

Domestic economic developments

Domestic output^{1,2}

1 The quarter-to-quarter growth rates referred to in this section are based on seasonally adjusted data but not annualised, to conform to the official publication by Statistics South Africa (Stats SA).

2 The analysis in this section of the review is based on revised data that incorporate the latest available periodic datasets.

Real economic activity in South Africa expanded further in the fourth quarter of 2025 as growth in real *gross domestic product* (GDP) increased by 0.4% following a revised increase of 0.3% in the third quarter. The expansion reflected increased activity in the tertiary sector, although the primary and secondary sectors experienced contractions. The real output of the *non-agricultural sector* also increased by 0.4% in the fourth quarter of 2025.

Real gross domestic product

Quarter-to-quarter percentage change at seasonally adjusted but not annualised rates

Sector	2024					2025				
	Q1	Q2	Q3	Q4	Year*	Q1	Q2	Q3	Q4	Year*
Primary sector	4.1	-1.9	-7.2	5.6	-3.0	3.7	2.4	2.0	-0.2	6.4
Agriculture	14.0	-3.9	-20.5	17.7	-8.7	16.4	1.2	1.4	0.4	17.4
Mining	-1.2	-0.7	0.7	-0.1	0.4	-3.3	3.2	2.4	-0.6	0.2
Secondary sector	-1.2	0.6	0.4	-1.0	-0.6	-1.9	0.8	-0.2	-0.9	-2.1
Manufacturing	-1.2	0.5	0.1	-1.1	-0.4	-1.4	1.2	0.2	-0.6	-1.2
Construction	-2.9	0.3	0.8	-0.5	-5.4	-3.6	-0.8	0.1	-1.3	-4.4
Tertiary sector	0.0	0.4	0.3	0.2	1.1	0.1	0.6	0.2	0.7	1.3
Wholesale and retail trade, catering and accommodation	1.0	0.9	-0.8	1.3	-1.2	0.3	1.1	0.4	0.9	2.3
Finance, real estate and business services	0.0	1.7	1.1	0.9	3.2	-0.5	0.6	0.0	1.4	1.9
<i>Non-primary sector**</i>	-0.2	0.5	0.3	0.0	0.8	-0.3	0.6	0.1	0.4	0.7
<i>Non-agricultural sector***</i>	-0.3	0.4	0.3	0.0	0.8	-0.4	0.8	0.3	0.4	0.7
Total	0.1	0.3	-0.3	0.4	0.5	0.1	0.8	0.3	0.4	1.1

* Percentage change over one year

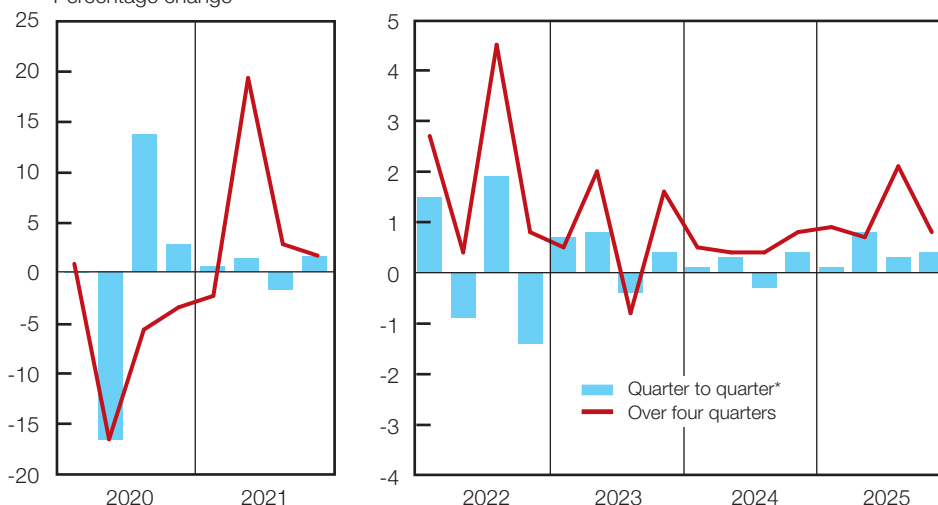
** The non-primary sector represents total GVA excluding agriculture and mining.

*** The non-agricultural sector represents total GVA excluding agriculture.

Source: Stats SA

Real gross domestic product

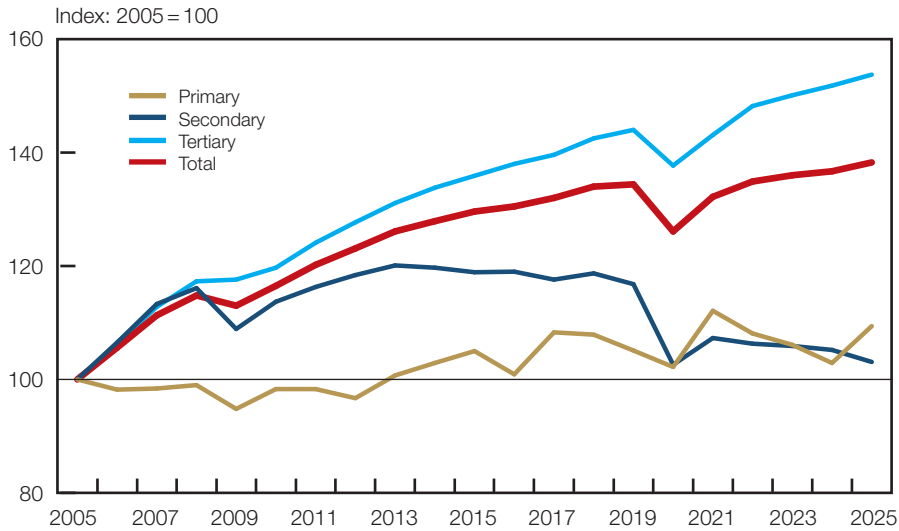
Percentage change



* Seasonally adjusted

Source: Stats SA

Real gross value added by main sector



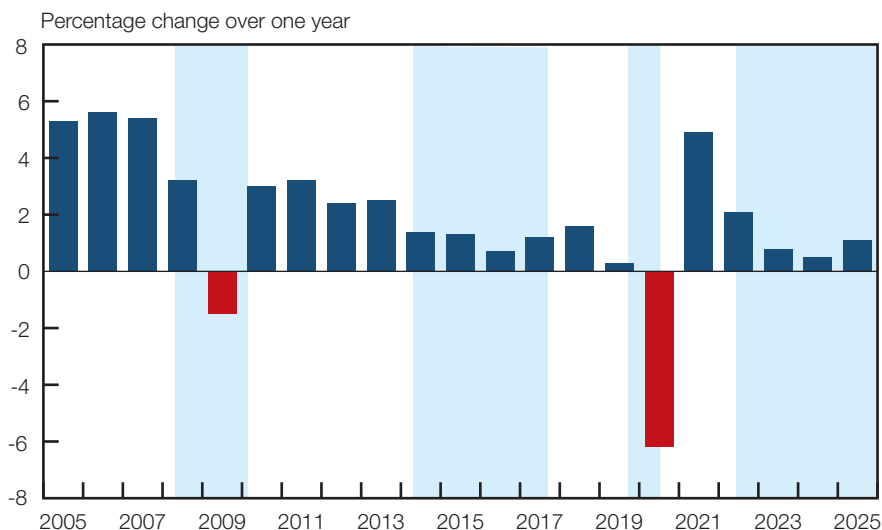
Source: Stats SA

Annual output growth accelerated from 0.5% in 2024 to 1.1% in 2025, supported by increased activity in the primary and tertiary sectors, while the real gross value added (GVA) by the secondary sector contracted for a fourth consecutive year. Growth in the real GVA by the non-agricultural sector slowed marginally from 0.8% in 2024 to 0.7% in 2025. During the current downward phase of the business cycle,³ real GDP increased at an average quarterly rate of 0.2% compared with an average quarterly growth rate of 2.9%⁴ during the preceding short upward phase.

3 The most recent peak in the business cycle was confirmed as March 2022 (see J C Venter, 'Business cycles in South Africa from 2020 to 2025', *Quarterly Bulletin*, September 2025), with the subsequent trough not yet identified. The business cycle phases of South Africa are published on page S-166 in the *Quarterly Bulletin*.

4 Although the start of the upward phase was officially identified as May 2020, the sharp contraction of 16.8% in the second quarter of 2020 was excluded from the calculation of the average GDP growth rate during the upward phase.

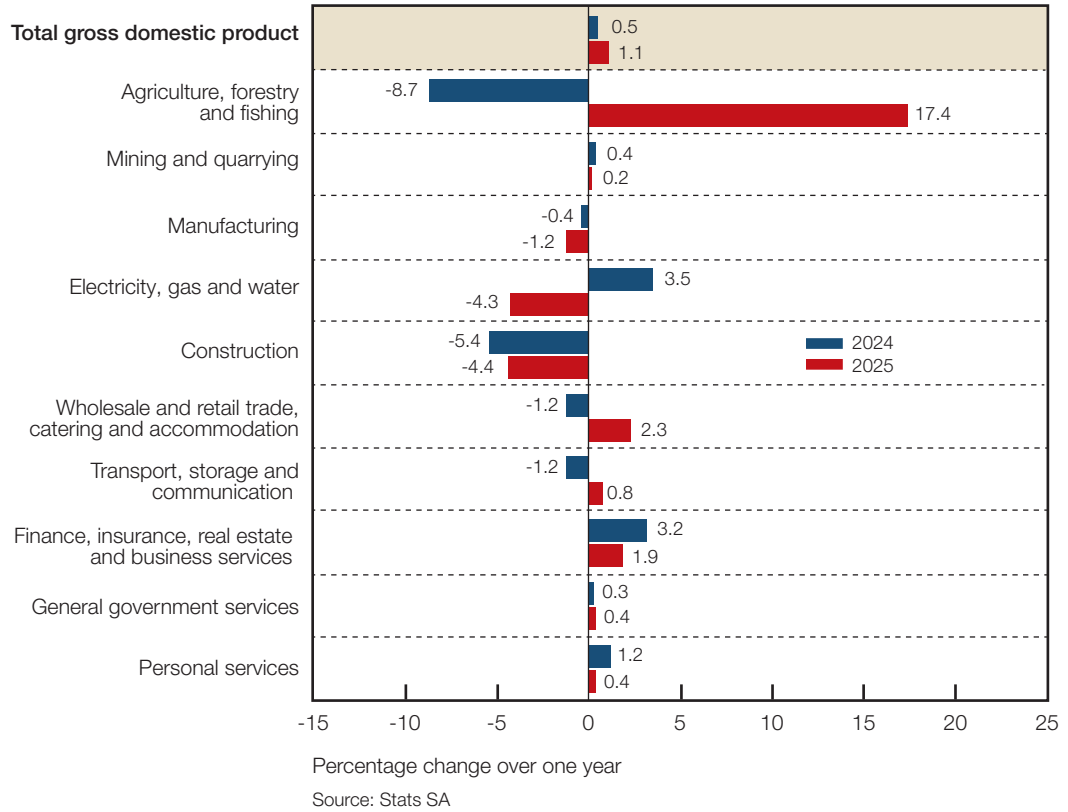
Real gross domestic product



Downward phases of the business cycle

Sources: Stats SA and SARB

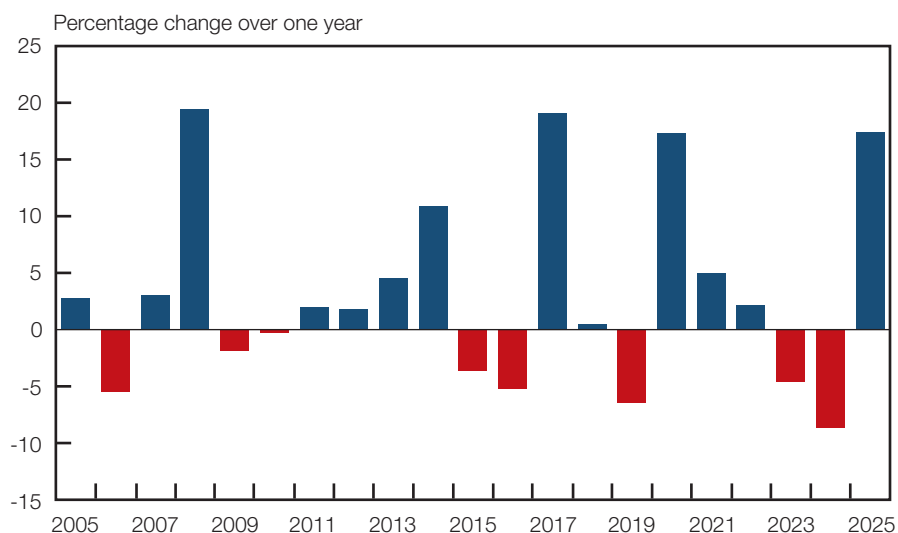
Growth in the components of real gross domestic product



The real GVA by the *primary sector* declined by 0.2% in the fourth quarter of 2025 following an increase of 2.0% in the third quarter. This contraction reflected a decrease in the real output of the mining sector following two consecutive quarters of expansion. By contrast, agricultural output increased at a slower pace in the fourth quarter. On an annual basis, the real GVA by the primary sector expanded by 6.4% in 2025 after contracting by 3.0% in 2024.

