



## Introduction To South Africa

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South Africa proudly celebrates the 20<sup>th</sup> anniversary of its first democratic elections this year. With the dawn of democracy the country has moved out of almost two decades of stagnation and integrated into both the regional and global economy.

Guided by sound fiscal and monetary policies, and with economic growth averaging about 3% over the past decade (which included the impact of the global financial crisis), South Africa's growth rate is, however, trending below its potential. Higher growth could significantly impact the country's socio-economic concerns of widening inequality and poverty, as well as the burden of high unemployment. External factors, such as the lower pedestrian global growth environment, less resource-intensive growth in China and softer international prices of commodities, as well as internal factors, including industrial action resulting in production disruptions, and an inflationary cost environment, have contributed to the slower growth trajectory.

In 2010, South Africa hosted the 2010 FIFA World Cup. This major international sporting event was an important vehicle that promoted growth in key sectors such as tourism, infrastructure development and job creation. The soccer tournament also enforced South Africa's international positioning on the world stage as a leading open economy in Africa, a top travel tourism destination, with comparatively well-developed infrastructure, a relatively sound policy environment and price competitiveness. Positive spill-overs of this event were reflected in nation branding rankings of the country – undoubtedly building blocks to leverage further in terms of global trade, investment and tourism linkages.

