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South Africa Economic Outlook

Preview: Budget 2024

**Will tax increases be announced
for 2024/2025?**

19 February 2024



Ten key messages from this report

South Africa Economic Outlook February 2024



1

In many emerging markets like South Africa, fiscal space is constrained in 2024 due to weak revenues and rising debt-servicing costs. Elevated debt, tight financial conditions and tepid economic growth is putting pressure on fiscal sustainability while increasing vulnerability to external financial shocks. Public debt distress is among the top five risks faced by one out of three countries this year.

2

The fiscal situation is detracting from other government work as policymakers face trade-offs between fiscal stability and other priorities. These include industrial policy and investment in reaching Sustainable Development Goals (SDGs). There is a critical need for policies to reinvent industrial systems and avoid the worst consequences of climate change.

3

South Africa's Personal Income Tax (PIT) collections have been performing better than anticipated in 2023/2024 on the back of higher-than-expected job creation in 2023. Total employment increased by 6.2% y-o-y in 2023Q3 while basic salary/wages paid to employees in the formal non-agricultural sector increased by 7.2% y-o-y.

4

Value-Added Tax (VAT) collections are set to be in line with expectations. However, this carries both good and bad news. Import VAT (-5.4% y-o-y in December) has been weighed down by challenges in moving goods into the country. On a positive note, domestic VAT has held up relatively well, with retail sales up 4.9% y-o-y in September-November 2023.

5

Customs duties have been weighed down by a drop in demand for imported solar power installations due to pressure on household budgets, reduced load-shedding and an increase in counterfeit panels. Local port logistics challenges were also a big factor, with total imports declining 9.0% y-o-y in December 2023.

6

Total tax revenue in 2023/2024 is expected to be broadly in line with the revised estimates in the Medium Term Budget Policy Statement (MTBPS) 2023. PIT should be better than expected this year, though this will be largely offset by lower-than-expected VAT and customs duties. In turn, Corporate Income Tax (CIT) has been performing to expectations.

7

MTBPS 2023 included an unspecified proposed increase in taxes aimed at collecting an extra R15bn in 2024/2025, with details to be announced in Budget 2024. The finance minister has acknowledged that increasing taxes in the current economic environment would be difficult. Nonetheless, PwC expects National Treasury will likely proceed with the tax increases.

8

By our estimates, raising an additional R15bn in tax revenues would require increasing the PIT rates by 0.5 percentage points across all tax bands, or by one percentage point for those people earning more than R500,000 a year. Alternatively, the VAT rate would need to increase by 0.5 percentage points to 15.5%.

9

PwC estimates the 2023/2024 fiscal year will see a budget deficit equal to 5.1% of GDP. This is slightly larger than the MTBPS 2023 projection of 4.9% of GDP due in part to a poor performance for companies with December 2023 financial year-ends. The MTBPS 2023 pencilled in a deficit equal to 4.6% of GDP in 2025/2025, while we project a figure equal to 4.9% of GDP.

10

PwC's Taxing Times Survey 2023 found that 51% of respondents feel it has become easier to comply with their tax obligations. PwC's EMEA Private Business Attractiveness Index 2023 ranked South Africa 21st out of 33 countries for tax and regulation matters, with local senior management spending 9.7% of a typical week dealing with government regulation.

About this document

PwC South Africa published its [Budget 2024 predictions](#) on February 13. The annual fiscal budget sets out the government's medium-term spending plans for taxpayer money. This edition of the South Africa Economic Outlook takes a closer look at selected economic and tax topics ahead of the budget speech on February 21.

We reflect on fiscal risk being a major global factor this year. In South Africa, and many other emerging markets, fiscal space will be constrained in 2024 due to weak revenues and rising debt-servicing costs. High (and growing) debt-service burdens are limiting the ability of many developing countries to finance investments related to attaining the SDGs.

Reviewing the latest tax data, we see that South Africa is expected to fall short of fiscal revenue in 2023/2024 compared to what was planned in Budget 2023, though it is likely to reach the targets set by the MTBPS released in November 2023. Still, the country will continue to see large fiscal deficits over the medium term, and the National Treasury is expected to follow through on a pledge in MTBPS 2023 to lift (unspecified) taxes in 2024/2025 towards raising an additional R15bn in revenues.

