



STANLIB

SOUTH AFRICA NATIONAL BUDGET 2022

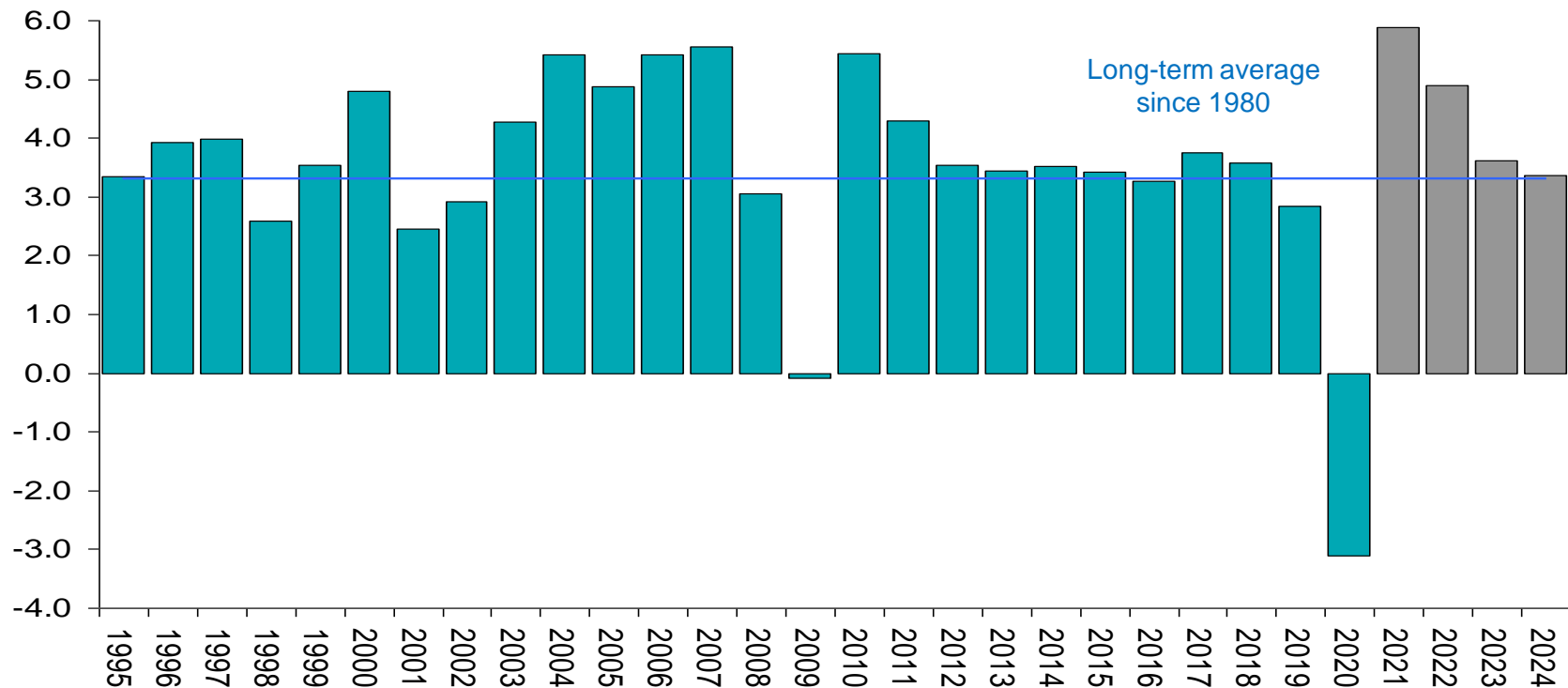
February 2022

Budget Cartoon

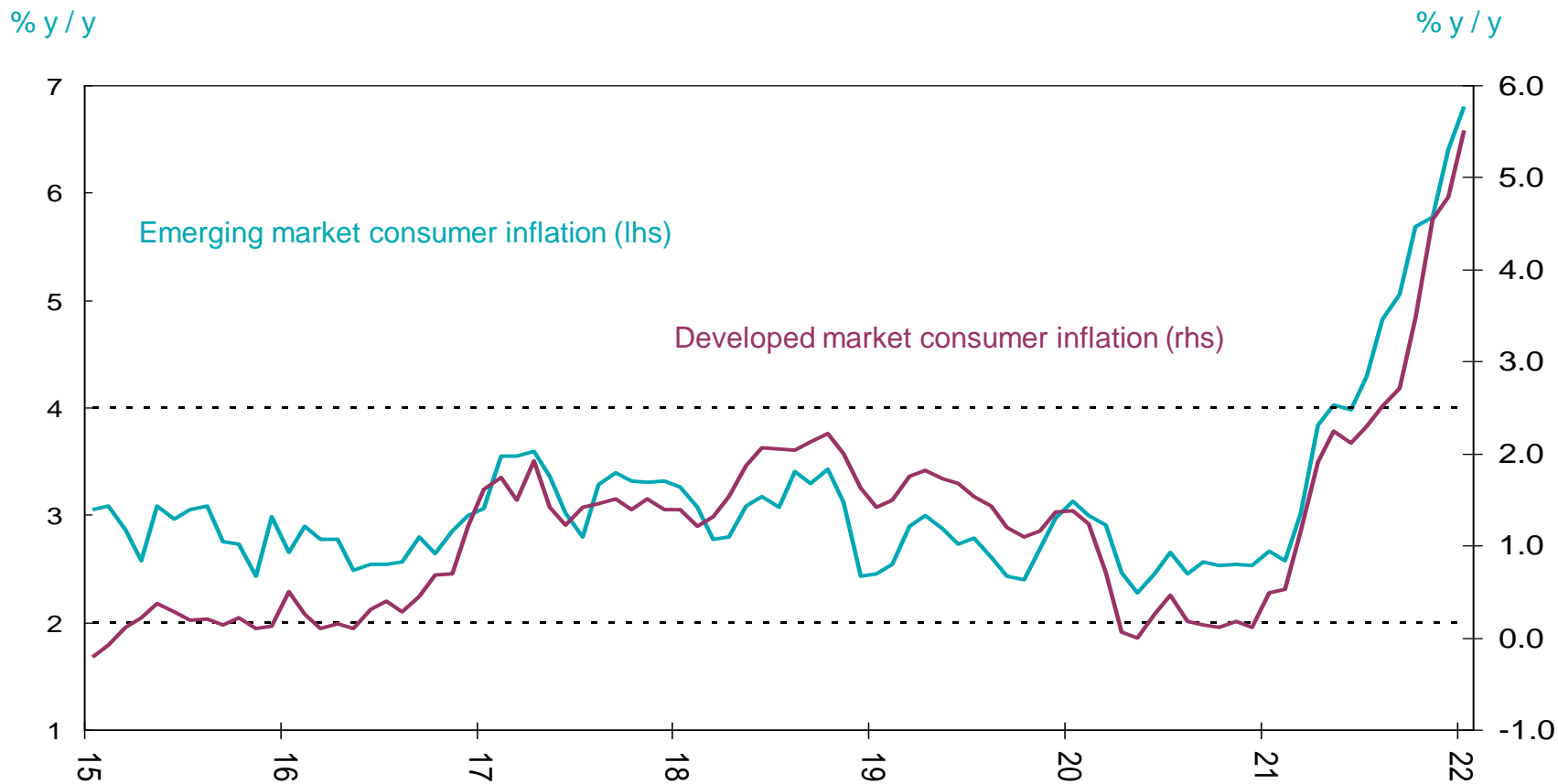


IMF: World GDP growth forecast

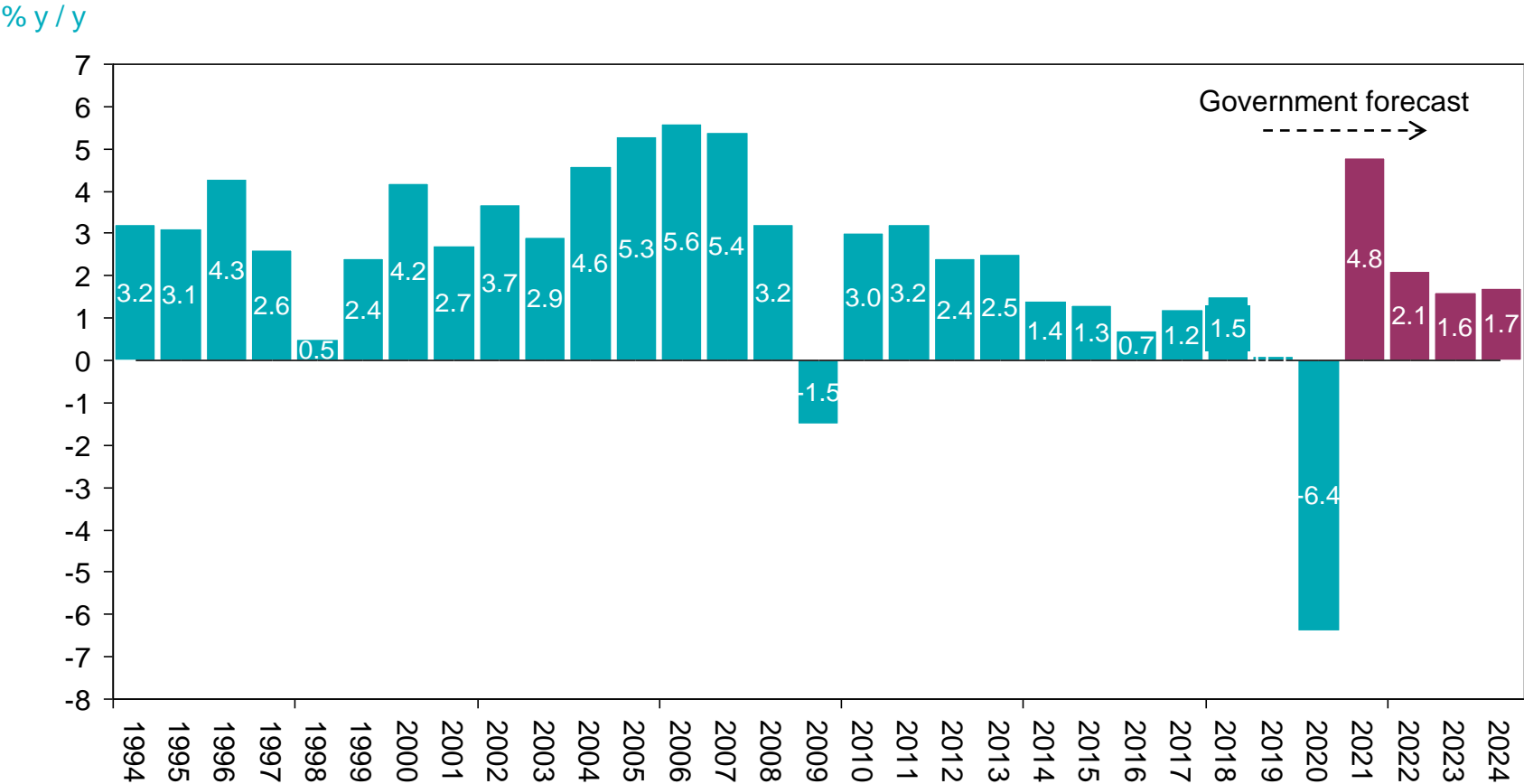
% y/y



Developed and Emerging market consumer inflation

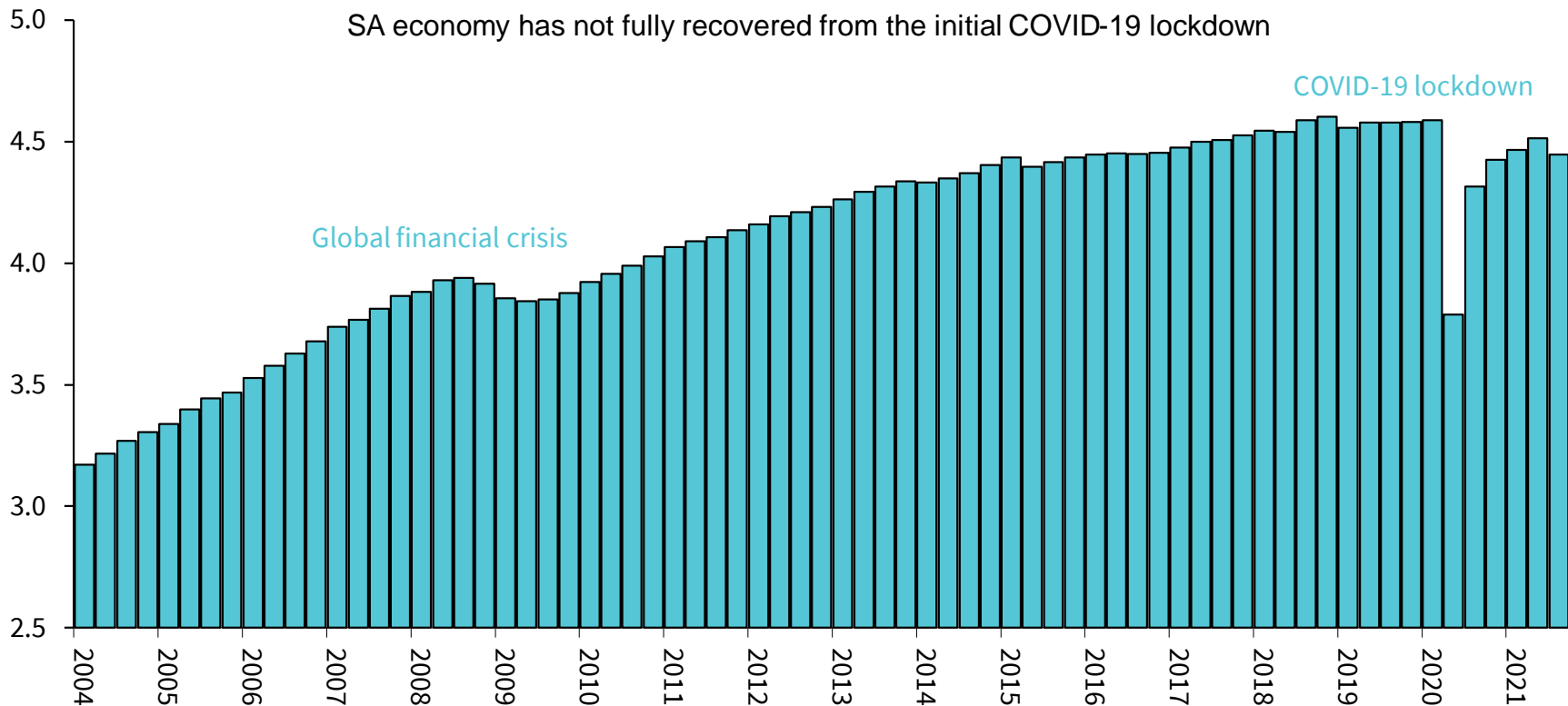


SA GDP annual growth rate (government estimate)



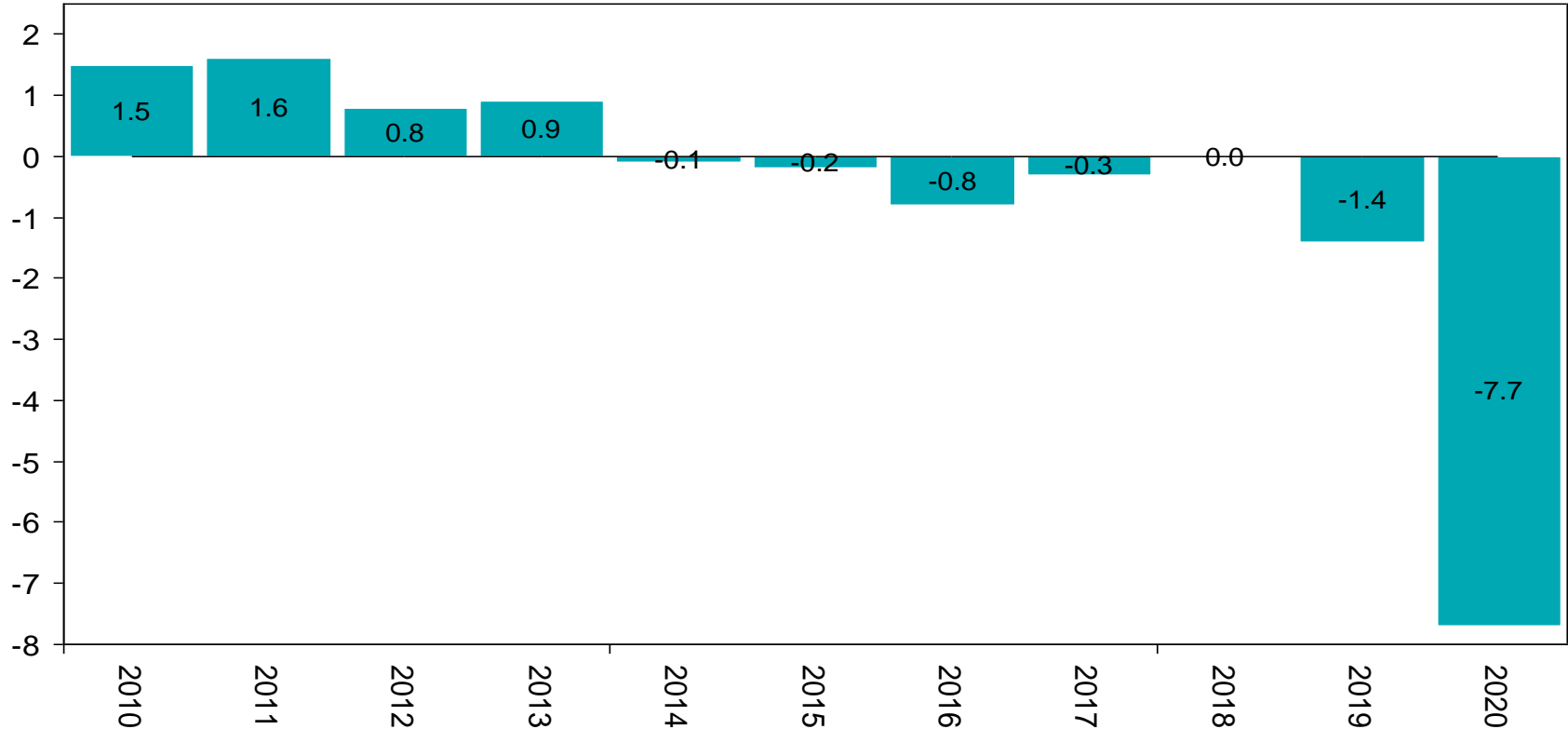
South Africa real GDP (constant prices)

