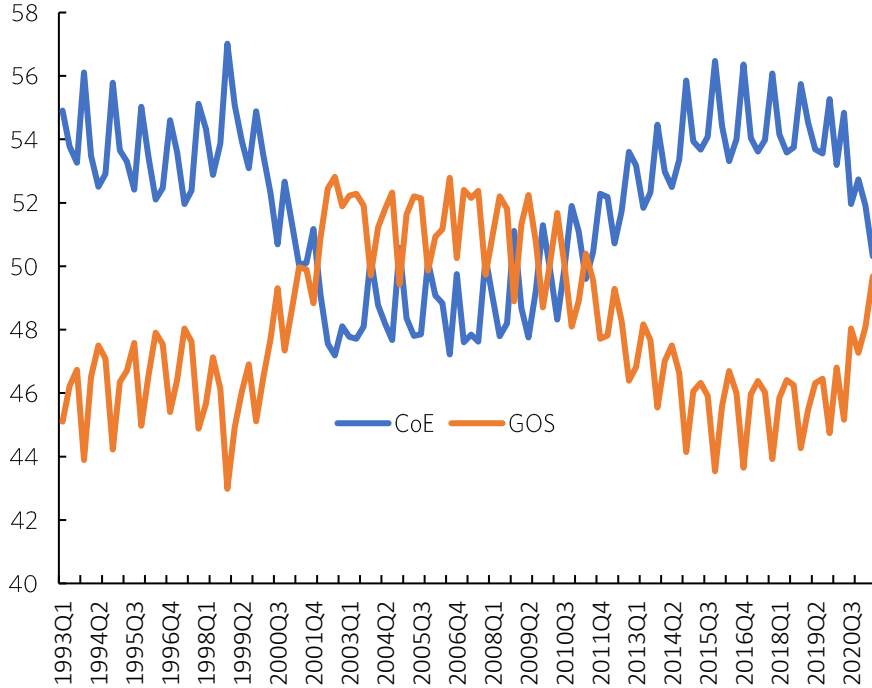
Lost Real Gross Domestic Product (GDP)



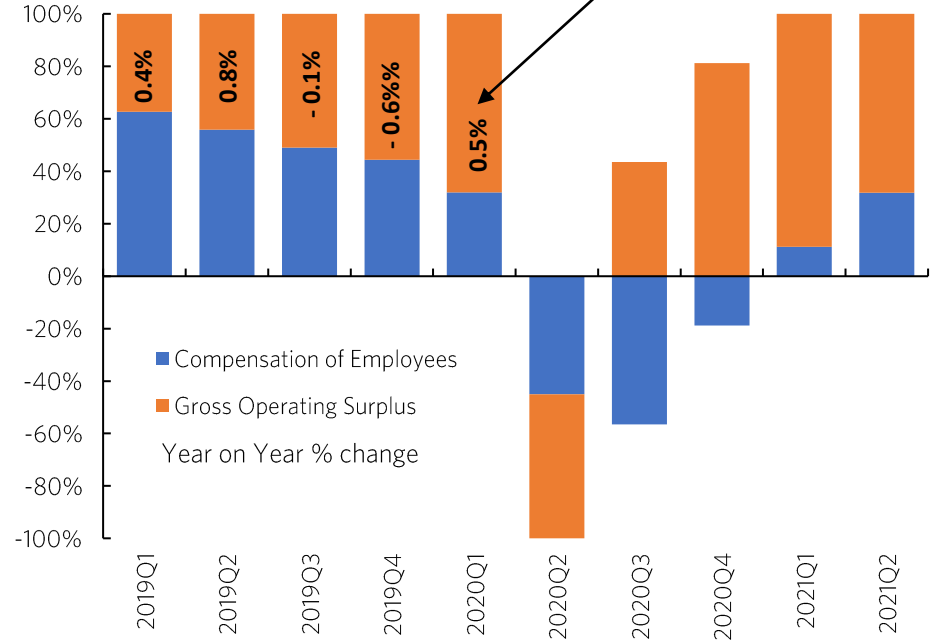
Who lost and who benefitted: Workers (Compensation of Employees) or Companies/Shareholders (Gross Operating Surplus) ?