Key elements of this report include:

- Global fiscal risk: Strain on public finances are detracting from SDGs, industrial and climate policies ([page 5](#)).
- Local tax trends: PIT collections are better than forecast, offset by lower import VAT and customs duties ([page 6](#)).
- Budget deficit outlook: Tax increases are likely in 2024/2025 amidst a continued large fiscal shortfall ([page 8](#)).
- Increasing tax compliance: PwC survey shows it has become easier to comply with SARS tax obligations ([page 9](#)).

Lastly, we comment on how PwC assists our clients with tax compliance and measuring their total tax impact.

PwC will from February 21 published post-budget analyses [here](#).



Macroeconomic forecasts (February 2024)				
Baseline scenario	2022	2023e	2024f	2025f
ZAR/USD	16.36	18.45	18.95	19.45
Consumer price inflation (%)	6.9	6.0	5.2	4.8
Repo rate (end-of-period)	7.00	8.25	7.75	7.00
Real GDP growth (%)	1.9	0.5	0.9	1.2
Unemployment rate (%)	32.7	31.7	32.1	32.4
Probability weighted average	2022	2023e	2024f	2025f
ZAR/USD	16.36	18.45	19.12	19.61
Consumer price inflation (%)	6.9	6.0	5.2	4.9
Repo rate (end-of-period)	7.00	8.25	7.73	7.05
Real GDP growth (%)	1.9	0.5	0.9	1.1
Unemployment rate (%)	32.7	31.7	32.2	32.6

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In South Africa and many other emerging markets, fiscal space will be constrained in 2024 due to weak revenues and rising debt-servicing costs. High and growing debt-service burdens are limiting the ability of many countries to invest towards the Sustainable Development Goals (SDGs). For South Africa, this increases obstacles to tackling the country's triple challenges of unemployment, poverty and inequality. Budget 2024 will need to show how, under constrained fiscal conditions and plans to increase tax rates, the South African government will prioritise financing of SDGs this year.



Lullu Krugel, PwC South Africa Chief Economist

Global fiscal risk: Strain on public finances are detracting from SDGs, industrial and climate policies.

South Africa Economic Outlook February 2024

Summary: A global withdrawal of fiscal support will weigh on world economic growth in 2024. In emerging markets like South Africa, fiscal space is narrow due to weak revenues and rising debt-servicing costs. As a result, policymakers in many countries face a trade-off between fiscal stability, on the one hand, and other spending priorities, including finance for reaching SDGs like climate change mitigation.

Fiscal policy space remains narrow in emerging markets amid weak revenues and rising debt-servicing costs.

Fiscal risk is (again) a major global factor this year. The International Monetary Fund (IMF) World Economic Outlook (WEO) January 2024 report warned that “high interest rates aimed at fighting inflation and a **withdrawal of fiscal support amid high [public] debt [levels]**” are expected to weigh on **global economic growth in 2024**. The IMF expects baseline global economic growth of 3.1% this year, which is identical to their estimated growth in 2023. One of the organisation’s identified downside risks is where a government shift to tax hikes and spending cuts, as a strategy to implement fiscal consolidation, would result in slower-than-expected economic growth in the near term. The IMF is concerned that adverse financial market conditions “could pressure some countries – [those] that lack a credible medium-term consolidation plan or face a risk of debt distress – to undertake [these] harsh adjustments”.

Considering the emerging markets and developing economies (EMDE) group that South Africa finds itself in, the World Bank Global Economic Prospects (GEO) January 2024 report commented that **fiscal policy space in EMDEs “remains narrow amid weak revenues and rising debt-servicing costs**. The crises of recent years — particularly the pandemic and the steep rise in living costs resulting partly from the invasion of Ukraine — have seen EMDE governments running up public