Rand trillion



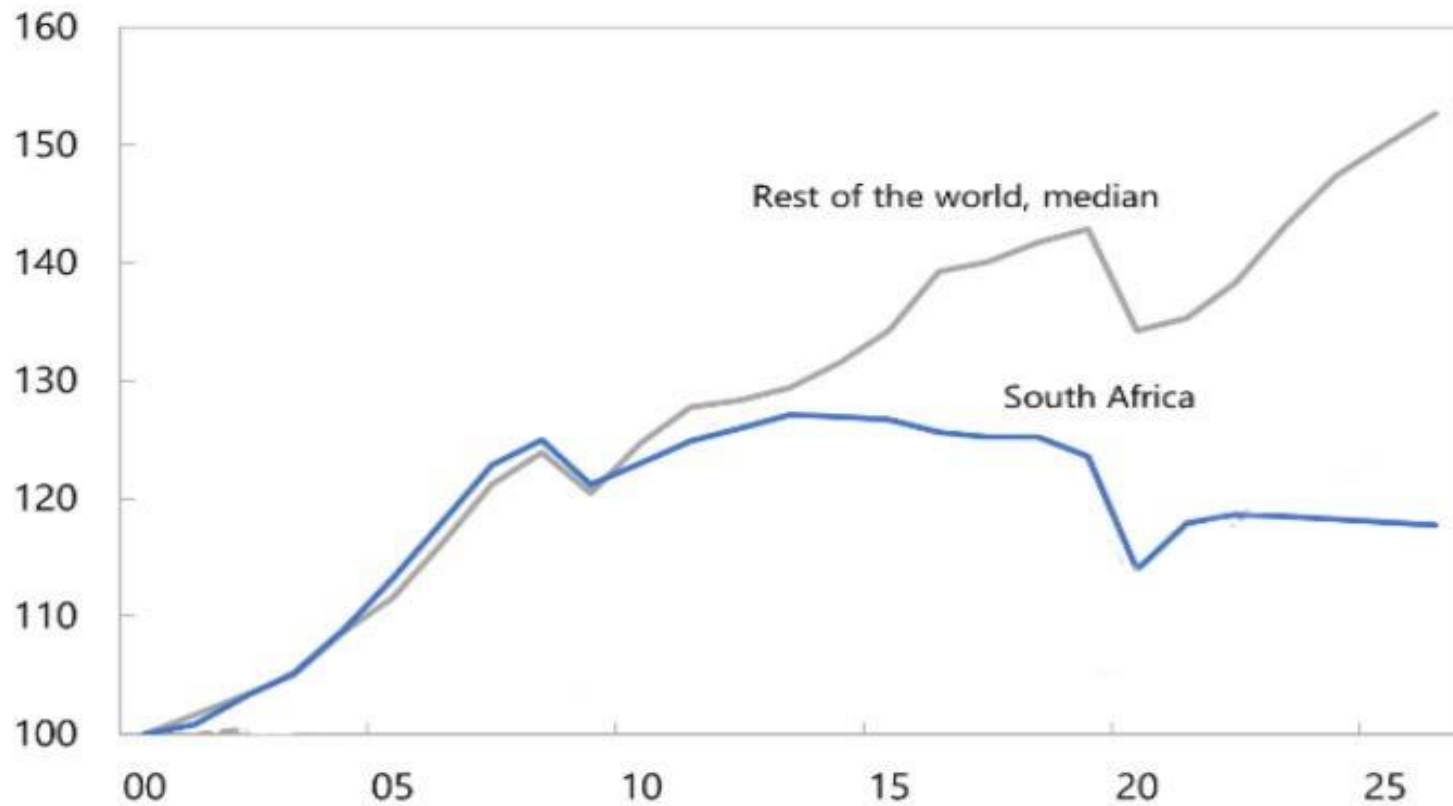
South Africa GDP per capita (annual data)

% y / y



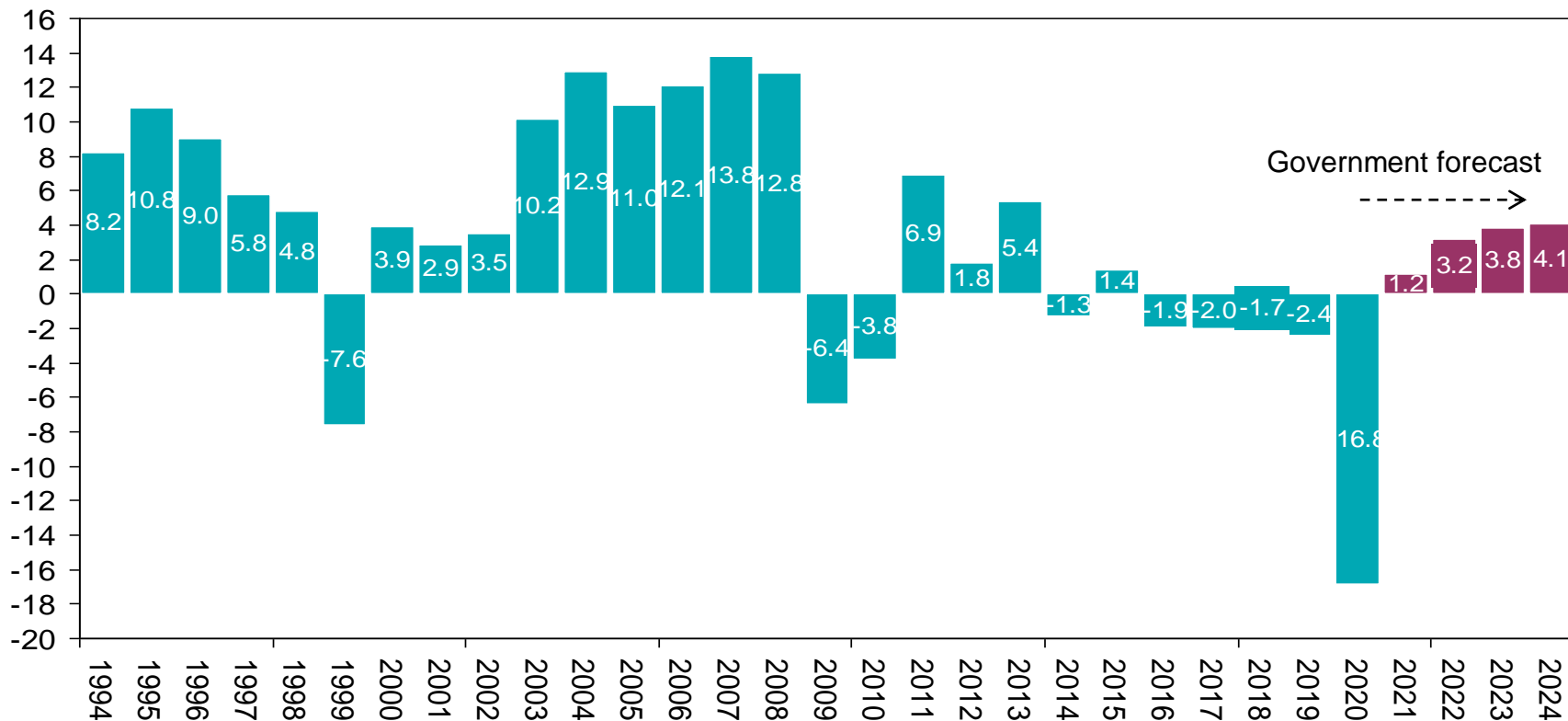
Per-capita GDP: South Africa vs global median (IMF data)

2000 = 100, actual and projections, October 2021



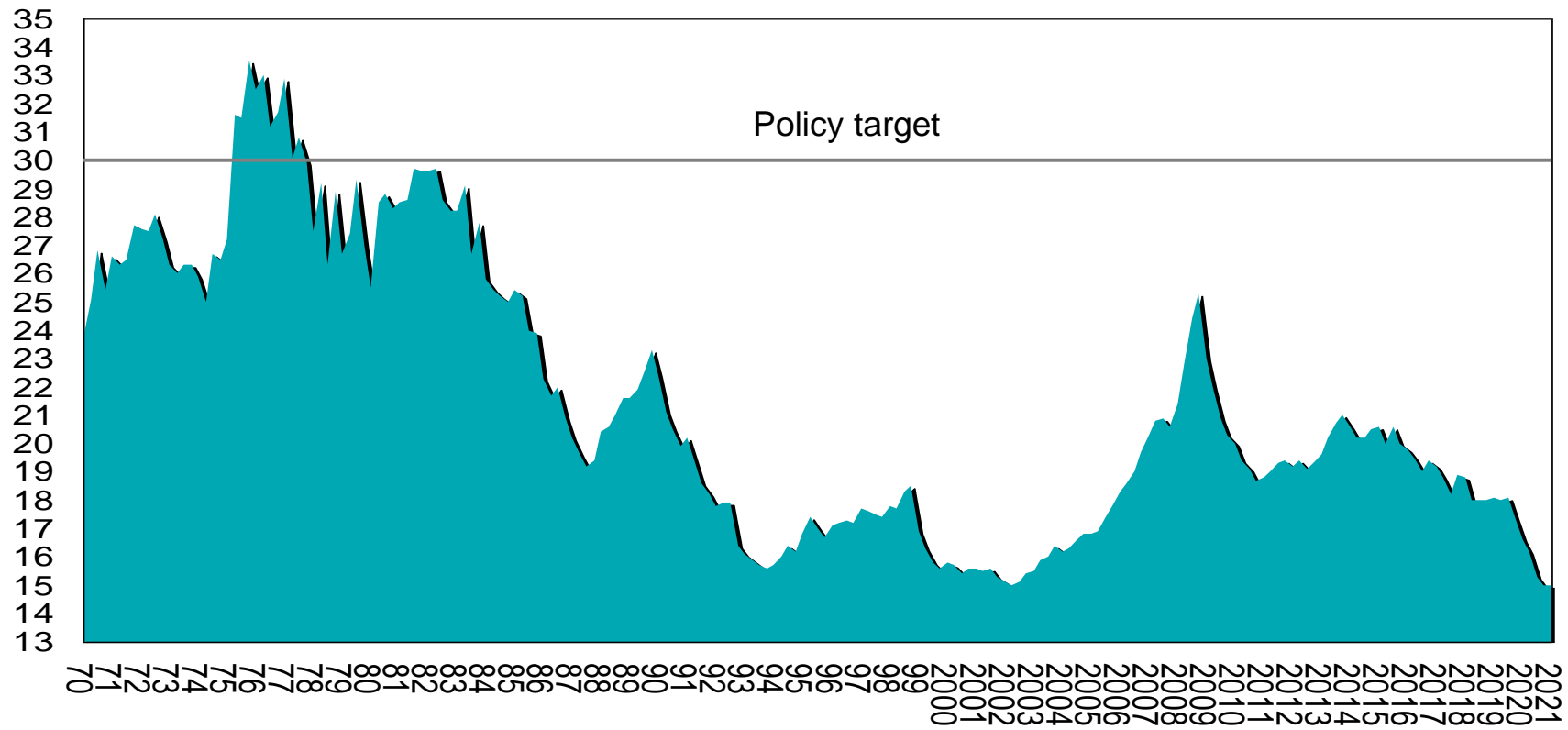
SA growth in fixed investment (government estimate)

% y / y



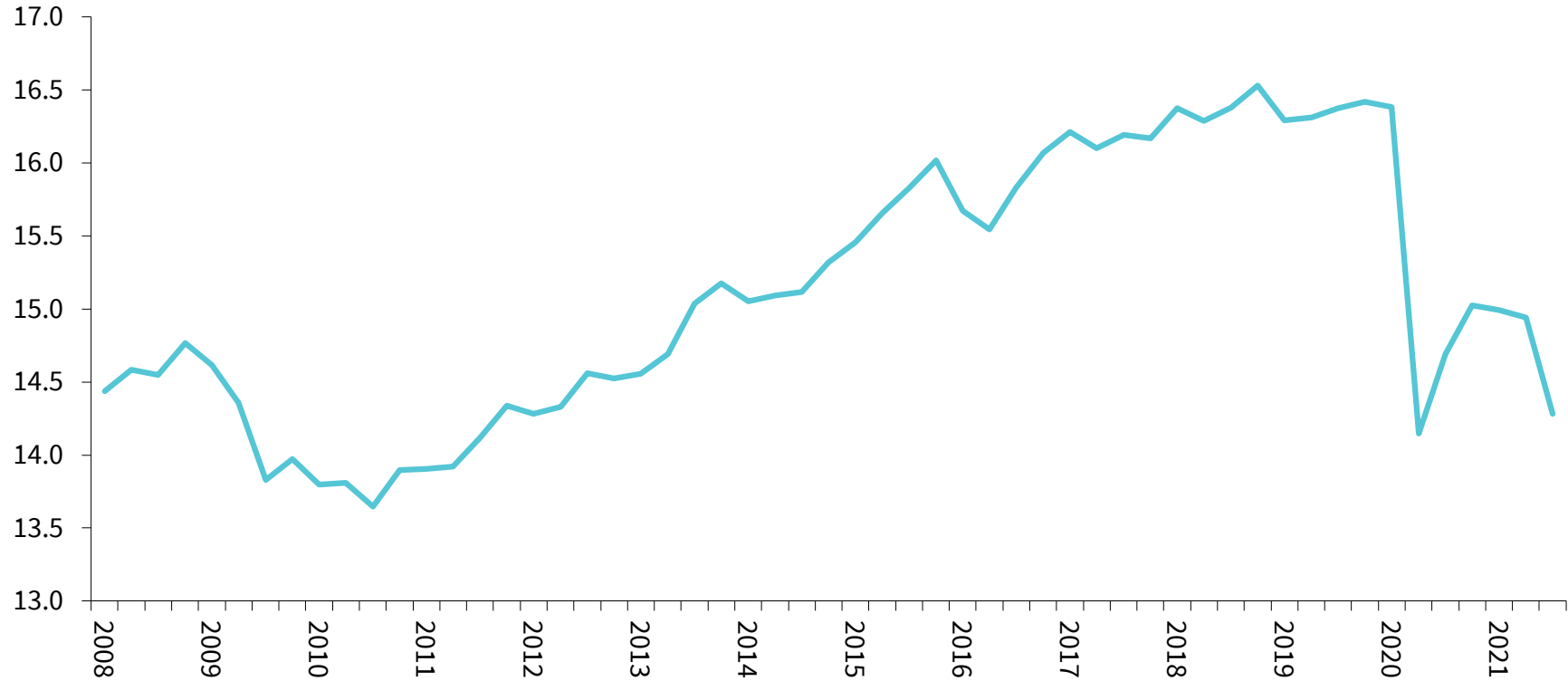
South Africa fixed investment as % of GDP

% of GDP



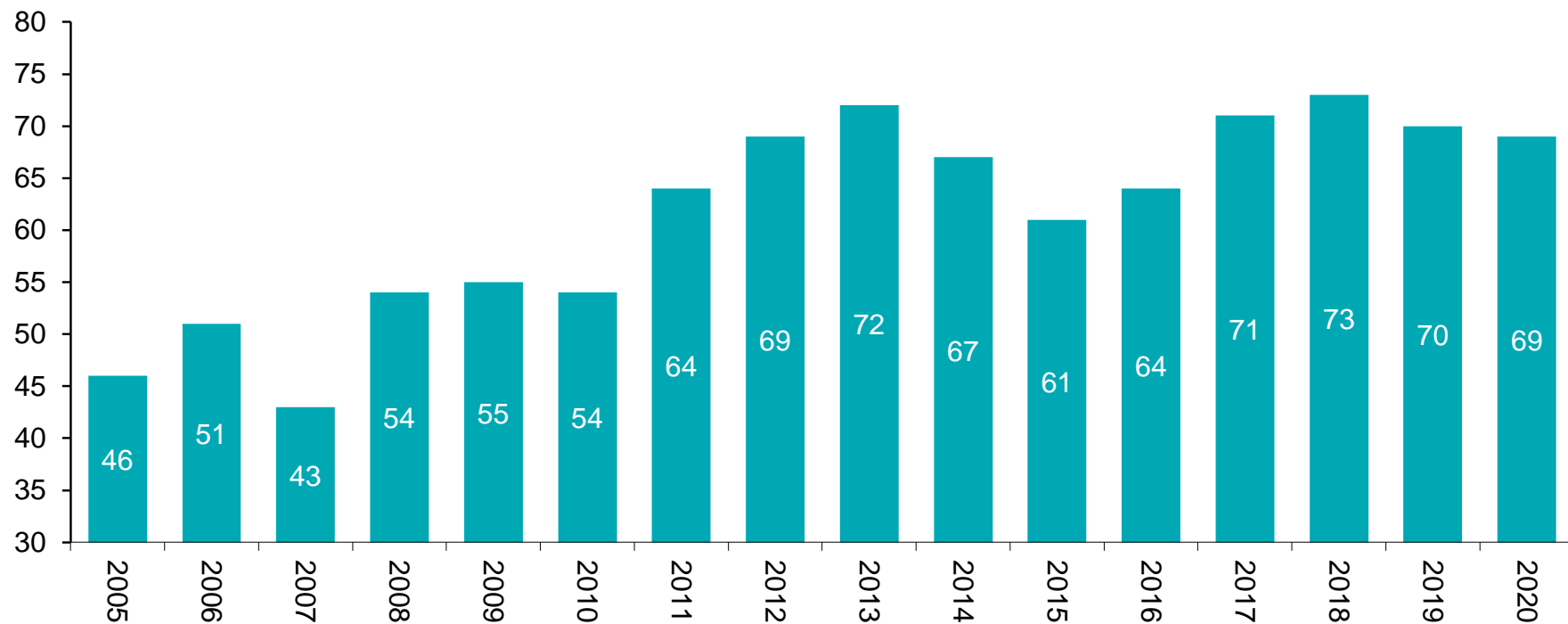
South Africa employment total (including informal sector)

Million



World corruption perception index: South Africa

World ranking



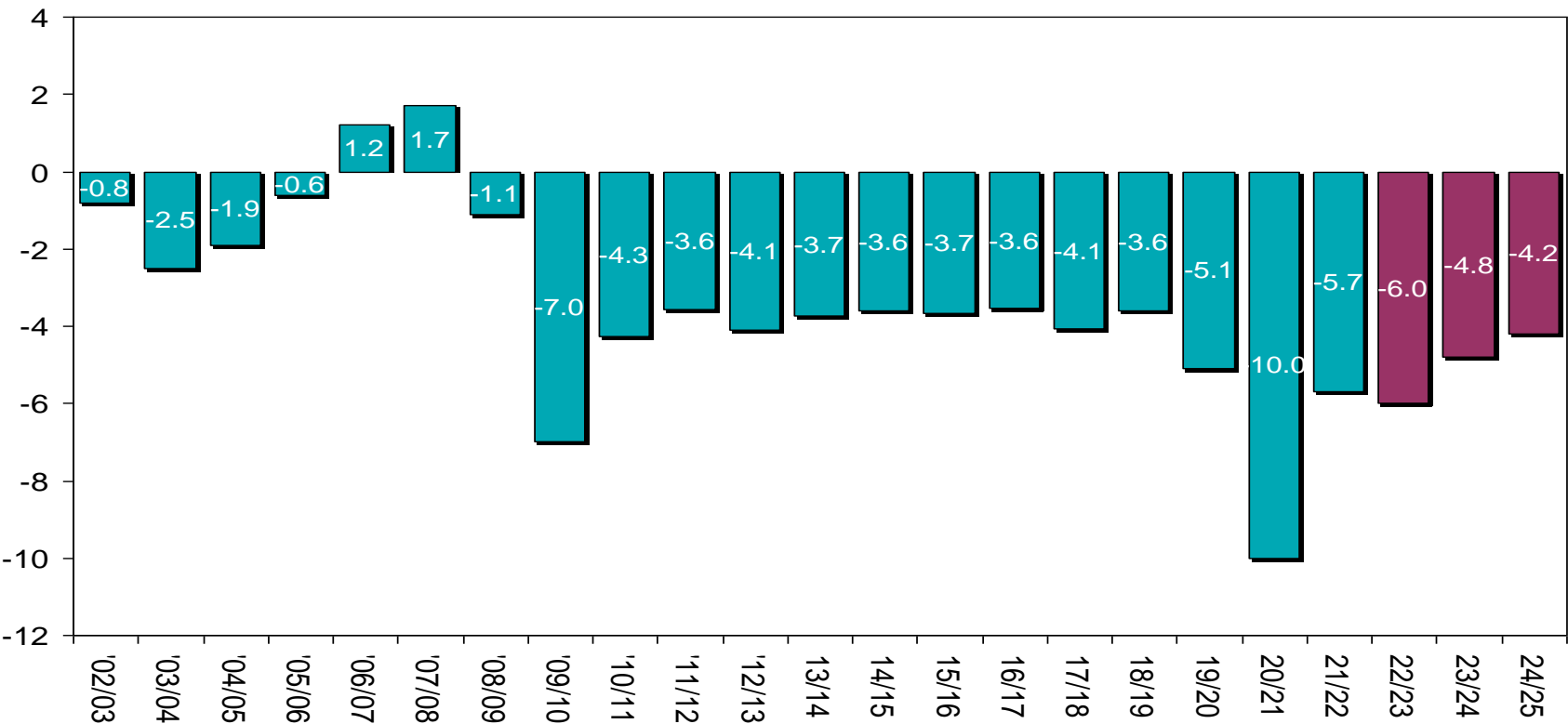
South Africa business confidence (BER)

