



CIRRUS

Mining in 2021: Poised for Growth?

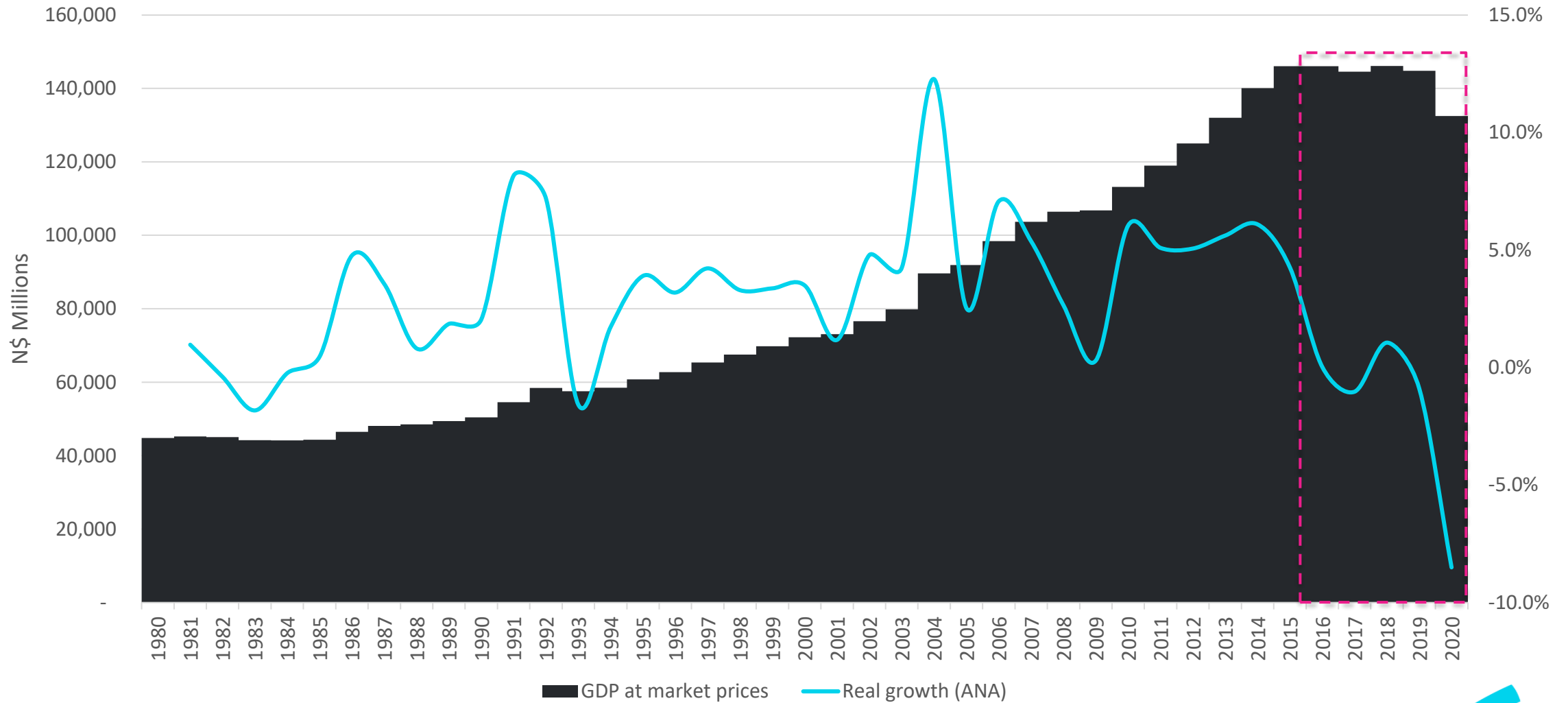
The best way to predict the future is to **create** it.



Background



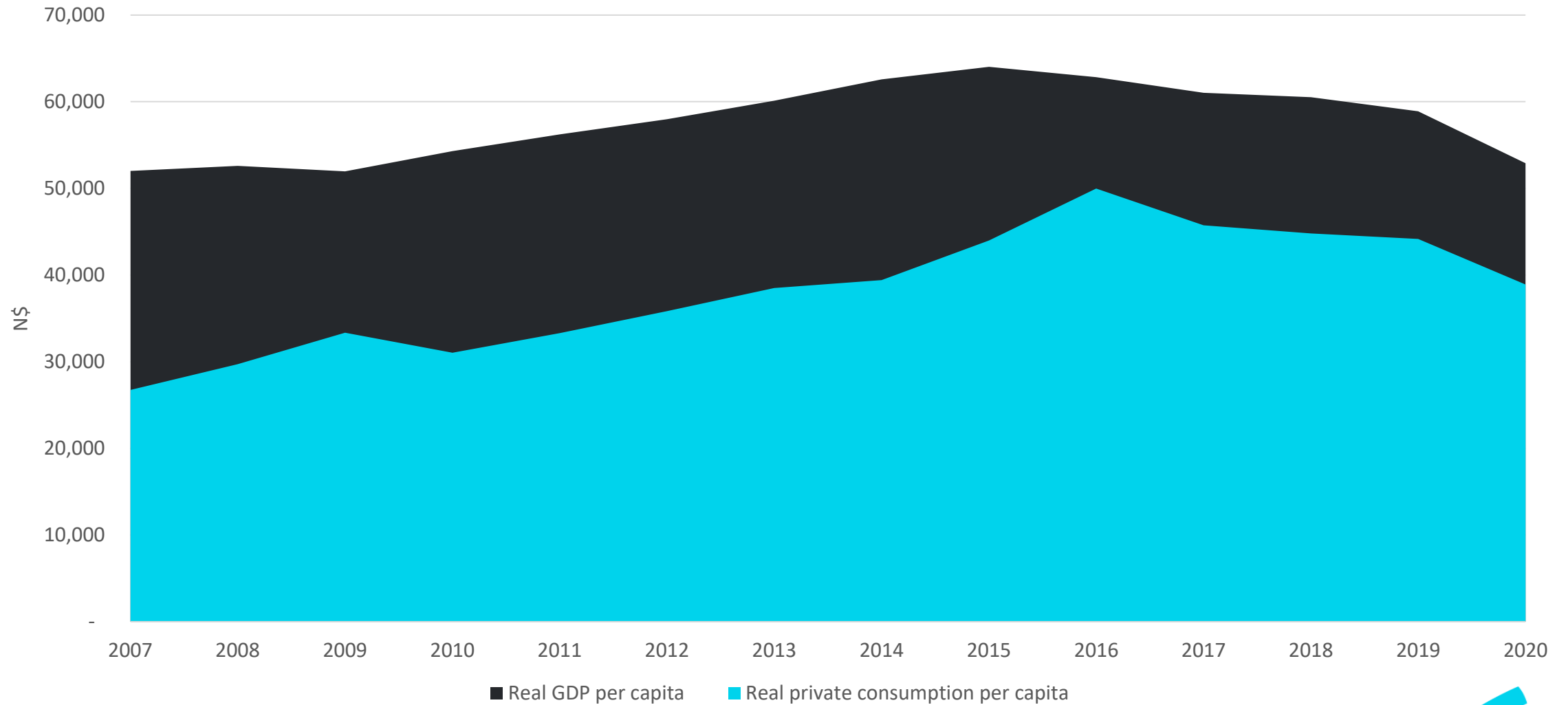
Real GDP Growth



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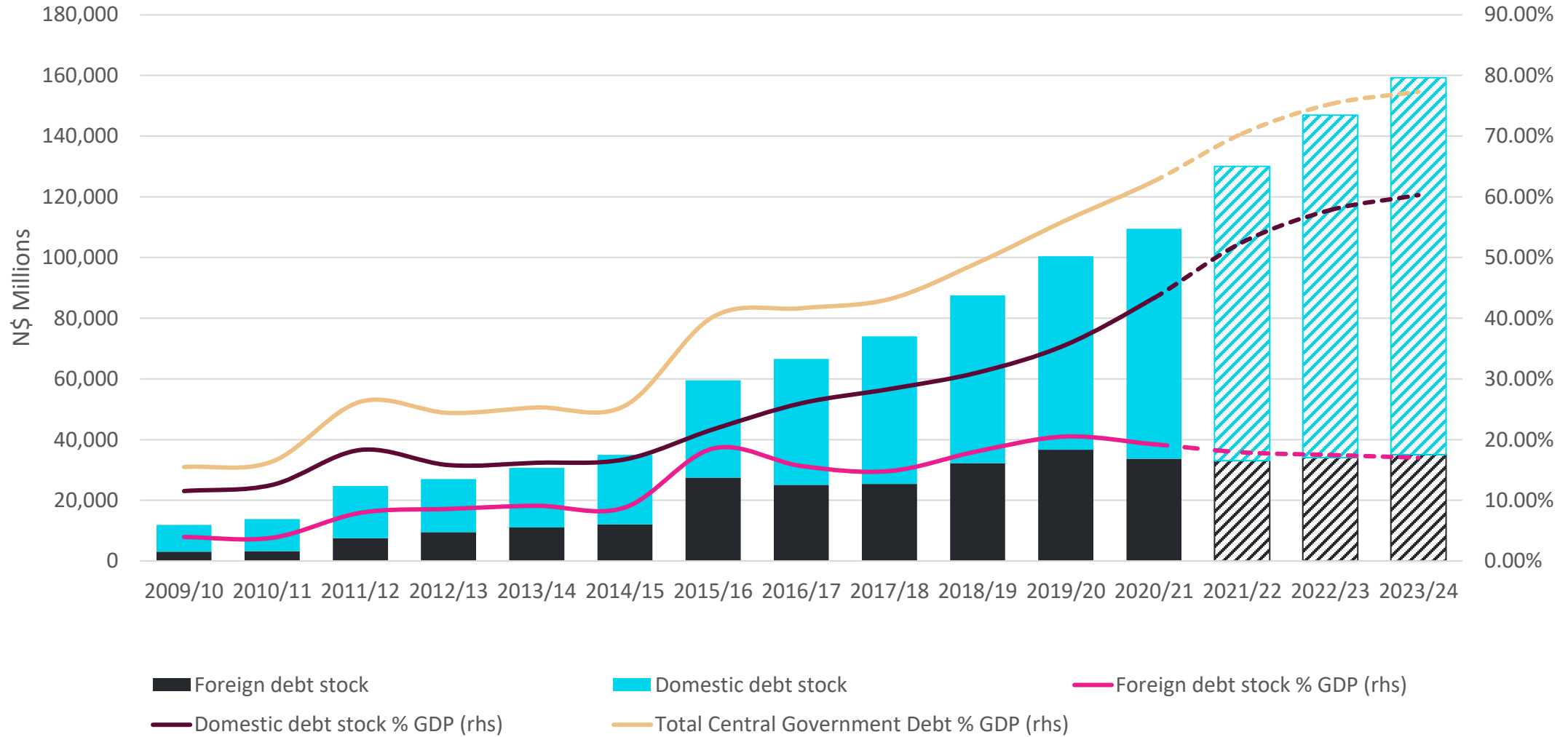
Real GDP per Capita (2015 prices)