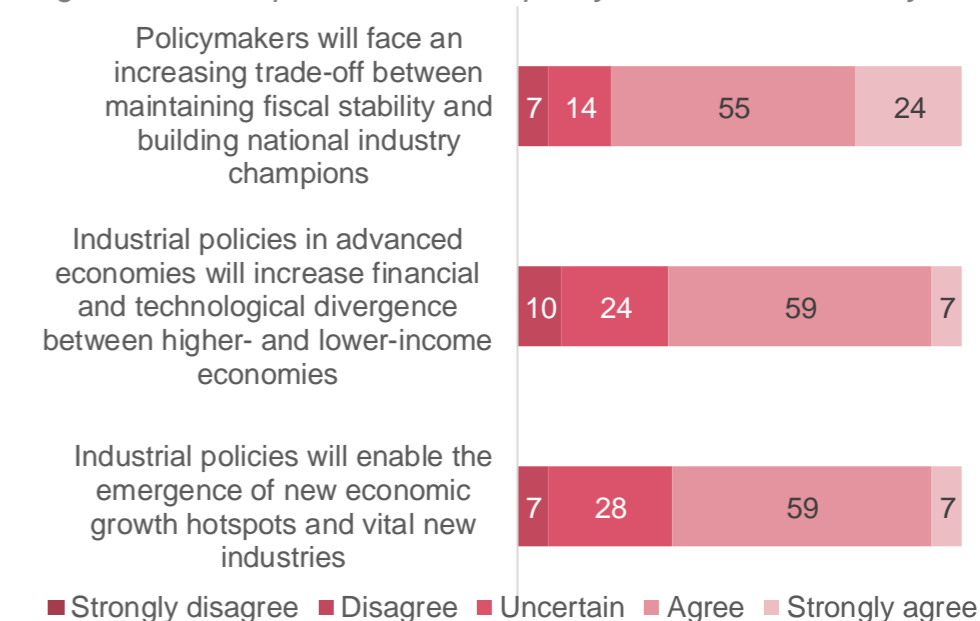
debt and reprioritising spending away from investment toward shorter-term support for households and firms.” The World Bank warned that elevated debt, tight financial conditions and tepid economic growth is putting pressure on fiscal sustainability and increasing vulnerability to external financial shocks.

Increasing trade-off between maintaining fiscal stability and policies to reinvent industrial systems.

The United Nations (UN) World Economic Situation and Prospects 2024 report comments that sovereign debt burdens are impeding progress towards the SDGs. Last year, global public debt equalled 92.6% of world GDP, up more than eight percentage points from the pre-pandemic level. **High (and growing) debt-service burdens are limiting the ability of many developing countries to finance SDG-related investments.** “As many developing countries face increasing debt sustainability risks, they will be forced to adopt fiscal consolidation measures and cut spending on social programmes, which will have the greatest impact on vulnerable population groups such as women and children,” warns the UN. According to the World Economic Forum (WEF) Global Risks Report 2024, **public debt distress is among the top five risks faced by one out of three countries.**

The fiscal and debt situation is detracting from other government work as well, specifically industrial policy. The WEF Chief Economists Outlook January 2024 report noted that countries representing 90% of global GDP have, over the past decade, adopted some form of industrial strategy that would likely enable the emergence of new economic growth hotspots and vital new industries. However, eight out of 10 chief economists surveyed now believe that **policymakers “will face an increasing trade-off between maintaining fiscal stability and building national industry champions”** with these strategies. This is because industrial policy will come at a substantial cost in the future.

Figure 1: The impact of industrial policy over the next three years



Source: WEF

Over the long term, “[a]geing populations, the climate transition and plans to raise defence expenditure are among the factors pointing to mounting future spending pressures”, notes the Organisation for Economic Co-operation and Development (OECD) Economic Outlook Interim Report February 2024. **There is a critical need for the right policies to reinvent industrial systems and avoid the worst consequences of climate change.** Unless they do, the greenhouse gases that our 19th- and 20th-century system emits are going to create irreversible damage to societies and our planet before the middle of the 21st-century. Reconfiguring the industrial system, which itself has been shaped by decades of regulatory policy, necessitates a new set of regulations. **The reconfiguration imperative** will require public and private organisations to marshal all their forces effectively and efficiently to put these regulations in place. This, in turn, requires sufficient fiscal resources for the public sector to fulfil its role as a champion for fighting climate change.