The real output of the *agricultural sector* increased by 0.4% in the fourth quarter of 2025 following a revised expansion of 1.4% in the preceding quarter. This growth was mainly due to the higher production of field crops and horticultural products that benefited from improved horticultural conditions and La Niña-related rainfall, which enhanced soil moisture and supported bumper harvests. On an annual basis, real agricultural output grew by 17.4% in 2025 after contracting by 8.7% in 2024. Despite these gains, the sector continued to face challenges from ongoing logistical constraints and outbreaks of animal diseases such as foot-and-mouth and avian influenza.

Real gross value added by the agricultural sector



Source: Stats SA

The estimated area planted for commercial maize in the 2025/26 production season is 4.6% larger than in the 2024/25 season. However, the initial estimate for the 2025/26 commercial maize harvest of 16.13 million tons is 3.1% lower than the final 2024/25 crop, which is the second-largest harvest on record. Despite the slightly smaller expected harvest, farmers are optimistic about the effect of favourable weather conditions on crop production, as reflected in the increase in the Agricultural Business Chamber/Industrial Development Corporation (Agbiz/IDC) Agribusiness Confidence Index (ACI) in the fourth quarter of 2025. Subsequently, the ACI fell sharply in the first quarter of 2026 due to concerns regarding animal diseases and weak prices of certain agricultural commodities.

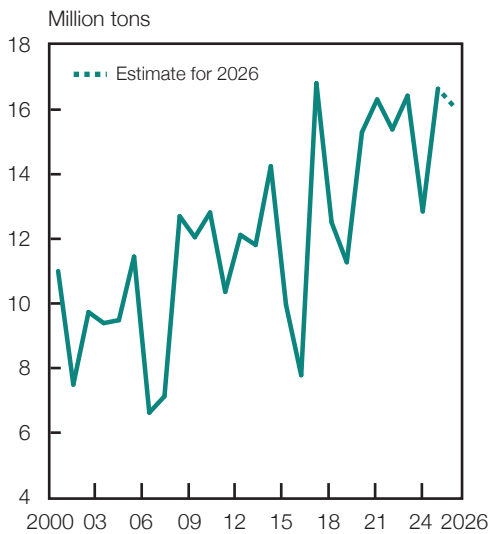
Commercial maize crop and area planted

	Crop (million tons)	Area planted (million hectares)
2024/25: final	16.65	2.60
2025/26: estimate.....	16.13	2.72

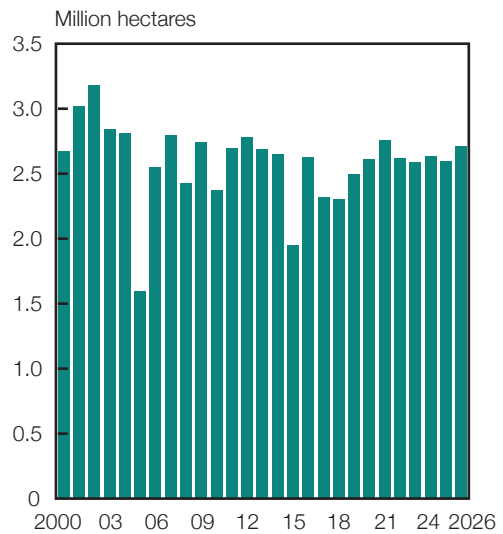
Source: Crop Estimates Committee of the Department of Agriculture

Commercial maize crop

Production



Area planted

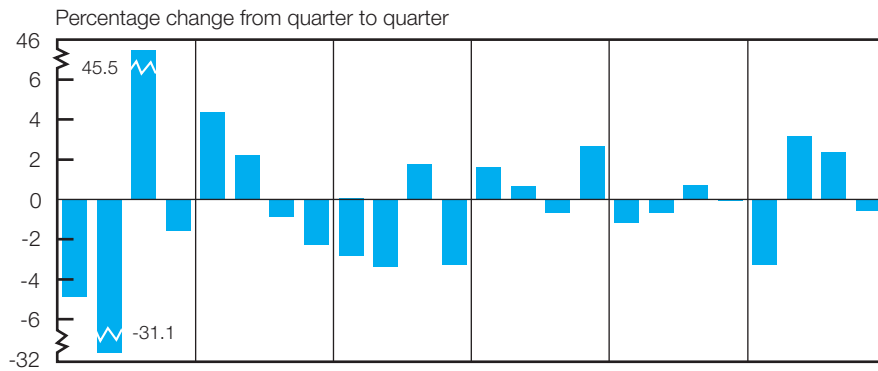


Calendar-year data, e.g. production season 2025/26 = 2026

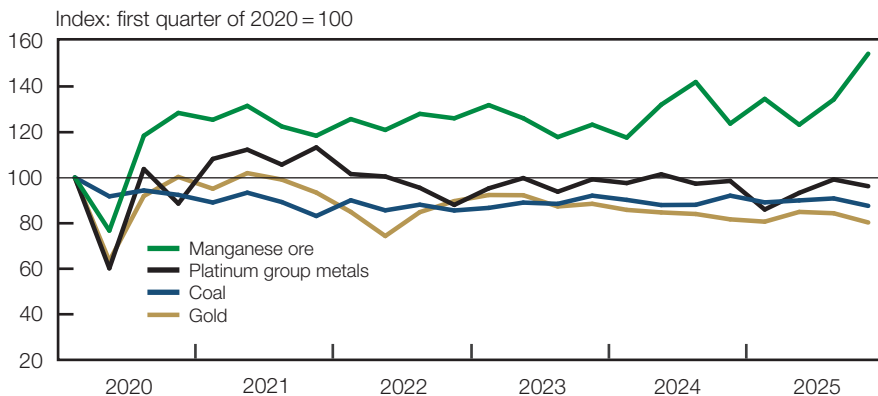
Source: Crop Estimates Committee of the Department of Agriculture

The real output of the *mining sector* decreased by 0.6% in the fourth quarter of 2025 after increasing by a revised 2.4% in the third quarter. Mining production declined in 5 of the 12 mining subsectors, with coal, platinum group metals (PGMs), gold and diamonds contributing the most to the contraction. These decreases were partly offset by the higher production of manganese and iron ore.

Real gross value added by the mining sector



Physical volume of mining production: selected subsectors



Seasonally adjusted

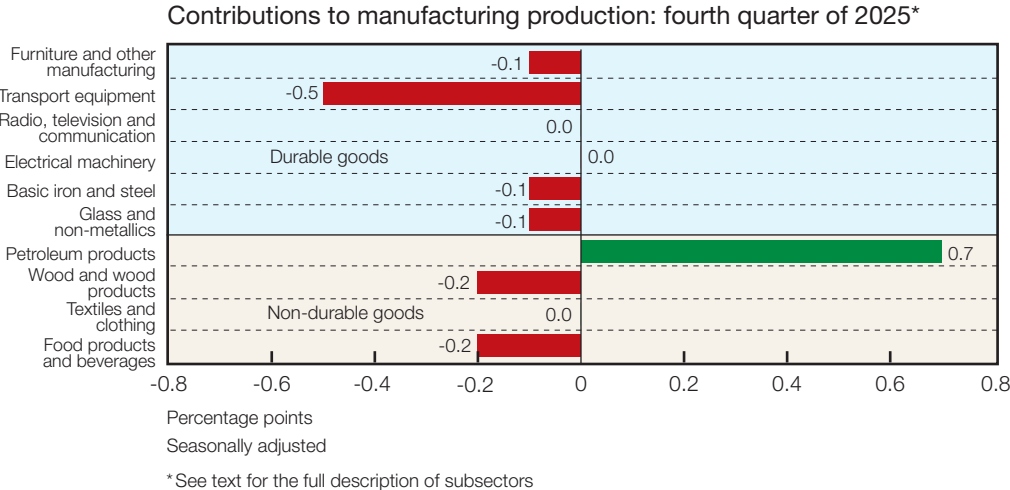
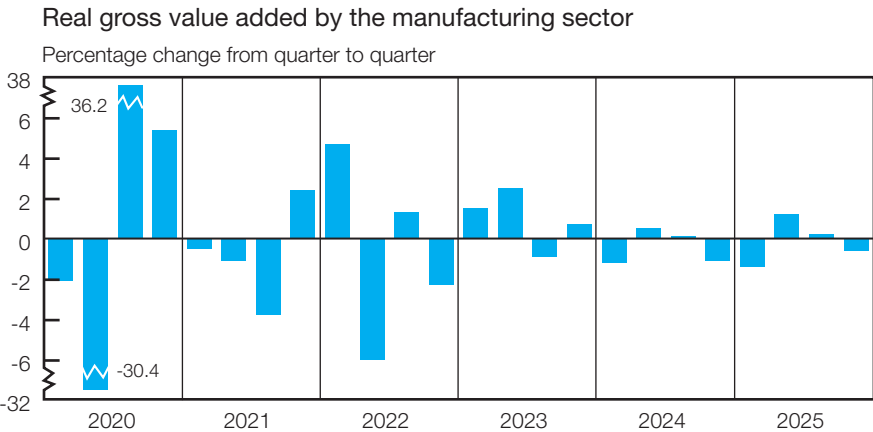
Source: Stats SA

Coal production declined further in the fourth quarter of 2025 due to persistent logistical constraints and lower domestic demand, while PGM production fell as the post-flood recovery – following disruptions at several domestic mining operations in the first half of 2025 – lost momentum. Although global gold prices remained high, gold production decreased due to ageing deep-level mines, lower ore grades and rising operating costs. By contrast, manganese ore production increased, driven by stronger export demand and improved logistics along the Hotazel to Sishen export line, while iron ore production was boosted by higher output at major mines and the global demand for steel.

Annual growth in real GVA by the mining sector moderated to 0.2% in 2025 following an expansion of 0.4% in 2024. The production volumes of iron ore, manganese ore, chromium ore and other metallic minerals increased during the year. Despite favourable commodity prices, the sector remained constrained by sporadic logistical bottlenecks, prolonged underinvestment, ageing mines, and subdued domestic and global demand.

The real GVA by the *secondary sector* decreased further by 0.9% in the fourth quarter of 2025 following a decline of 0.2% in the third quarter. Real output decreased in the manufacturing, construction as well as electricity, gas and water sectors.

The real GVA by the *manufacturing sector* contracted by 0.6% in the fourth quarter of 2025 after increasing by 0.2% in the previous quarter. Production decreased in 8 of the 10 manufacturing subsectors, with notable declines in motor vehicles, parts and accessories, and other transport equipment; food and beverages; wood and wood products, paper, publishing and printing; as well as basic iron and steel, non-ferrous metal products, metal products and machinery. By contrast, the production of petroleum, chemical products, rubber and plastic products increased, reflecting an improvement in domestic refinery activity in the fourth quarter.





The manufacturing sector remained constrained by persistent deindustrialisation, weak investment, rising energy costs and subdued domestic demand. The decline in production was consistent with the weaker seasonally adjusted Absa Purchasing Managers' Index (PMI), which remained in contractionary territory and averaged lower in the fourth quarter of 2025. In addition, the seasonally adjusted utilisation of production capacity fell further from 77.8% in August 2025 to 76.9% in November 2025.