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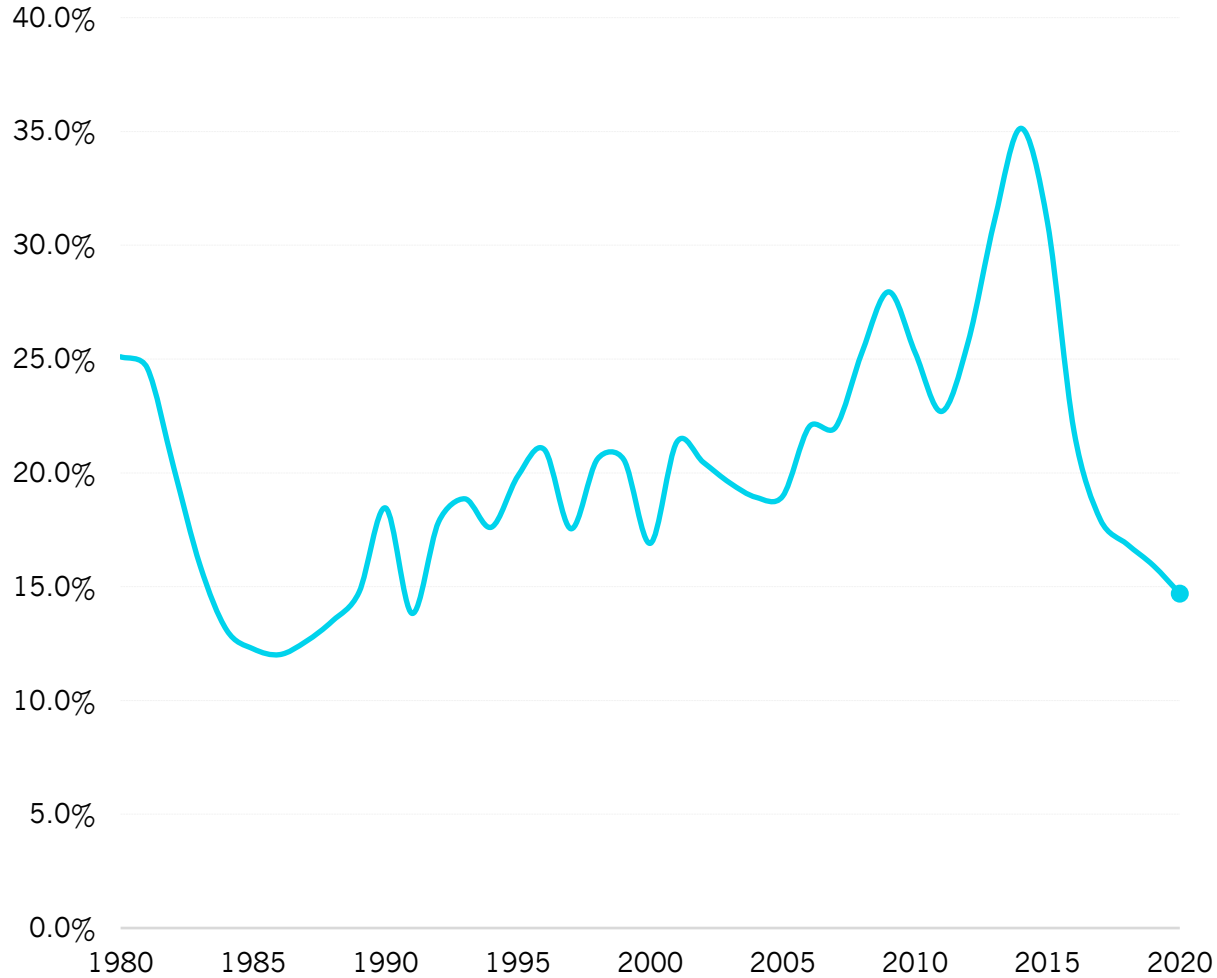


Debt Stock

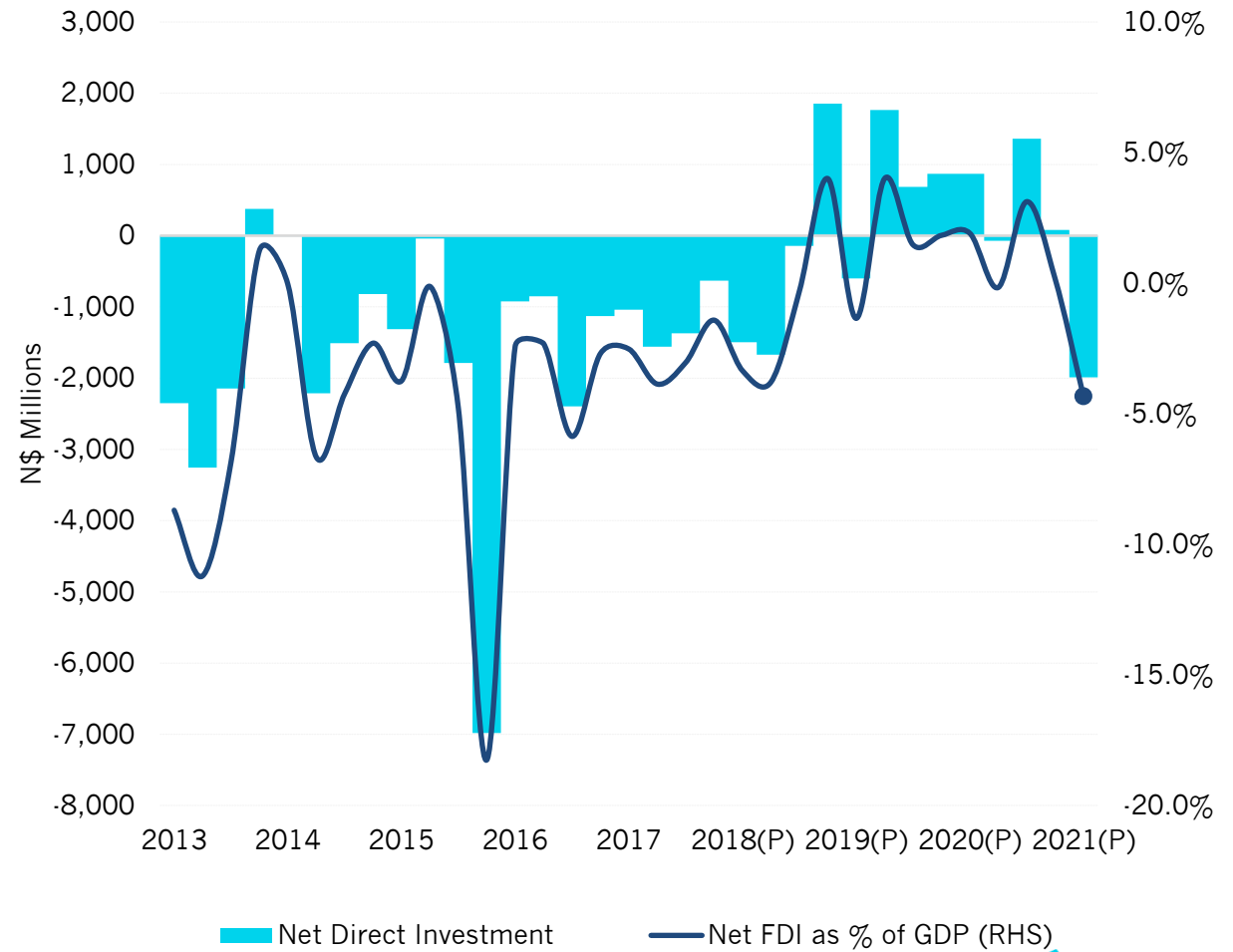


Investment

GFCF (% of GDP)