% of Income



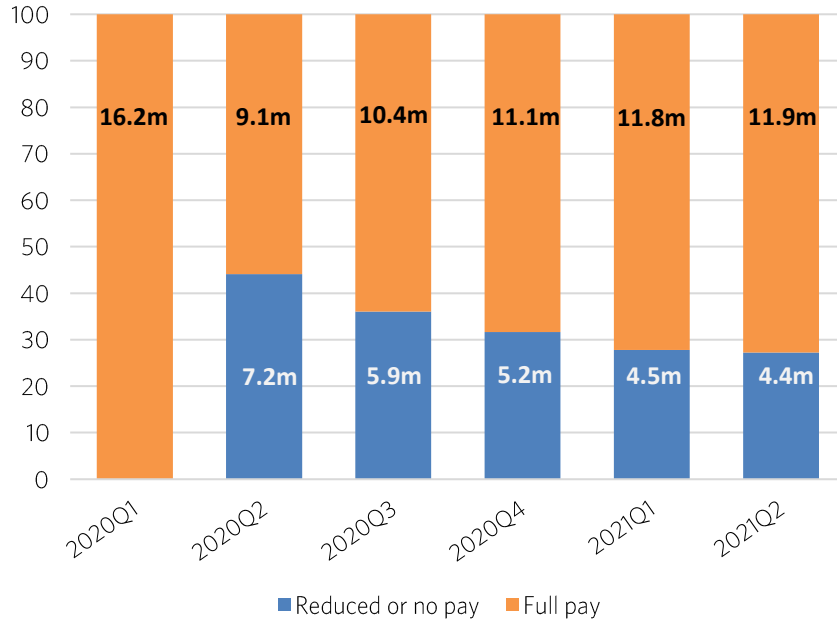
New structure: Share of GOS increases with low economic growth



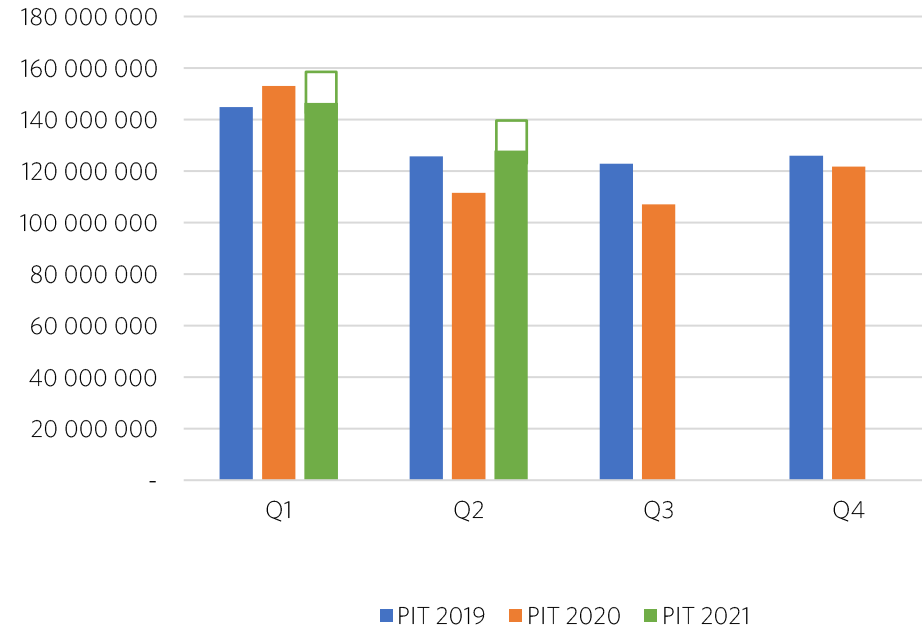
As employees with full pay declined, so did Personal Income Tax collections