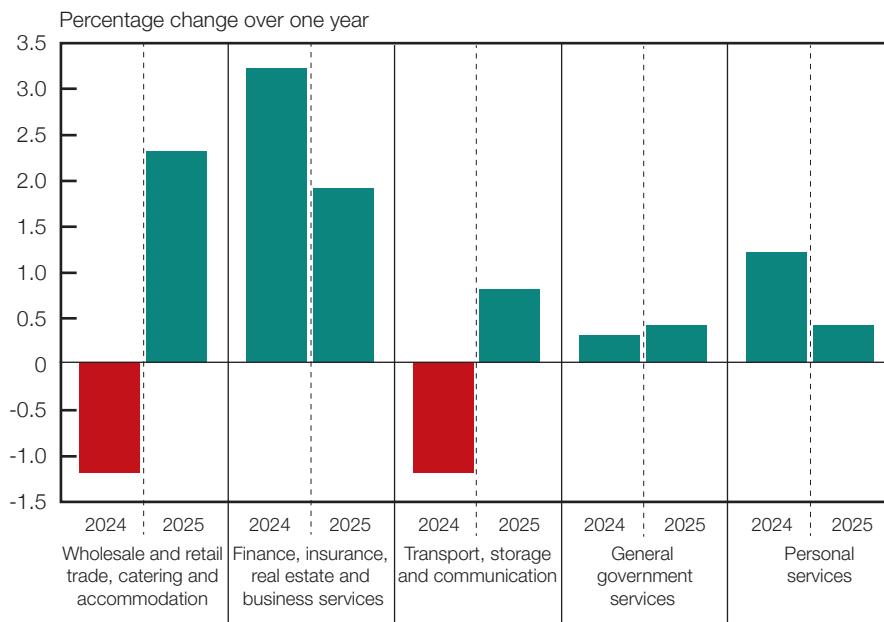
On an annual basis, the real GVA by the manufacturing sector contracted further by 1.2% in 2025 after decreasing by 0.4% in 2024. The decrease was largely driven by lower production volumes of wood and wood products, paper, publishing and printing; basic iron and steel, non-ferrous metal products, metal products and machinery; motor vehicles, parts and accessories, and other transport equipment; as well as petroleum, chemical products, rubber and plastic products.

The real output of the sector supplying *electricity, gas and water* contracted further by 2.2% in the fourth quarter of 2025 following a decrease of 2.6% in the third quarter. Both electricity production and consumption decreased over this period, reflecting weaker demand for national grid-based electricity generated by Eskom amid lower industrial activity and greater reliance on private generation. The electricity, gas and water sector's real output contracted by 4.3% in 2025 after expanding by 3.5% in 2024, with declines recorded in three of the four quarters of 2025.

The real GVA by the *construction sector* decreased by 1.3% in the fourth quarter of 2025 following a marginal increase of 0.1% in the preceding quarter, reflecting lower residential and non-residential building activity. The real output in the construction sector contracted further by 4.4% in 2025 after decreasing by 5.4% in 2024, marking the ninth successive annual decline. Construction output was weighed down by weak demand, low private sector investment and subdued public infrastructure investment.

Growth in the real GVA by the *tertiary sector* accelerated to 0.7% in the fourth quarter of 2025 from a revised increase of 0.2% in the third quarter, contributing 0.5 percentage points to overall real GDP growth. The increase was driven by higher real output in the commerce; personal services; general government; and finance, insurance, real estate and business services sectors. By contrast, real output in the transport, storage and communication services sector contracted in the fourth quarter. On an annual basis, output in the tertiary sector expanded further by 1.3% in 2025 following an expansion of 1.1% in 2024.

Real gross value added by the tertiary sector



Source: Stats SA

In line with improved consumer and business confidence, the real output of the *commerce sector* increased by 0.9% in the fourth quarter of 2025, contributing 0.1 percentage points to overall real GDP growth, following an increase of 0.4% in the third quarter. Real economic activity expanded in the retail, wholesale, motor trade, and catering and accommodation subsectors in the fourth quarter. Retail trade activity was supported by higher sales of general dealers; textiles, clothing, footwear and leather goods; pharmaceuticals and medical goods, cosmetics and toiletries; as well as household furniture, appliances and equipment.

In addition, wholesale trade activity benefited from higher sales of precious stones, jewellery and silverware, other household goods except precious stones as well as food, beverages and tobacco. The motor trade subsector continued to benefit from lower interest rates and affordable vehicle models, especially those from Asia, as sales of new vehicles and income from fuel sales increased. Activity in the commerce sector was further supported by subdued consumer price inflation and positive wealth effects due to significant increases in financial asset prices. As such, the annual real output of the commerce sector rebounded by 2.3% in 2025 following contractions of 1.6% and 1.2% in 2023 and 2024 respectively.

After expanding for three consecutive quarters, the real GVA by the *transport, storage and communication services sector* contracted by 0.3% in the fourth quarter of 2025. The decrease reflected weaker activity in land transportation and transport support services, as road freight volumes declined due to border congestions, disruptions caused by adverse weather conditions and persistent road infrastructure backlogs. By contrast, rail freight transportation activity increased further in the fourth quarter. Meanwhile, passenger journeys by both road and rail decreased in this period. Overall, the sector's annual output expanded by 0.8% in 2025 following a contraction of 1.2% in 2024.

Real economic activity in the *finance, insurance, real estate and business services sector* increased further by 1.4% in the fourth quarter of 2025, contributing 0.3 percentage points to overall real GDP growth. The growth was supported by increased activity in the monetary intermediation, insurance, real estate and business services subsectors. However, growth in the real output of the finance, insurance, real estate and business services sector slowed to 1.9% in 2025 from 3.2% in 2024.

The real GVA by the *general government services sector* increased by 0.4% in the fourth quarter of 2025 following an increase of 0.6% in the third quarter. This growth was driven by an increase in the number of civil service employees. For 2025 as a whole, the output of the general government services sector expanded further by 0.4% following an increase of 0.3% in 2024.

The real output of the *personal services sector* expanded further by 0.4% in the fourth quarter of 2025, contributing 0.1 percentage points to overall real GDP growth as activity in community services and other producers increased. The annual output in this sector increased by 0.4% in 2025 following an expansion of 1.2% in 2024.

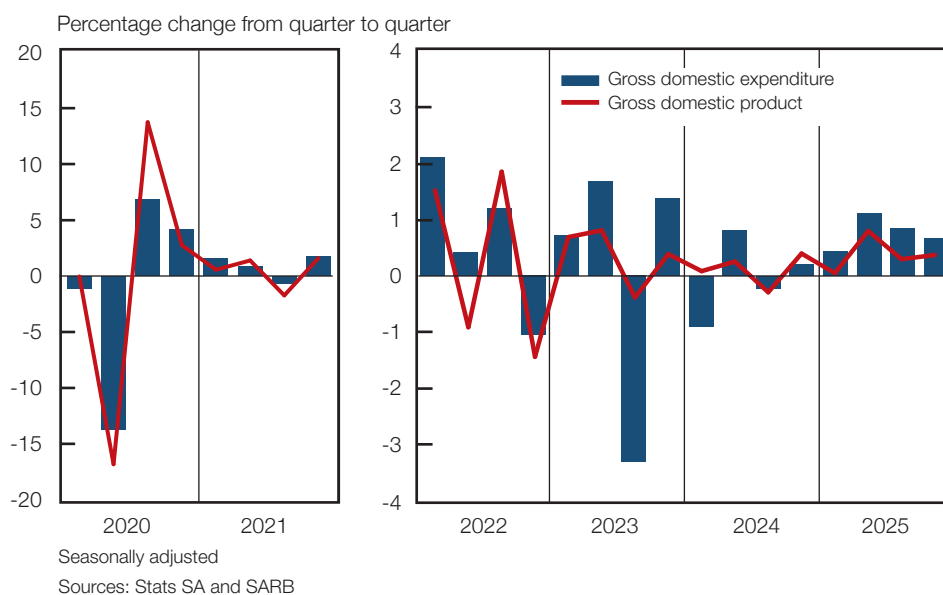
Real gross domestic expenditure^{5,6}

Growth in real *gross domestic expenditure* (GDE) moderated from 0.8% in the third quarter of 2025 to 0.7% in the fourth quarter. Growth in real gross fixed capital formation eased slightly in the fourth quarter of 2025, accompanied by the deaccumulation in real inventory holdings. By contrast, real final consumption expenditure by households and general government increased at a faster pace over the same period. On an annual basis, real GDE reverted from a contraction of 0.6% in 2024 to an expansion of 2.1% in 2025.

5 The quarter-to-quarter growth rates referred to in this section are based on seasonally adjusted data but were not annualised, to conform to the official publication by Stats SA.

6 The analysis in this section of the review is based on revised data that incorporate the latest available periodic datasets.

Real gross domestic product and expenditure



Real gross domestic expenditure

Quarter-to-quarter percentage change at seasonally adjusted but not annualised rates

Component	2024					2025				
	Q1	Q2	Q3	Q4	Year ¹	Q1	Q2	Q3	Q4	Year ¹
Final consumption expenditure										
Households.....	0.0	1.2	0.4	1.1	1.0	0.5	1.3	0.9	1.2	3.6
General government.....	-0.6	0.7	-1.0	-0.8	-0.1	-0.2	0.9	0.3	0.5	-0.2
Gross fixed capital formation	-1.2	-1.1	0.2	-0.5	-3.9	-1.6	-1.5	1.4	1.3	-2.2
Domestic final demand ²	-0.3	0.8	0.1	0.5	0.1	0.1	0.8	0.8	1.0	2.0
Change in inventories (R billions) ³	-11.3	-3.5	-17.1	-24.4	-14.1	-1.8	11.3	17.3	-6.2	5.1
Residual ⁴	0.3	0.1	0.1	0.0	0.1	-0.1	-0.2	-0.3	-0.2	-0.2
Gross domestic expenditure ⁵	-0.9	0.8	-0.2	0.2	-0.6	0.4	1.1	0.8	0.7	2.1

1 Percentage change over one year

2 Comprises final consumption expenditure by households and general government as well as gross fixed capital formation

3 At constant 2015 prices, seasonally adjusted and annualised

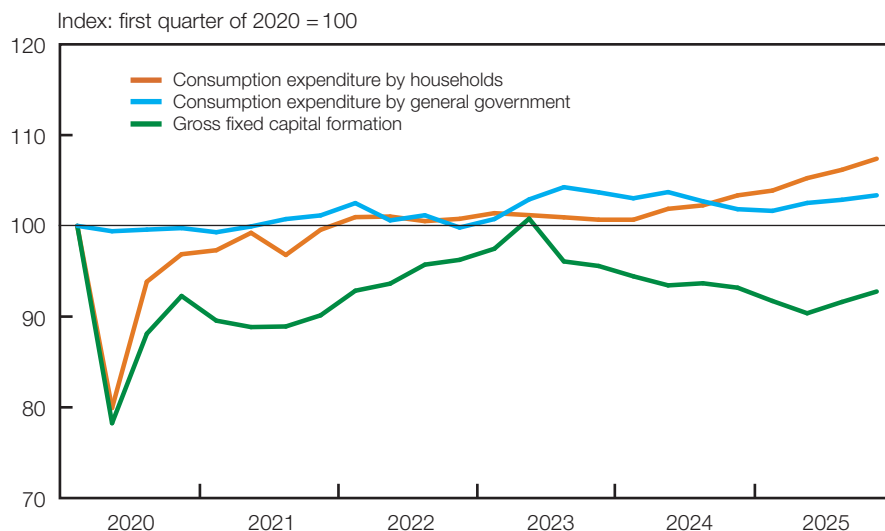
4 The residual as a percentage of GDP

5 Including the residual

Sources: Stats SA and SARB

Real final consumption expenditure by households contributed the most to real GDP growth in the fourth quarter of 2025, adding 0.8 percentage points. This was followed by gross fixed capital formation, contributing 0.2 percentage points. By contrast, changes in inventories and real net exports weighed on overall growth, deducting 0.5 and 0.3 percentage points respectively. For 2025 as a whole, real final consumption expenditure by households added 2.4 percentage points to overall real GDP growth, while net exports deducted 1.0 percentage points.

Components of real gross domestic final demand



Contributions of expenditure components to growth in seasonally adjusted but not annualised real gross domestic product

Percentage points

Component	2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Final consumption expenditure										
Households.....	0.0	0.8	0.3	0.7	0.7	0.3	0.9	0.6	0.8	2.4
General government.....	-0.1	0.1	-0.2	-0.2	0.0	0.0	0.2	0.1	0.1	0.0
Gross fixed capital formation	-0.2	-0.2	0.0	-0.1	-0.6	-0.2	-0.2	0.2	0.2	-0.3
Change in inventories	-0.7	0.2	-0.3	-0.2	-0.8	0.5	0.3	0.1	-0.5	0.4
Residual	0.1	-0.1	0.0	-0.1	0.2	-0.1	0.0	-0.1	0.1	-0.3
Gross domestic expenditure....	-0.9	0.8	-0.2	0.2	-0.6	0.4	1.1	0.8	0.7	2.1
Net exports	1.0	-0.6	-0.1	0.2	1.1	-0.4	-0.3	-0.5	-0.3	-1.0
Gross domestic product	0.1	0.3	-0.3	0.4	0.5	0.1	0.8	0.3	0.4	1.1

Components may not add up to totals due to rounding off.