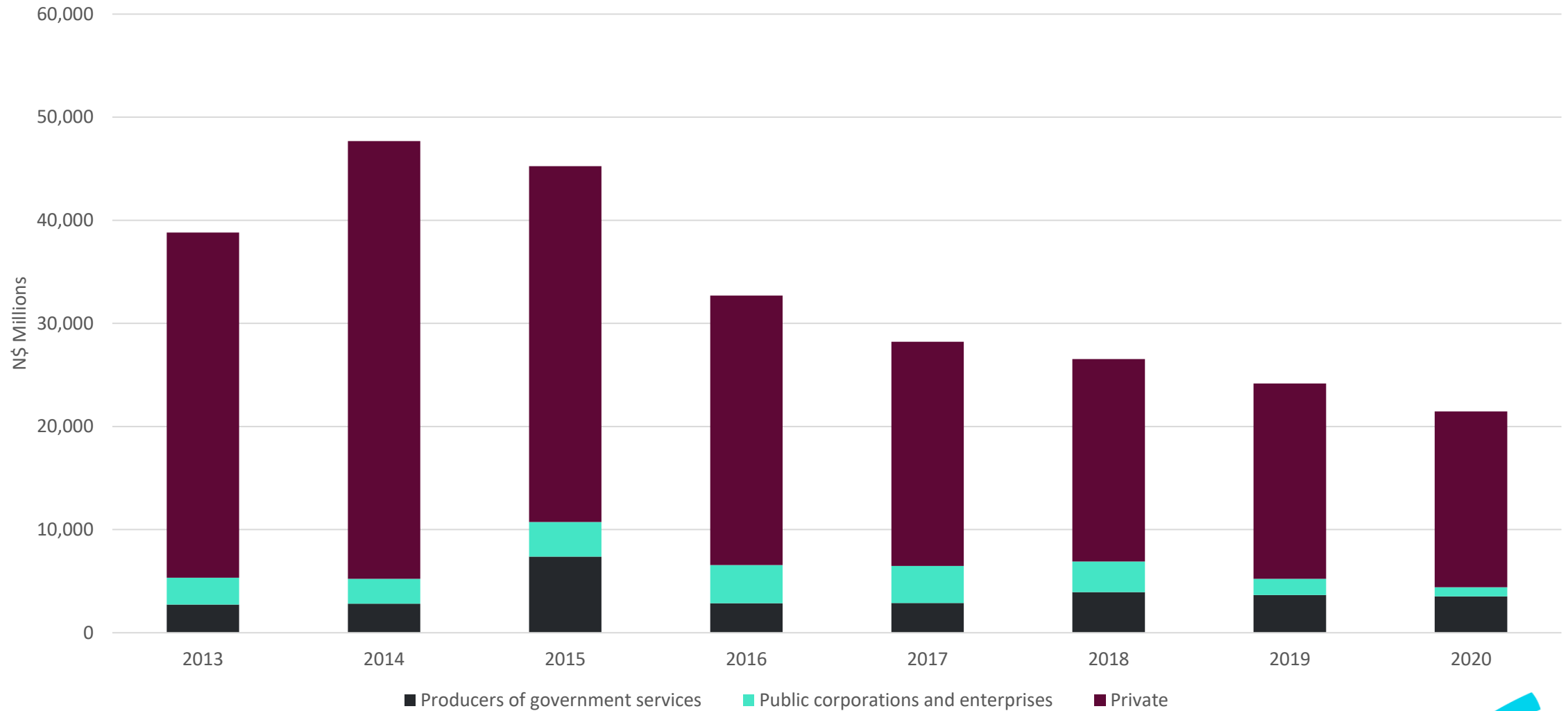


Net Direct Investment [inflow (-)/ Outflow (+)]



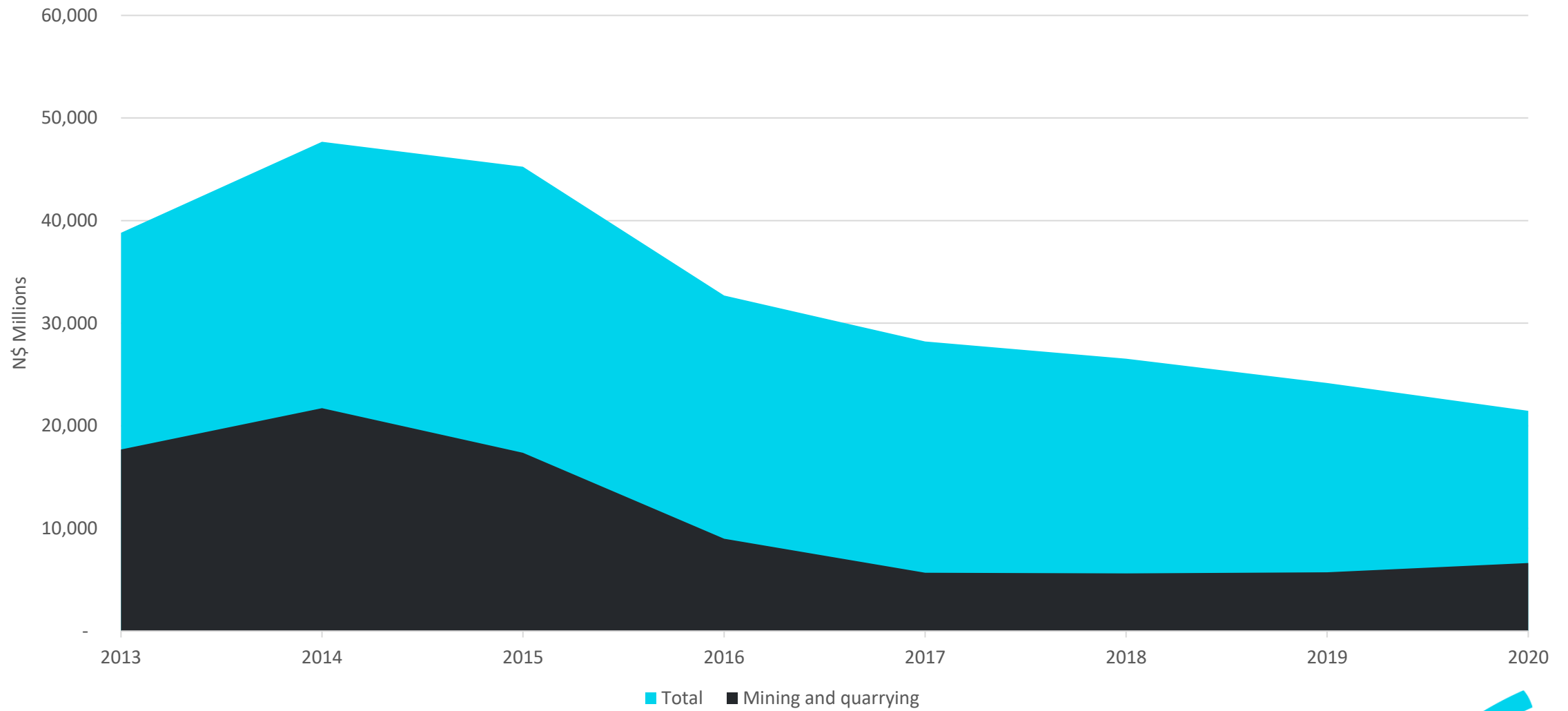
GFCF by ownership

(constant 2015 prices)



GFCF by activity

(constant 2015 prices)



