

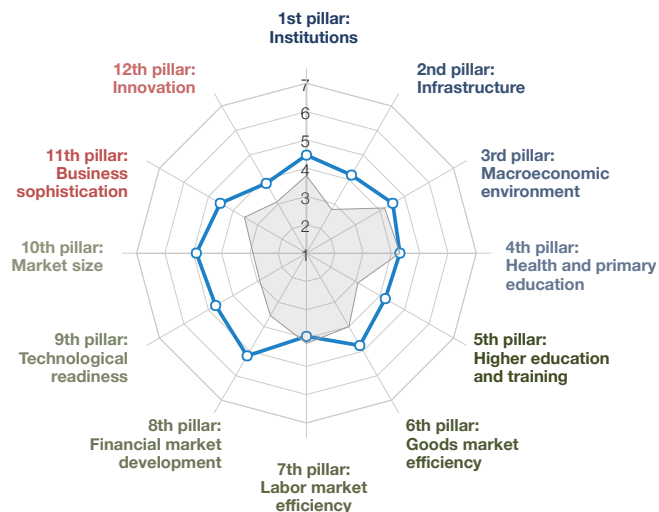
# South Africa 47<sup>th</sup> / 138

Key Indicators, 2015 Source: International Monetary Fund; World Economic Outlook Database (April 2016)

<b>Population</b> (millions)	55.0	<b>GDP per capita</b> (US\$)	5694.6
<b>GDP</b> (US\$ billions)	313.0	<b>GDP (PPP) % world GDP</b>	0.64

## Performance overview

	Rank / 138	Score (1-7)	Trend	Distance from best	Edition	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Global Competitiveness Index</b>	<b>47</b>	4.5	—	■	Rank	<b>52 / 144</b>	<b>53 / 148</b>	<b>56 / 144</b>	<b>49 / 140</b>	<b>47 / 138</b>
Subindex A: Basic requirements	84	4.4	—	■	Score	4.4	4.4	4.4	4.4	4.5
<b>1st pillar: Institutions</b>	<b>40</b>	4.5	—	■						
<b>2nd pillar: Infrastructure</b>	<b>64</b>	4.2	—	■						
<b>3rd pillar: Macroeconomic environment</b>	<b>79</b>	4.5	—	■						
<b>4th pillar: Health and primary education</b>	<b>123</b>	4.3	—	■						
Subindex B: Efficiency enhancers	35	4.6	—	■						
<b>5th pillar: Higher education and training</b>	<b>77</b>	4.2	—	■						
<b>6th pillar: Goods market efficiency</b>	<b>28</b>	4.8	—	■						
<b>7th pillar: Labor market efficiency</b>	<b>97</b>	3.9	—	■						
<b>8th pillar: Financial market development</b>	<b>11</b>	5.2	—	■						
<b>9th pillar: Technological readiness</b>	<b>49</b>	4.7	—	■						
<b>10th pillar: Market size</b>	<b>30</b>	4.9	—	■						
Subindex C: Innovation and sophistication factors	31	4.2	—	■						
<b>11th pillar: Business sophistication</b>	<b>30</b>	4.5	—	■						
<b>12th pillar: Innovation</b>	<b>35</b>	3.8	—	■						