Local tax trends: PIT collections better than forecast, offset by lower import VAT and customs duties.

South Africa Economic Outlook February 2024

Summary: PIT receipts have performed better than predicted on the back of higher-than-expected employment creation in 2023, while domestic VAT collections have been supported by an increase in retail sales. In contrast, import VAT and customs duties have been under pressure from slower imports due to weaker demand for solar panels as well as logistics challenges at local ports.

CIT is expected to be on target in 2023/2024 despite weak collections during December.

Ahead of MTBPS 2023, we noted that CIT collections had declined by a smaller margin than was feared just a few months earlier following a 10.4% y-o-y increase in receipts during August 2023. Generally, August is an important month for CIT collections due to companies with February year-ends making their first provisional tax payments. We also warned at the time that only two months of the fiscal year had been significant months for CIT collections at that point in time, posing high risks to full-year CIT projections. With the latest tax data, we now know that **December – which reflects provisional taxes from companies with a December financial year-end – was a disappointing month**, registering a 14.2% y-o-y decrease in receipts. Many mining companies have December year-ends. Data from Statistics South Africa (Stats SA) shows that mineral sales declined by 10.3% in 2023, which clearly had a sizable negative impact on company profits and tax dues. Exports at the Richards Bay Coal Terminal (RBCT), for example, declined by 6.2% last year to a 30-year low of 47.2 million tonnes, which then had a negative impact on the value of company profits and taxes paid last year by the coal mining industry.

More broadly, the January 2024 edition of this report (Turning short-term crises into opportunities for business value creation and societal impact) noted that company profits declined last year. Data from Stats SA shows that **across industries, net**

profit before taxation declined by an average of 22.8% y-o-y during the first nine months of 2023. (This calculation includes all industries except agriculture, financial intermediation, insurance, government and education.) By our estimates, CIT collections will be around R300bn in the current financial year, i.e. in line with the MTBPS 2023 projection of the same value.

PIT supported by better-than-expected job creation in 2023 as businesses become more resilient against load-shedding.

PIT collections have been performing better than anticipated: we expect collections of about R650bn in 2023/2024 compared to a MTBPS 2023 forecast of R647bn. This positive news has been driven by **higher-than-expected employment creation in 2023, with total employment increasing by 6.2% y-o-y in the third quarter of last year. Importantly, from a tax perspective, formal non-agricultural jobs increased 7.2% y-o-y in 2023Q3.** The growth rate is much more than what could realistically have been expected given the state of the economy during the same period, as real GDP contracted by 0.7% y-o-y. The positive employment outcome is partly explained by many businesses becoming more resilient against electricity load-shedding – and thus able to create new jobs – due to investment in solar and other alternative power sources. From an income perspective, basic salary/wages paid to employees in the formal non-agricultural sector increased by 6.2% y-o-y in 2023Q3, with bonuses up 9.5% y-o-y.

VAT collections pressured by lower imports but supported by domestic retail sales.

VAT collections are expected to be just below the MTBPS 2023 expectations of R446bn at around R443bn. **Import VAT has been weighed down in recent months by challenges in moving goods into the country, with this revenue stream**

declining 5.4% y-o-y in December. (See below for more detail on the challenges to collecting import VAT and customs duties.) On a positive note, and helping to partly compensate for the decline in import VAT, domestic VAT has held up relatively well. Retail sales increased 4.9% y-o-y in the September-November 2023 period which included Black November. Sales at general dealers (e.g. grocery sellers) increased 6.1% y-o-y during the three-month period, though this is more a product of inflation than an improvement in household finances. When accounting for inflation, sales at general dealers were actually 1.8% y-o-y lower. The continued strained consumer environment kept strong domestic VAT collections from fully compensating for the decline in import VAT.

Lower demand for solar panels and logistics challenges at ports weight on customs duties.