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Mining Sector



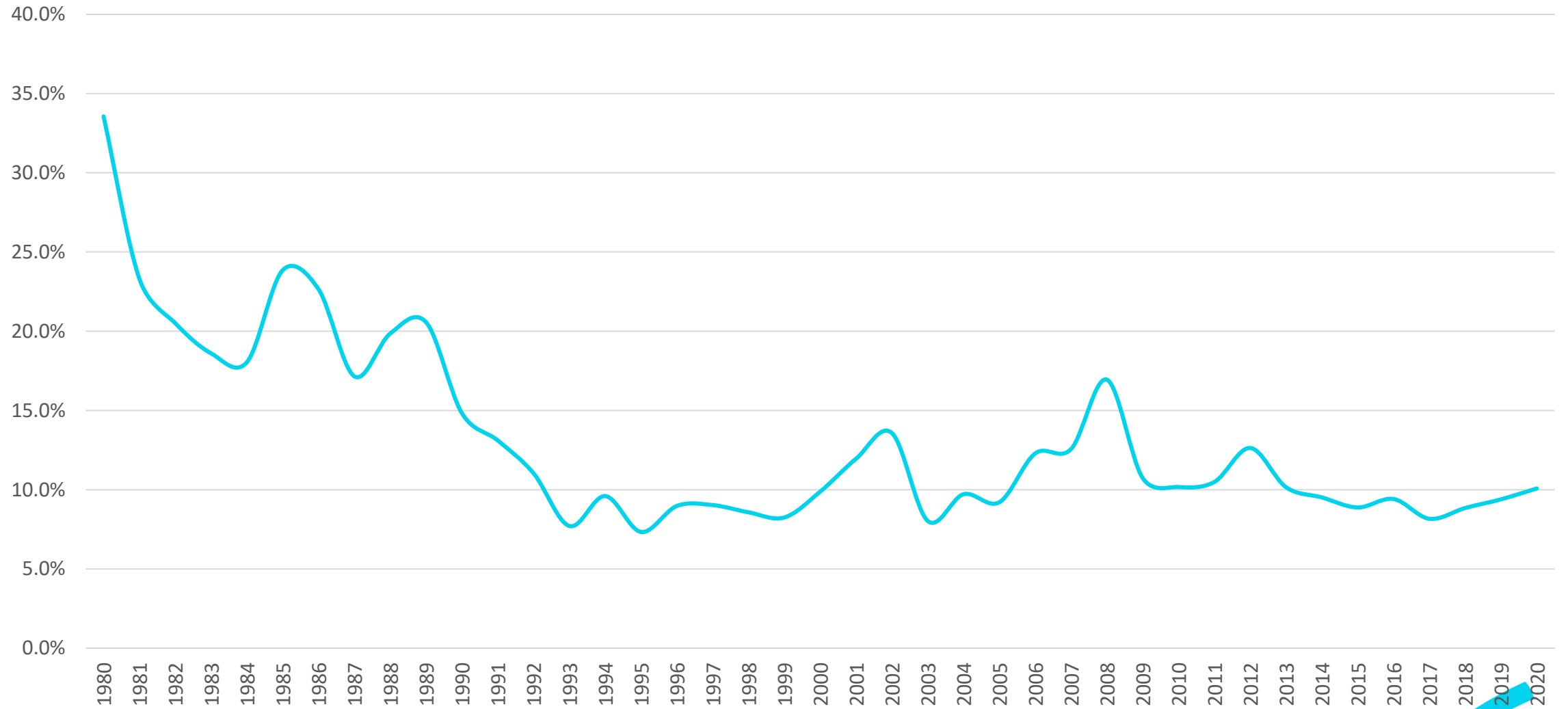
Mining growth



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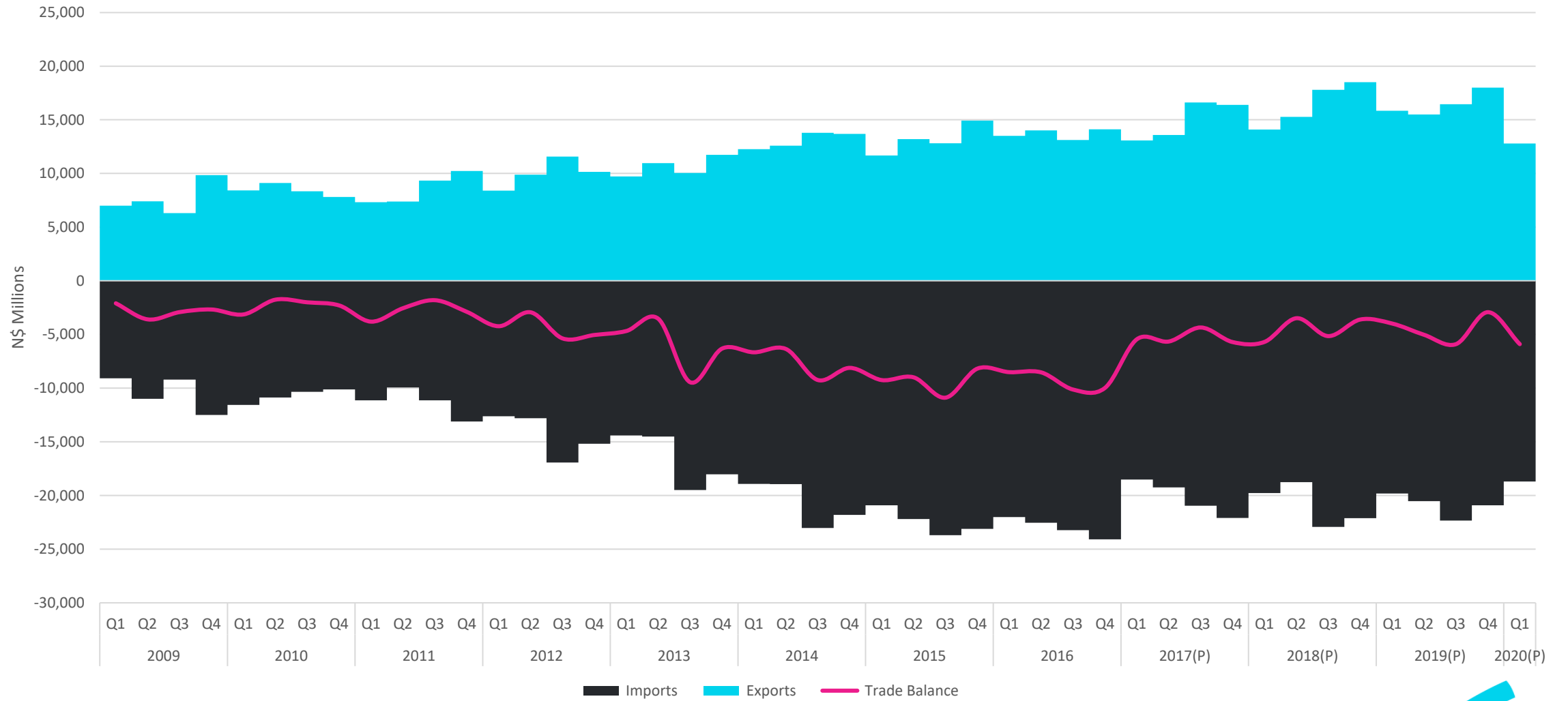
Mining % of GDP



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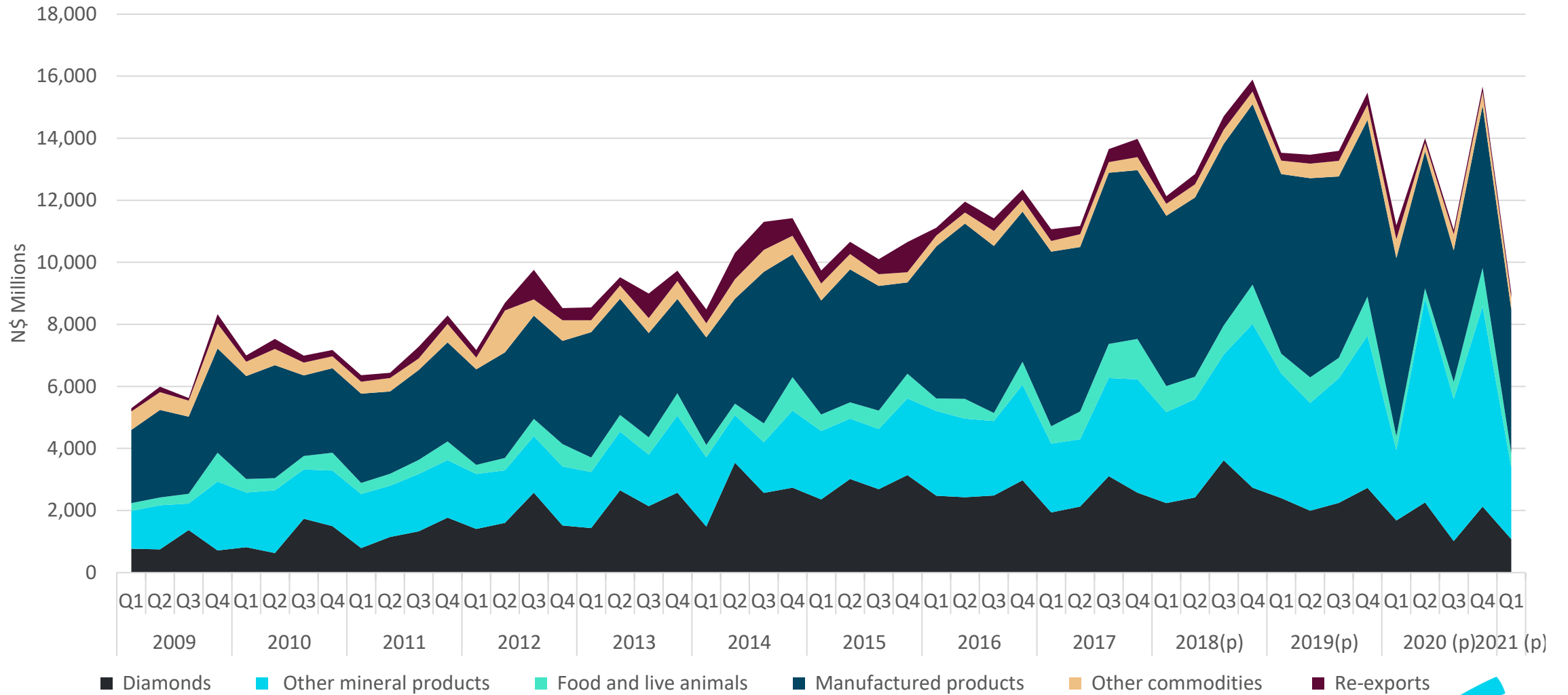
Trade Balance