Sources: Stats SA and SARB

The real exports of goods and services declined by 0.6% in the fourth quarter of 2025 following an increase of 0.3% in the third quarter. This decrease was due to lower export volumes of manufactured goods, agricultural products and services. The reduction in manufactured products was broad-based but particularly pronounced in vehicles and transport equipment as well as prepared foodstuffs, beverages and tobacco. The decline in real agricultural exports mainly reflected lower export volumes of vegetable products. By contrast, real mining exports rebounded in the fourth quarter of 2025, largely driven by higher export volumes of precious metals (including gold, PGMs and stones) as well as base metals and articles thereof.

Real exports and imports of goods and services

Quarter-to-quarter percentage change*

Component	2025					
	Exports			Imports		
	Percentage of total**	Q3***	Q4***	Percentage of total**	Q3***	Q4***
Total	100.0	0.3	-0.6	100.0	2.2	0.5
Mining	36.9	-1.2	4.1	18.7	0.8	-7.6
<i>Of which:</i>						
Mineral products.....	15.8	8.0	-0.6	13.2	2.9	-8.9
Precious metals, including gold, platinum group metals and stones	12.2	-6.4	10.6	1.2	-23.9	15.7
Base metals and articles thereof.....	8.9	-9.8	4.5	4.3	3.1	-9.7
Manufacturing	35.6	-2.8	-2.5	61.8	2.0	1.1
<i>Of which:</i>						
Vehicles and transport equipment	11.5	-2.8	-7.6	11.9	-1.0	4.9
Machinery and electrical equipment	6.2	-5.6	-1.6	24.9	3.8	5.9
Chemical products	5.6	1.5	-2.4	10.3	1.7	-7.5
Prepared foodstuffs, beverages and tobacco.....	5.3	-0.2	-4.4	2.3	-5.5	-5.9
Agriculture	11.8	14.2	-6.5	4.2	-1.2	20.6
<i>Of which:</i>						
Vegetable products	10.4	16.3	-7.5	2.3	-15.7	16.2
Services	15.3	0.1	-0.9	15.0	6.2	3.3

* Based on seasonally adjusted and annualised data

** Expressed as a percentage of the total in 2025

*** Not annualised

Components may not add up to totals due to rounding off and the exclusion of unclassified items.

Sources: SARS, Stats SA and SARB

The real *imports* of goods and services increased at a slower pace of 0.5% in the fourth quarter of 2025 compared to 2.2% in the third quarter. Real mining imports contracted as the decline in mineral products as well as base metals and articles thereof outweighed the increase in precious metals (including gold, PGMs and stones). The slower growth in real manufacturing import volumes reflected lower real imports of chemical products as well as prepared foodstuffs, beverages and tobacco, which were partly offset by an increase in real imports of vehicles and transport equipment as well as machinery and electrical equipment. In addition, the real imports of both agricultural products and services rose in the fourth quarter of 2025.



Contributions of real exports and imports, and of net exports of goods and services, to growth in seasonally adjusted but not annualised real gross domestic product

Percentage points

Component	2025					
	Exports		Imports*		Net exports	
	Q3	Q4	Q3	Q4	Q3	Q4
Total.....	0.1	-0.2	0.6	0.2	-0.5	-0.3
Mining.....	-0.1	0.4	0.0	-0.4	-0.2	0.8
<i>Of which:</i>						
Mineral products.....	0.3	0.0	0.1	-0.3	0.2	0.3
Precious metals, including gold, platinum group metals and stones.....	-0.2	0.3	-0.1	0.1	-0.1	0.3
Base metals and articles thereof.....	-0.2	0.1	0.0	-0.1	-0.3	0.2
Manufacturing	-0.3	-0.2	0.3	0.2	-0.6	-0.4
<i>Of which:</i>						
Vehicles and transport equipment	-0.1	-0.2	0.0	0.2	-0.1	-0.4
Machinery and electrical equipment	-0.1	0.0	0.3	0.4	-0.3	-0.4
Chemical products	0.0	0.0	0.0	-0.2	0.0	0.2
Prepared foodstuffs, beverages and tobacco.....	0.0	-0.1	0.0	0.0	0.0	0.0
Agriculture	0.4	-0.2	0.0	0.2	0.4	-0.4
<i>Of which:</i>						
Vegetable products	0.4	-0.2	-0.1	0.1	0.5	-0.3
Services.....	0.0	0.0	0.3	0.1	-0.2	-0.2

* A positive contribution by imports *subtracts from* growth and a negative contribution *adds to* growth. Components may not add up to totals due to rounding off and the exclusion of unclassified items.

Sources: SARS, Stats SA and SARB

Real *net exports* subtracted 0.3 percentage points from real GDP growth in the fourth quarter of 2025, as agricultural and manufactured products each deducted 0.4 percentage points, while mining products added 0.8 percentage points. Real net exports of machinery and electrical equipment as well as vehicle and transport equipment contributed the most to the decline in real net manufacturing exports. By contrast, most mining subcategories contributed positively to real net exports in the fourth quarter of 2025.

Growth in real *final consumption expenditure by households* accelerated slightly to 1.2% in the fourth quarter of 2025 from 0.9% in the third quarter, in line with the increase in the real disposable income of households. Real consumer spending on semi-durable goods and services increased at a faster pace in the fourth quarter, while growth in expenditure on durable and non-durable goods moderated. The increase in real household final consumption expenditure coincided with an improvement in the First National Bank/Bureau for Economic Research (FNB/BER) Consumer Confidence Index over this period. On an annual basis, growth in real household final consumption expenditure accelerated to 3.6% in 2025, up from 1.0% in 2024.

Real final consumption expenditure by households

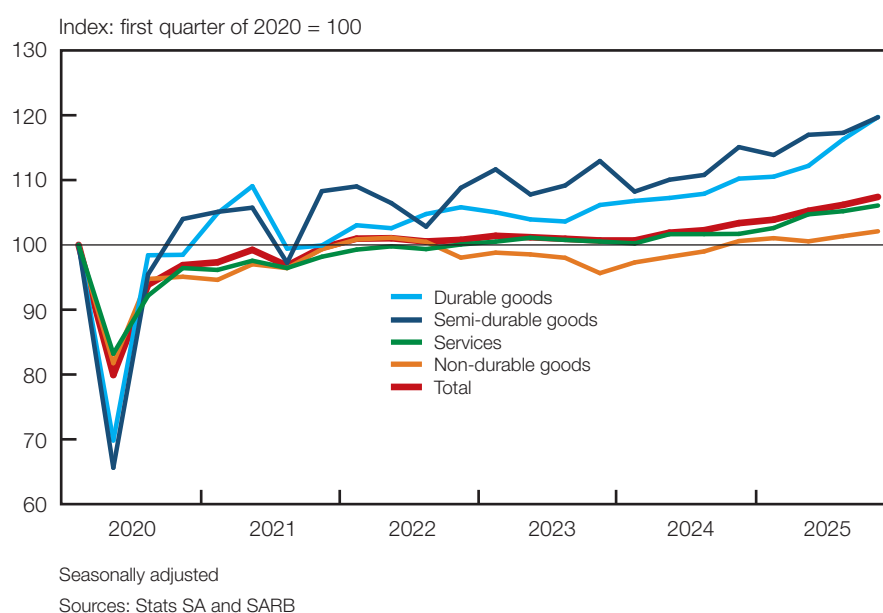
Quarter-to-quarter percentage change at seasonally adjusted but not annualised rates

Category	2024					2025				
	Q1	Q2	Q3	Q4	Year*	Q1	Q2	Q3	Q4	Year*
Durable goods.....	0.6	0.4	0.6	2.2	3.2	0.3	1.5	3.6	3.0	6.2
Semi-durable goods...	-4.2	1.7	0.7	3.9	0.6	-1.1	2.7	0.3	2.0	5.3
Non-durable goods	1.7	0.9	0.8	1.6	1.0	0.4	-0.5	0.8	0.7	2.5
Services	-0.3	1.4	0.0	0.0	0.6	0.9	2.1	0.5	0.8	3.3
Total	0.0	1.2	0.4	1.1	1.0	0.5	1.3	0.9	1.2	3.6

* Percentage change over one year

Source: Stats SA

Components of real final consumption expenditure by households



Growth in real household spending on *durable goods* slowed to 3.0% in the fourth quarter of 2025 from 3.6% in the third quarter. The moderation was primarily driven by reduced spending on personal transport equipment; recreational and entertainment goods; as well as furniture and household appliances. By contrast, expenditure on computers and related equipment increased at a faster pace during the fourth quarter.

Real consumer spending on *semi-durable goods* increased by 2.0% in the fourth quarter of 2025 following a modest increase of 0.3% in the third quarter. Real purchases of clothing and footwear increased at a faster pace in the fourth quarter, while growth in spending on household textiles, furnishings and glassware as well as motorcar tyres, parts and accessories moderated.

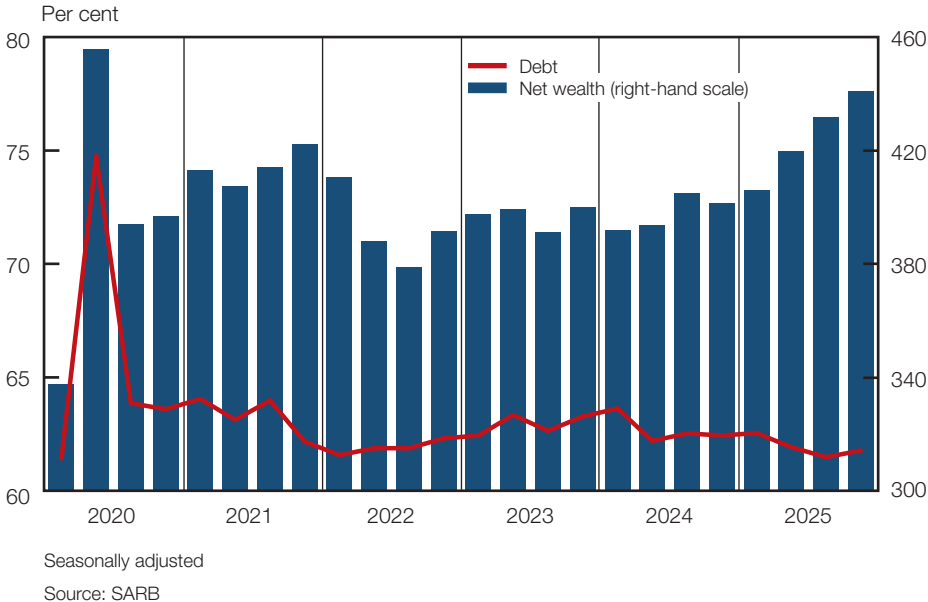
Growth in real household expenditure on *non-durable goods* moderated slightly to 0.7% in the fourth quarter of 2025 following an increase of 0.8% in the previous quarter. The moderation was driven by slightly lower spending on food, beverages and tobacco and slower growth in spending on household fuel, power and water as well as medical and pharmaceutical products. By contrast, expenditure on household consumer goods increased at a faster pace, while spending on petroleum products reverted to an increase in the fourth quarter of 2025 after three successive quarterly contractions.



Real household consumption expenditure on *services* increased by 0.8% in the fourth quarter of 2025 compared to 0.5% in the third quarter, while higher spending was also recorded for miscellaneous as well as household and medical services. By contrast, spending on transport and communication services as well as on rent decreased, while that on recreational, entertainment and educational services was unchanged in the fourth quarter.

Seasonally adjusted nominal *household debt* increased further in the fourth quarter of 2025, broadly in line with the rise in nominal consumer spending. The increase was driven by faster growth across most categories of credit extended to households. Consequently, household debt as a percentage of nominal disposable income edged higher to 61.8% in the fourth quarter of 2025 from 61.5% in the third quarter as the increase in household debt exceeded that in nominal disposable income. However, households' cost of servicing debt relative to disposable income edged lower to 8.4% in the fourth quarter of 2025 from 8.5% in the third quarter. On an annual basis, growth in household debt slowed marginally from 4.5% in 2024 to 4.3% in 2025. Household debt as a percentage of nominal disposable income decreased from 62.7% to 61.9% over the same period as the annual increase in nominal disposable income of households exceeded the increase in household debt. Similarly, households' cost of servicing debt relative to disposable income decreased from 9.2% in 2024 to 8.6% in 2025, largely reflecting the reduction in interest rates.