Customs duties are expected at around R73bn this year compared to a MTBPS 2023 forecast of R78bn. Alongside import VAT, these collections have been weighed down by a drop in renewable energy investment. Anecdotal evidence showed that **by October last year, demand for solar power installations – and associated imports from China – were down 70%-80% compared to earlier in 2023.** This was due to pressure on household budgets from high interest rates, reduced load-shedding, as well as a reported increase in counterfeit panels causing uncertainty among installers and consumers. Local logistics challenges were also a big factor in weaker import duty numbers. In November 2023, vessels carrying more than 100,000 inbound containers – an estimated R7bn worth of goods – were stuck outside the ports at Durban, Ngqura and Gqeberha, with expectations that it would take several months to clear the backlog. Due to these delays, **total imports declined by 9.0% y-o-y in December 2023** to R149.9bn, with custom duties down 10.0% y-o-y in the month. Some retailers warned at the time that their back-to-school supplies would not arrive on time for targeted campaigns in January 2024.





The MTBPS 2023 indicated the need to increase taxes to raise an additional R15bn in revenue during 2024/2025. Given that tax revenues this year are expected to be broadly in line with what was forecast in MTBPS 2023, we expect that the National Treasury will proceed with tax increases to raise this amount. The key question is what form the tax increases will take, with a tough decision that needs to be made between PIT and VAT. Increasing either of these will draw the ire of hard-working South Africans.

Kyle Mandy, PwC South Africa Tax Policy Leader



Budget deficit outlook: Tax increases likely in 2024/2025 amidst a continued large fiscal shortfall.

South Africa Economic Outlook February 2024

Summary: PwC expects that total tax revenue in 2023/2024 will be in line with the estimates announced in the MTBPS 2023. However, the budget deficit will still be substantial, forecast to equal 5.1% of GDP in 2023/2024. The finance minister is expected this month to announce tax increases to raise an extra R15bn in fiscal revenue for 2024/2025. This could take the form of higher (+0.5 percentage points) rates for PIT or VAT.

Higher PIT or VAT rates are the options available to raise an extra R15bn in tax revenue.

Revenue collection in the 2023/2024 fiscal year has underperformed the original estimates of Budget 2023. The National Treasury forecast total tax revenues of R1.787trn in Budget 2023, an expected increase of 6.0% over the previous. However, officials made a significant downward revision to this figure in MTBPS 2023, reducing expected income by R56 billion to R1.731trn. This was mainly due to substantial decreases in the expected CIT (R36bn) and VAT (R26bn) collections. Our projections, based on data from the first nine months of 2023/2024, indicate that **total revenue collections will be broadly in line with the revised estimates in MTBPS 2023.**

Looking ahead at 2024/2025, the MTBPS 2023 estimated revenues of R1.854trn, up 7.1% from the current fiscal year. Included in this figure is an unspecified proposed increase in taxes aimed at collecting an additional R15bn, with details to be announced in Budget 2024. By our estimates, to raise an additional R15bn in tax revenues would require increasing the PIT rates by 0.5 percentage points across all tax bands, or one percentage point on those people earning more than R500,000 a year. Alternatively, the National Treasury could look at increasing the VAT rate by 0.5 percentage points to 15.5%. The finance minister has acknowledged in recent months that increasing taxes in the current economic environment would be difficult. We concur with that sentiment and believe that increasing taxes

would be a last resort. It is understood that the National Treasury was hoping that revenue collections for the current fiscal year will exceed the MTBPS 2023 forecast, that the revenue outlook for the medium term improves alongside this, and that tax adjustments to raise an extra R15bn are not necessary. However, we do not expect this to be a likely scenario. Rather, we anticipate that the National Treasury will likely proceed with the tax increases to raise an additional R15bn in revenues.

Slightly smaller – but still very substantial – fiscal budget deficit forecast for 2024/2025.