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Export basket

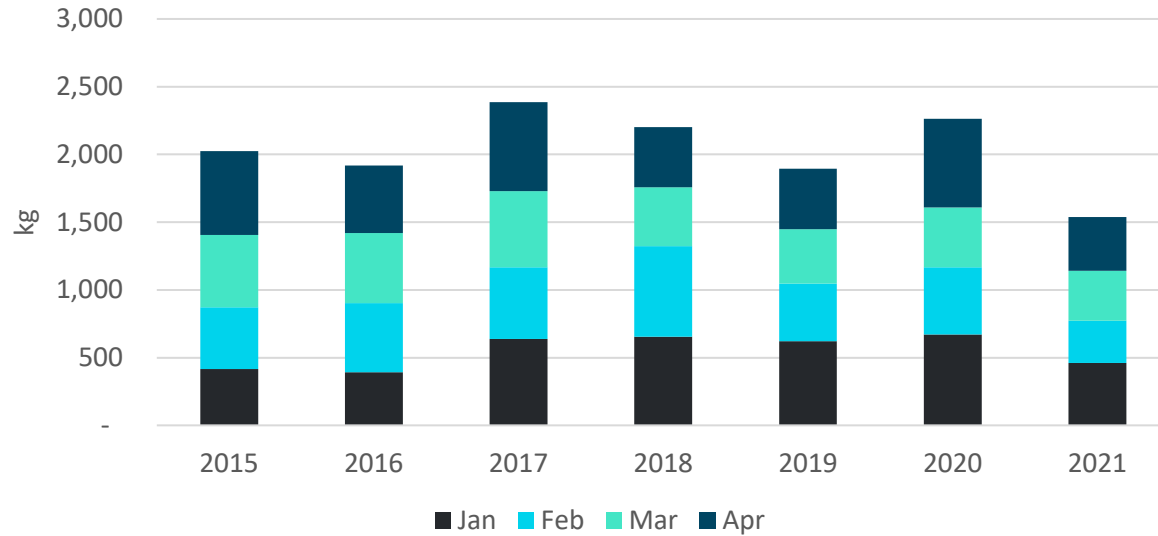


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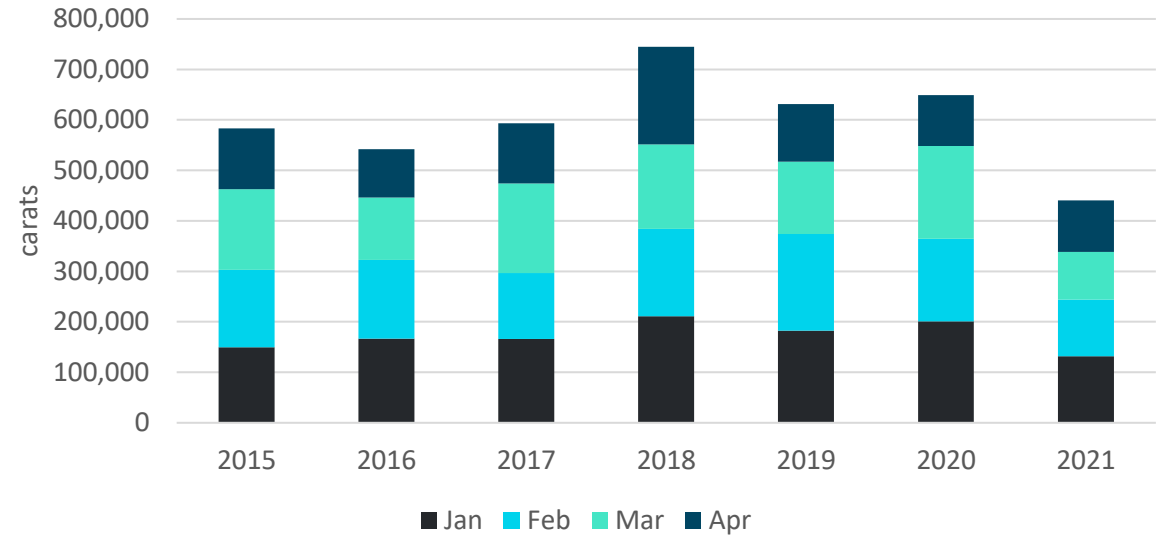