Index

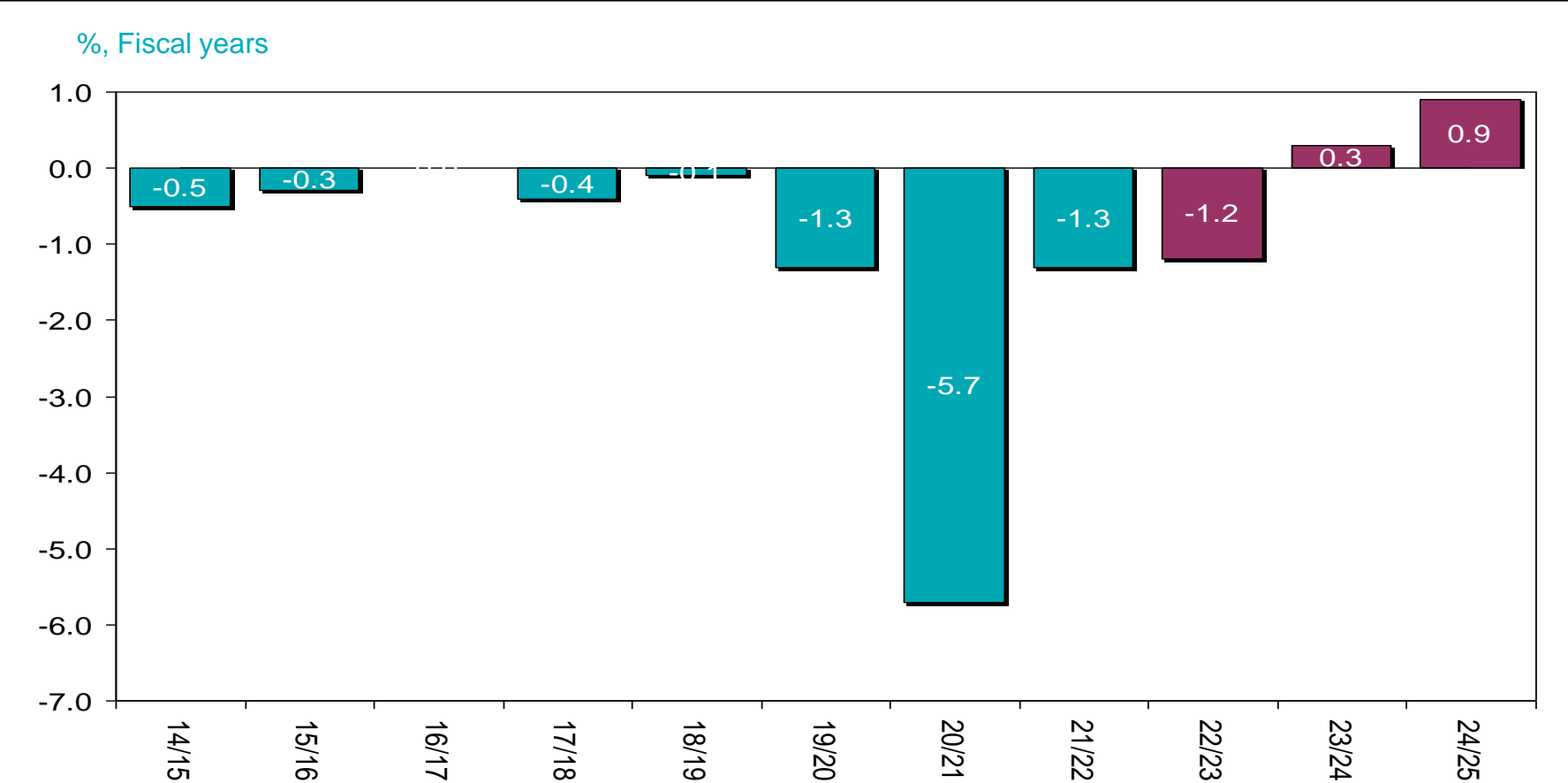


SA budget deficit as % of GDP (consolidated budget)

%, Fiscal years

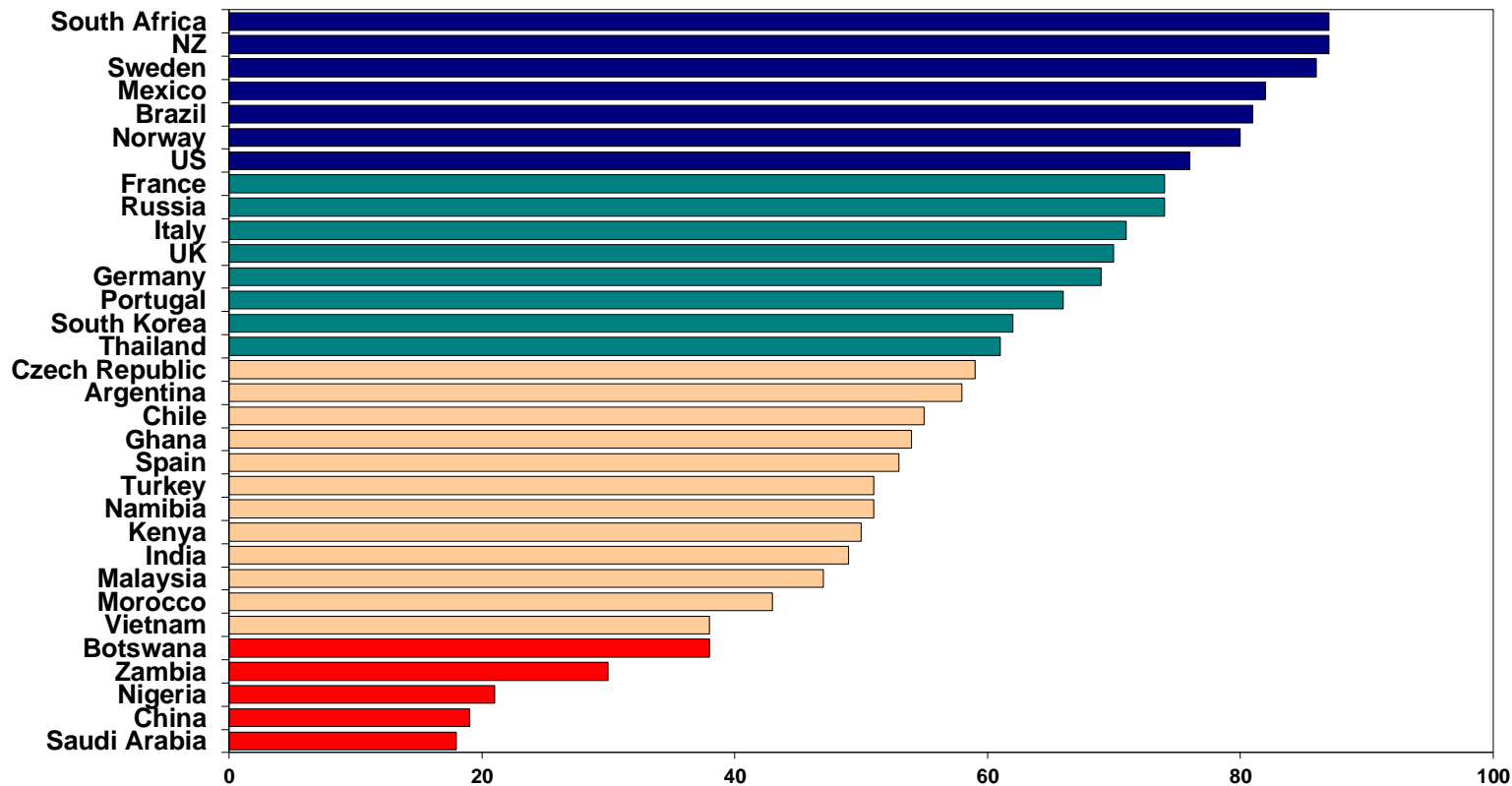


SA primary budget balance as % of GDP



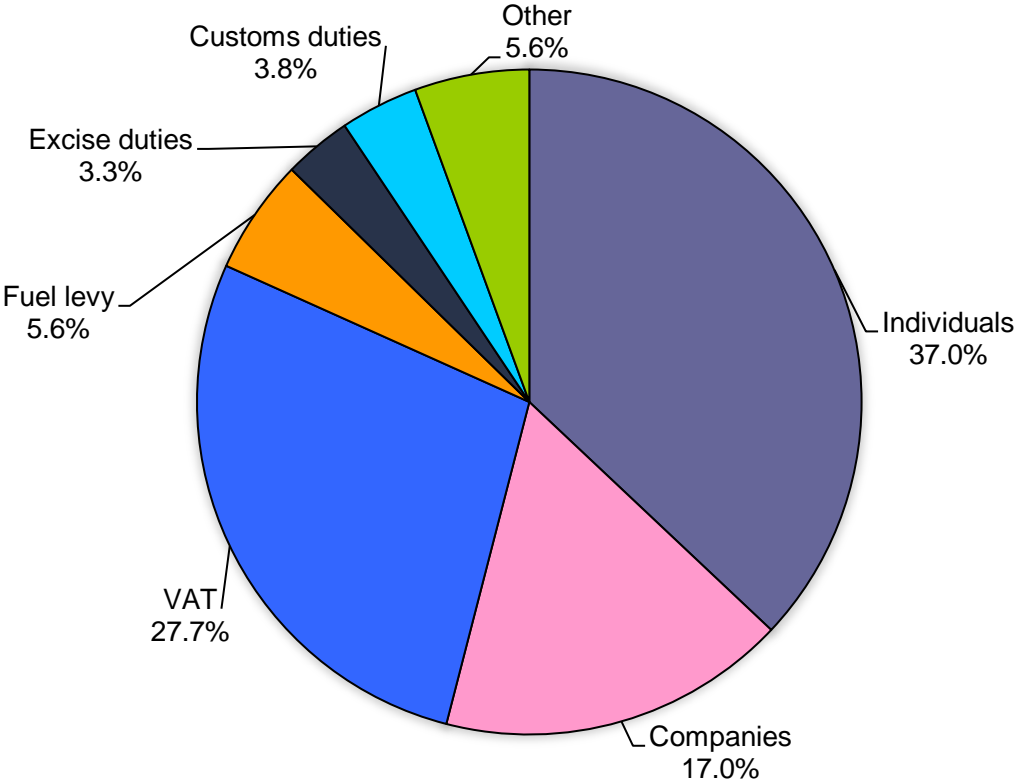
Open budget index 2019

Index out of 100



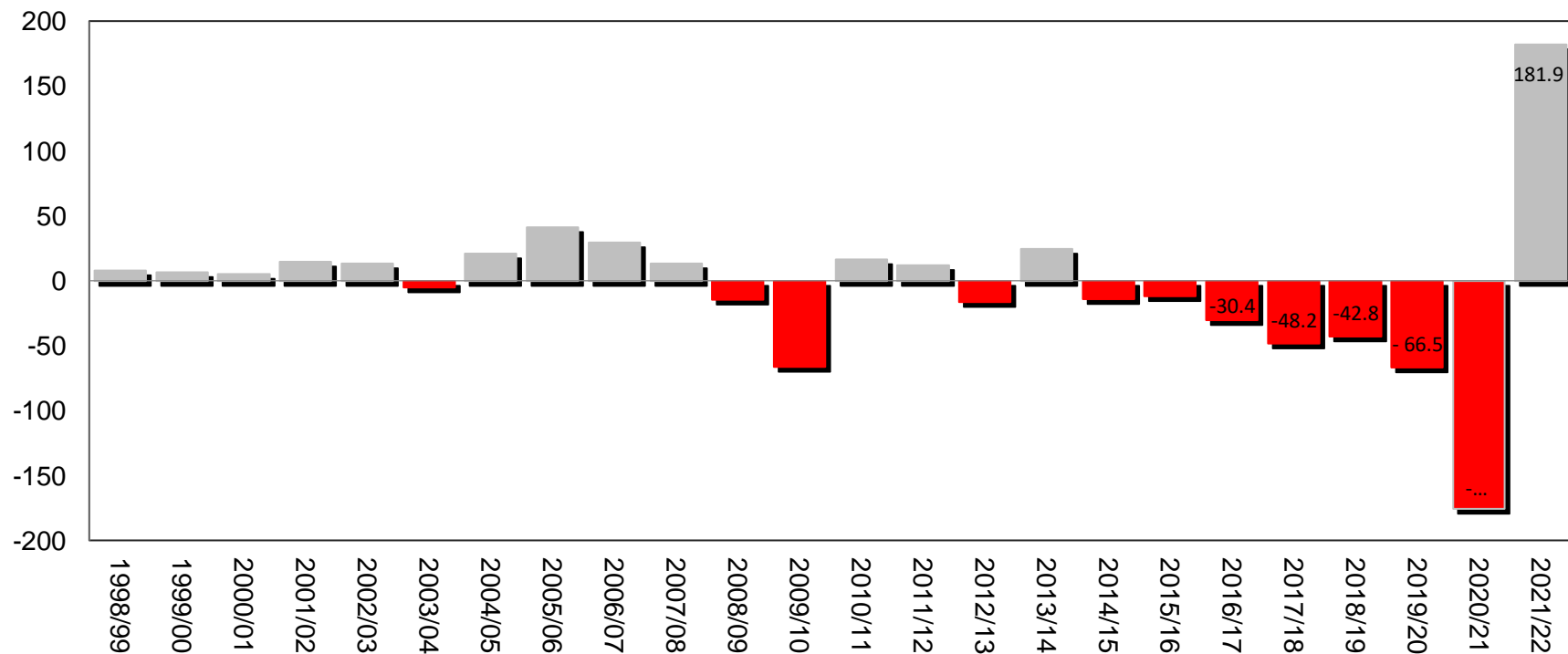
Breakdown of SA tax revenue (2022/2023)

Percentage



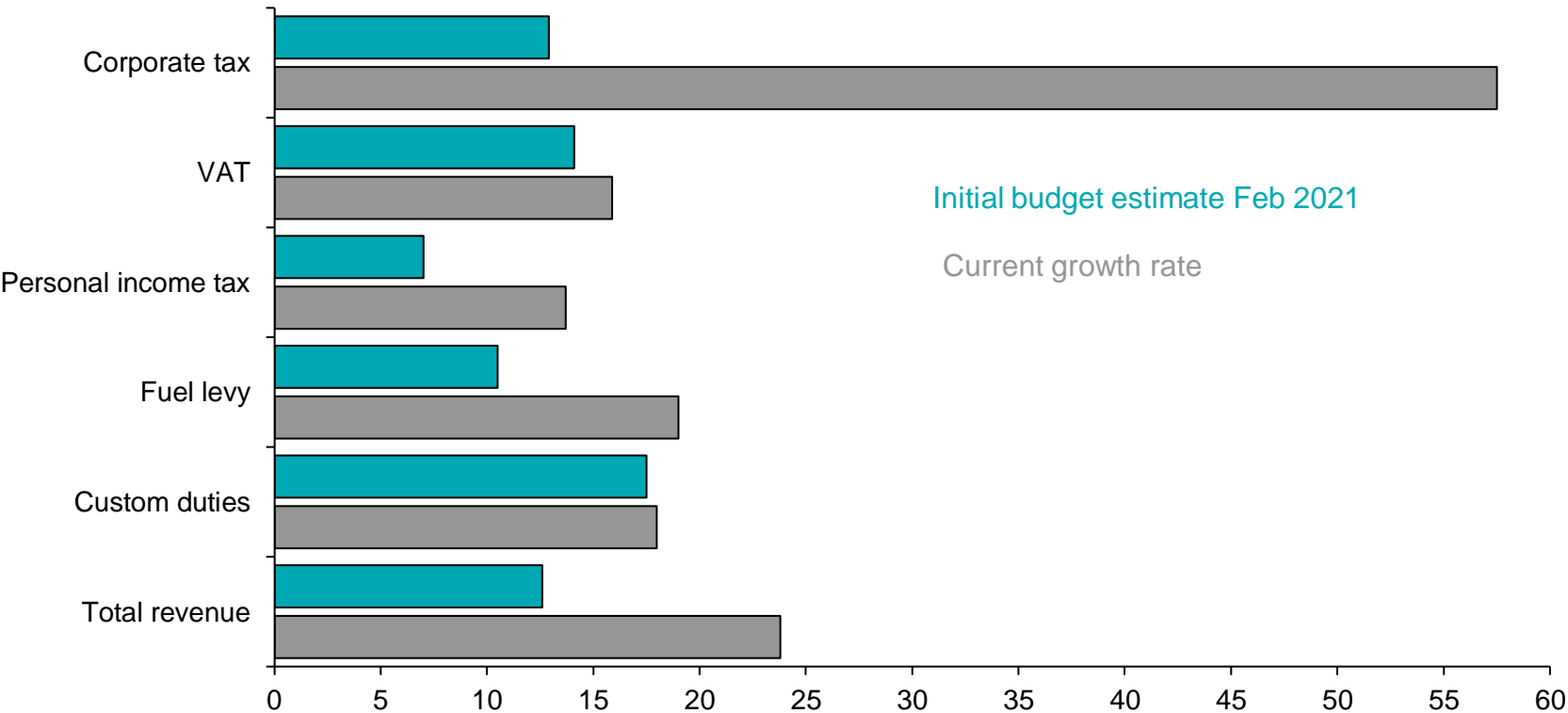
SA total tax revenue under- and over- collection

R billion, relative to original budget



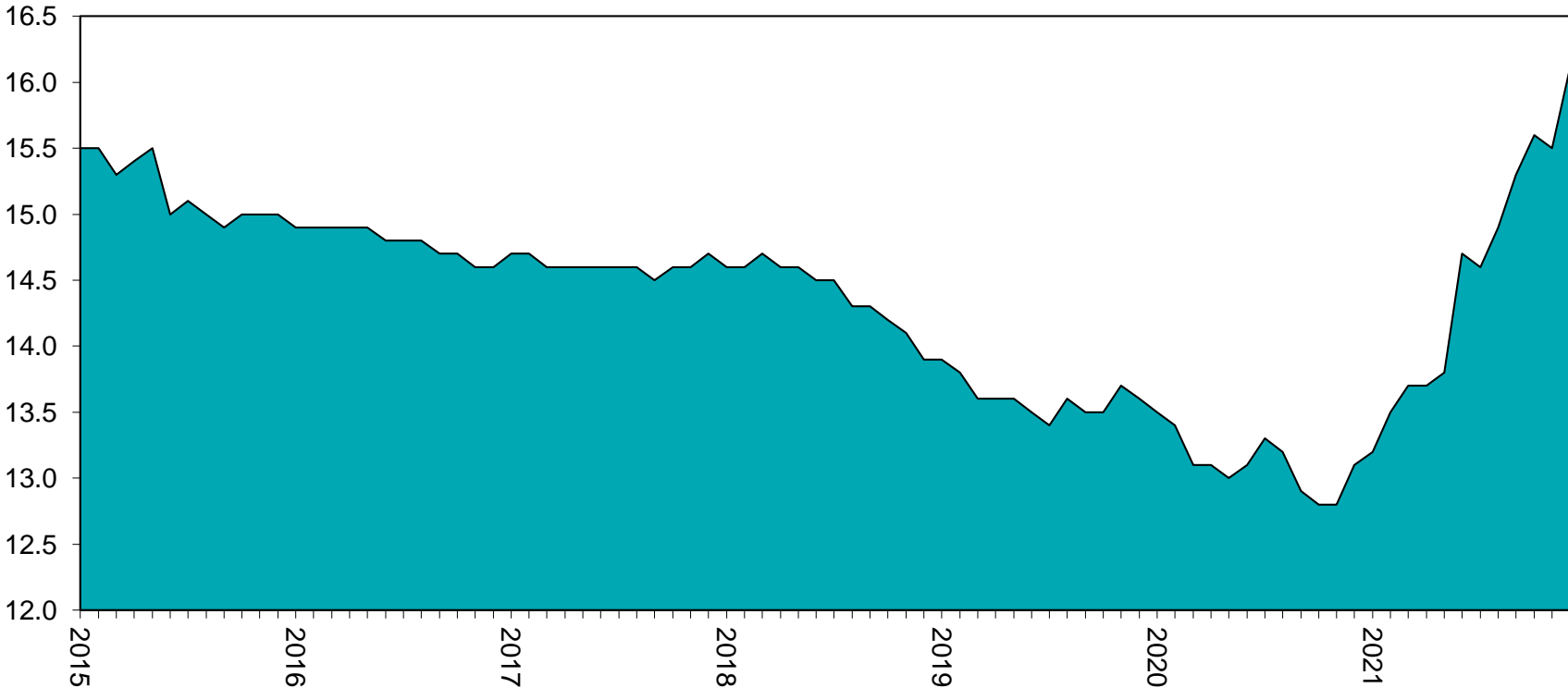
SA tax revenue growth in 2021/22 compared with budget