73.4% of Q1 2020 workers received full pay in 2021 Q2



Consequently, Personal Income Tax (PIT) is lower than what it should be

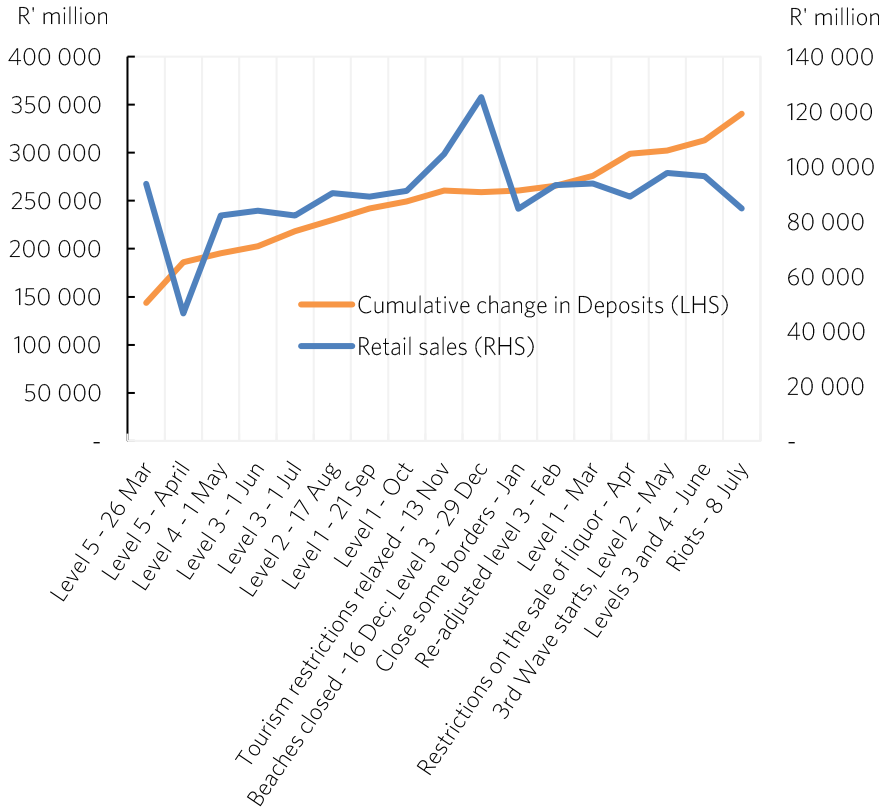


- No pay includes unemployed

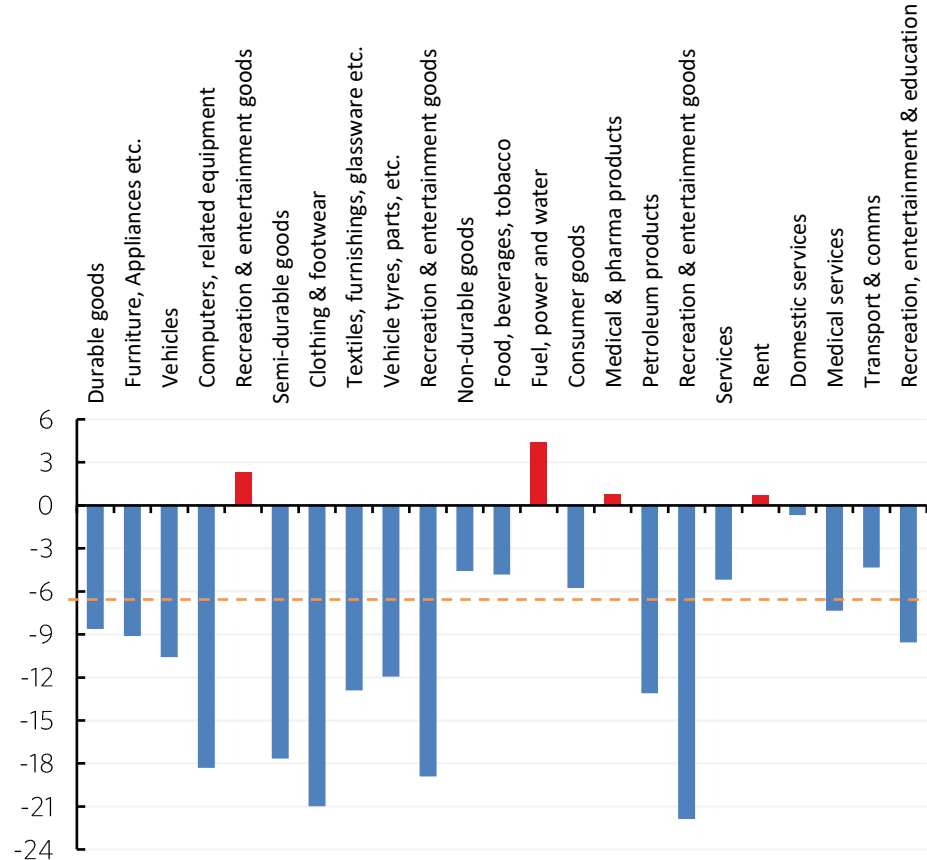
Lockdowns prevented spending, had massive impact on “consumer sale volumes”