Mining Production

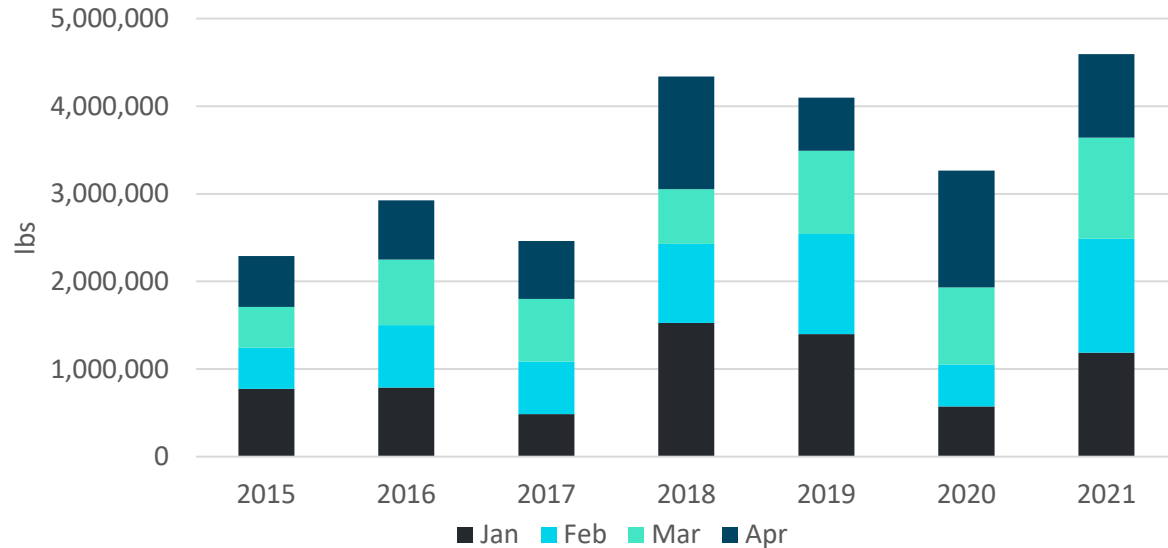
Gold



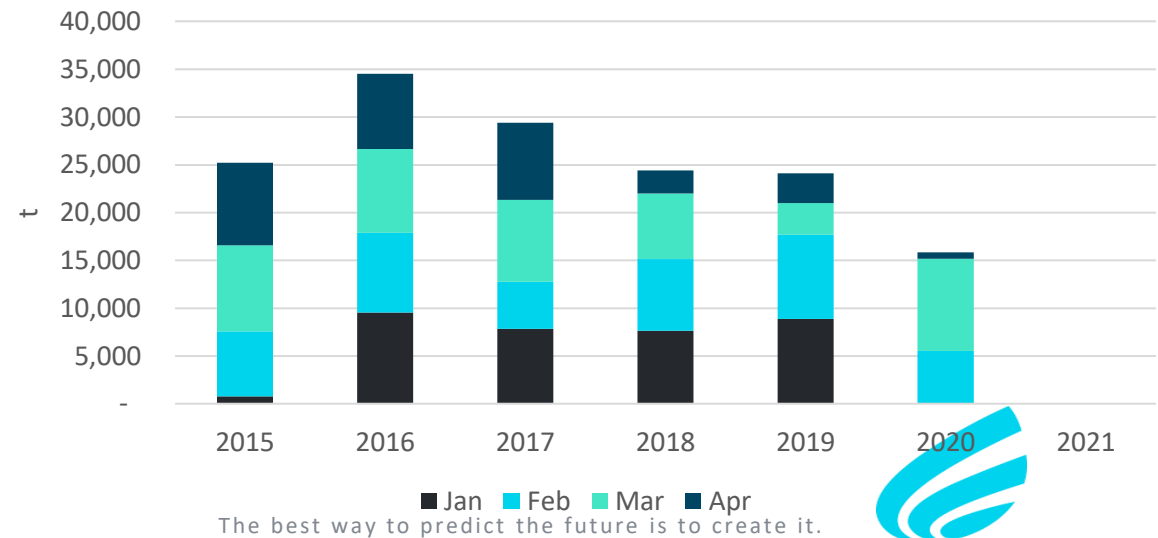
Diamonds



Uranium



Refined Zinc



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USD-ZAR



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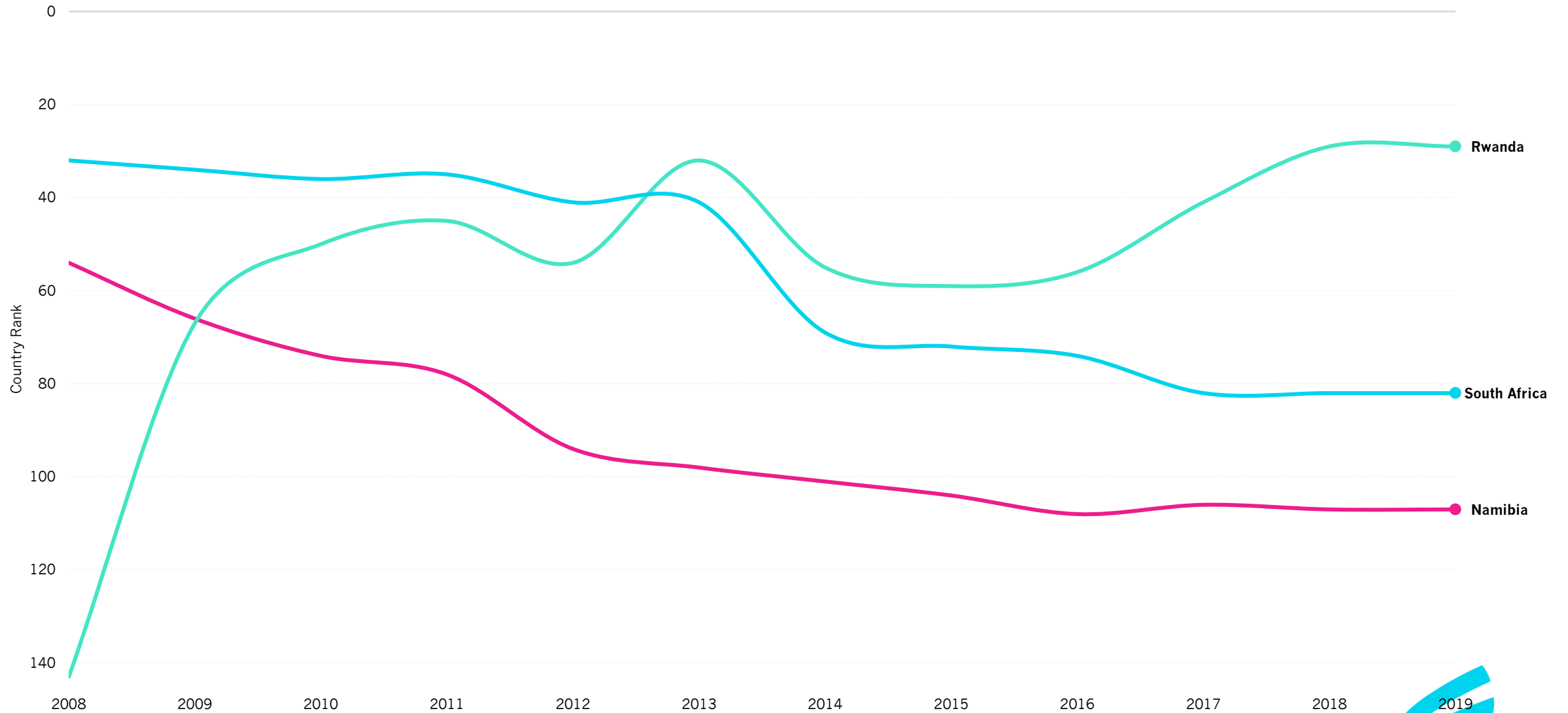




Risks



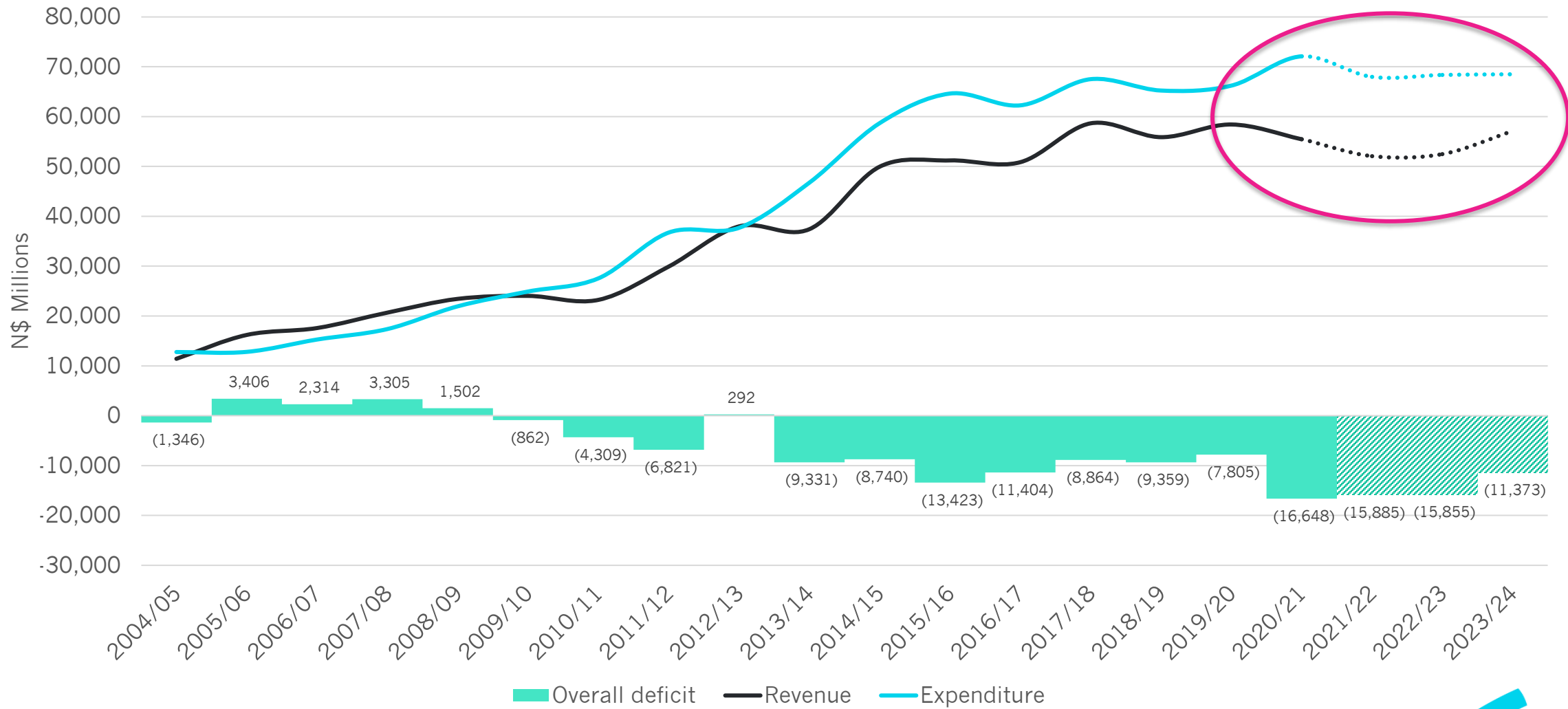
Ease of Doing Business



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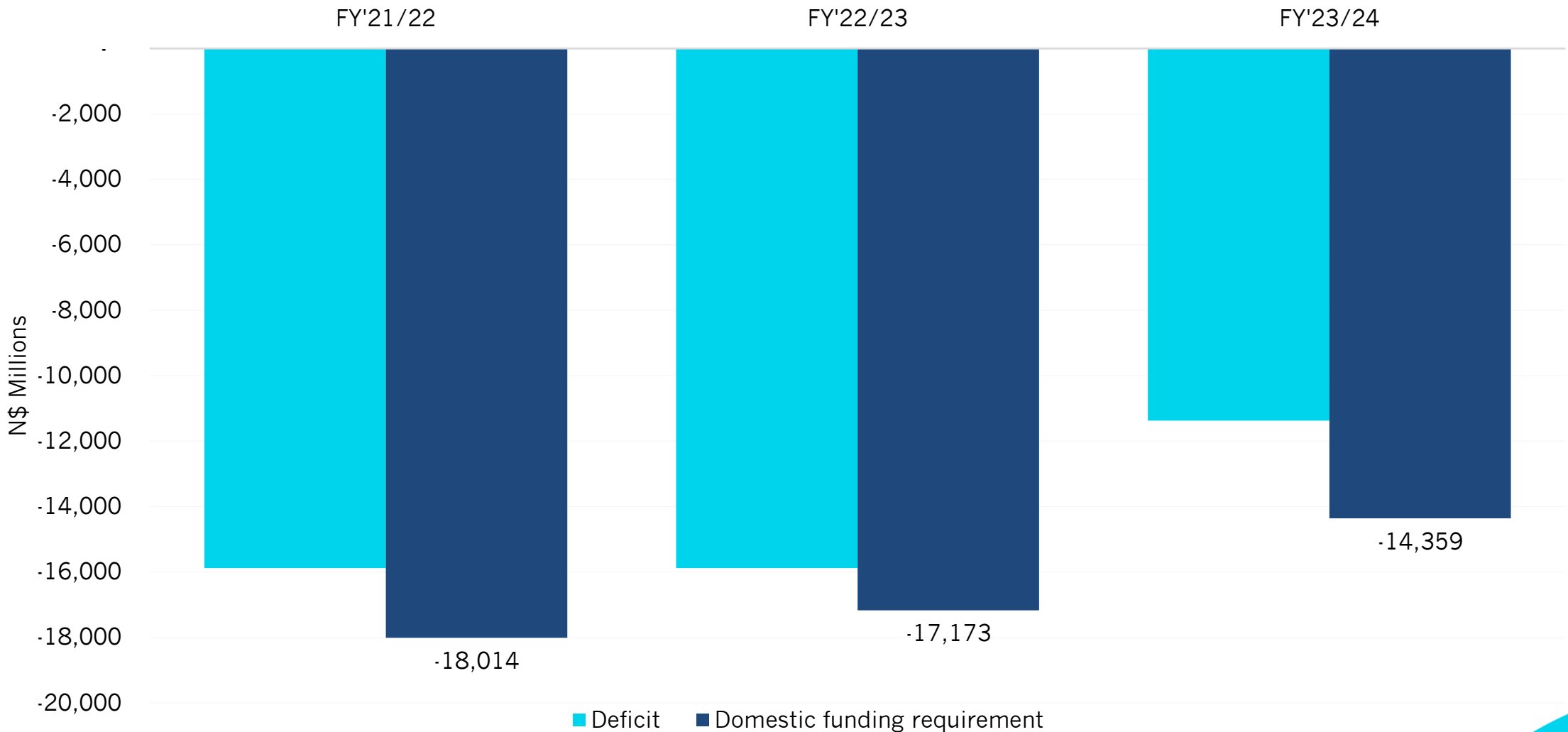
Budget Deficit