% growth



South African corporate tax revenue as % of total tax revenue

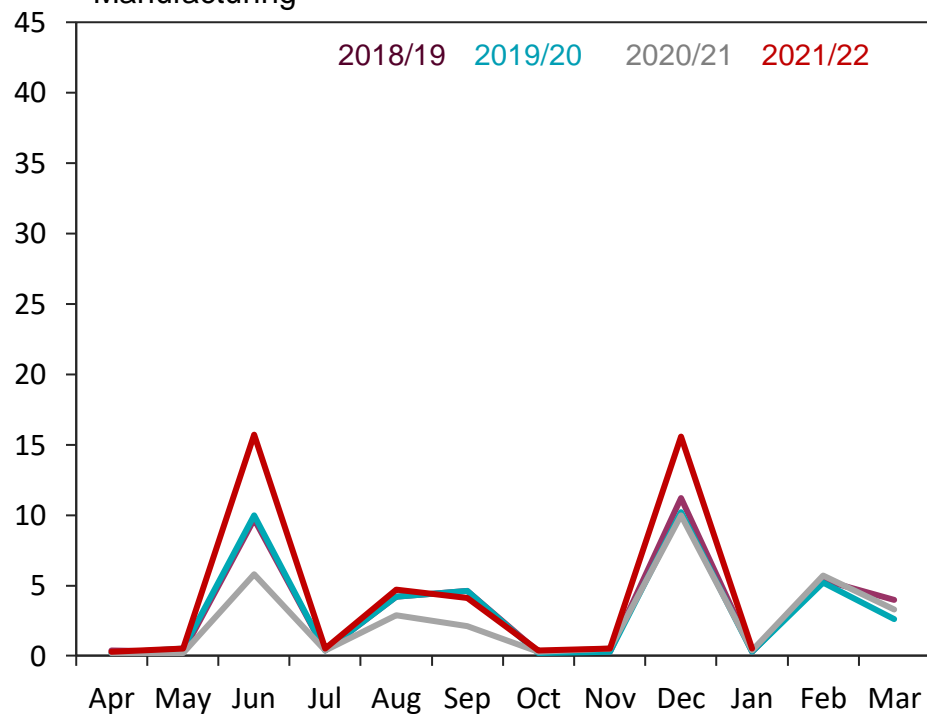
% of total, 12 month moving average



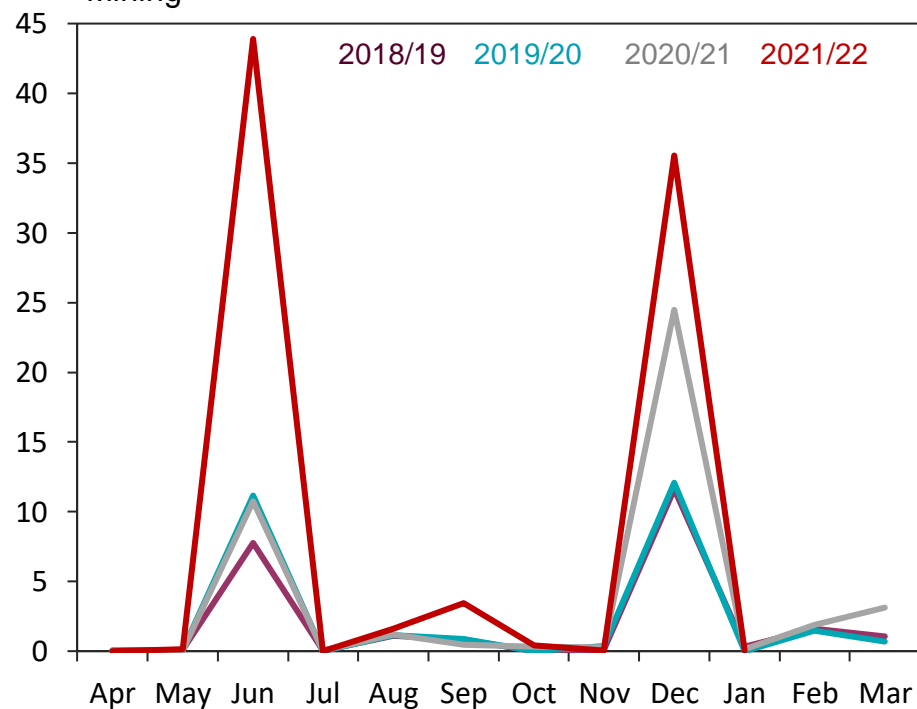
South Africa corporate income tax revenue by sector (monthly)

R billion

Manufacturing

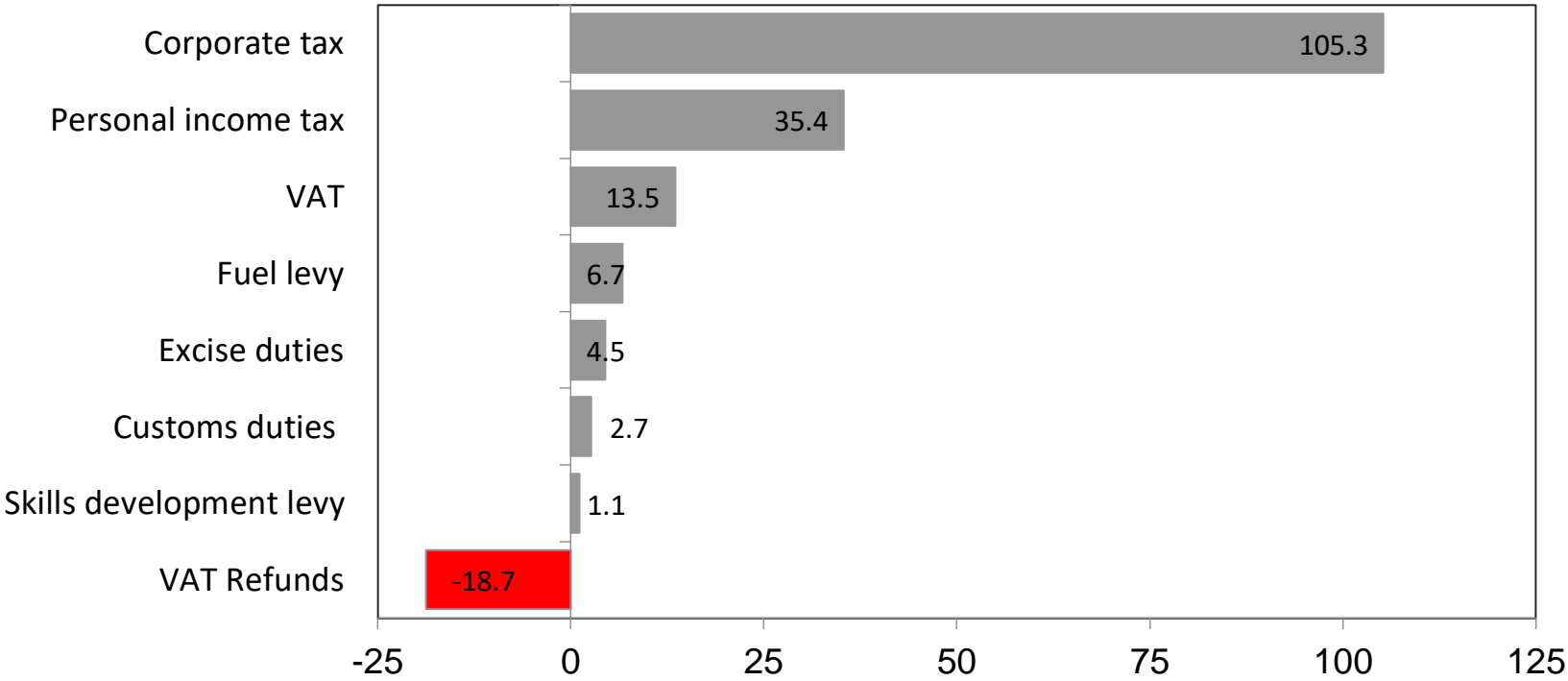


Mining



SA 2021/22 budget revenue overrun by category

R181.9 billion over-collection

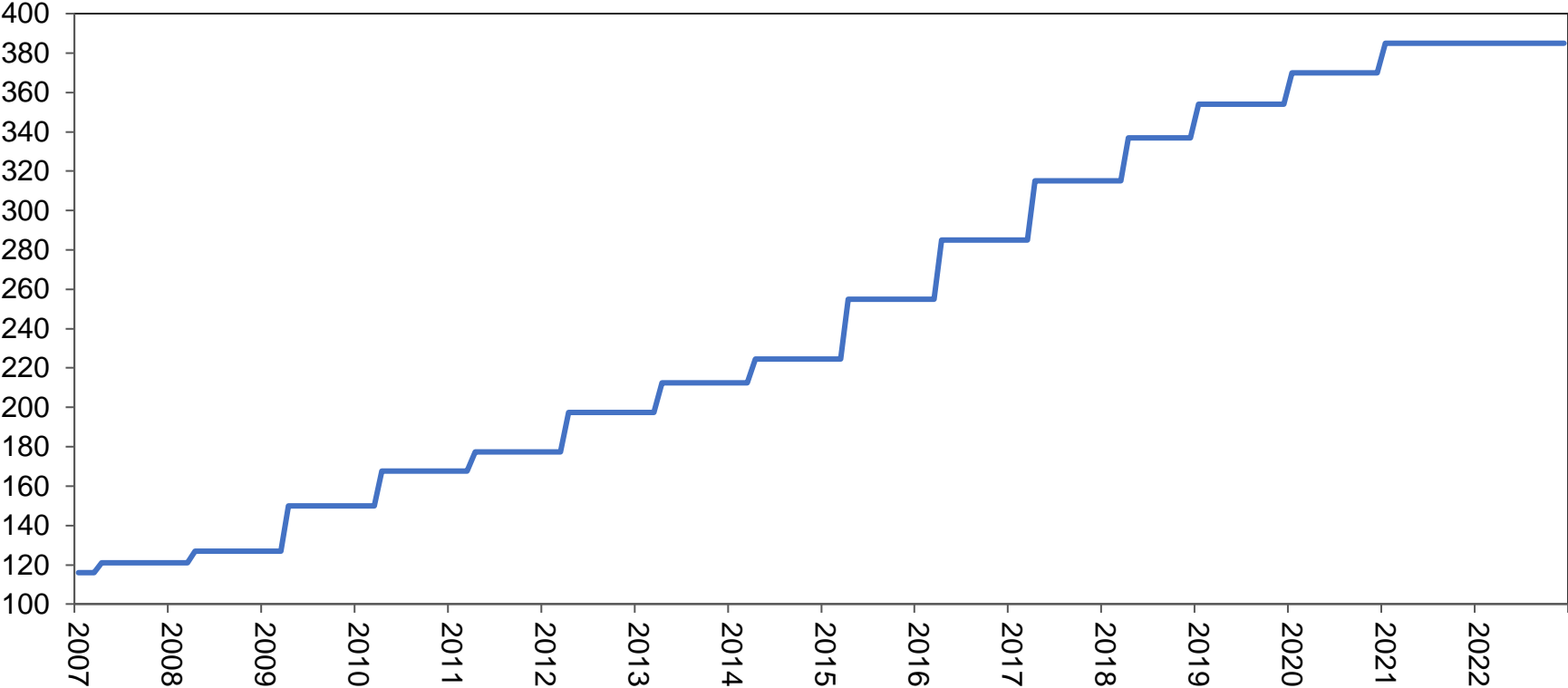


SA main tax proposals 2022/2023

	Subtractions Rm	Additions Rm
Direct taxes	2 200	
Personal income tax (adjustment for fiscal drag)		
Medical tax credit adjustment		
Expansion of the employment tax incentive	2 200	
Reduction in corporate income tax to 27%		
Restriction of assessed losses		
Additional interest limitation		
Indirect taxes		-500
Increase in excise duties on alcohol		-400
Increase in excise duties on tobacco		-100
GAIN/LOSS ON TAX PROPOSALS	1 700	