“Hard” lockdowns = more deposits, less spending



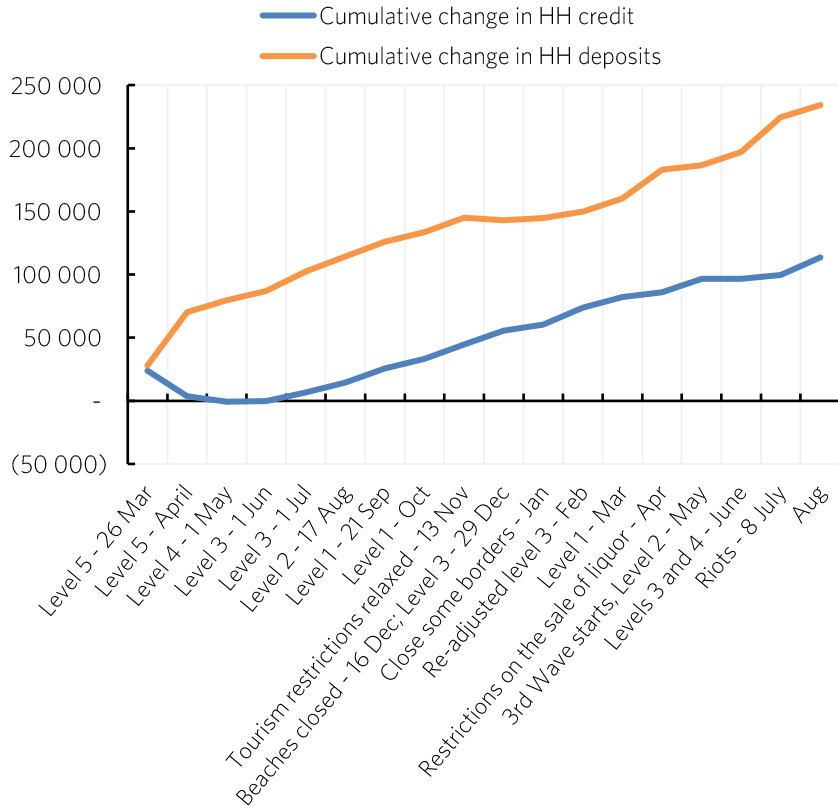
Clothing, PC's & Non-durable Recreation hit hardest (YoY % change 2020)



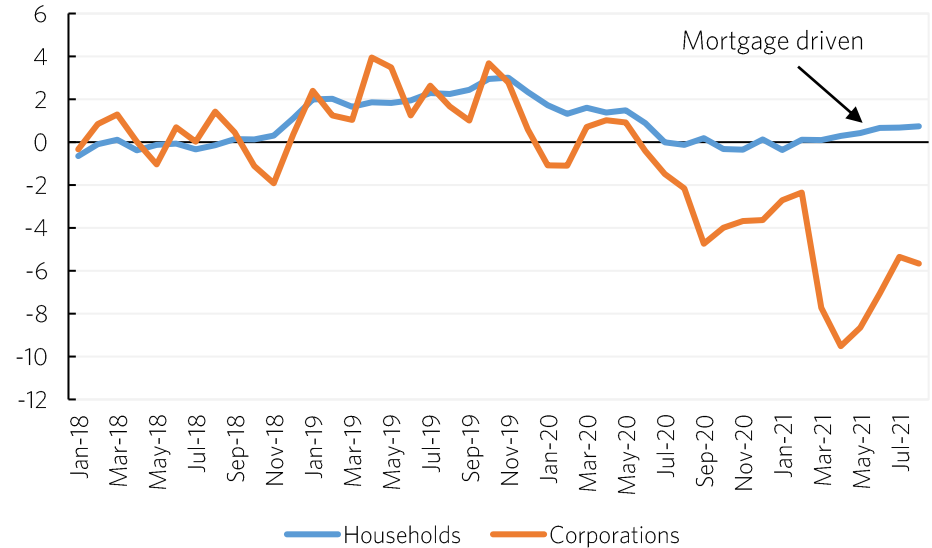
Lockdowns had a massive impact on business sales and credit extension