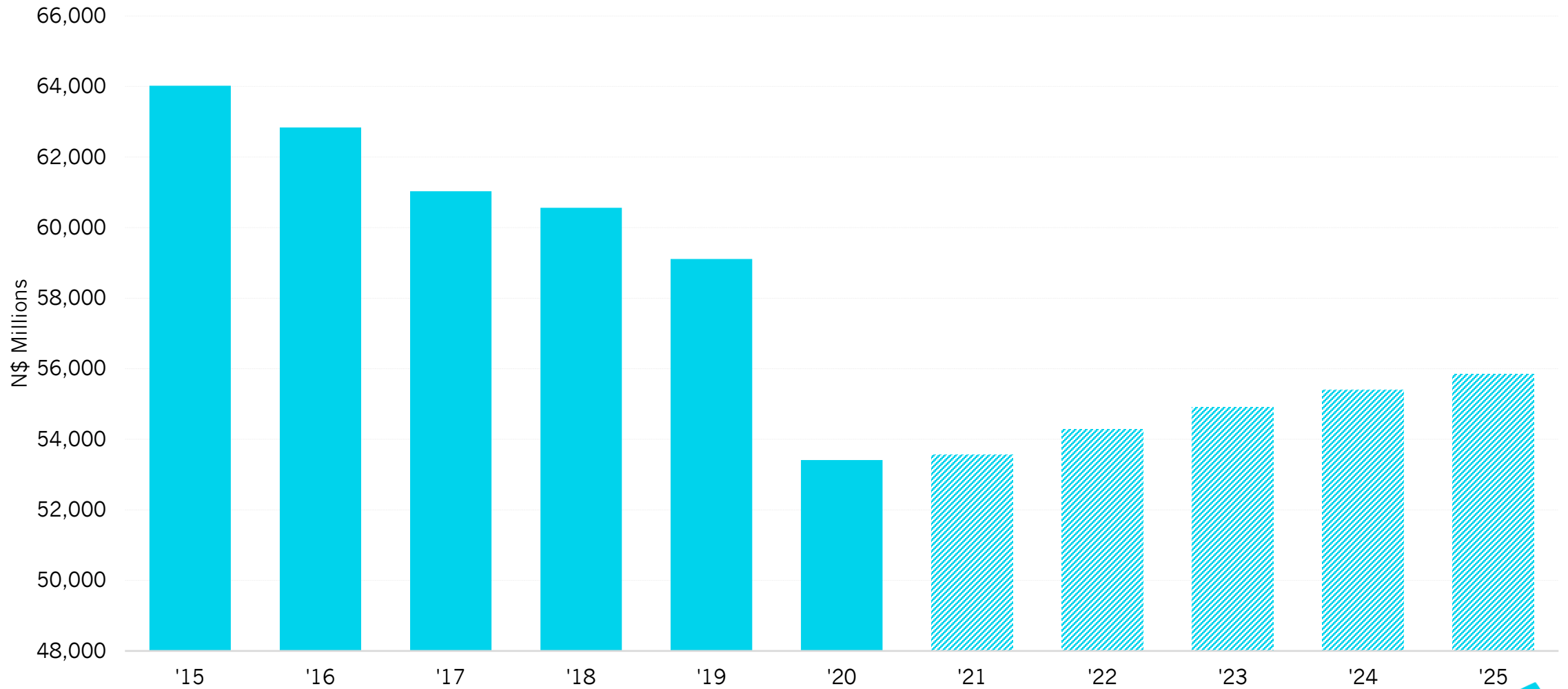
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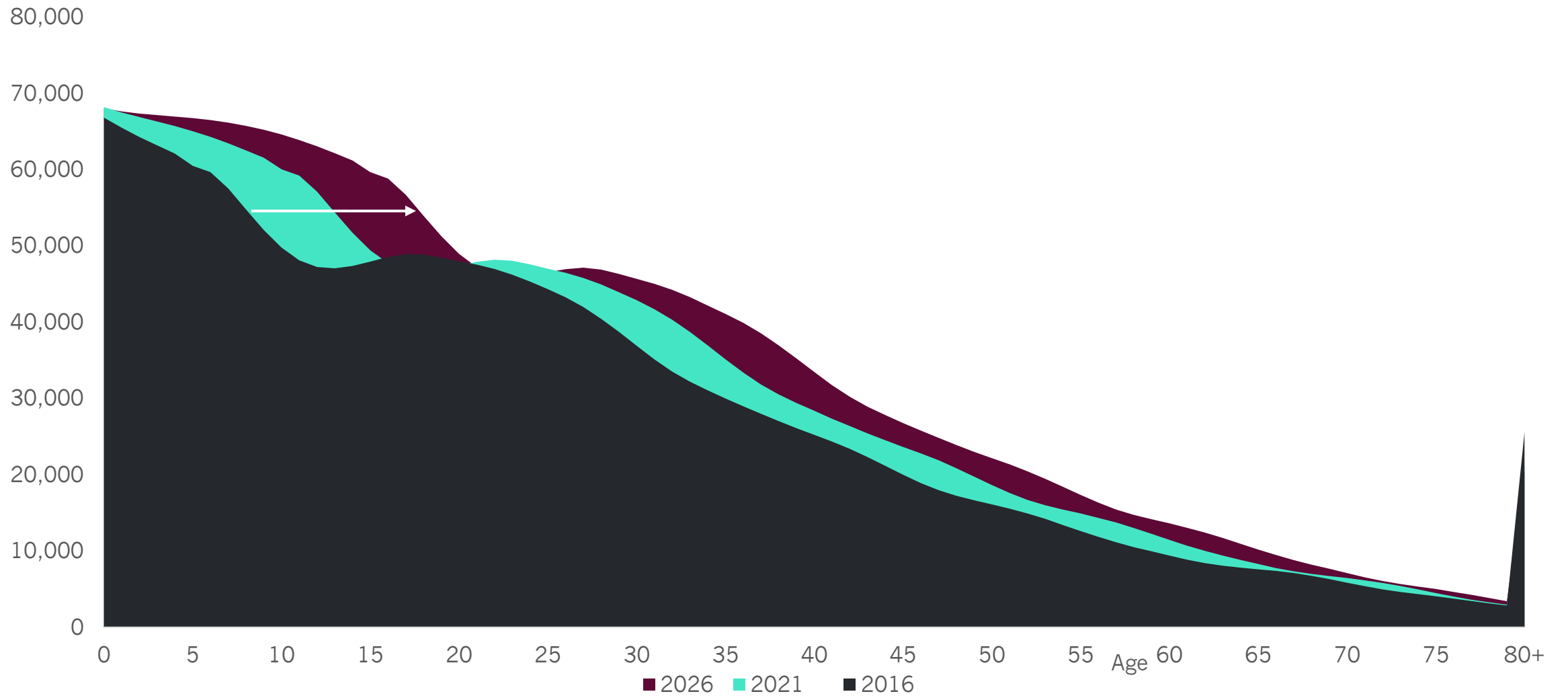
Domestic funding > deficit