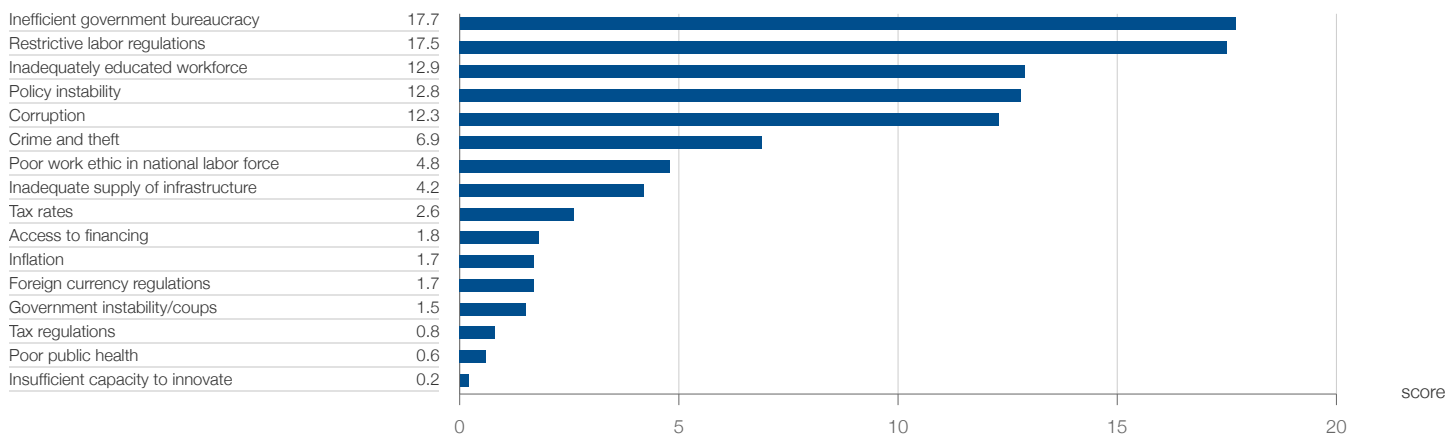


South Africa slightly improves both its score and ranking (47th). It has been relatively less affected by commodity price falls than other economies in the region, and has registered marginal improvements in almost all aspects of competitiveness. Most significant areas of progress include enhanced competition, both locally (32nd) and internationally (55th); better use of talent in terms of how pay reflects productivity (98th); and a small but important upgrade in the quality of education (up seven places since ACR 2015), with primary school enrollment also now passing 97 percent. However, a number of shortcomings may limit South African competitiveness going forward.

Infrastructure development has stalled, both in transport and electricity, with power shortages experienced this year. Institutional quality has diminished, with increased political uncertainty, less transparency, some security concerns, and business leaders having less trust in politicians (down 19 places since ACR 2015). The slowdown of the Chinese economy and exchange rate volatility may dampen growth, now forecast at 0.1 percent for 2016. This makes it unlikely that the high unemployment rate will diminish soon, hampering the ability to leverage Africa's demographic dividend.

## Most problematic factors for doing business

Source: World Economic Forum, Executive Opinion Survey 2016



**Note:** From the list of factors, respondents to the World Economic Forum's Executive Opinion Survey were asked to select the five most problematic factors for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.