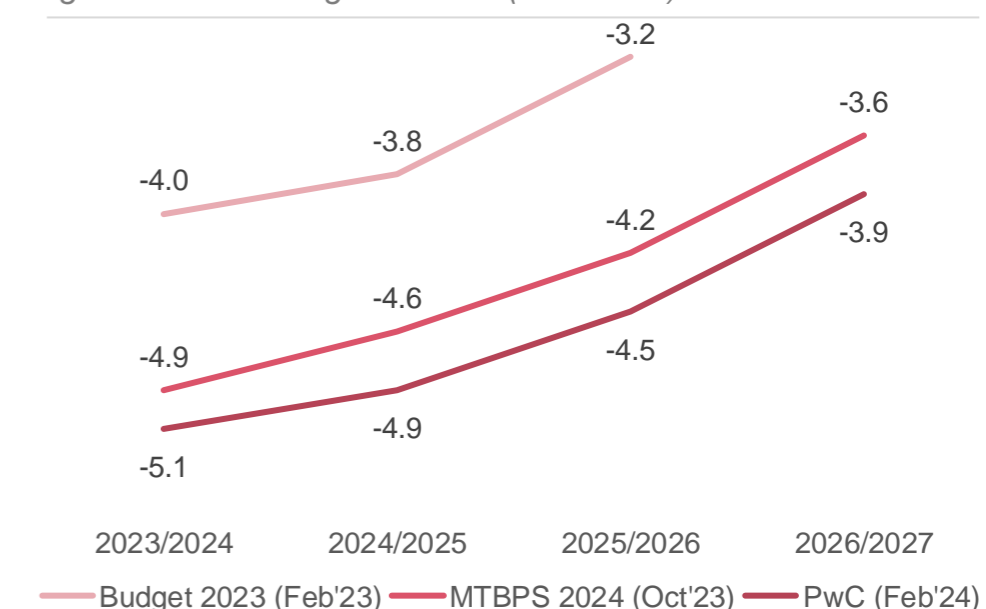
It is sometimes challenging to forecasts the budget balance because the outlook for expenditure is much harder to gauge than that of tax collections. For example, **while the MTBPS 2023 provided planned spending numbers for the next several years, these did not include commitments towards a Basic Income Grant (BIG) or the large-scale launch of the National Health Insurance (NHI) scheme.** There is a gap in current budget planning around the continuation of the R350-a-month Social Relief of Distress (SRD) grant beyond the current March 2025 expiry. President Cyril Ramapohsa said in his State of the Nation Address (SONA) 2024 that the SRD will be extended and improved towards income support for the unemployed. If additional funding is needed for a larger SRD or more permanent BIG, a VAT increase (rather than a PIT increase) can be justified. An increase in VAT to fund social spending, particularly in the form of a means tested grant, is highly progressive in aggregate.

In turn, the NHI was passed by the National Council of Provinces (NCOP) late in 2023 and awaits President Ramapohsa's signature. Amongst the many criticisms levelled against the act is the lack of information on where funding will come from for the scheme. **With the introduction of NHI an inevitability, the National Treasury must comment on the funding of the initiative.** The Department of Health recently reiterated that medical aid tax credits will be eliminated to help fund the NHI. Prior to that, recent budgets included an inflationary increase

for medical tax credits, and it is expected that Budget 2024 will propose a similar inflationary increase. As such, NHI funding remains opaque. The National Treasury needs to provide clarity in Budget 2024 on this and other potential funding mechanisms, even if these are not necessarily being implemented over the medium term, as we suspect.

We estimate that the 2023/2024 fiscal year will see a budget deficit equal to 5.1% of GDP. This is slightly larger than the MTBPS 2023 projected, with our expectations of a bigger shortfall driven by recent tax numbers indicating a poor performance for companies with December 2023 financial year-ends. Looking ahead at the 2024/2025 fiscal year, the MTBPS 2023 pencilled in a deficit equal to 4.6% of GDP, while we project a figure equal to 4.9% of GDP. Our number is larger due to a more subdued outlook on economic growth: nominal GDP growth is a significant driver of tax revenue growth. For context, a budget deficit of 3.0% of GDP is deemed sustainable, with anything larger than this over a long period resulting in – as South Africa is currently experiencing – acceleration of debt servicing costs eating into the fiscal spending envelope.

Figure 2: Fiscal budget balance (% of GDP)



Source: PwC



Increasing tax compliance: PwC survey shows it has become easier to comply with SARS tax obligations.

South Africa Economic Outlook February 2024

Summary: Reducing South Africa's tax gap requires increased tax compliance. PwC's Taxing Times Survey 2023 found that 51% of respondents feel it has become easier to comply with their tax obligations. PwC's EMEA Private Business Attractiveness Index 2023 ranked South Africa 21st out of 33 countries for tax and regulation matters, with local senior management spending 9.7% of a typical week dealing with government regulation.