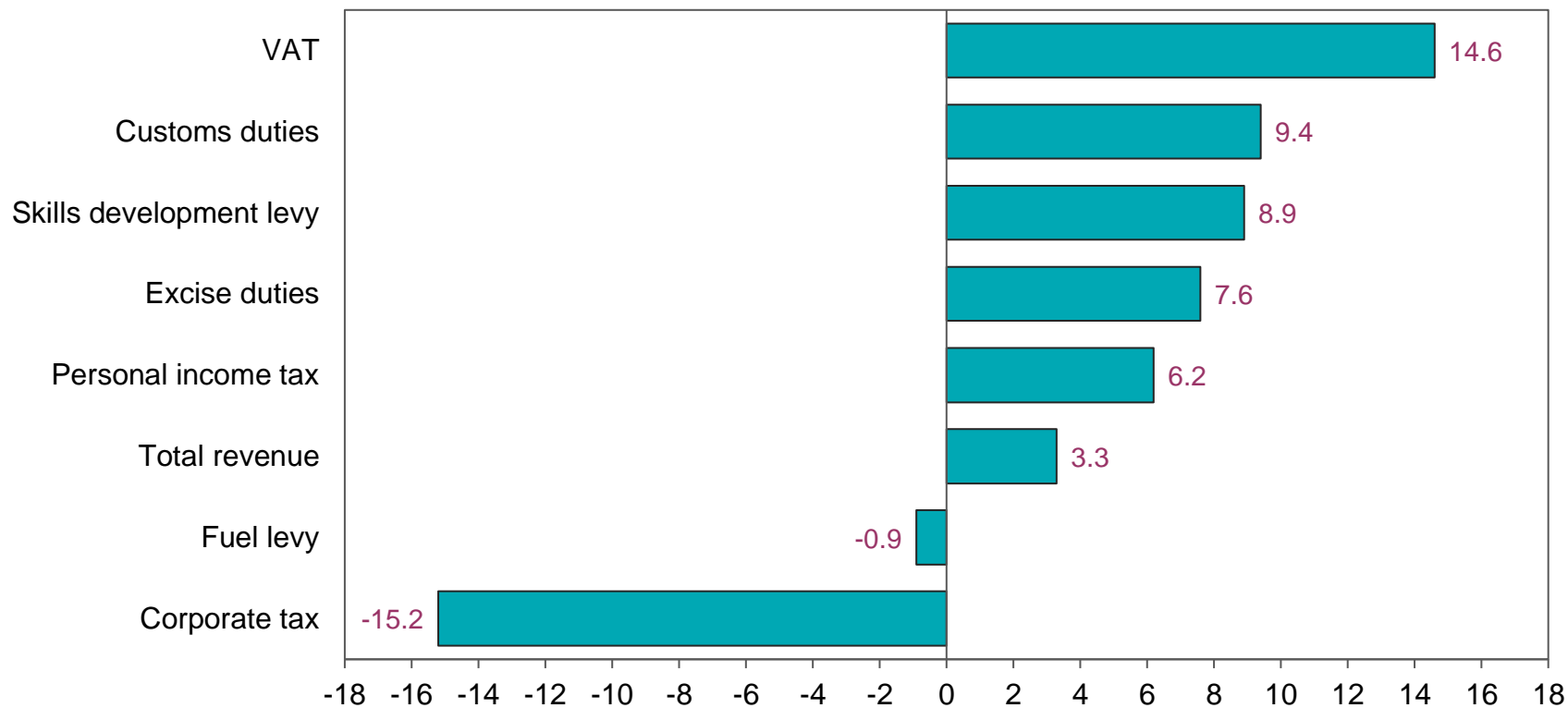
South Africa's fuel levy

Cents per litre



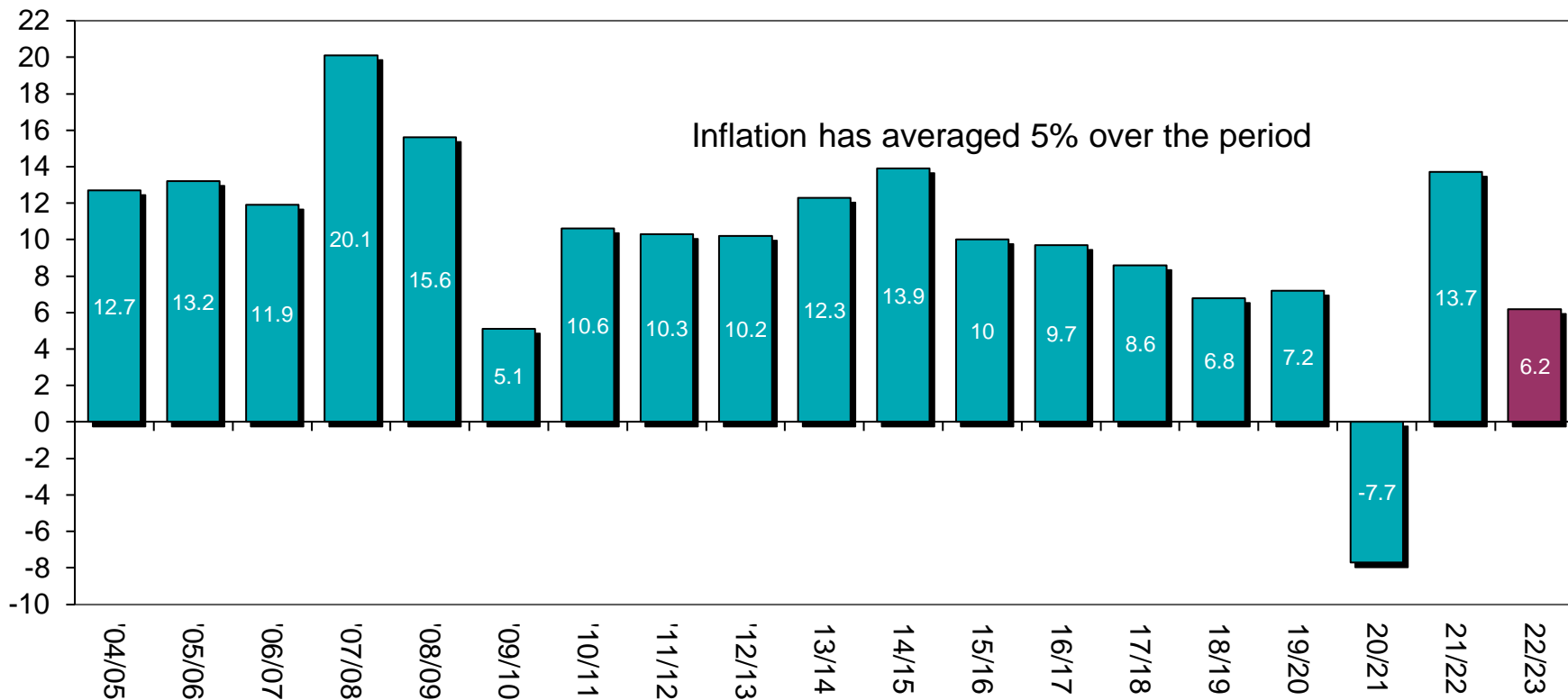
SA budget revenue increases in 2022/23

% y / y



SA growth in individual income tax

%, Fiscal years

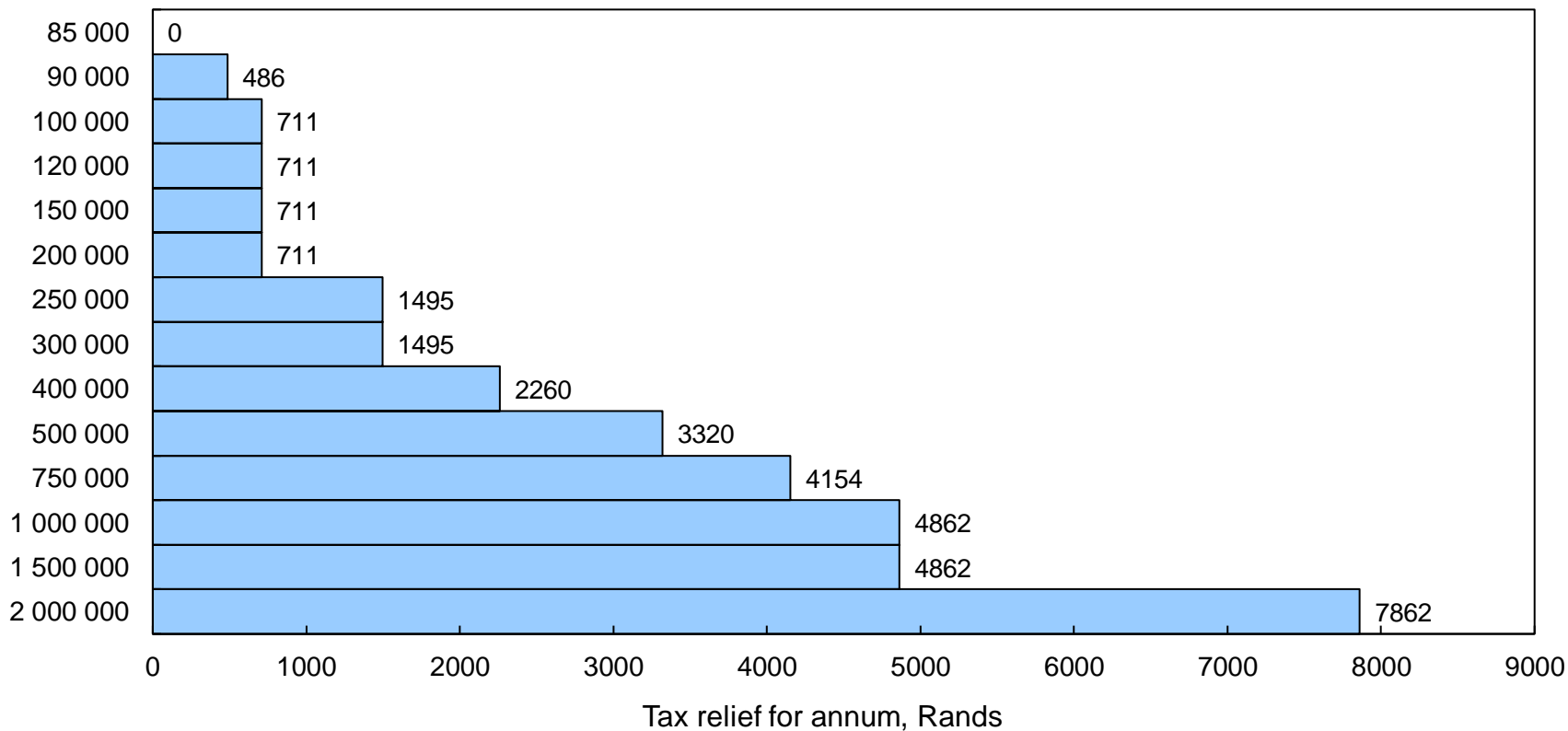


Estimates of individual taxpayers contribution: 2022/2023

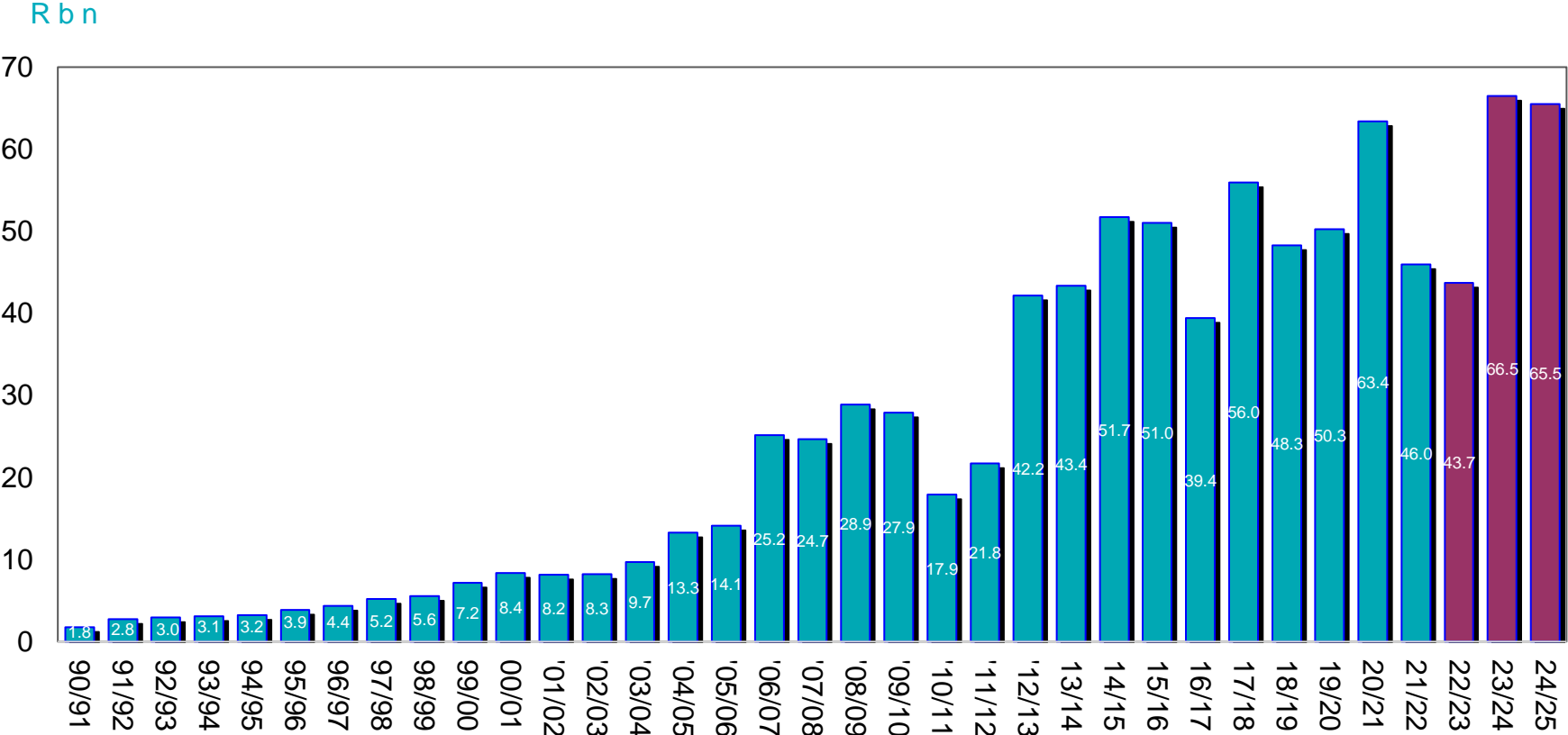
	Percentage of personal tax before tax adjustments	Percentage of personal tax after 2022/2023 tax changes
R0 to R91 000	0,0	0,0
R91 000 to R150 000	2,6	2,5
R150 000 to R250 000	4,7	4,6
R250 000 to R350 000	8,3	8,2
R350 000 to R500 000	14,4	14,2
R500 000 to R750 000	17,9	17,8
R750 000 to R1 000 000	11,2	11,3
R1 000 000 to R1 500 000	12,7	12,8
R1 500 000+	28,2	28,7

