

Box 5 Impact of national accounts revisions on key fiscal ratios

On 25 November 2014, Statistics South Africa released revised estimates of gross domestic product that incorporated the results of a comprehensive benchmarking and rebasing exercise. From a previous base year of 2005, real gross domestic product was rebased to 2010 prices. The rebenchmarking exercise was aimed at facilitating a changeover to the *System of National Accounts 2008* (2008 SNA), which allows for the capitalisation of spending on research and development and on weapon systems, resulting in an addition to previously measured gross domestic product. More detailed or appropriate data that became available further raised the level of gross domestic product. This upward revision raised the level of gross domestic product at current prices compared with the previously published estimates; in 2013 this increase amounted to 4,4 per cent. Based on the new data, the ratios of the actual and projected budget deficit and gross loan debt to gross domestic product for the Medium Term Expenditure Framework (MTEF) period have been revised slightly downwards, as shown in the accompanying table.

Fiscal projections: National government

Percentage of gross domestic product

Component	2013/14	2014/15	2015/16	2016/17	2017/18
Budget deficit					
MTBPS 2014	-4,7	-4,8	-4,1	-3,2	-3,0
Revised	-4,5	-4,6	-3,9	-3,0	-2,8
Gross loan debt					
MTBPS 2014	45,9	48,2	49,5	49,7	49,8
Revised	43,9	46,1	47,3	47,5	47,6

Sources: 2014 *Medium Term Budget Policy Statement*, Statistics South Africa and South African Reserve Bank staff calculations