SARS finds success towards its strategic goal to increase voluntary compliance and regain taxpayer trust.

In November 2023, the finance minister said that, alongside measures to stabilise public finances and reform the economy, South Africa's most effective way of funding the government is through an efficient tax administration. He indicated that SARS would continue its focus on enforcing compliance in areas such as debt collection, fraud prevention, curbing illicit trade, voluntary disclosures, and encouraging honest taxpayers to comply voluntarily. Nonetheless, **South Africa's tax gap (the difference between taxes legally owed and taxes collected) is still an estimated R300bn.** Collecting this would almost erase the 2023/2024 fiscal deficit, planned in the MTBPS 2023 at R347bn.

[PwC's Taxing Times Survey 2023](#) is the latest in a series of annual reports assessing corporate taxpayers' perceptions of the tax system, their experiences with SARS, and other important topics – including compliance. Given SARS' drive to improve voluntary compliance and regain taxpayer trust, PwC are of the view there has never been a more critical time for us to assess how organisations and their tax functions are operating, responding to, and coping with SARS audits, debt collection processes, Voluntary Disclosure Programmes (VDPs), as well as overall service delivery.

In *The Wealth of Nations* (1776), Adam Smith argued that taxation should follow four principles, namely fairness, certainty,

convenience and efficiency. Convenience relates to the ease of compliance for taxpayers: the simplicity of the process for collecting or paying taxes. **Our survey found that 8% of survey participants 'strongly agree' and 43% of participants 'agree' that it has become easier to comply with their tax obligations** – a marginal majority of 51%. This is, however, a six percentage point improvement from the 2022 results and indicates that a (small) majority of corporate responders have a favourable view on the topic. The positive trend in compliance feedback is not surprising. Since the publication of our first survey in 2018, the local tax environment has changed significantly. In the case of compliance matters, for example, SARS' Strategic Plan 2020-2024 lists "make it easy for taxpayers and traders to comply with their obligations" as one of its strategic goals. It also aims to "detect taxpayers and traders who do not comply, and make non-compliance hard and costly".

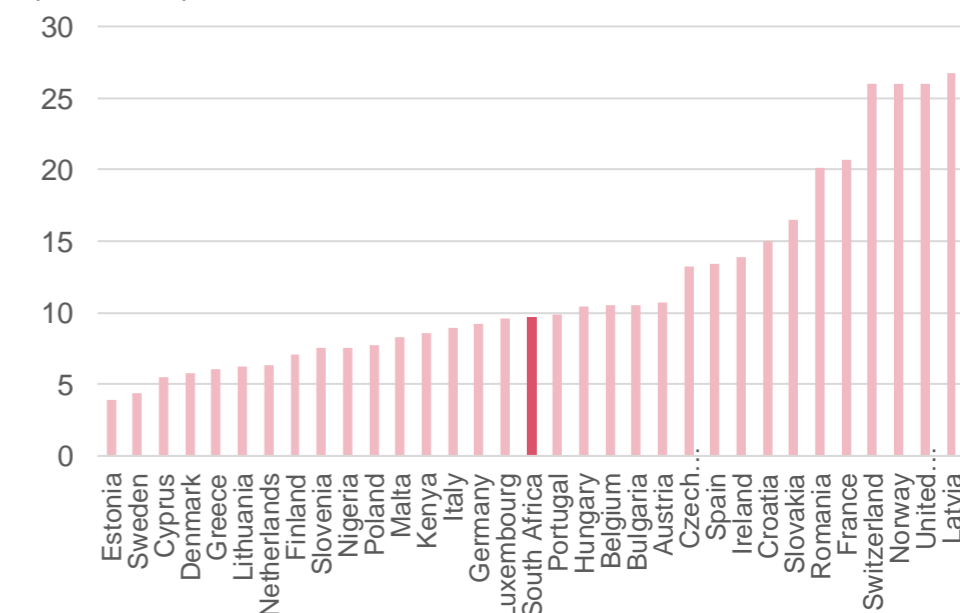
Senior management spend 9.7% of their time dealing with requirements set by government regulation.