Household debt and net wealth as a ratio of disposable income



Households' *net wealth* increased further in the fourth quarter of 2025 as the rise in the market value of total assets outweighed that in total liabilities. The higher value of assets stemmed largely from a marked increase in share prices and, to a lesser extent, the value of housing stock. Consequently, the ratio of net wealth to nominal disposable income increased to 441% in the fourth quarter of 2025 from 432% in the third quarter as household's net wealth increased at a faster pace than that in nominal disposable income.

On an annual basis, households' net wealth increased notably in 2025 as the increase in total assets far exceeded that in total liabilities. The higher value of assets was largely the result of increased equity holdings as share prices rose strongly in 2025. Accordingly, the ratio of net wealth to disposable income increased to 425% in 2025, up from 398% in 2024.

Box 1 A statistical lens on how much South African households really spend on gambling

In recent years, household expenditure on gambling in South Africa has increased, in part attributable to the growing prevalence of online sports betting. Recent reports on gambling suggest that annual household spending on gambling exceeded R1.5 trillion in the financial year ending March 2025. However, this is misleading, as the R1.5 trillion refers to gambling turnover,¹ which is often mistakenly interpreted as expenditure on gambling. This would imply that households spent about 32% of their disposable income on gambling, which equates to more than 20% of South Africa's gross domestic product (GDP) over this period.

Household expenditure on gambling is measured in the national accounts using gross gambling revenue (GGR) as an indicator of gambling expenditure. GGR is defined as the rand value of the gross revenue of an operator's turnover after deducting all winnings paid to players. GGR in South Africa increased significantly by 183.6% between 2015 and 2024, rising from R26.3 billion to R74.5 billion over this period. The annual growth rate of GGR averaged 6.5% between the 2015/16 and 2019/20 financial years, before the outbreak of the coronavirus disease 2019 (COVID-19), but accelerated to 34.1% in the post-COVID-19 period (2021/22 – 2024/25). The acceleration initially reflected base effects following the decline in 2020 but was subsequently driven by increased betting activity.

Gross gambling revenue, turnover and nominal gross domestic product*

R billions

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Turnover	358	373	390	426	452	326	560	815	1 143	1 501
Gross gambling revenue.....	26.3	27.0	28.8	30.8	32.7	23.3	34.4	47.2	59.3	74.5
Nominal GDP at market prices	4 421	4 760	5 078	5 363	5 625	5 563	6 207	6 667	7 038	7 352
As a percentage of nominal gross domestic product										
Turnover	8.1	7.8	7.7	7.9	8.0	5.9	9.0	12.2	16.2	20.4
Gross gambling revenue.....	0.6	0.6	0.6	0.6	0.6	0.4	0.6	0.7	0.8	1.0

* Turnover and gross gambling revenue are reported for financial years ending in March, while GDP is measured per calendar year.

Source: National Gambling Board and Stats SA

GGR as a percentage of nominal GDP remained stable at 0.6% from 2015 to 2021, except for the COVID-19-induced decrease in 2020, before increasing steadily from 0.7% in 2022 to 1.0% in 2024. This increase has raised concerns about the possible negative impacts of rising gambling expenditure on overall household spending and debt.

The COVID-19 pandemic brought about a notable shift in gambling behaviour. Lockdown restrictions forced the temporary closure of physical gambling facilities, and even after reopening, social distancing rules limited their capacity. As a result, online gambling became more prevalent due to its ease of access and convenience, allowing individuals to gamble via their mobile devices without physically visiting gambling establishments. This shift led to the expansion of online gambling platforms, contributing to the sustained increase in betting activity even after the pandemic subsided. Furthermore, operators increased their advertising efforts and expanded the variety of betting options available online. This diversification of online gambling options available after the pandemic contrasted with the limited offerings before, further fuelling the growth in online betting activity.

¹ Turnover is defined as the rand value of the money wagered and includes amounts staked on more than one occasion.



Annual average growth in gross gambling revenue

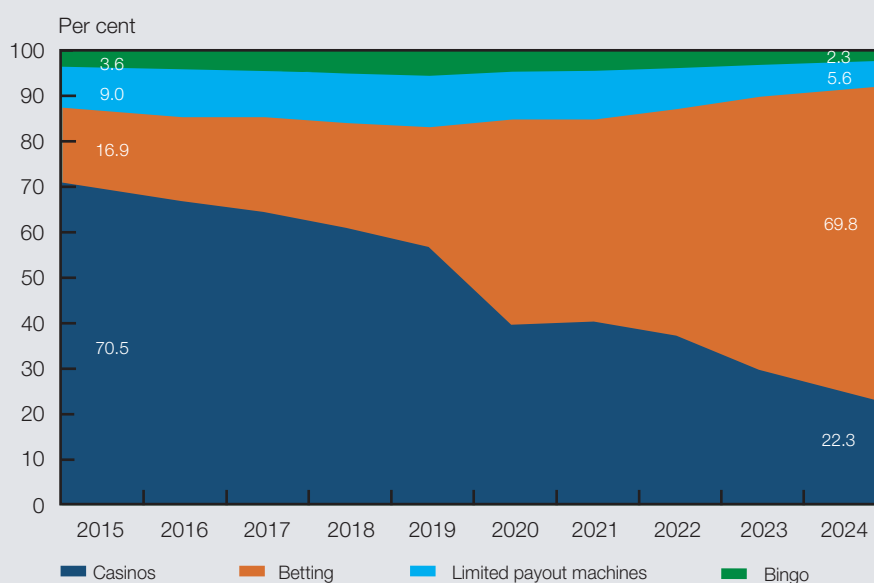
Per cent

	Weights (2024/25)	Pre-COVID (2015/16 – 2019/20)	Post-COVID (2021/22 – 2024/25)
Casinos.....	22.3	1.4	18.3
Betting.....	69.8	20.5	48.8
Bingo.....	2.3	11.8	13.3
Limited payout machines.....	5.6	12.1	16.1
Total	100.0	6.5	34.1

Source: National Gambling Board

Betting constitutes the largest share of GGR, having risen from 12.4% in the 2012/13 financial year to 69.8% in 2024/25. Conversely, casinos' contribution to GGR declined markedly from 78.4% to 22.3% over the same period. The significant increase in betting was primarily driven by a surge in online betting revenue, which accounted for 80.7% of total betting revenue in 2023/24 and 85.5% in 2024/25. Meanwhile, the share of retail betting declined, indicating a clear shift from retail to online platforms.

Share of gross gambling revenue by gambling mode



Source: National Gambling Board

Gross gambling revenue per betting mode

R billions

	2023/24	2024/25
Online betting.....	29	44
Retail betting.....	7	8
Total	36	52
As a percentage of total betting		
Online.....	80.7	85.5
Retail.....	19.3	14.5

Source: National Gambling Board

Household expenditure on gambling is classified under 'games of chance' within the recreation and culture category of the Classification of Individual Consumption by Purpose (COICOP) and is measured through the net surplus of gambling activities in the compilation of the consumer price index (CPI). The net surplus is the difference between the total amount wagered and winnings paid out. As from January 2025, games of chance constitute 1.6% of South Africa's CPI – a slight decrease from 1.8% between January 2022 and December 2024 – signifying increased spending on other goods and services relative to spending on games of chance.



According to Statistics South Africa (Stats SA),² expenditure on games of chance is measured as the net surplus of gambling activities from lotteries, casinos and other gambling establishments, gaming machines, and other designated areas such as bingo halls. Net surplus is defined as the difference between the amounts paid for lottery tickets or placed in bets and the amounts paid out to winners. Annual estimates for the net surplus from gaming activities are obtained from the National Gambling Board (NGB) and the National Lottery.

The recreation and culture category's contribution to household final consumption expenditure (HFCE) decreased from 7.0% in 2015 to 5.8% in 2024, reducing its ranking among the COICOP categories from the fifth to the sixth largest contributor. However, within this category, the contribution of expenditure on games of chance increased from 15.3% in 2015 to 23.2% in 2024, indicating the growing share of gambling within recreational spending.

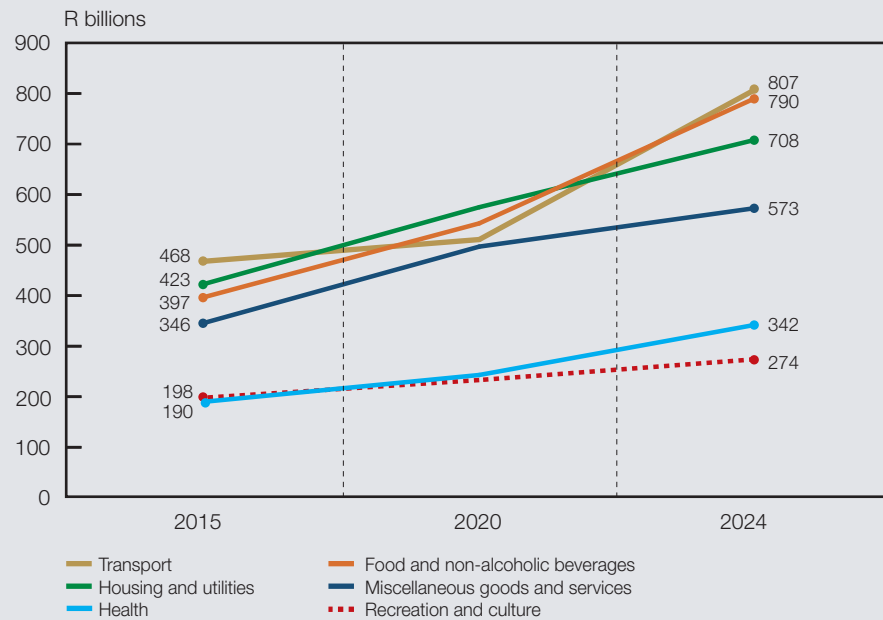
Contribution to household final consumption expenditure by COICOP category

Per cent

	2015	2024
Food and non-alcoholic beverages	14.1	16.6
Alcoholic beverages, tobacco and narcotics.....	4.7	4.1
Clothing and footwear	5.2	4.7
Housing, water, electricity, gas and other fuels	15.0	14.9
Furnishings, household equipment and maintenance	5.8	5.4
Health	6.7	7.2
Transport	16.6	17.0
Communication	4.4	3.5
Recreation and culture	7.0	5.8
Education	3.1	3.7
Restaurants and hotels	5.0	5.1
Miscellaneous goods and services	12.3	12.1
<i>As a percentage of recreation and culture</i>		
<i>Games of chance</i>	<i>15.3</i>	<i>23.2</i>

Source: Stats SA

Household final consumption expenditure: selected COICOP categories



Source: Stats SA

² See Stats SA, *National Accounts: Sources and Methods*, 19 September 2024.

In 2024, games of chance represented 1.3% of total HFCE, up from 1.1% in 2015. GGR as a percentage of total HFCE also increased from 0.9% to 1.6% over the same period. However, household spending on essential goods and services also increased, with the contribution of food and non-alcoholic beverages and that of education to total HFCE increasing from 14.1% and 3.1% respectively in 2015 to 16.6% and 3.7% respectively in 2024. Despite the increase in household spending on games of chance, in nominal rand values, it is small when compared to the increases in the two essential goods and services categories.

Share of gross gambling revenue and expenditure on games of chance in total household final consumption expenditure

R billions

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Household final consumption expenditure	2 815	3 012	3 200	3 431	3 605	3 485	3 837	4 228	4 518	4 753
Food, beverages and tobacco	529	582	614	652	697	677	750	865	931	984
Education	89	96	102	115	126	132	140	149	162	175
Games of chance	30	34	35	38	42	35	40	45	54	64
Gross gambling revenue	26	27	29	31	33	23	34	47	59	74
As a percentage of household final consumption expenditure										
Gross gambling revenue	0.9	0.9	0.9	0.9	0.9	0.7	0.9	1.1	1.3	1.6
Games of chance	1.1	1.1	1.1	1.1	1.2	1.0	1.0	1.1	1.2	1.3

Source: NGB and Stats SA

Stats SA's *Income and Expenditure Survey 2022/2023*³ provides additional data on gambling expenditure. According to the survey, household spending on games of chance constituted a small fraction (0.1%) of total household expenditure, although such expenditure is often underestimated due to underreporting by households. This spending was also unevenly distributed across the expenditure deciles. Households in the lower expenditure decile allocated 1.4% of their total expenditure to games of chance. In contrast, households in the upper expenditure decile allocated a much larger share (18.1%) to such games. Overall, the bottom five expenditure deciles accounted for 23.7% of total household spending on games of chance, while the top five deciles accounted for the remaining 76.3% of this spending.

