

SA's economic growth affected by global crisis

PRETORIA: Minister in the Presidency responsible for Planning Monitoring and Evaluation, Jeff Radebe, says the global economic crisis has affected economic growth in the country over the last four years, prompting a deceleration in the rate of growth.



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Updating the media on progress and challenges and the interventions required to close the gaps in implementing the 14 priorities of government on Friday, Radebe said the global economic crisis is coupled with the ongoing relative underperformance of the domestic economy, prompting government to lower its own Gross Domestic Product expectations.

"Besides low global demand, significantly low commodity prices and the global steel oversupply.

"Our economy is facing several other challenges, including decades of under-investment in economic infrastructure, an exchange rate that tends to be too volatile, rising administered costs, high port and freight charges with port charges amongst the highest in the world, too fast and deep trade liberalisation and electricity supply challenges amongst others," Radebe said.

He further noted that despite some progress in increased employment with the year-on-year comparison, overall employment growth remains low and insufficient to absorb the high level of new and existing entrants in the labour market.

In the first quarter of 2015, the unemployment rate increased to 26.4%.

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