SA tax relief for individuals younger than 65 in 2022/2023

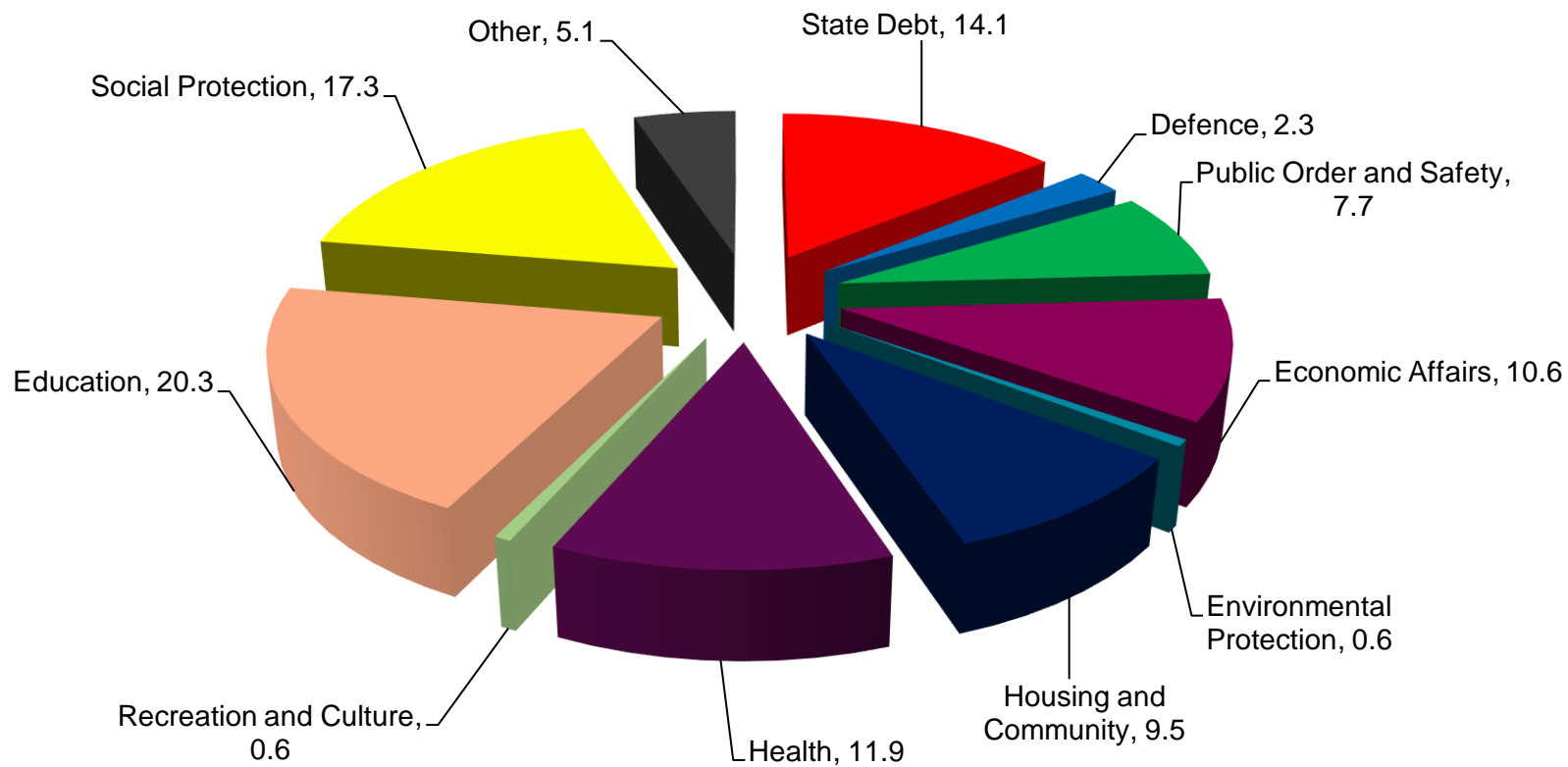
Taxable income per annum, Rands



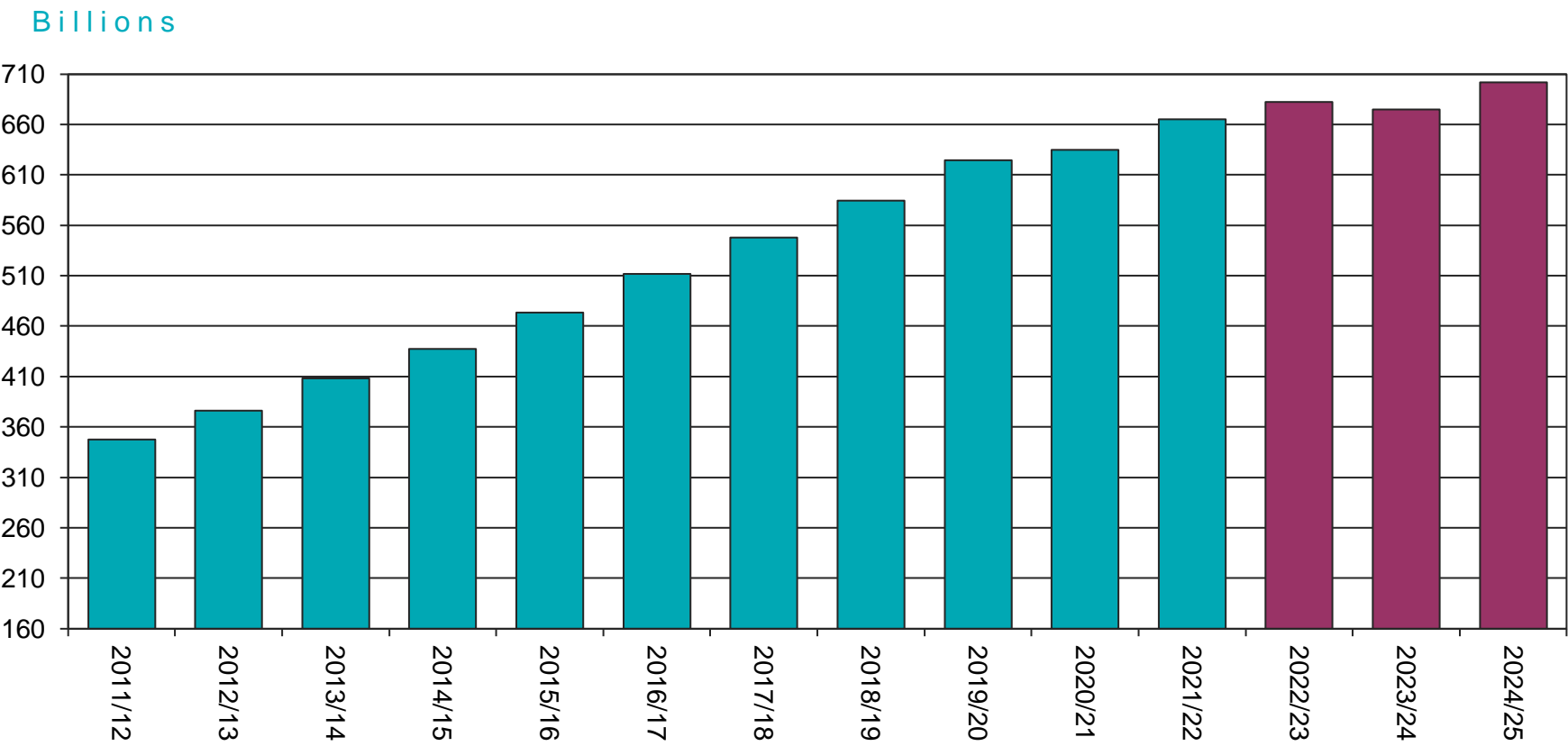
Customs Union payments by SA government



SA breakdown of expenditure 2022/2023

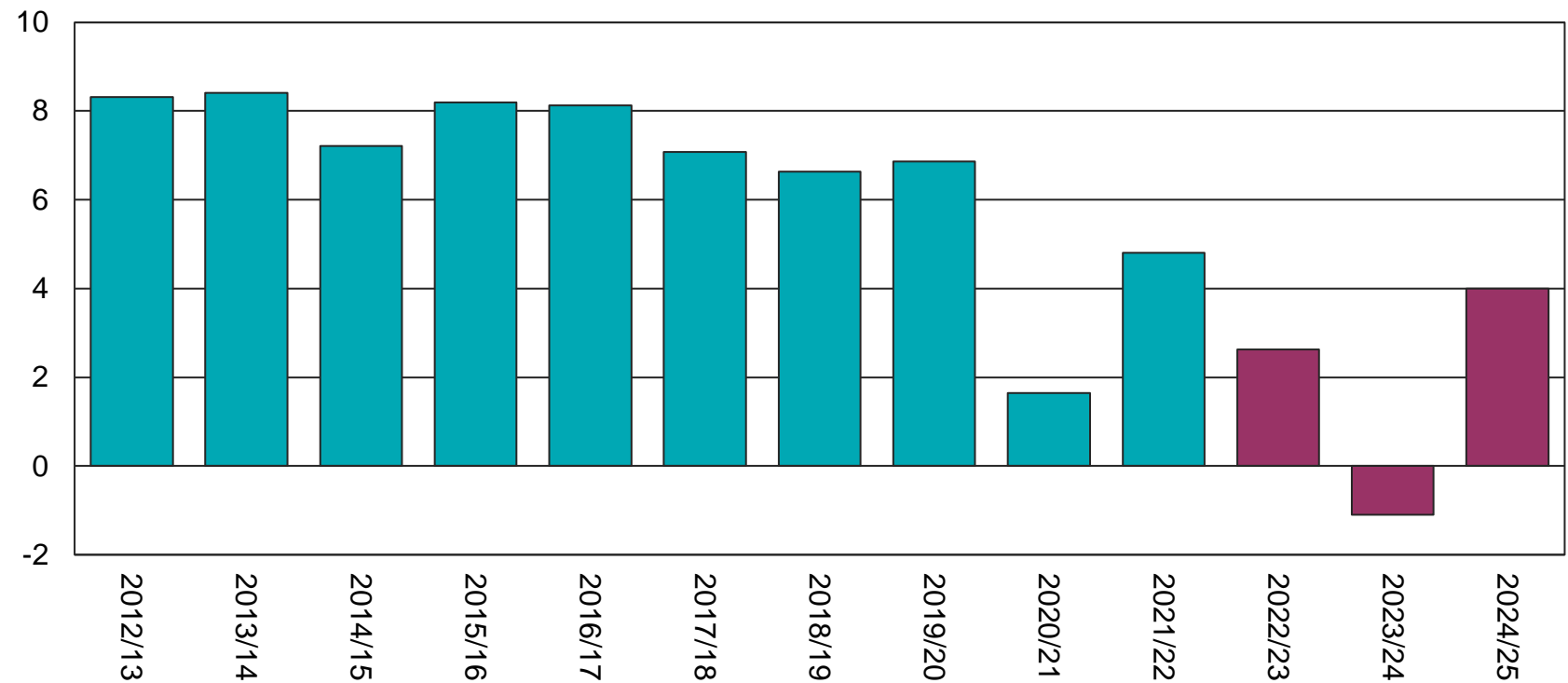


Government compensation of employees



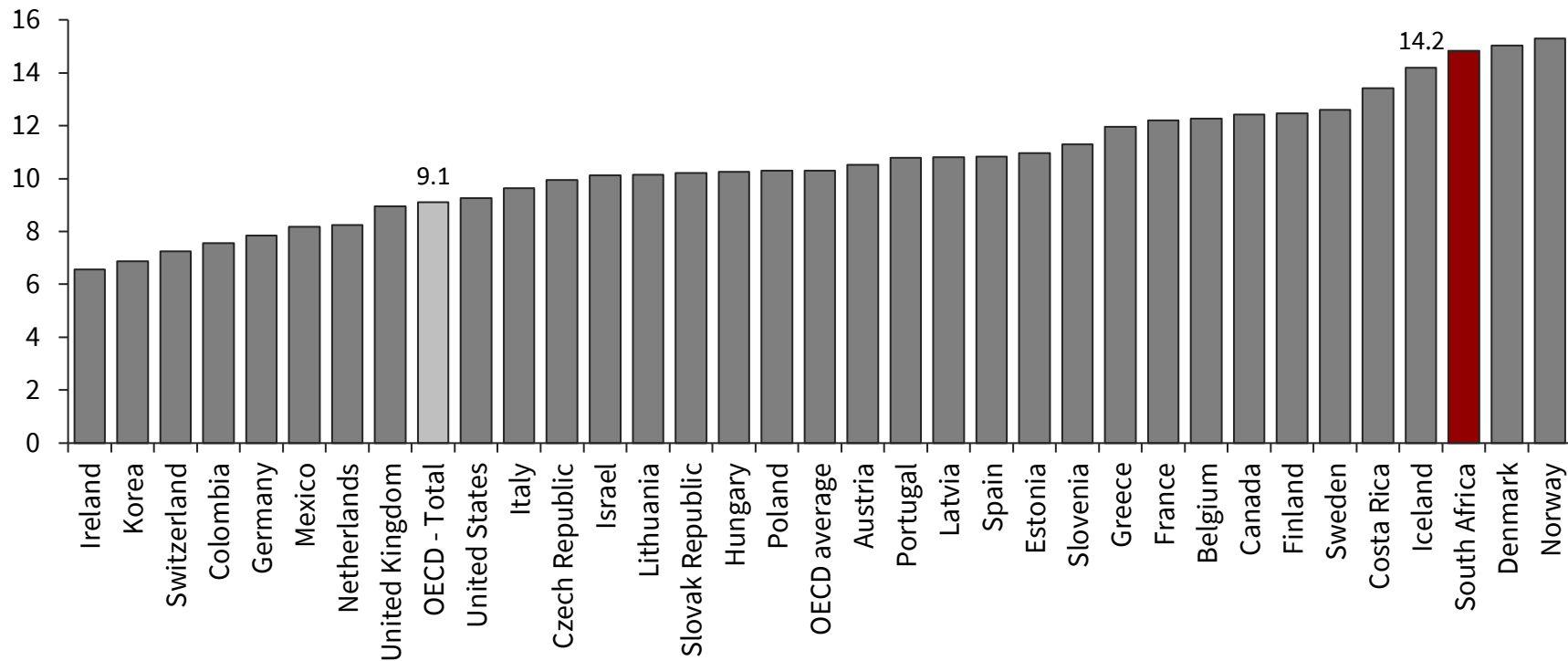
Government compensation of employees (year-on-year)

% year-on-year



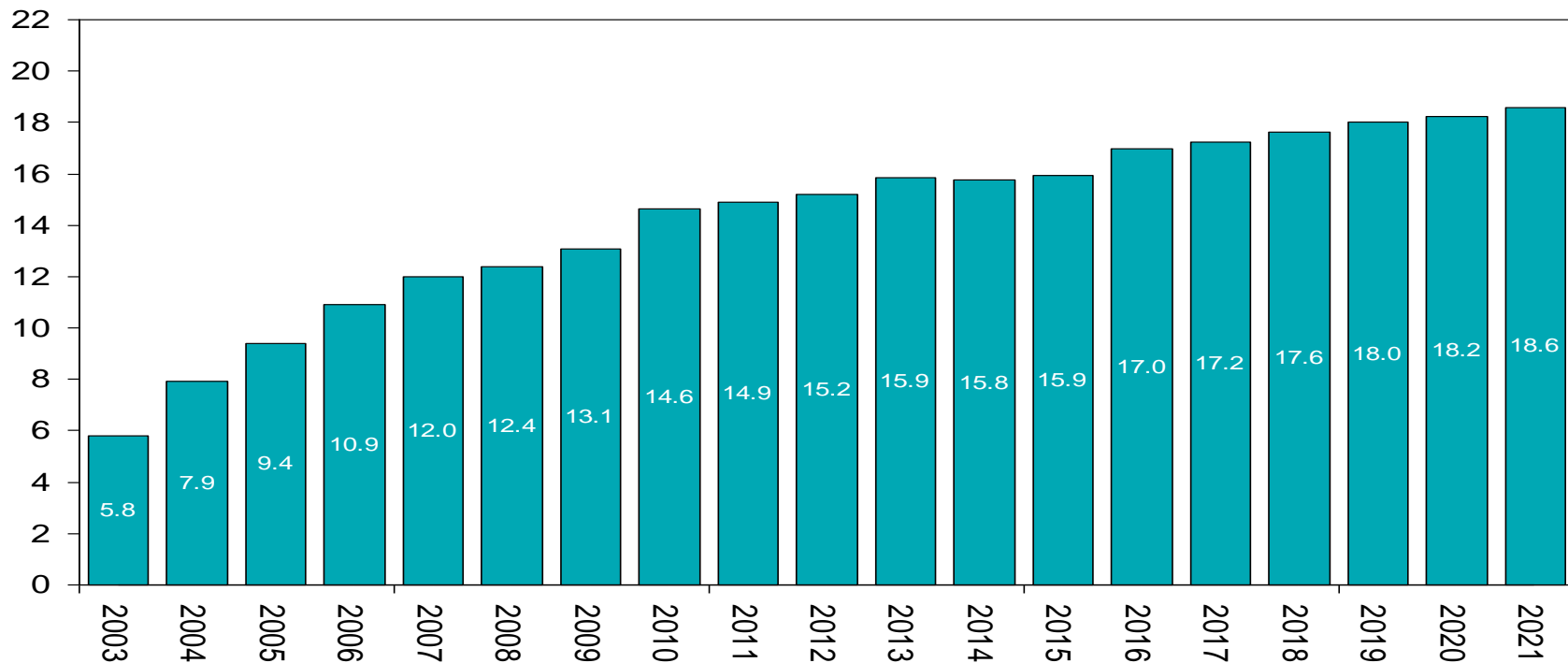
General government compensation of employees as % of GDP

% of GDP (2019)



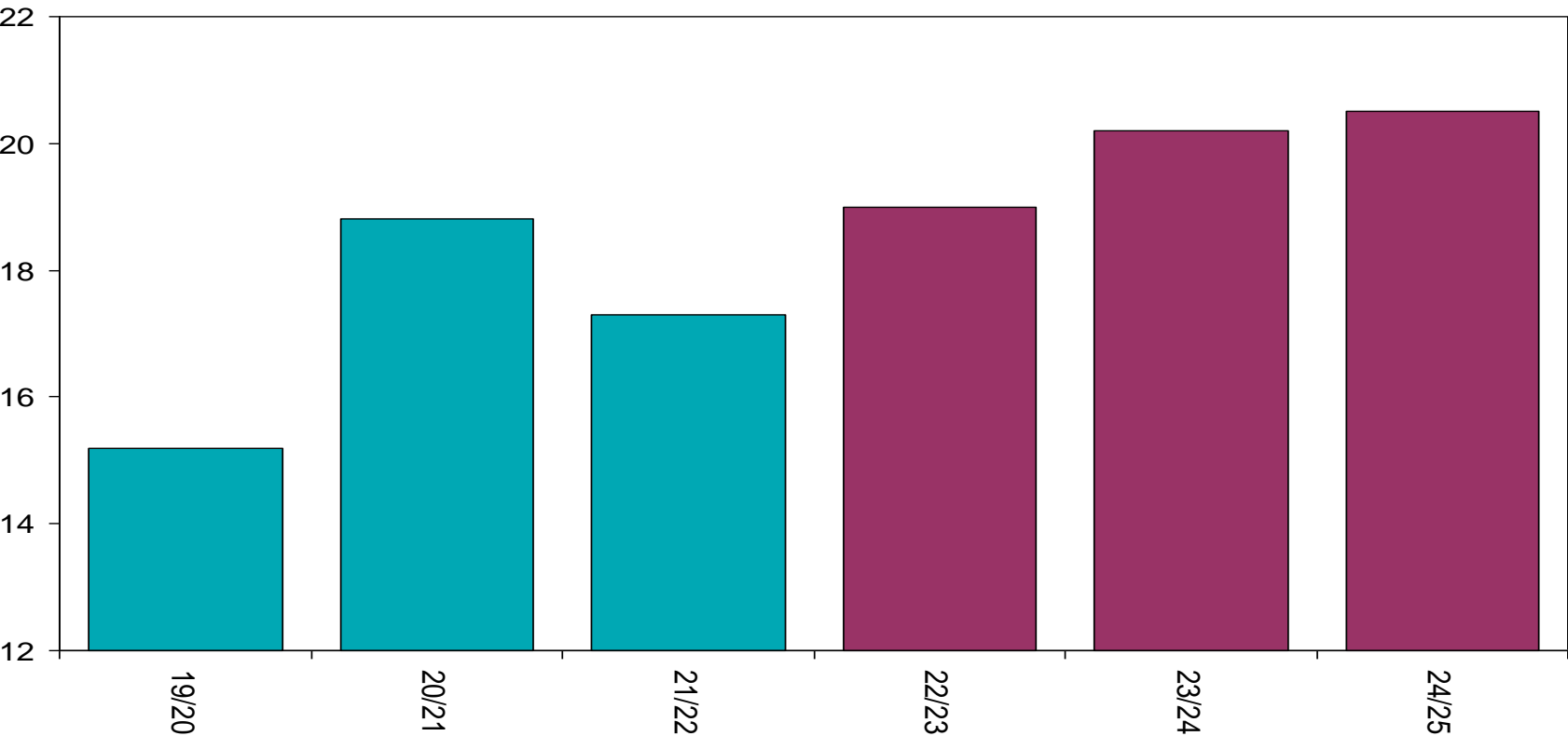
SA number of people receiving social grants

Million (people)



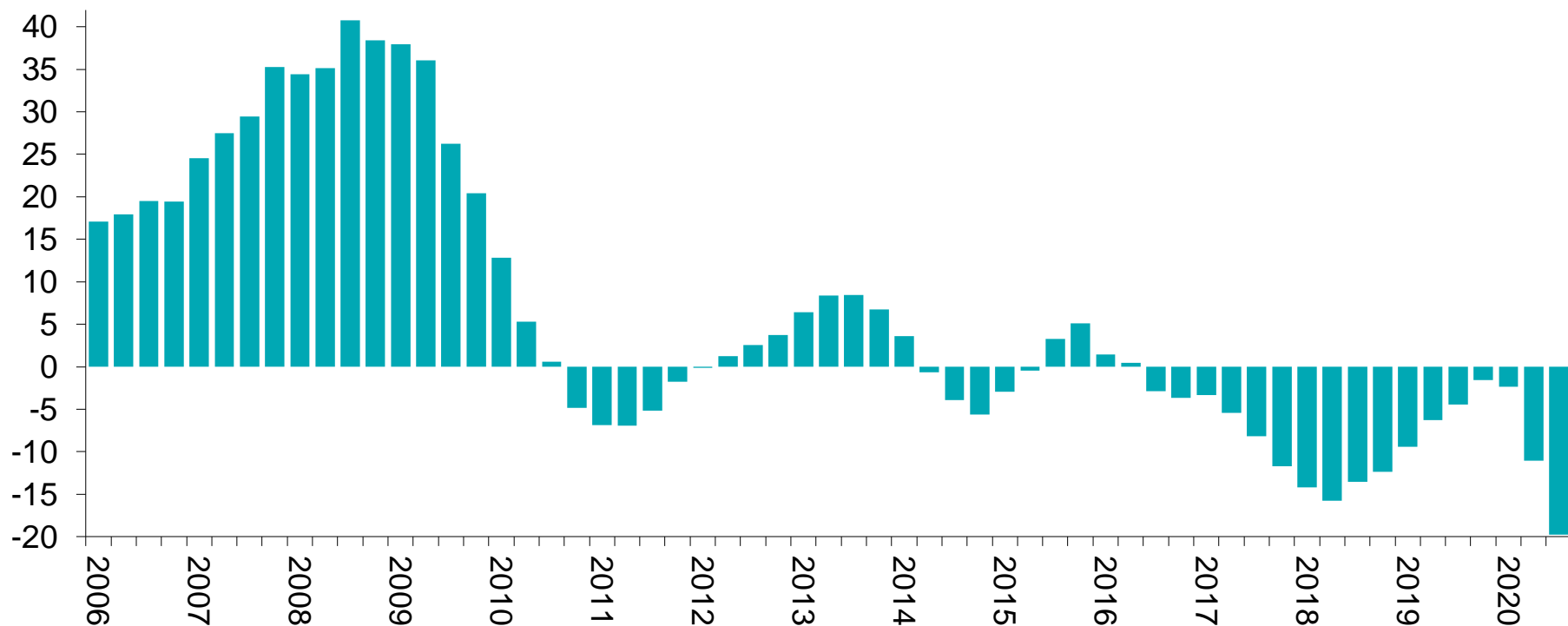
SA interest cost as % of total government revenue