## South Africa

## The Global Competitiveness Index in detail

	Rank / 138	Value	Trend		Rank / 138	Value	Trend
<b>1st pillar: Institutions</b>	<b>40</b>	<b>4.5</b>		<b>6th pillar: Goods market efficiency</b>	<b>28</b>	<b>4.8</b>	
1.01 Property rights	29	5.4		6.01 Intensity of local competition	30	5.5	
1.02 Intellectual property protection	21	5.7		6.02 Extent of market dominance	30	4.2	
1.03 Diversion of public funds	96	3.0		6.03 Effectiveness of anti-monopoly policy	7	5.4	
1.04 Public trust in politicians	109	2.2		6.04 Effect of taxation on incentives to invest	41	4.0	
1.05 Irregular payments and bribes	53	4.4		6.05 Total tax rate % profits	31	28.8	
1.06 Judicial independence	16	5.8		6.06 No. of procedures to start a business	54	6	
1.07 Favoritism in decisions of government officials	115	2.3		6.07 Time to start a business days	125	46.0	
1.08 Wastefulness of government spending	88	2.8		6.08 Agricultural policy costs	70	3.7	
1.09 Burden of government regulation	106	3.0		6.09 Prevalence of non-tariff barriers	35	4.7	
1.10 Efficiency of legal framework in settling disputes	9	5.6		6.10 Trade tariffs % duty	78	6.2	
1.11 Efficiency of legal framework in challenging regs	10	5.3		6.11 Prevalence of foreign ownership	31	5.2	
1.12 Transparency of government policymaking	44	4.5		6.12 Business impact of rules on FDI	61	4.7	
1.13 Business costs of terrorism	64	5.3		6.13 Burden of customs procedures	65	4.2	
1.14 Business costs of crime and violence	133	2.4		6.14 Imports % GDP	78	38.3	
1.15 Organized crime	99	4.2		6.15 Degree of customer orientation	36	5.1	
1.16 Reliability of police services	115	3.3		6.16 Buyer sophistication	22	4.2	
1.17 Ethical behavior of firms	36	4.5		<b>7th pillar: Labor market efficiency</b>	<b>97</b>	<b>3.9</b>	
1.18 Strength of auditing and reporting standards	1	6.7		7.01 Cooperation in labor-employer relations	138	2.5	
1.19 Efficacy of corporate boards	3	6.3		7.02 Flexibility of wage determination	135	2.8	
1.20 Protection of minority shareholders' interests	1	6.2		7.03 Hiring and firing practices	135	2.3	
1.21 Strength of investor protection 0-10 (best)	14	7.2		7.04 Redundancy costs weeks of salary	28	9.3	
<b>2nd pillar: Infrastructure</b>	<b>64</b>	<b>4.2</b>		7.05 Effect of taxation on incentives to work	59	4.0	
2.01 Quality of overall infrastructure	59	4.2		7.06 Pay and productivity	98	3.6	
2.02 Quality of roads	29	5.0		7.07 Reliance on professional management	21	5.5	
2.03 Quality of railroad infrastructure	40	3.8		7.08 Country capacity to retain talent	69	3.5	
2.04 Quality of port infrastructure	37	4.9		7.09 Country capacity to attract talent	53	3.6	
2.05 Quality of air transport infrastructure	10	6.0		7.10 Female participation in the labor force ratio to men	69	0.81	
2.06 Available airline seat kilometers millions/week	28	1218.6		<b>8th pillar: Financial market development</b>	<b>11</b>	<b>5.2</b>	
2.07 Quality of electricity supply	112	3.0		8.01 Financial services meeting business needs	2	6.0	
2.08 Mobile-cellular telephone subscriptions /100 pop.	15	159.3		8.02 Affordability of financial services	27	4.6	
2.09 Fixed-telephone lines /100 pop.	93	7.7		8.03 Financing through local equity market	1	5.9	
<b>3rd pillar: Macroeconomic environment</b>	<b>79</b>	<b>4.5</b>		8.04 Ease of access to loans	12	5.2	
3.01 Government budget balance % GDP	90	-4.0		8.05 Venture capital availability	53	3.0	
3.02 Gross national savings % GDP	97	15.1		8.06 Soundness of banks	2	6.6	
3.03 Inflation annual % change	95	4.6		8.07 Regulation of securities exchanges	3	6.2	
3.04 Government debt % GDP	73	50.1		8.08 Legal rights index 0-10 (best)	68	5	
3.05 Country credit rating 0-100 (best)	63	-		<b>9th pillar: Technological readiness</b>	<b>49</b>	<b>4.7</b>	
<b>4th pillar: Health and primary education</b>	<b>123</b>	<b>4.3</b>		9.01 Availability of latest technologies	44	5.4	
4.01 Malaria incidence cases/100,000 pop.	25	35.2		9.02 Firm-level technology absorption	22	5.4	
4.02 Business impact of malaria	30	5.1		9.03 FDI and technology transfer	52	4.6	
4.03 Tuberculosis incidence cases/100,000 pop.	137	834.0		9.04 Internet users % pop.	75	51.9	
4.04 Business impact of tuberculosis	130	3.7		9.05 Fixed-broadband Internet subscriptions /100 pop.	86	5.3	
4.05 HIV prevalence % adult pop.	135	18.9		9.06 Internet bandwidth kb/s/user	21	147.6	
4.06 Business impact of HIV/AIDS	130	3.4		9.07 Mobile-broadband subscriptions /100 pop.	57	59.5	
4.07 Infant mortality deaths/1,000 live births	107	33.6		<b>10th pillar: Market size</b>	<b>30</b>	<b>4.9</b>	
4.08 Life expectancy years	130	57.2		10.01 Domestic market size index	27	4.8	
4.09 Quality of primary education	126	2.7		10.02 Foreign market size index	34	5.3	
4.10 Primary education enrollment rate net %	44	97.1		10.03 GDP (PPP) PPP \$ billions	30	723.5	
<b>5th pillar: Higher education and training</b>	<b>77</b>	<b>4.2</b>		10.04 Exports % GDP	81	30.8	
5.01 Secondary education enrollment rate gross %	67	93.8		<b>11th pillar: Business sophistication</b>	<b>30</b>	<b>4.5</b>	
5.02 Tertiary education enrollment rate gross %	99	19.7		11.01 Local supplier quantity	39	4.7	
5.03 Quality of the education system	134	2.3		11.02 Local supplier quality	34	4.9	
5.04 Quality of math and science education	138	2.2		11.03 State of cluster development	30	4.4	
5.05 Quality of management schools	21	5.4		11.04 Nature of competitive advantage	71	3.4	
5.06 Internet access in schools	111	3.5		11.05 Value chain breadth	52	4.1	
5.07 Local availability of specialized training services	33	5.0		11.06 Control of international distribution	31	4.3	
5.08 Extent of staff training	19	5.0		11.07 Production process sophistication	34	4.6	
				11.08 Extent of marketing	16	5.2	
				11.09 Willingness to delegate authority	26	4.5	
				<b>12th pillar: Innovation</b>	<b>35</b>	<b>3.8</b>	
				12.01 Capacity for innovation	25	5.0	
				12.02 Quality of scientific research institutions	29	4.9	
				12.03 Company spending on R&D	30	4.2	
				12.04 University-industry collaboration in R&D	27	4.4	
				12.05 Gov't procurement of advanced tech. products	99	2.9	
				12.06 Availability of scientists and engineers	112	3.4	
				12.07 PCT patent applications applications/million pop.	47	6.5	

**Note:** Values are on a 1-to-7 scale unless indicated otherwise. Trend lines depict evolution in values since the 2012-2013 edition (or earliest edition available). For detailed definitions, sources, and periods, consult the interactive Country/Economy Profiles and Rankings at <http://gcr.weforum.org/>