The disparity indicates that expenditure on games of chance is skewed towards higher income households, with the lower deciles' spending on gambling activities reported as moderate.

Average annual household consumption expenditure on games of chance by expenditure decile*

Rand

Expenditure deciles	Lower	2	3	4	5	6	7	8	9	Upper
Nominal expenditure	27	55	89	156	139	200	272	285	390	356
Percentage contribution per decile	1.4	2.8	4.5	7.9	7.1	10.2	13.8	14.5	19.8	18.1

* According to Stats SA, South Africa had approximately 18.5 million households in 2023/24, with an average household size of roughly 3.2 to 3.34 members. While single-person households are common (approximately 26.5%), most households (87%) consist of four to five members or fewer.

Source: Stats SA

Although net⁴ withdrawals from the two-pot retirement system totalled R51.5 billion in 2024, such withdrawals accounted for less than 1.1% of HFCE, or R4.8 trillion, which is not significant enough to have a meaningful impact on HFCE, including spending on gambling activity.

³ See Stats SA, *Income and Expenditure Survey (IES) 2022/2023*, 28 January 2025.

⁴ Gross withdrawals, before tax, amounted to R61.8 billion in 2024.

According to research conducted by the Bureau of Market Research,⁵ South African consumers spent a significant portion of the R43.4 billion in two-pot retirement claims processed from 1 September 2024 to 31 January 2025 on home and car expenses, repaying short-term debt, education costs, everyday expenses, and home improvements. This was corroborated by Discovery Corporate and Employee Benefits, which confirmed that withdrawals were mainly used for debt repayment and essential goods and services.⁶

Although household spending on gambling, especially online betting, has increased notably in recent years, its contribution to total household spending remains minimal and relatively insignificant when compared to spending on essential goods and services.

5 See Bureau of Market Research, 'Two pot claims: Impact on credit repayments and spending patterns', 2025.

6 See Discovery Corporate and Employee Benefits, 'Home or car expenses, and short-term debt, are the top two reasons for Two-Pot withdrawal requests', press release, 30 September 2024.

Real *final consumption expenditure by general government* increased further by 0.5% in the fourth quarter of 2025 following an increase of 0.3% in the third quarter. The growth reflected higher spending on non-wage goods and services and a slower pace of increase in real spending on employee compensation.

On an annual basis, real final consumption expenditure by general government decreased further by 0.2% in 2025 following a decrease of 0.1% in 2024. The decrease was mainly due to lower real spending on the compensation of employees, which accounted for approximately 63% of general government final consumption expenditure, while spending on non-wage goods and services increased.

Growth in real *gross fixed capital formation* slowed slightly to 1.3% in the fourth quarter of 2025 from 1.4% in the third quarter. The continued increase was largely driven by higher fixed capital spending by public corporations and private business enterprises, while that by general government declined. On an annual basis, real investment spending contracted further by 2.2% in 2025 after contracting by 3.9% in 2024. As a result, the ratio of nominal gross fixed capital formation to nominal GDP decreased further from 14.5% in 2024 to 13.9% in 2025.

Real gross fixed capital formation

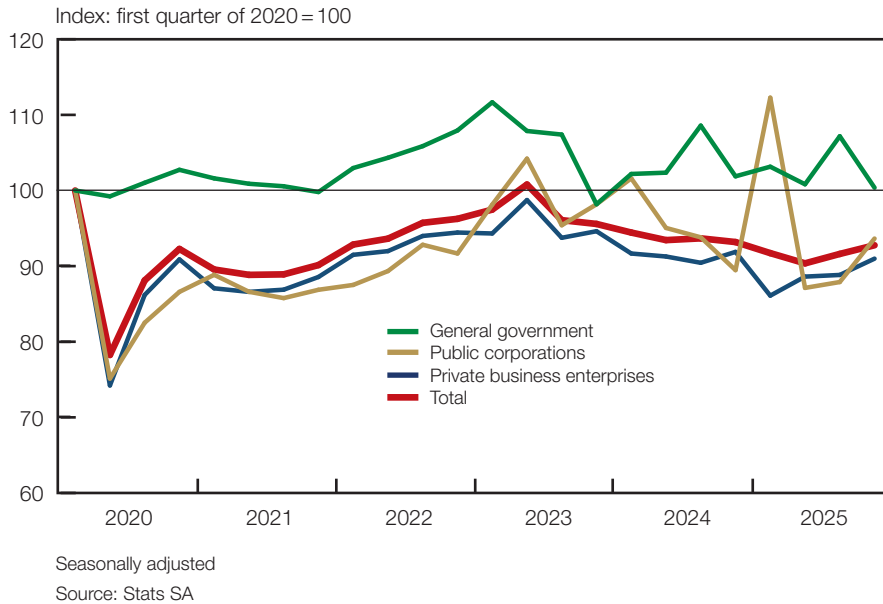
Quarter-to-quarter percentage change at seasonally adjusted but not annualised rates

Sector	2024					2025				
	Q1	Q2	Q3	Q4	Year*	Q1	Q2	Q3	Q4	Year*
Private business enterprises	-3.1	-0.4	-0.9	1.6	-4.2	-6.3	2.9	0.2	2.4	-2.9
Public corporations.....	3.5	-6.5	-1.3	-4.6	-4.0	25.5	-22.4	0.9	6.5	0.3
General government...	4.1	0.2	6.1	-6.2	-2.4	1.2	-2.3	6.3	-6.3	-0.8
Total	-1.2	-1.1	0.2	-0.5	-3.9	-1.6	-1.5	1.4	1.3	-2.2

* Percentage change over one year

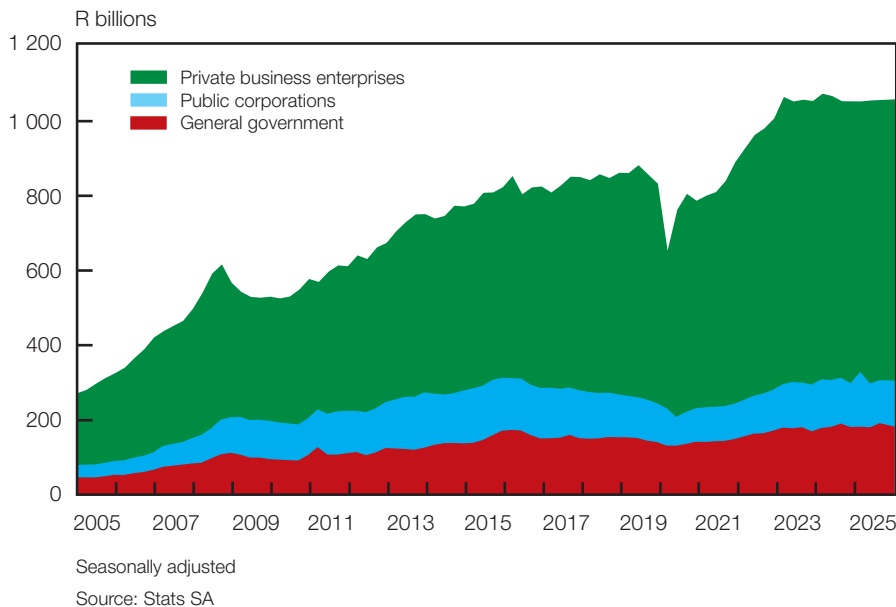
Source: Stats SA

Real gross fixed capital formation by type of organisation



Real capital outlays by *private business enterprises* increased further by 2.4% in the fourth quarter of 2025 after increasing marginally by 0.2% in the third quarter. The growth was supported by higher real spending on machinery and equipment as well as construction works. Consequently, the private sector's share of total nominal gross fixed capital formation edged up from 71.6% in the third quarter to 71.8% in the fourth quarter. However, on annual basis, the share decreased from 71.8% in 2024 to 71.3% in 2025.

Nominal gross fixed capital formation by type of organisation



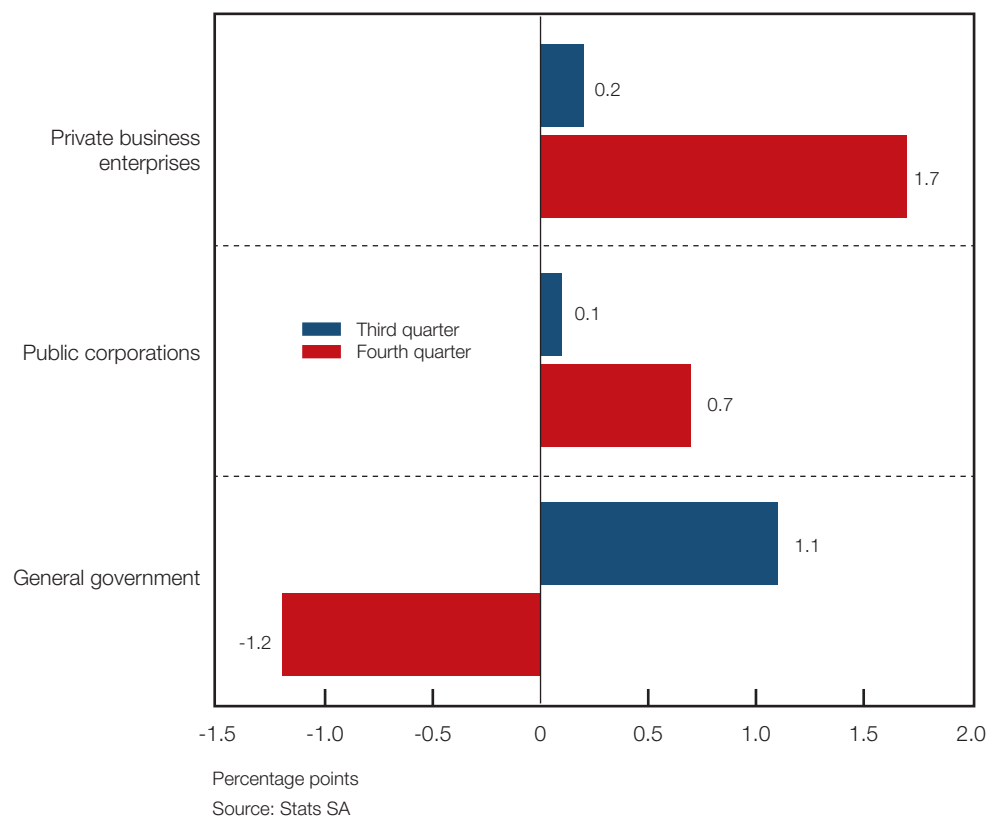
Growth in real gross fixed capital formation by the *public sector* decreased by 1.6% in the fourth quarter 2025 following an increase of 4.2% in the third quarter. The decrease was driven by a decline in fixed investment by general government. However, the public sector's share of total nominal gross fixed capital formation increased to 28.7% in 2025, up from 28.2% a year earlier.



Real capital spending by *general government* decreased by 6.3% in the fourth quarter of 2025, deducting 1.2 percentage points from overall growth in gross fixed capital formation. The decrease was attributable to reduced investment spending on transport equipment and construction works. In nominal terms, general government's share of total gross fixed capital formation decreased to 17.2% in the fourth quarter of 2025 compared with 18.1% in the previous quarter. On an annual basis, the share increased from 17.2% in 2024 to 17.4% in 2025.

Fixed capital investment by *public corporations* increased by 6.5% in the fourth quarter of 2025 following an expansion of 0.9% in the third quarter. The growth emanated from higher investment in construction works as well as machinery and equipment. As a result, public corporations' share in total nominal gross fixed capital formation increased slightly from 10.2% in the third quarter of 2025 to 10.9% in the fourth quarter. On an annual basis, the share increased from 11.0% in 2024 to 11.2% in 2025.

Contributions to growth in real gross fixed capital formation in 2025



7 The 'other assets' category includes research and development, computer software, mineral exploration and cultivated biological resources.