Rbn, Fiscal years

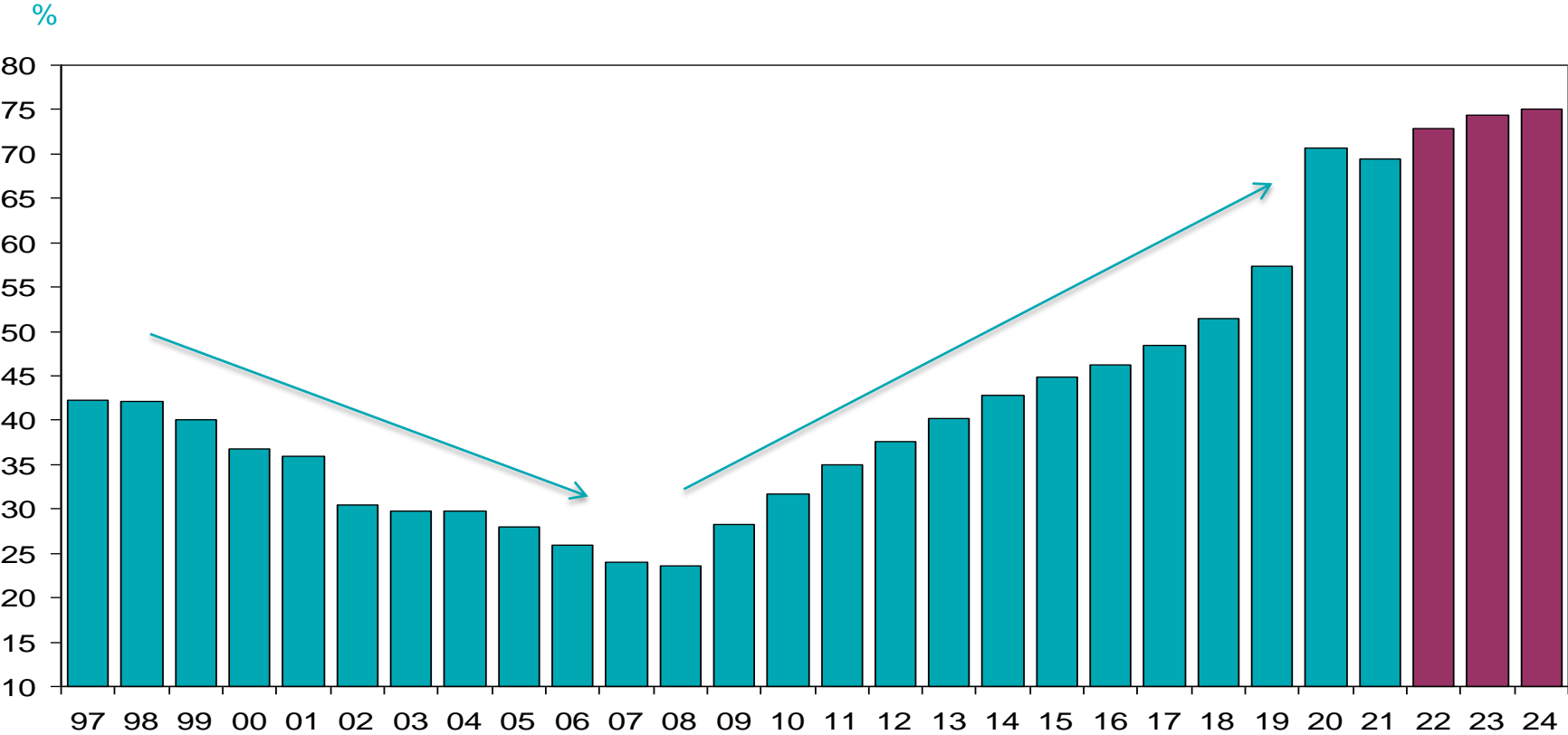


Growth in fixed investment spending by SOEs

% year-on-year, 4-quarter moving average

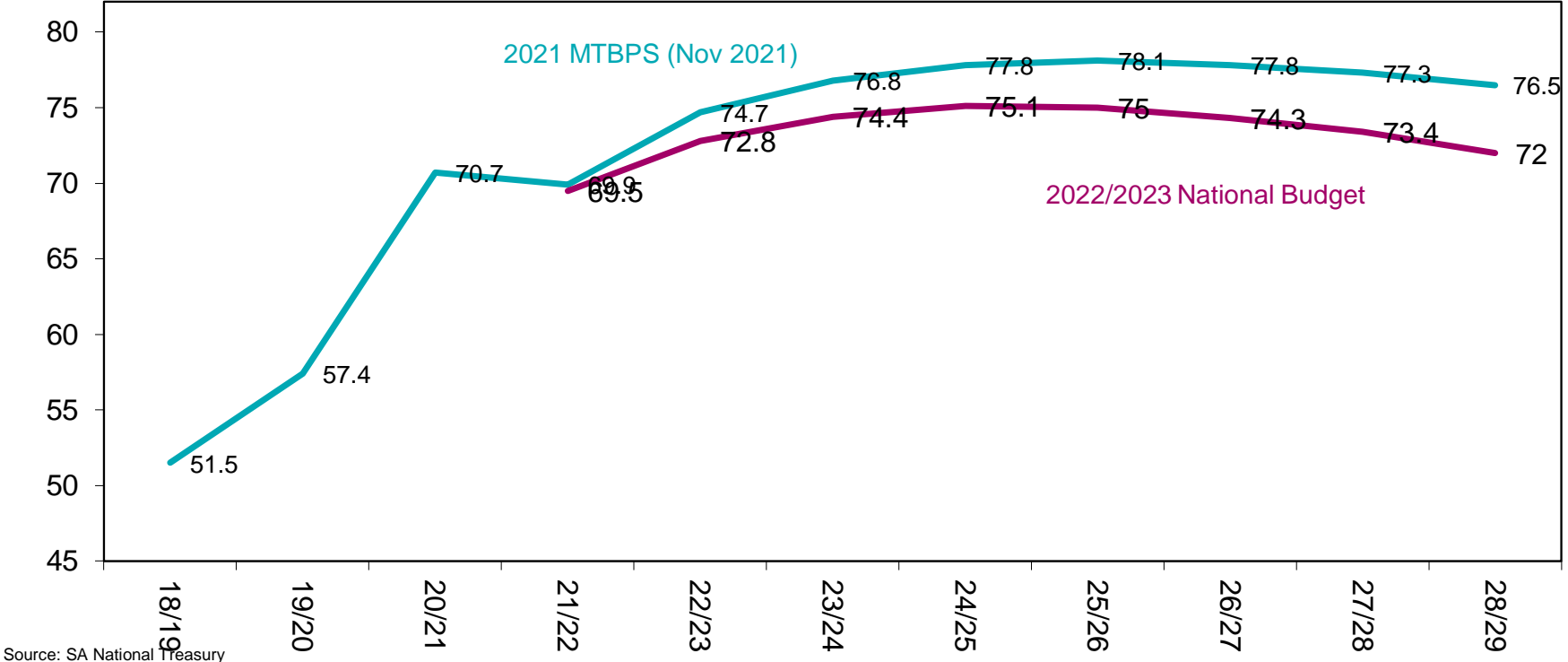


SA government gross loan debt as % of GDP



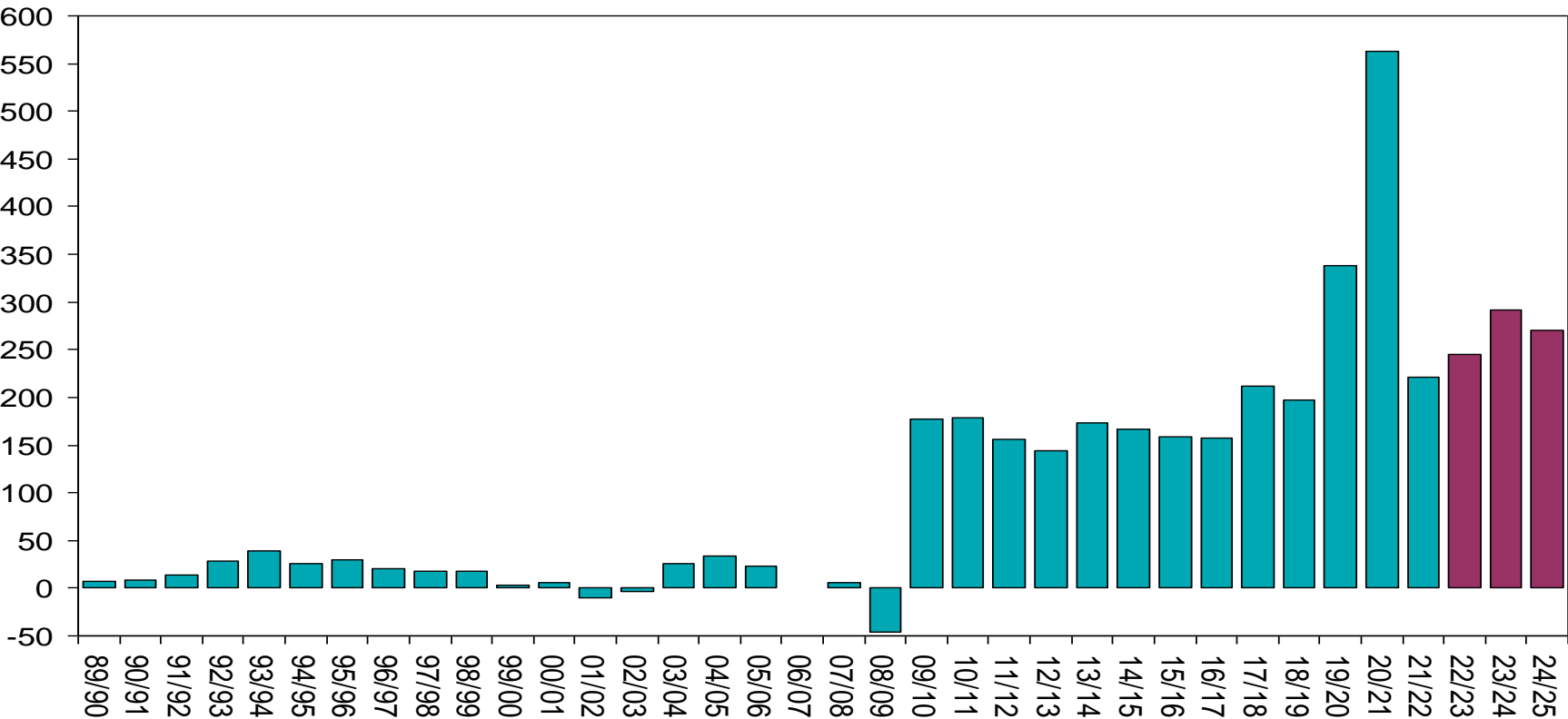
SA government debt outlook

Rbn Fiscal years



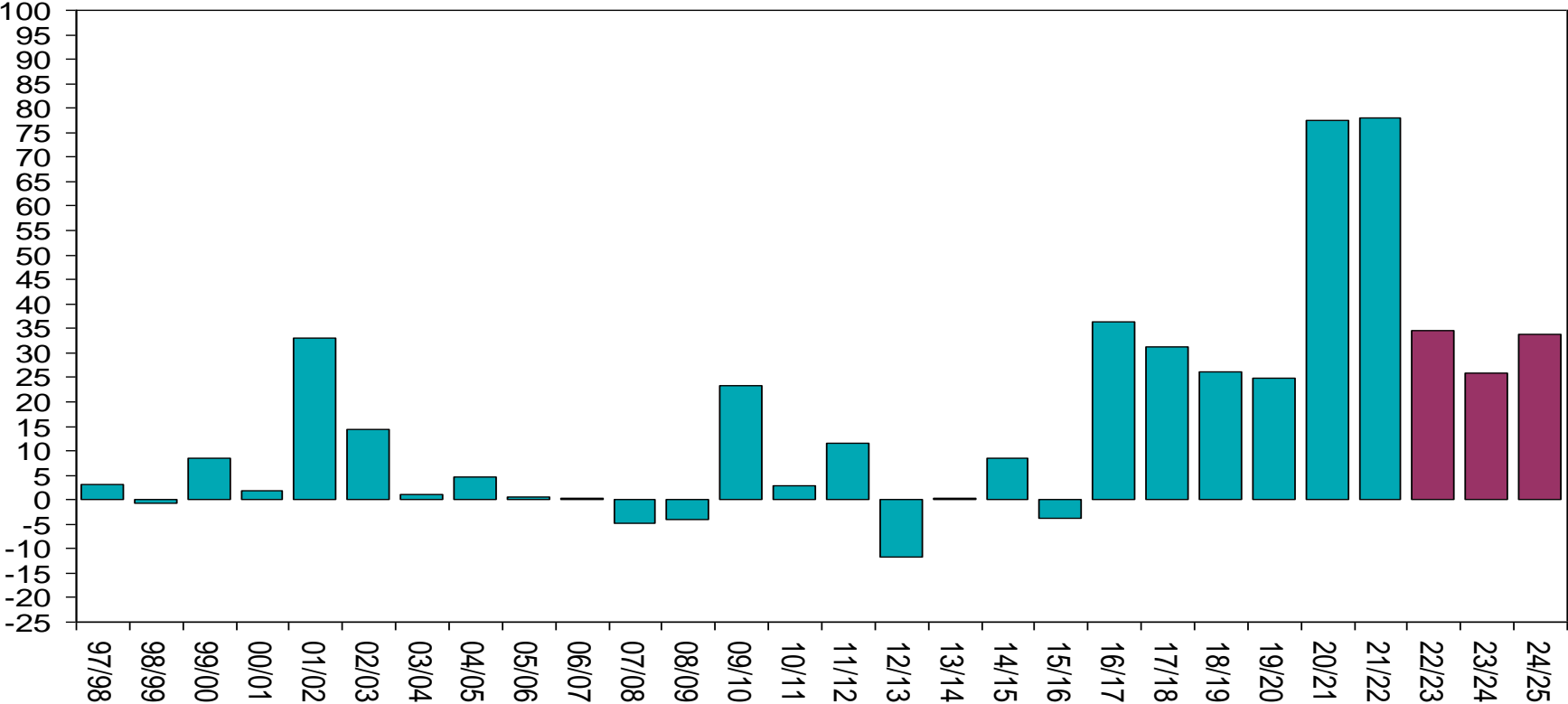
SA government net domestic short- and long-term bond

Rbn Fiscal years



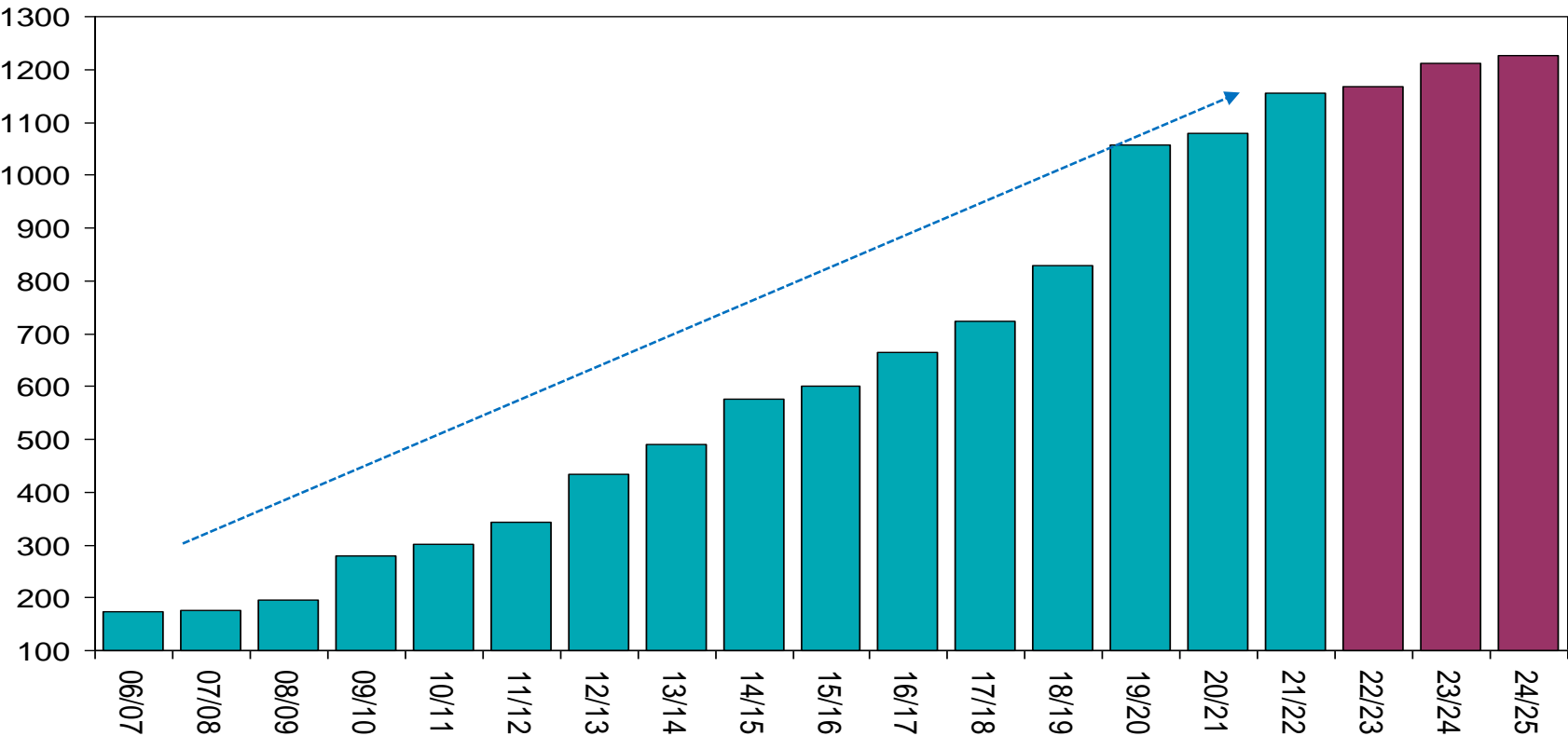
SA government net foreign funding

Rbn Fiscal years



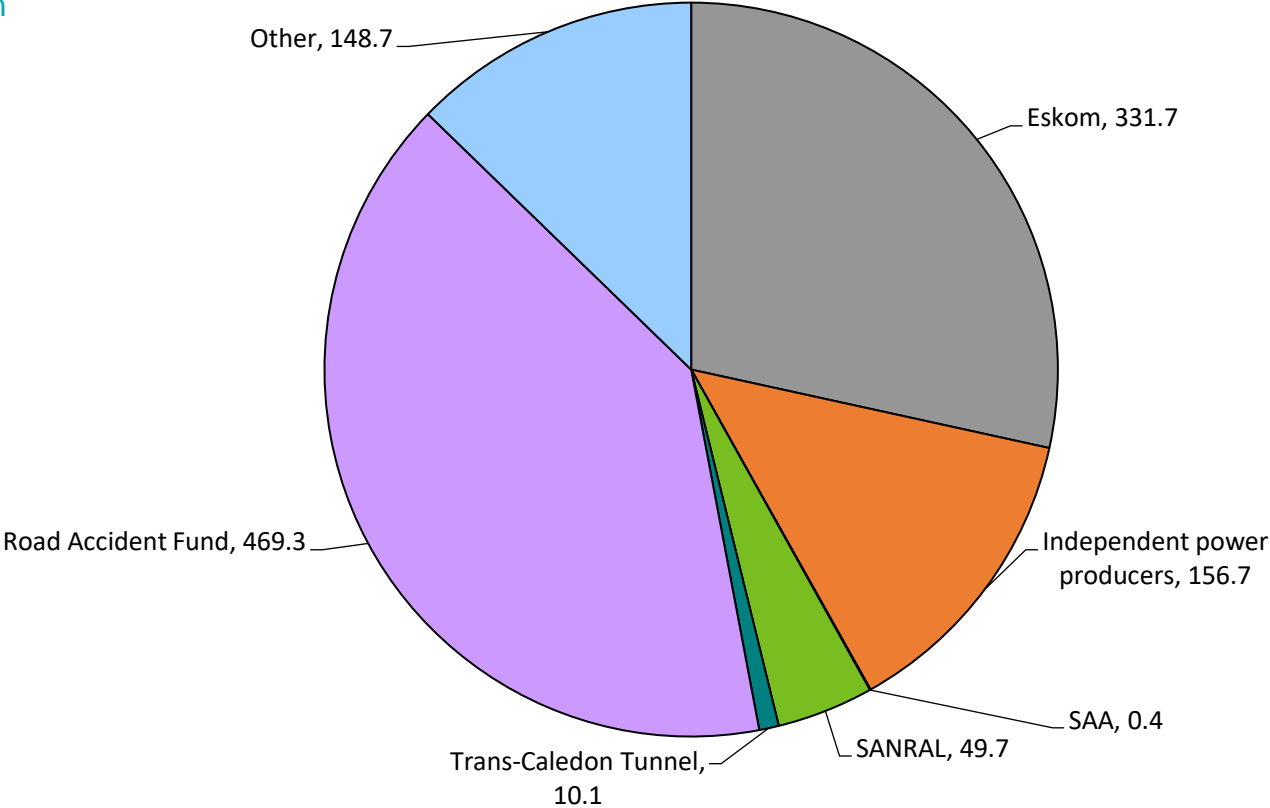
SA government contingent liabilities

Rbn, Fiscal years



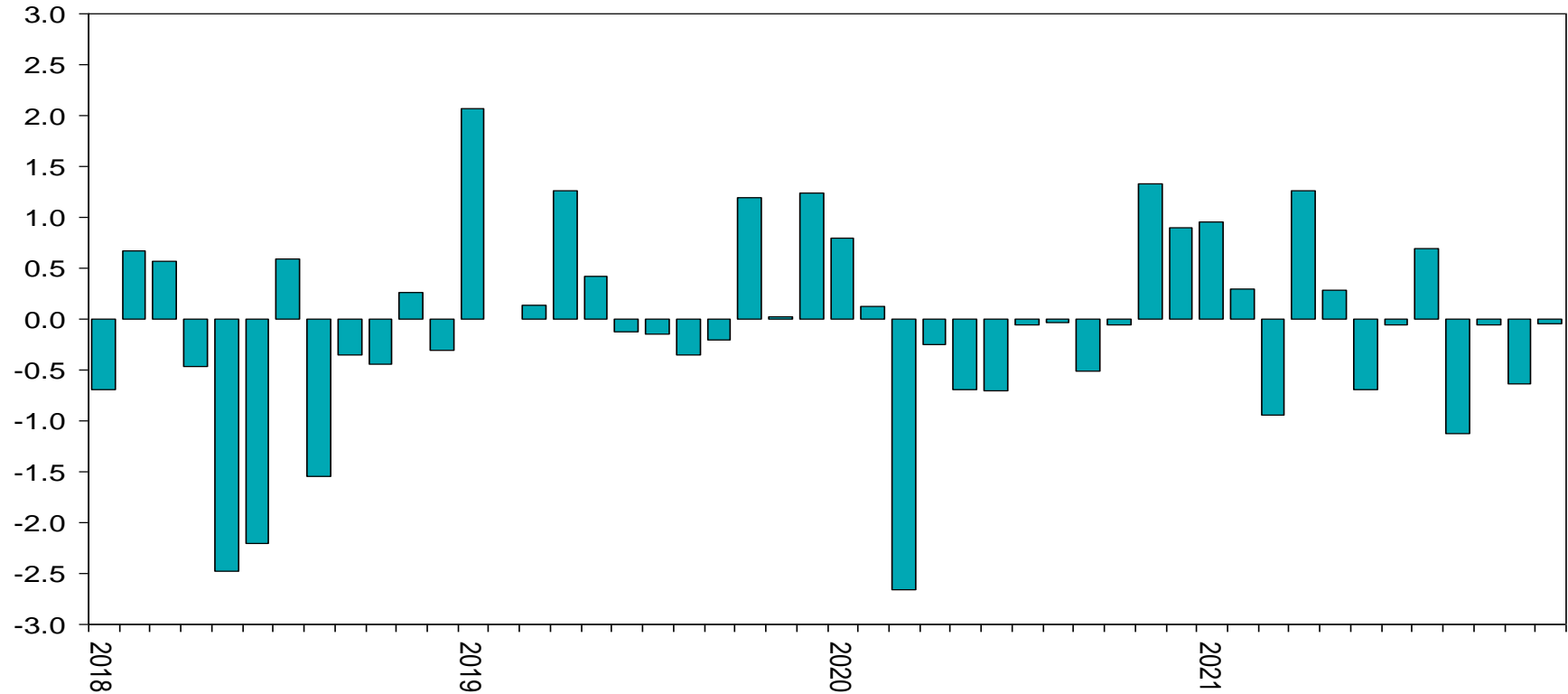
Government contingent liabilities 2022/2023