For entrepreneurs and private companies in South Africa, the business environment is challenging for a myriad of reasons. To better understand this in a regional context, the [PwC EMEA Private Business Attractiveness Index 2023](#) assesses the relative attractiveness of private business environments across 33 countries in Europe, the Middle East and Africa (EMEA). South Africa is ranked 23rd overall out of 33 countries by the index. This is an improvement from its 25th position in the 2022 edition of the index and the 31st position in the 2021 edition. The two-year improvement in South Africa's overall ranking reflects positively on the country's Economic Reconstruction and Recovery Plan (ERRP) which, as part of structural reforms aimed at helping the economy recover from COVID-19, pledged in 2020 to make it easier for private businesses to operate in the country. We can see this in, for example, the regulatory reforms and incentives implemented that allow businesses to invest in

renewable energy installations. As a result, rooftop solar capacity in the country increased from less than 1,000 MW in 2021 to approximately 5,200 MW at present, as reforms and incentives allowed businesses and households to invest in their energy security.

On the tax and regulation front, South Africa ranks 21st out of 33 countries. In this category, PwC looked at several indicators, including corporate and indirect tax rates. A key variable in the context of compliance is the time that senior management spends on dealing with regulation. In South Africa, **senior management spend 9.7% of a typical week dealing with requirements like tax compliance imposed by government regulation.** This ranks South Africa 17th out of 33 countries for the category, i.e. middle of the pack. The ranking suggests that there is room for improvement when it comes to the paperwork and red tape involved in tax and other regulatory compliance. This, in turn, could help SARS increase tax compliance and reduce the tax gap.

Figure 3: Senior management time spent dealing with regulation (% of total)



Source: PwC EMEA Private Business Attractiveness Index 2023



Purpose-Led Economics services and contacts.

South Africa Economic Outlook February 2024

How we can help.

Tax compliance

Many companies are rethinking their approach to domestic and global compliance and reporting by taking a closer look at their technology, processes, resources, and service providers. Multi-national organisations are looking for a more coordinated, cross-border service. PwC's global network offers a holistic, integrated, end-to-end compliance solution – corporate income tax, indirect tax, statutory financial statements, and corporate secretarial services – that uses innovative technology, enabling companies to get in front of their tax compliance needs.

Total tax impact

Elsewhere, as parts of broader efforts to ensure transparency and sustainability, clients are also looking to understand their total tax impact. Our Total Impact Measurement and Management (TIMM) framework helps companies to recognise their overall tax contribution as well as social, environmental and economic impacts:

- Tax impact values a business' contribution to public finances, including taxes on profits, people, production and property, as well as environmental taxes.
- Social impact measures and values the consequences of business activities on society such as health, education and community cohesion.
- Environmental impact puts a value on the impact a business has on natural capital e.g. emissions to air, land and water, and the use of natural resources.
- Economic impact measures the effect of business activity on the economy in a given area, by measuring changes in economic growth (output or value added) and associated changes in employment.

Our services

The PwC South Africa Strategy & Purpose-Led Economics team is a specialised unit of economists who serve our clients in a variety of ways. Our services include:

Measure your impact on the economy and society

- Economic Impact Assessment (EIA)
- Socio-Economic Impact Assessment (SEIA)
- Regulatory Impact Analysis (RIA)
- Environmental, Social and Governance (ESG)
- Total tax contribution
- Localisation calculations

Make decisions about risk and investment

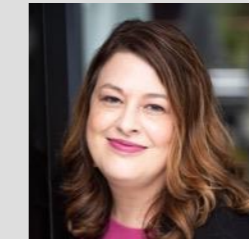
- Macroeconomic research
- Market entry analysis
- Country and industry risk assessments
- Commercial due diligence assistance

Plan for future economic scenarios

- ESG scenario planning
- Economic and political scenario planning
- Industry and macroeconomic modelling
- IFRS 9 audit assist

Please visit our website to learn more:

<https://www.strategyand.pwc.com/a1/en/solutions/purpose-led-economics.html>



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