Measured by asset type, real fixed investment in other assets,⁷ machinery and equipment, and construction works increased in the fourth quarter of 2025, while investment in all other asset types decreased. On an annual basis, real fixed investment in residential and non-residential buildings decreased the most in 2025, while the other assets category increased. In terms of industries, the annual decrease was mostly attributable to the construction as well as transport, storage and communication industries.

Real *inventory holdings* decreased by R6.2 billion in the fourth quarter of 2025 following a revised increase of R17.3 billion in the third quarter, measured at seasonally adjusted and annualised 2015 prices. The deaccumulation was accompanied by a decrease in export volumes and an increase in import volumes, which subtracted 0.5 percentage points from overall real GDP growth in the fourth quarter. The decrease mostly stemmed from destocking in the trade, manufacturing and mining sectors in the fourth quarter, while the electricity, transport, finance and community services sectors recorded inventory accumulation over the same period. On an annual basis, the level of real inventories increased by R5.1 billion in 2025 following a decrease of R14.1 billion in 2024.



Gross nominal saving

South Africa's *national saving rate* (gross saving as a percentage of nominal GDP) declined slightly from 13.5% in the third quarter of 2025 to 13.3% in the fourth quarter. The decline resulted from a faster rate of dissaving by general government and a reduced saving rate among households, while that of corporate business enterprises improved somewhat. The share of total gross capital formation financed through foreign capital (the foreign financing ratio) decreased from 6.5% in the third quarter of 2025 to -5.0% in the fourth quarter. On an annual basis, the national saving rate remained unchanged at 13.4% in 2025.

Gross saving as a percentage of gross domestic product

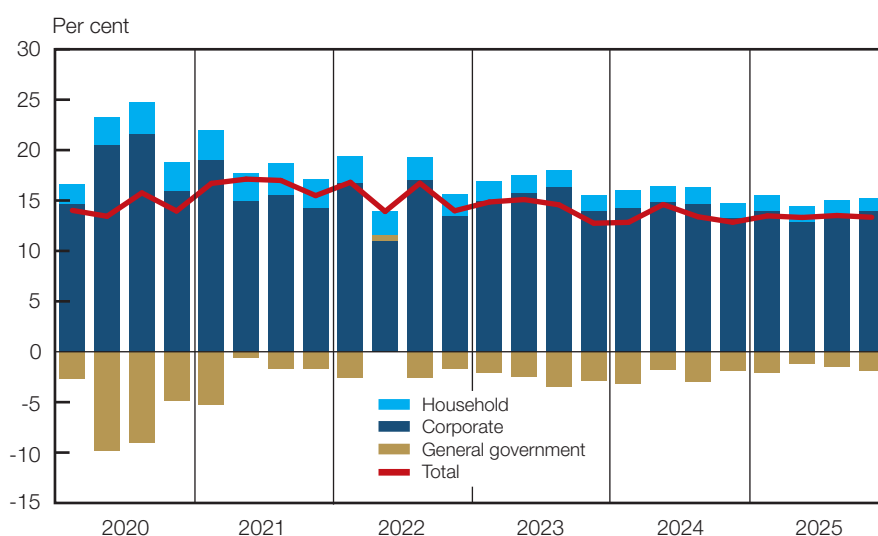
Ratio in per cent based on seasonally adjusted and annualised data

Sector	2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Corporate.....	14.3	14.8	14.7	13.2	14.3	14.0	12.9	13.6	14.0	13.7
General government ...	-3.1	-1.8	-2.9	-1.9	-2.4	-2.1	-1.2	-1.5	-1.9	-1.7
Household.....	1.7	1.6	1.6	1.5	1.6	1.5	1.5	1.4	1.2	1.4
Total.....	12.8	14.6	13.4	12.8	13.4	13.5	13.3	13.5	13.3	13.4

Source: Stats SA

Gross saving by the *corporate sector* as a percentage of nominal GDP increased from 13.6% in the third quarter of 2025 to 14.0% in the fourth quarter, mainly due to lower seasonally adjusted dividend and tax payments. On an annual basis, the corporate saving rate declined to 13.7% in 2025 from 14.3% in 2024, primarily as a result of higher dividend payments. Dissaving by *general government* as a percentage of nominal GDP increased from a rate of 1.5% in the third quarter of 2025 to 1.9% in the fourth quarter. This was driven by a rise in seasonally adjusted nominal government expenditure coupled with a decline in seasonally adjusted nominal revenue collection. By contrast, general government's dissaving rate improved from 2.4% in 2024 to 1.7% in 2025. Gross saving by the *household sector* as a percentage of GDP declined slightly to 1.2% in the fourth quarter of 2025 from 1.4% in the third quarter as the increase in seasonally adjusted nominal consumption expenditure outweighed that in disposable income. Similarly, households' annual saving rate declined from 1.6% in 2024 to 1.4% in 2025.

Gross saving as a percentage of gross domestic product



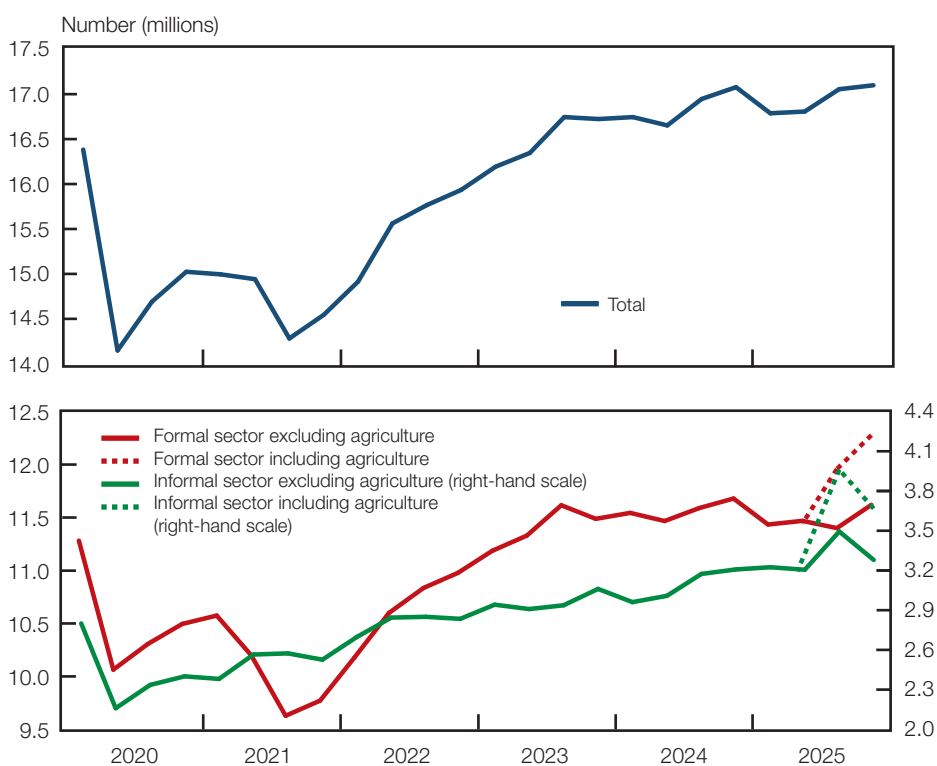
Sources: Stats SA and SARB

Employment

8 In accordance with international best practice (21st ICLS), from the third quarter of 2025, both formal and informal employment figures now include agricultural employment. The coverage of the informal sector has also been improved. For a detailed discussion of these changes, see 'Box 1: Changes to the Quarterly Labour Force Survey' on page 24 in the December 2025 edition of the Quarterly Bulletin.

Total household-surveyed employment increased further by 44 000 (0.3%) in the fourth quarter of 2025, with job gains recorded in two of the three main sectors, according to Statistics South Africa's (Stats SA) Quarterly Labour Force Survey (QLFS). Formal sector employment increased by 320 000 (2.7%), mainly driven by significant job gains in the agriculture (109 000), finance (71 000), and community and social services (63 000) sectors, while the manufacturing sector shed 4 000 jobs. The household sector employed 18 000 (1.6%) more persons in the fourth quarter of 2025. By contrast, informal sector employment declined significantly by 293 000 (7.4%), in part attributable to the removal of informal traders from the streets of Johannesburg during the Group of 20 (G20) Leaders' Summit in November 2025. When excluding agricultural employment, formal sector employment increased by 1.9% in the fourth quarter of 2025, while informal sector employment decreased sharply by 5.9%.⁸ On a year-on-year basis, the pace of increase in total household-surveyed employment slowed sharply from 109 000 (0.6%) in the third quarter of 2025 to 21 000 (0.1%) in the fourth quarter.

Household-surveyed employment



Source: Stats SA

9 Pnet, *Job Market Trends Report*, February 2026.

The seasonally adjusted number of new and renewed job postings on the Pnet web platform increased sharply by 6.4% in the fourth quarter of 2025 and edged up marginally further by 0.3% month on month in January 2026. The *Pnet Job Market Trends Report*⁹ indicated a year-on-year decrease of 4.0% in hiring activity in January 2026 as vacancy advertising decreased by 1.0% and candidate database searches by recruiters decreased sharply by 11.0%. Despite the overall decrease, Pnet noted increases in hiring activity in the medical and health (69.0%); cleaning, maintenance and repair (52.0%); and sales (40.0%) sectors over this period.

Household-surveyed labour market statistics[#]

	Number (thousands)			Quarter-to-quarter change		Percentage change over four quarters
	2024	2025		2025 Q4		
	Q4	Q3	Q4	Number	Per cent	Per cent
a. Total employed	17 078	17 055	17 099	44	0.3	0.1
b. Total unemployed (official definition).....	7 991	8 007	7 836	-171	-2.1	-1.9
c. Total labour force (a+b).....	25 069	25 062	24 935	-127	-0.5	-0.5
d. Outside the labour force	16 492	16 886	17 134	248	1.5	3.9
e. Population 15–64 years (c+d)	41 561	41 948	42 068	120	0.3	1.2
f. Official unemployment rate [*] (b/c)*100 (LU1) ^{***}	31.9%	31.9%	31.4%	-	-	-
f1. Unemployment + time-related underemployment (LU2) ^{***}	35.0%	34.9%	34.3%	-	-	-
f2. Unemployment + potential labour force (LU3) ^{***}	41.9%	42.4%	42.1%	-	-	-
f3. Aggregate measure of underutilisation (LU4) ^{***}	44.6%	44.9%	44.5%	-	-	-
g. Discouraged job seekers ^{***}	3 466	3 481	3 714	233	6.7	7.2
h. Other (Available job seekers) ^{***}	835	965	855	-110	-11.4	2.4
i. Unavailable job seekers ^{***}	24	83	42	-41	-49.1	78.0
j. Other (outside the labour force)	12 168	12 357	12 522	165	1.3	2.9
k. Expanded unemployment rate ^{****} ..	41.9%	42.4%	42.1%	-	-	-

Some numbers might not add up due to rounding off.

* Stats SA follows the ILO definition of calculating the official unemployment rate, which is internationally comparable.

** New labour underutilisation (LU) indicators according to the 19th ICLS resolution. For further details, see 'Box 1: Changes to the Quarterly Labour Force Survey' on page 24 in the December 2025 edition of the *Quarterly Bulletin*.

*** Potential labour force.

**** The expanded unemployment rate is calculated by Stats SA's in-house formula and is not internationally comparable.

Stats SA has indicated that it will provide the expanded unemployment rate only until the second quarter of 2025.

From the third quarter of 2025 onwards, it will report the LU3 measure instead, as the two rates are similar.