R billion

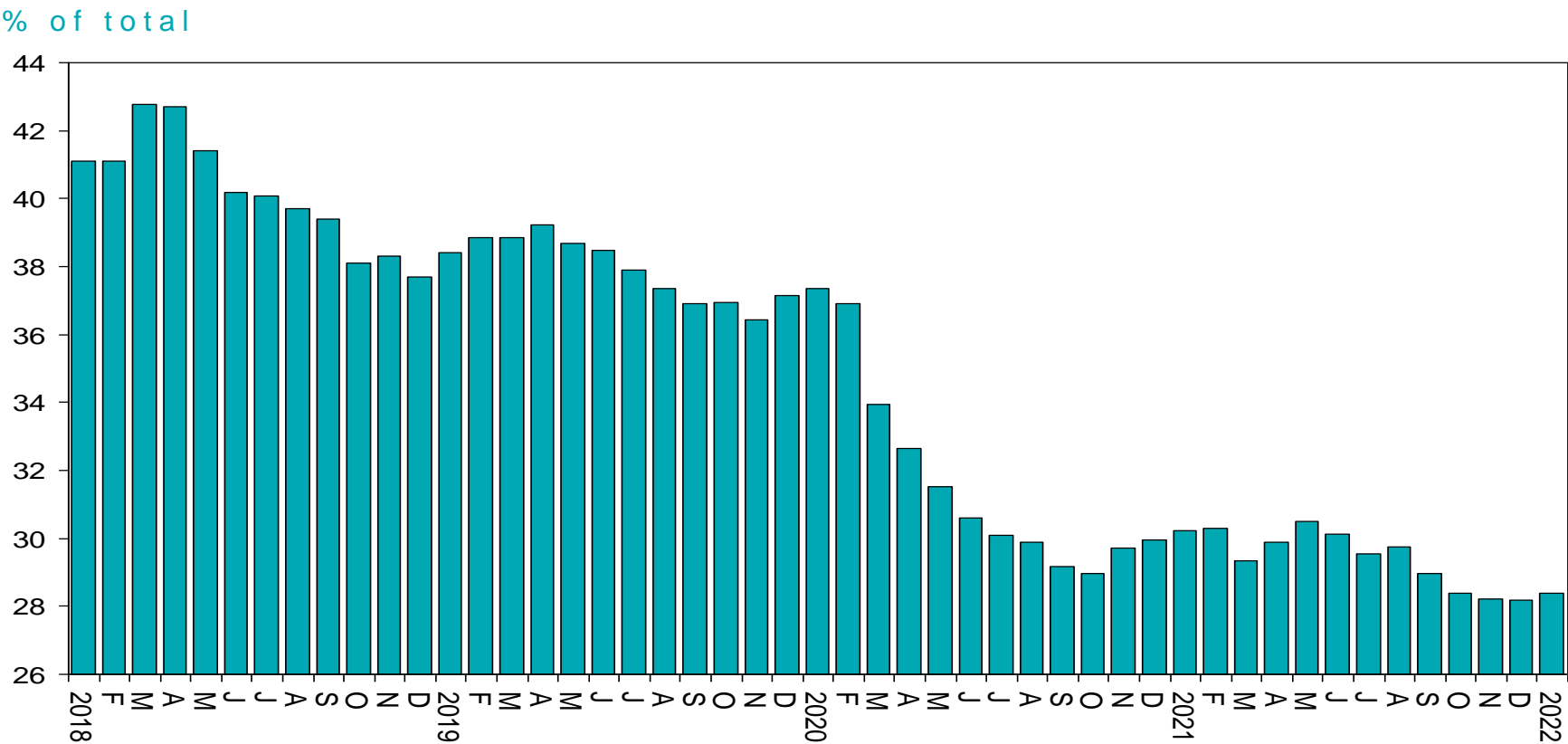


Foreign buying of South African government bonds

\$ billion (SA Reserve Bank data)



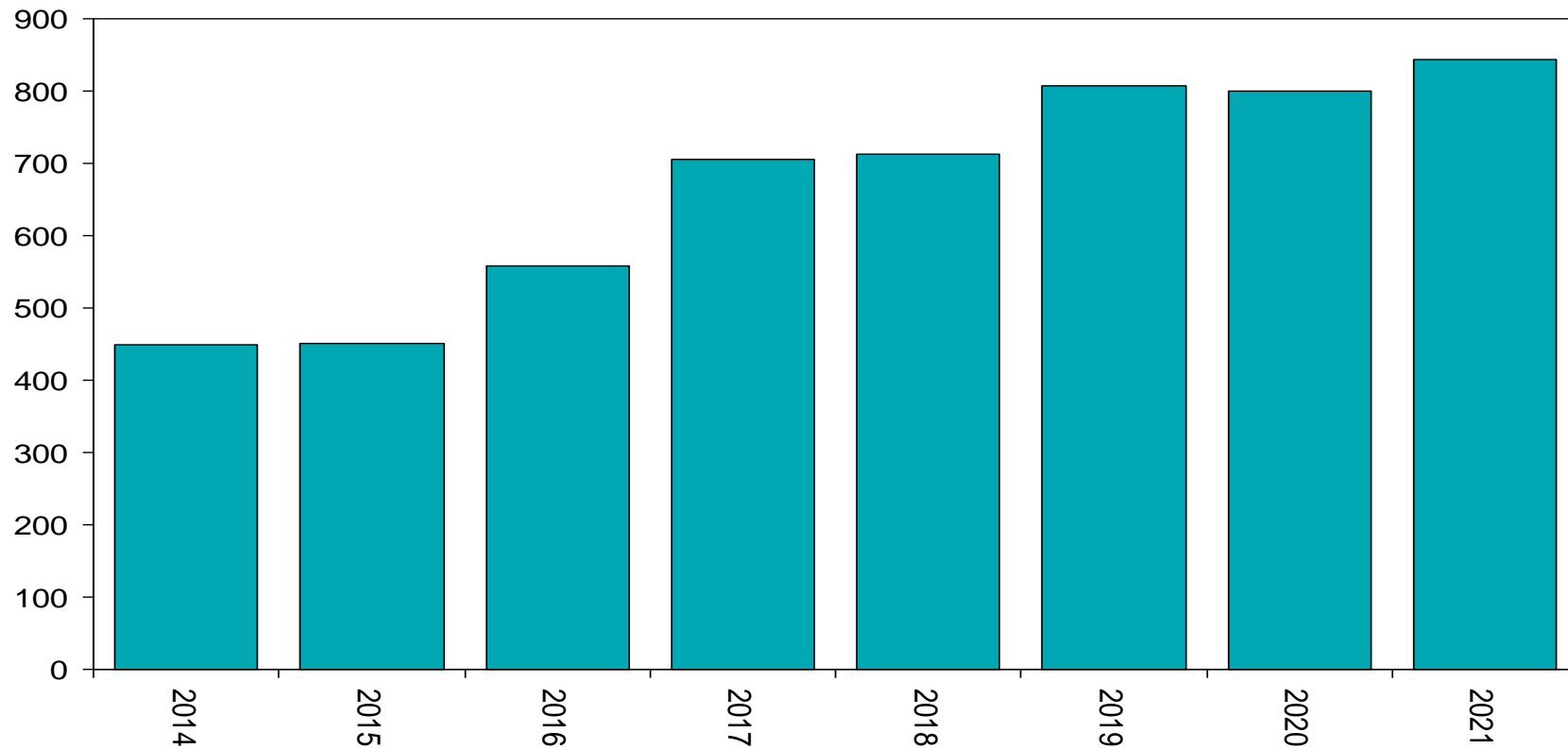
Foreign ownership of South African government bonds



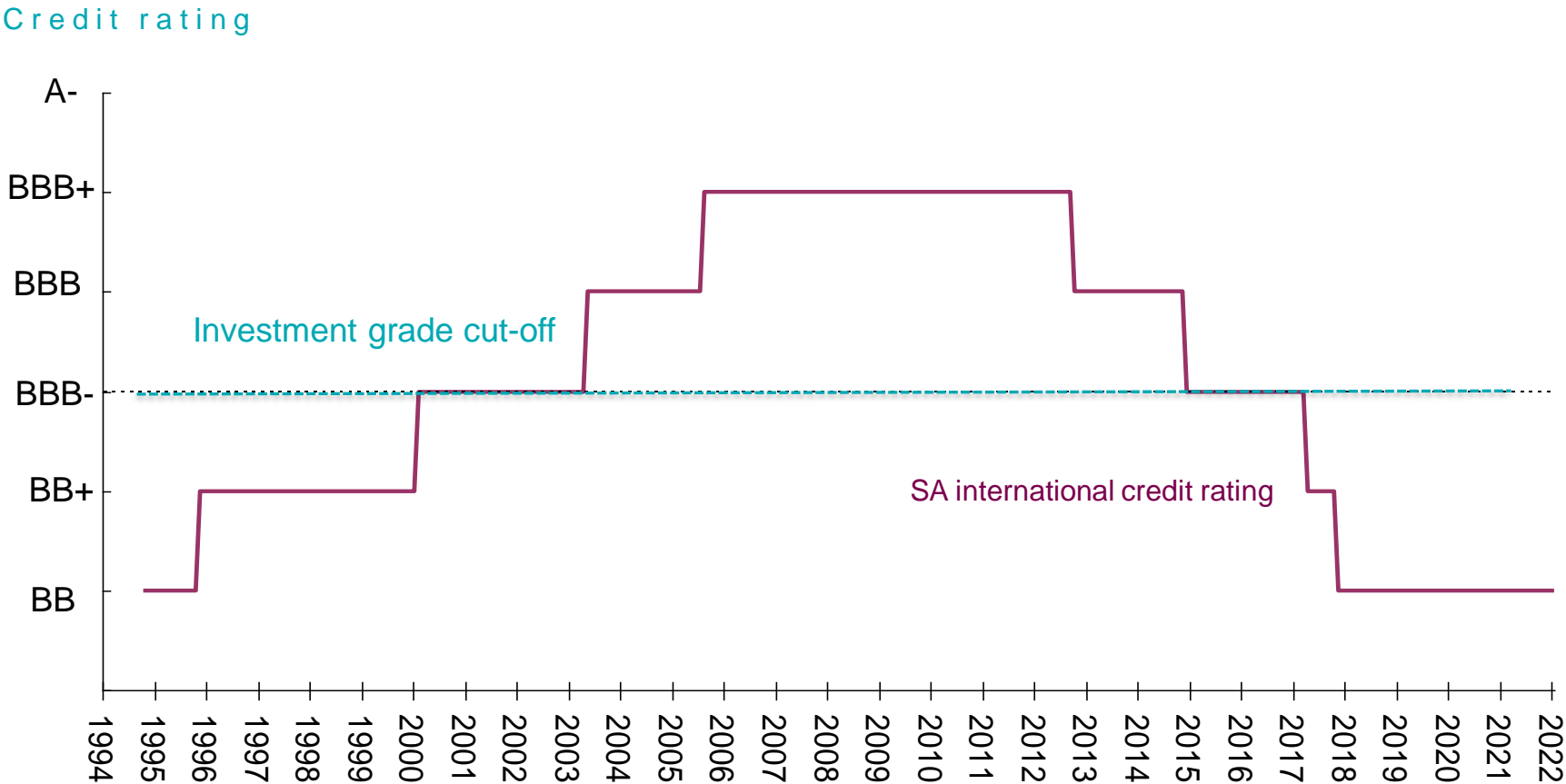
Source: South African National Treasury

Domestic government bonds held by foreign investors

R b n

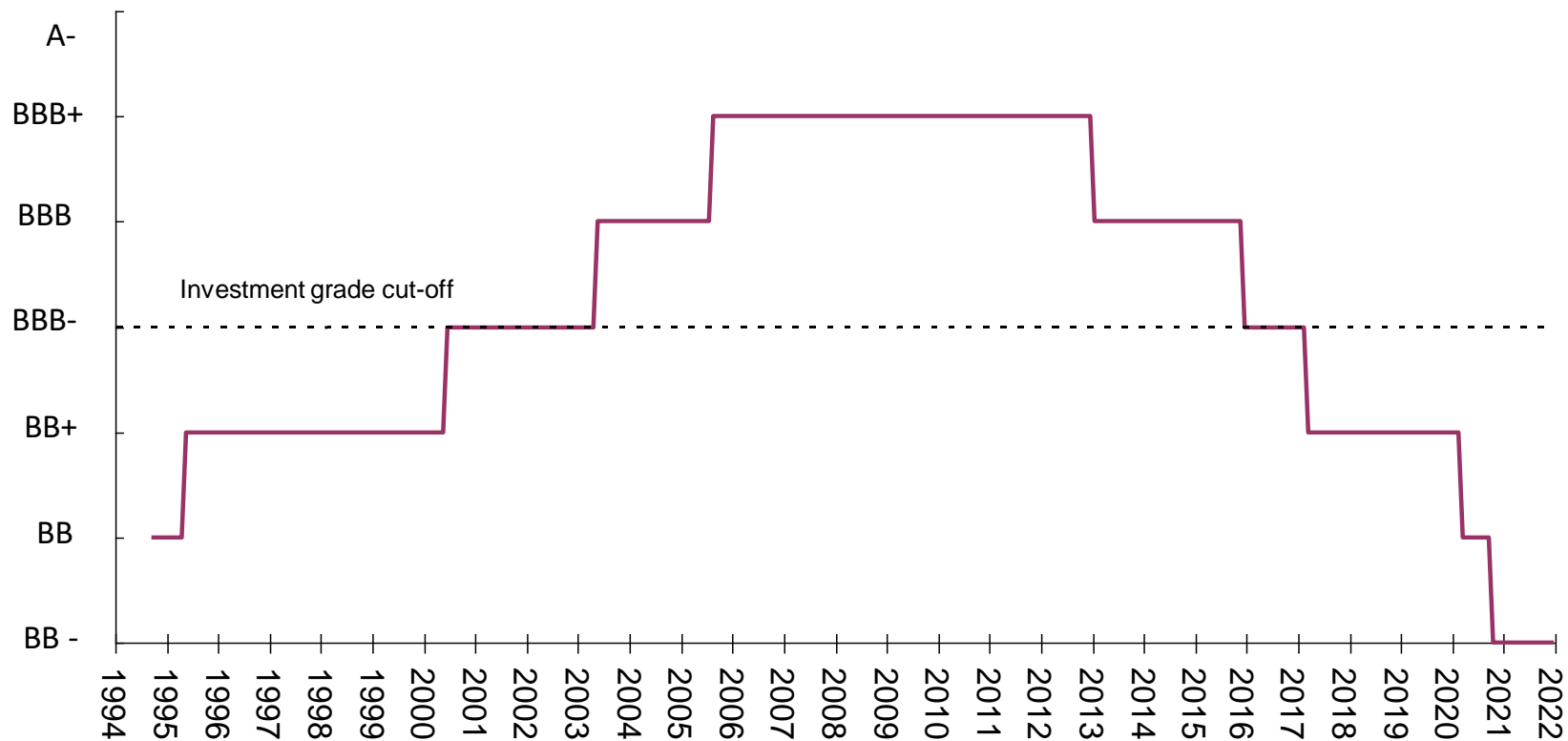


South Africa's credit rating by S&P



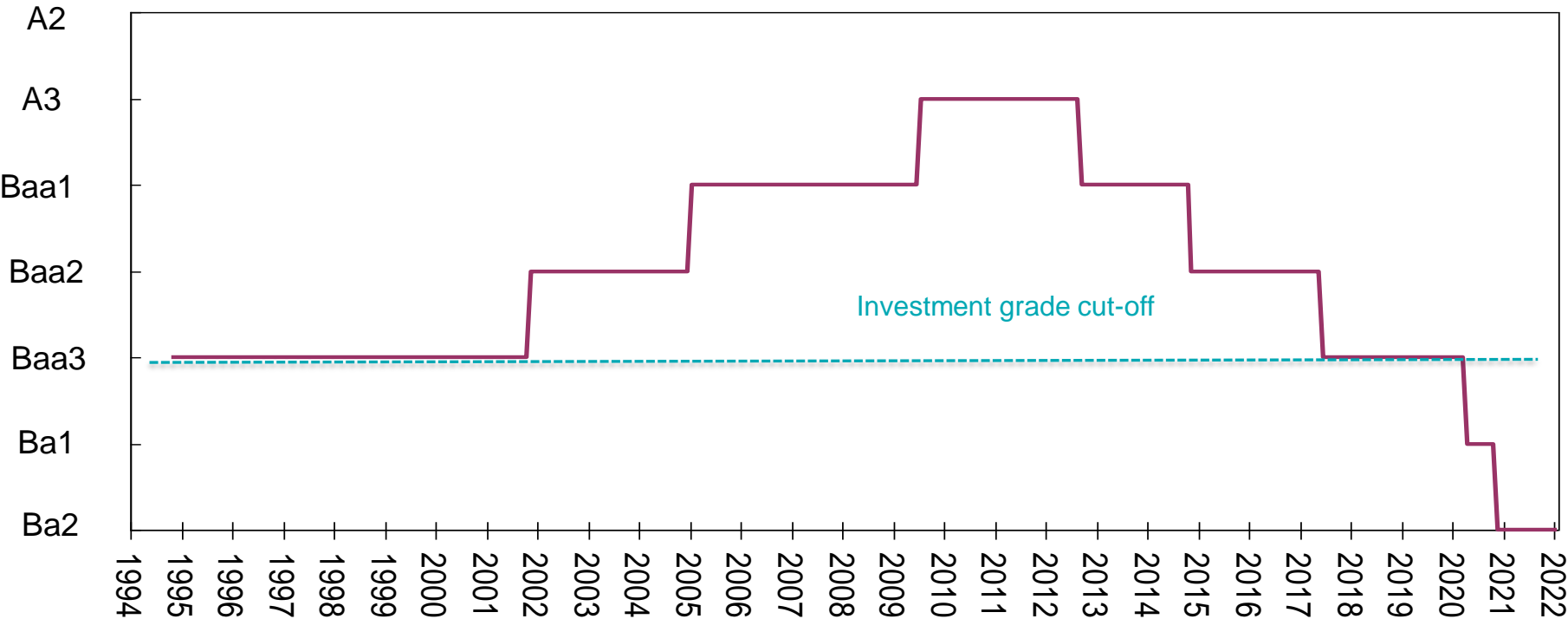
South African credit rating by Fitch

Credit rating



South Africa sovereign credit rating by Moody's

Rating history



Evaluating the SA national budget

	Negative	Positive
Budget objectives clearly stated		Yes
Budget deficit contained		Yes
Revenue :		
Appropriate composition		Yes
No ad hoc measures		Yes
Efficiency of collection	No	
Spending:		
Appropriately allocated	No	
Public sector salary increases contained		Yes
Increases in public sector investment	No	
Positive impact on the economy:		
Growth	No	
Inflation		Yes
Encouraging private sector investment	No	
Help encourage job creation	No	
Provide poverty relief/welfare		Yes
Encourage savings	No	
Encourage small business	No	
Innovation	No	

Thank you



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All performance returns and ranking figures quoted are shown in ZAR and are based on data sourced from Morningstar as at 31 December 2019 and January 2020.

Portfolio performance figures are calculated for the relevant class of the portfolio, for a lump sum investment, on a NAV-NAV basis, with income reinvested on the ex-dividend date. Individual investor performance may differ due to initial fees, actual investment date, date of reinvestment of income and dividend withholding tax. Any forecasts or commentary included in this document are not guaranteed to occur. Annualised return figures are the compound annualised growth rate (CAGR) calculated from the cumulative return for the period being measured. These annualised returns provide an indication of the annual return achieved over the period had an investment been held for the entire period.

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A fund of funds is a portfolio that invests in portfolios of collective investment schemes, that levy their own charges, which could result in a higher fee structure for these portfolios

A Feeder Fund portfolio is a portfolio that invests in a single portfolio of a collective investment scheme that levies its own charges, which could result in a higher fee structure for the Feeder Fund.

A money market portfolio is not a bank deposit account. The price of each participatory interest (unit) is aimed at a constant value. The total return to the investor is primarily made up of interest received but, may also include any gain or loss made on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the portfolio. An annualised seven day rolling average effective yield is calculated for Money Market Portfolios. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures; and that in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

A portfolio that derives its income primarily from interest-bearing instruments calculates its yield daily and is a current effective yield.

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