“Household deposits up, credit slow in “hard lockdowns”

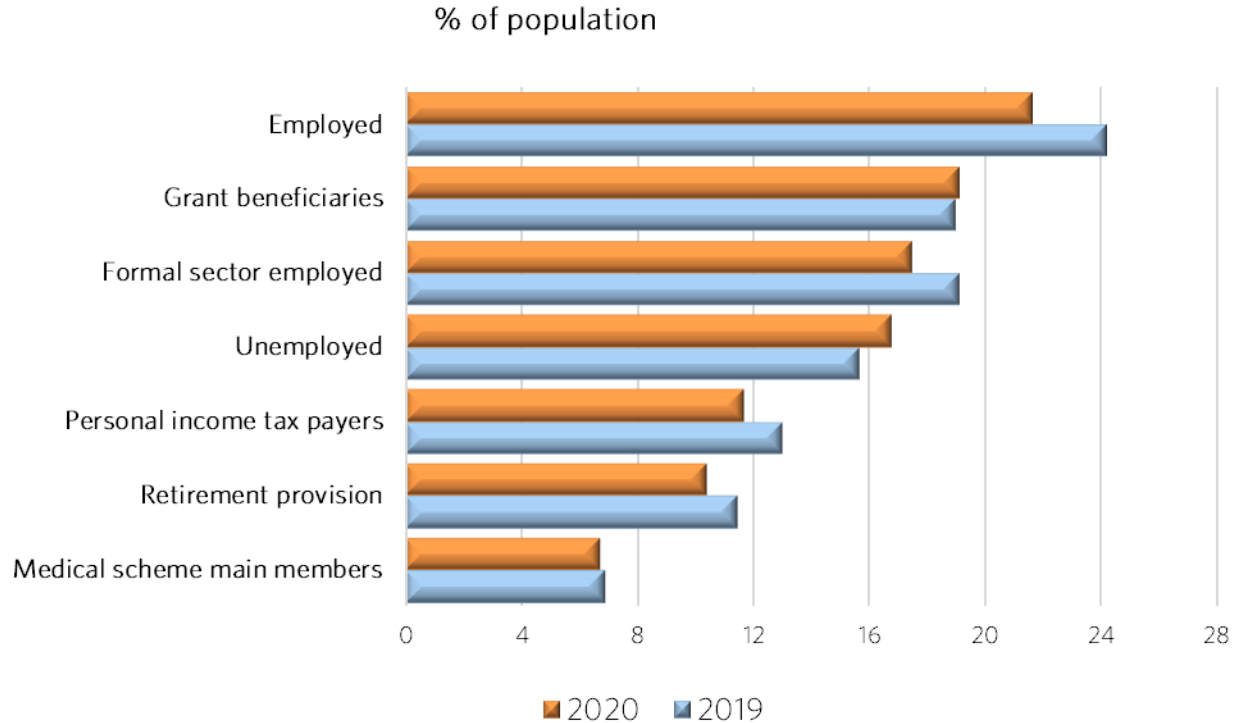


Businesses struggled to get credit (YoY % change in real terms)



SMME’s were hit hard by the lockdowns. Almost 300 000 of the 2.6 million had closed by 2021 Q1. Many of the remaining indicated they are struggling. Partly due to not being able to access credit.

The new structure of the South African consumer market



The End
Questions?