Real GDP per capita



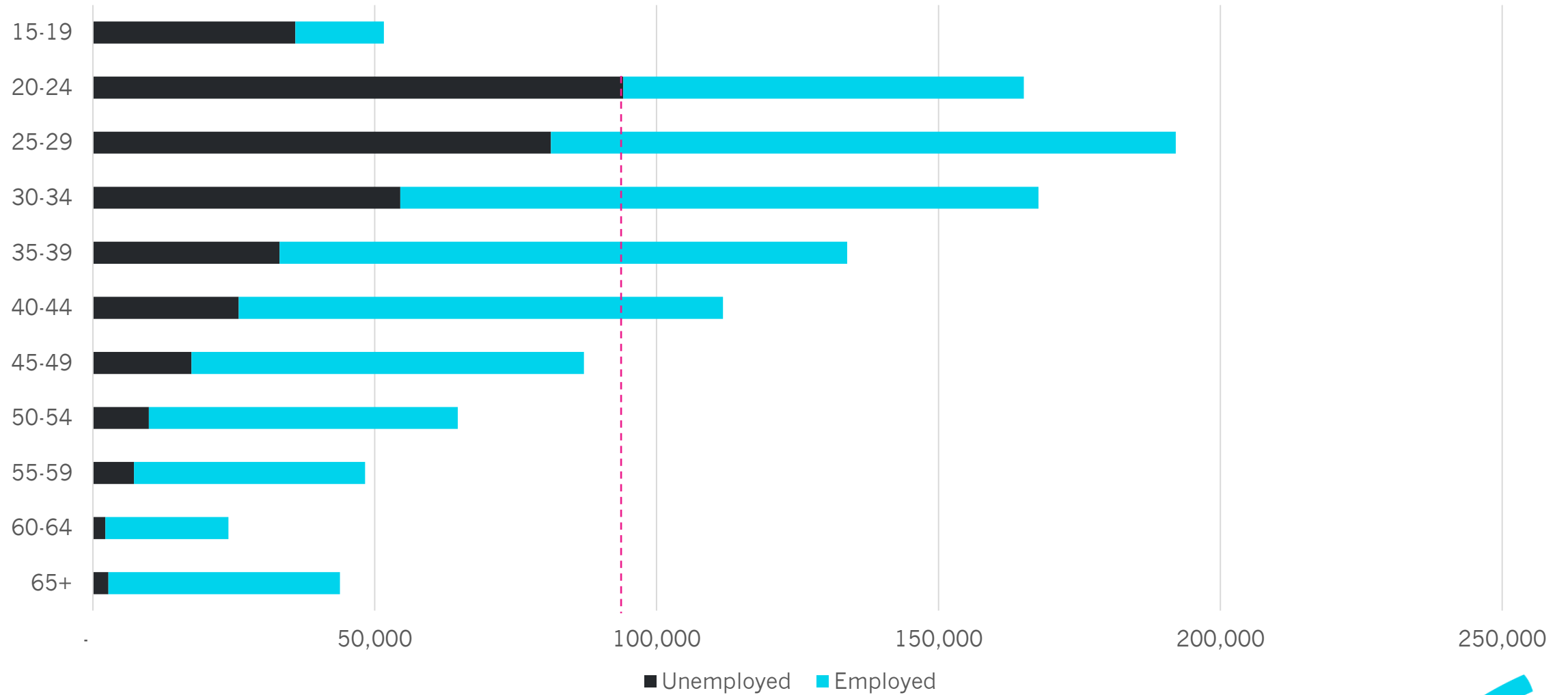
Population progression



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Labour force by age (2018)





Growth Recovery?



$$\text{GDP} = C + I + G + (X - M)$$

Households

- Incomes under pressure for several years
- High unemployment
- Highly indebted

Investment

- Capital outflows
- Poor investment climate
- Limited tangible reforms

Government

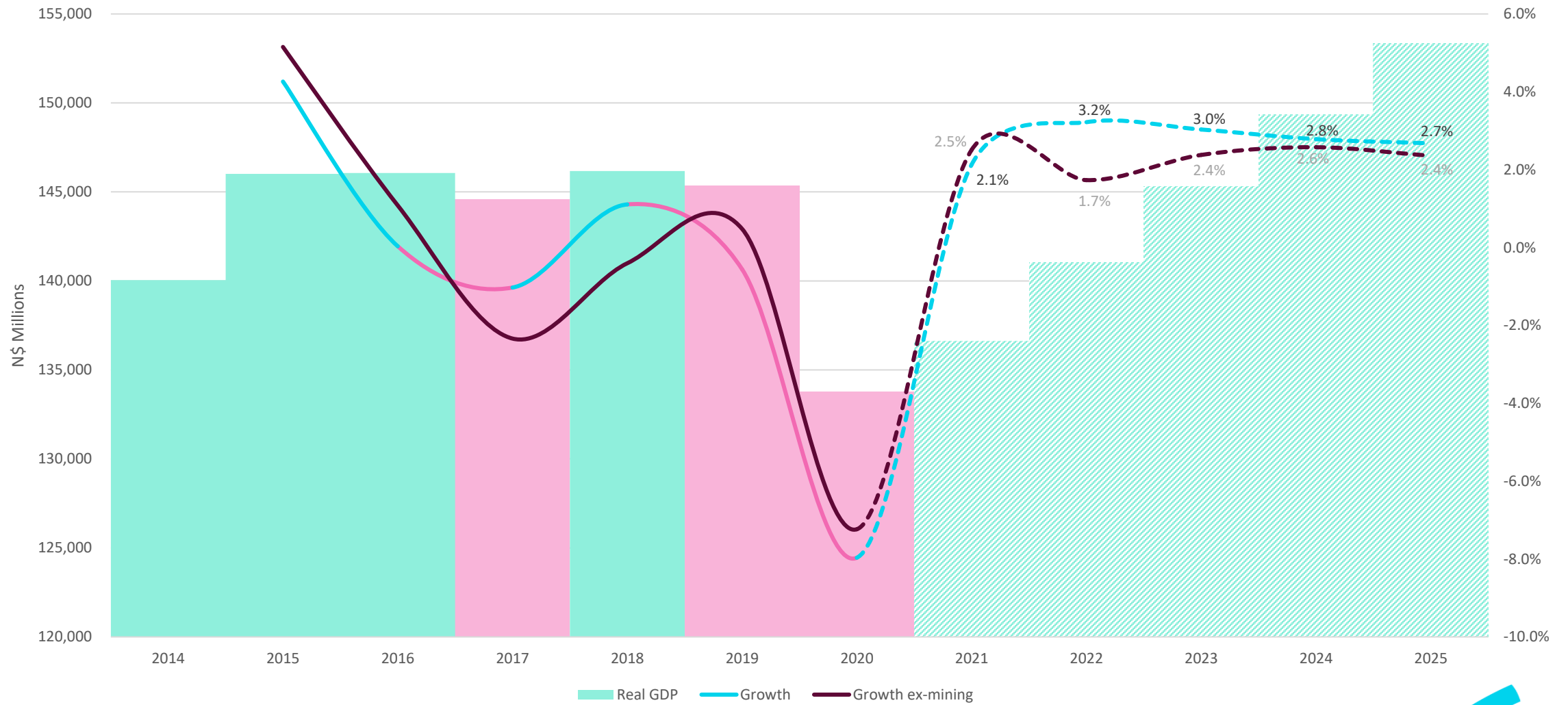
- Extended history of deficits
- Revenue & expenditure risks
- Large funding requirements

Net exports

- Trade deficit likely to widen
- Different commodity exposure to SA
- Stronger ZAR



Growth Forecast (real)



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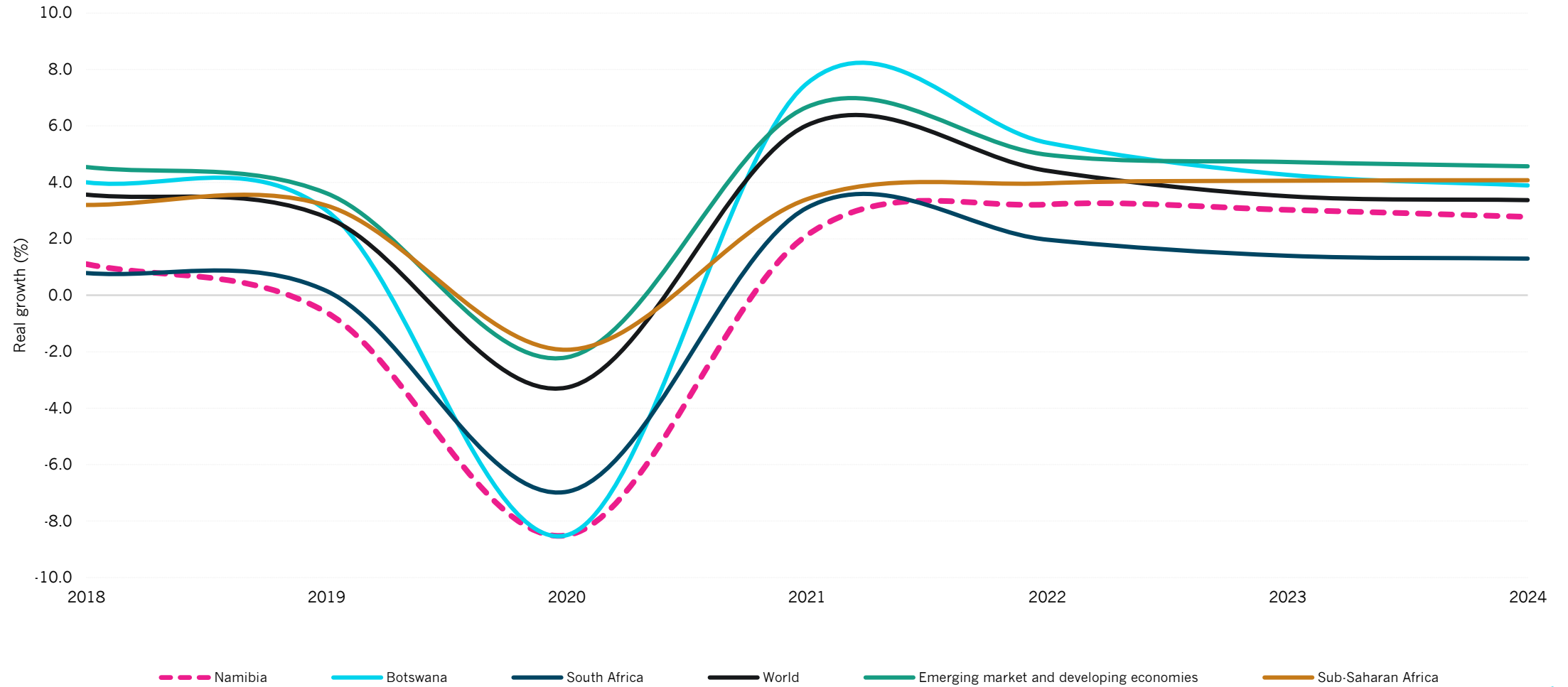


Sectoral

- Low base to drive growth recovery
- Uptick in mining output expected 2022
- Capital expenditure to extend existing LoM
- Buzz around exploration activity



Growth laggard



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