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MEDIA STATEMENT

IMMEDIATE RELEASE

LATEST ECONOMIC GROWTH FIGURES

Commenting on the latest decline in real GDP by 3% in 2Q 2009 BUSA says –

Quote

The latest expected GDP figures indicate that, although the rate of the negative growth in the economy has slowed, the global crisis continues to bite deep in South Africa. While there are encouraging but tentative signs that the global slowdown may have reached its lower turning point, the speed and extent of recovery are still subject to a high degree of uncertainty. The SA economy is lagging behind these international developments and hence the continued recession here. This is the first instance of three consecutive quarters of negative growth since 4Q 1992.

BUSA therefore believes it remains essential for SA to continue to pursue counter-cyclical policies and other agreed measures to soften the impact of the recession on growth, jobs and company liquidations. BUSA hopes that the economy will 'bottom out' by the end of 2009. The central challenge therefore remains to ensure the timely implementation of appropriate policies, including the possibility of yet another reduction in interest rates. These policies are essential to rebuild business and consumer confidence and to lay the foundations for renewed growth and employment in 2010.

Unquote

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