Source: Stats SA

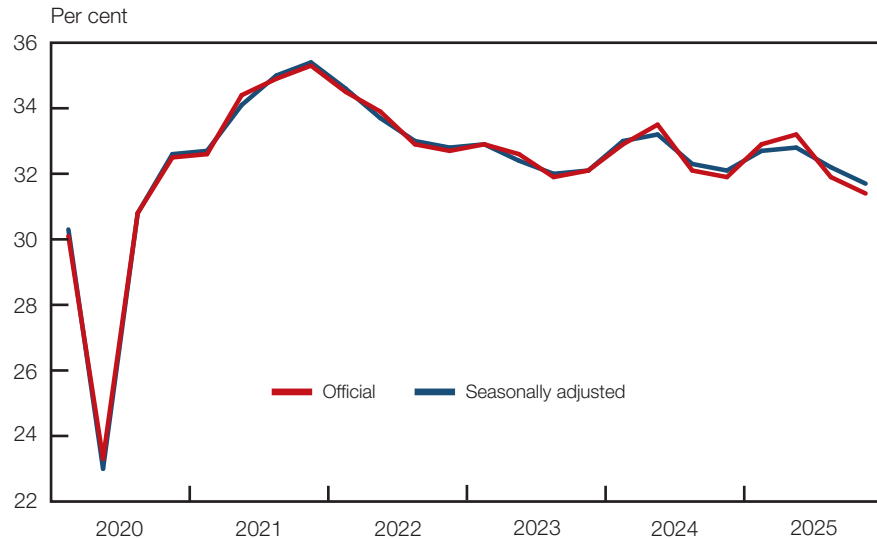
South Africa's total labour force decreased further by 0.5% to 24.9 million in the fourth quarter of 2025 as the sharp decrease of 172 000 (2.1%) in the number of officially unemployed persons outweighed the increase in the number of employed persons. As a result, the official unemployment rate decreased from 31.9% in the third quarter of 2025 to 31.4% in the fourth quarter – the lowest rate since the third quarter of 2020. Similarly, the seasonally adjusted unemployment rate decreased from 32.2% to 31.7% over the same period. According to the International Labour Organization (ILO), the global unemployment rate was 4.9% in 2025, below its historical average, and is expected to remain unchanged in 2026 before decreasing slightly to 4.8% in 2027.¹⁰

10 ILO, *Employment and Social Trends 2026*, 14 January 2026.





Unemployment rate



Sources: Stats SA and SARB

11 ILO, *Employment and Social Trends 2026*, 14 January 2026.

12 ILO, *Employment and Social Trends 2026*, 14 January 2026.

13 Following the adoption of the 19th ICLS standard, this category (previously referred to as the 'not economically active population') now includes the potential labour force (available and unavailable job seekers) and 'other' (those outside the labour force). Available job seekers include discouraged work seekers and other available potential job seekers. For further details on this category, see Stats SA, 'Quarterly Labour Force Survey, Quarter 3: 2025', Statistical release P0211, 11 November 2025.

14 Stats SA published the expanded unemployment rate only up to the second quarter of 2025. From the third quarter of 2025, it transitioned to publishing the LU3 measure, as it closely aligns with the expanded unemployment rate.

The total number of officially unemployed persons in the fourth quarter of 2025 primarily consisted of new entrants to the labour market (42.3%) followed by job losers (25.6%) and persons who last worked five years ago (25.6%). Re-entrants and job leavers accounted for only 4.1% and 2.4% respectively. The proportion of long-term unemployment (those unemployed for one year or longer) to total unemployment remained elevated, increasing from 77.0% in the third quarter of 2025 to 79.7% in the fourth quarter, but was still below the historical peak of 80.0% recorded in the fourth quarter of 2021.

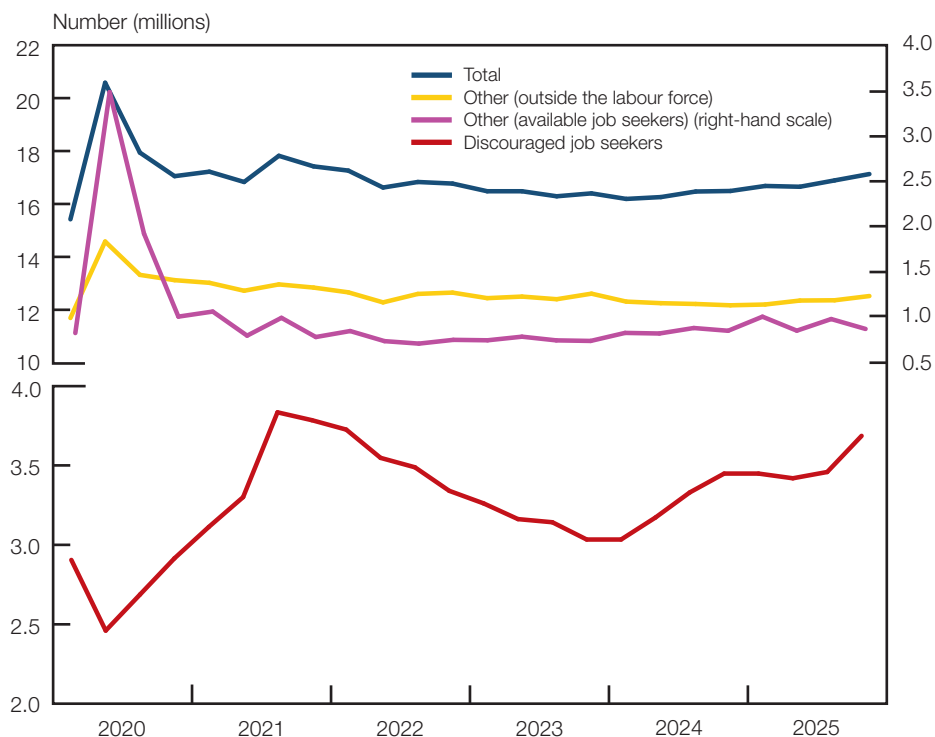
Although still elevated, the youth unemployment rate (persons aged 15–24 years and actively searching for work) decreased further from 58.5% in the third quarter of 2025 to 57.0% in the fourth quarter. By contrast, the unemployment rate for those aged between 25 and 34 years increased from 38.4% to 39.2% over the same period. The ILO expects the global youth unemployment rate to decrease slightly from 12.4% in 2025 to 12.3% in both 2026 and 2027.¹¹

The number of young people in South Africa who were not in employment, education or training (NEET) remained high at 3.5 million out of a total of 10.3 million young persons in the fourth quarter of 2025, with the share increasing marginally to 34.0% from 33.9% in the previous quarter. Globally, the share of youth NEET increased to 20.0% in 2025 but was still below the recent peak of 23.2% recorded in 2020. The ILO projects a further increase to 20.2% in both 2026 and 2027, with NEET rates more elevated in low-income countries.¹²

The number of people *outside the labour force*¹³ increased by 248 000 (1.5%) in the fourth quarter of 2025, mainly due to a significant increase of 233 000 (6.7%) in discouraged job seekers. The potential labour force (which consists of discouraged job seekers and other available job seekers) increased by 82 000 (1.8%), while the 'other' (outside the labour force) category increased by 165 000 (1.3%) in the same period. The combined rate of unemployment and the potential labour force (LU3)¹⁴, which is similar to the expanded unemployment rate, decreased marginally from 42.4% in the third quarter of 2025 to 42.1% in the fourth quarter.



Not economically active population



Source: Stats SA

The labour force participation rate decreased marginally from 59.7% in the third quarter of 2025 to 59.3% in the fourth quarter, remaining below the recent peak of 60.7% recorded in the first quarter of 2024. According to the ILO, global labour force participation is expected to ease further from 60.8% in 2025 to 60.7% in 2026 and 60.5% in 2027.¹⁵ The labour absorption rate, which measures the percentage of the working-age population that is employed, decreased marginally from 40.7% in the third quarter of 2025 to 40.6% in the fourth quarter.

*Enterprise-surveyed formal non-agricultural employment*¹⁶ increased by 25 900 jobs (an annualised increase of 1.0%) in the third quarter of 2025, mainly due to renewed temporary public sector hiring, while private sector employment decreased further. This rebound follows the cumulative loss of 224 200 jobs over the preceding four quarters, most of which occurred in the public sector and was largely related to the expiration and non-renewal of temporary employment contracts over that period.

Public sector employment increased by 46 500 jobs (8.6% annualised) in the third quarter of 2025 following four consecutive quarters of decreases. The increase was broad-based across all public sector tiers, with provincial government recording the largest gains, primarily due to the renewal of certain part-time contracts within the Department of Basic Education. Historically, the temporary public sector employment opportunities were mostly created at provincial level, which accounts for about half of all public sector employment.

15 ILO, *Employment and Social Trends 2026*, 14 January 2026.

16 As measured by Stats SA's *Quarterly Employment Statistics (QES)* survey. However, the QES statistics referenced in this section were statistically linked and seasonally adjusted by the SARB, while all quarterly growth rates were annualised.

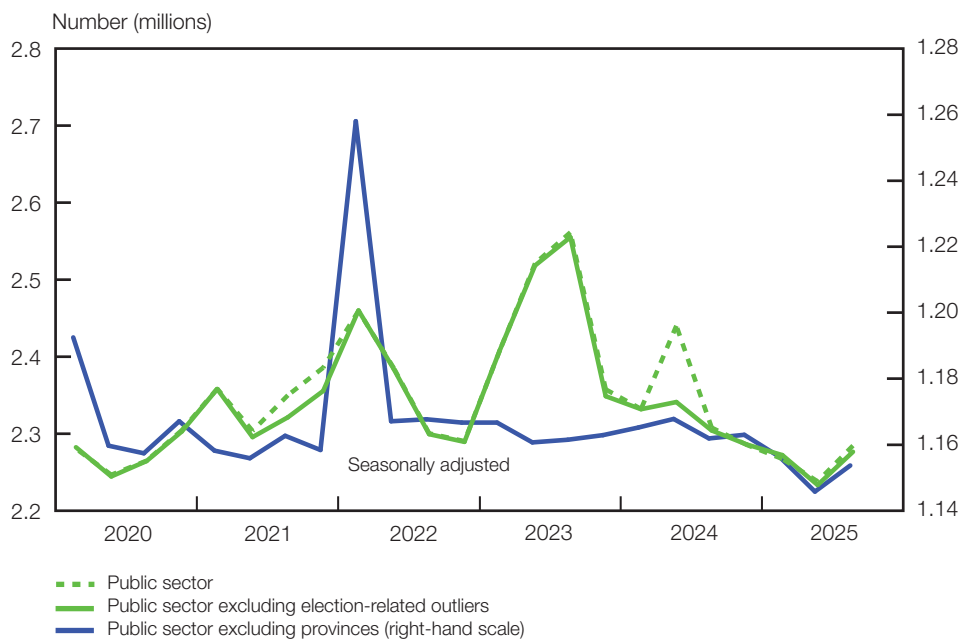


Formal non-agricultural employment



Sources: Stats SA and SARB

Formal public sector employment

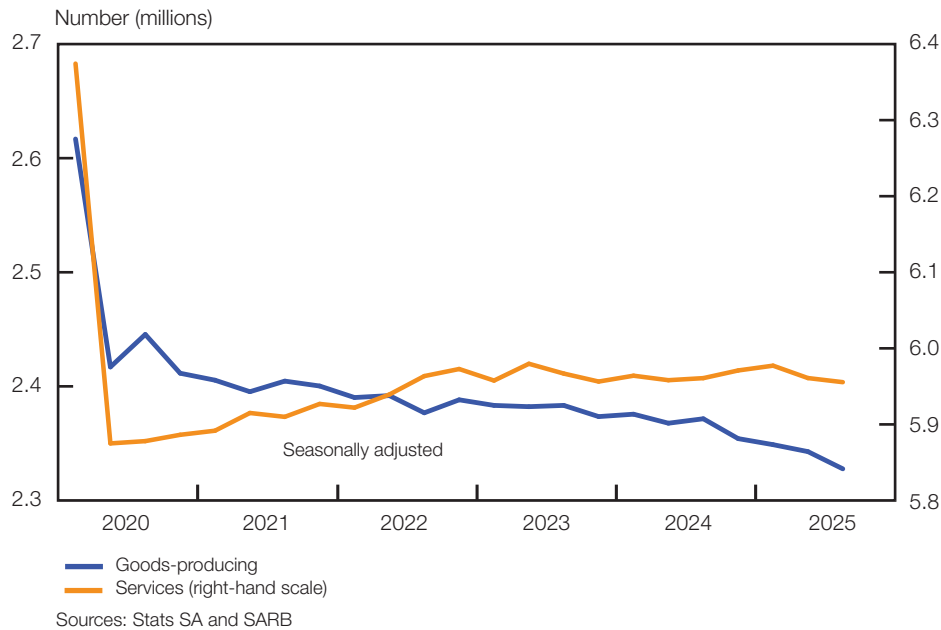


Sources: Stats SA and SARB

Private sector employment decreased by a further 20 500 jobs (1.0% annualised) to 8.28 million in the third quarter of 2025, which is slightly below the pandemic-induced low of 8.29 million recorded in the second quarter of 2020. This continued decrease likely reflects firms' ongoing caution in expanding their workforce amid persistent global uncertainty and modest domestic economic growth. Job losses continued in the construction; manufacturing; finance, insurance, real estate and business services; and transport, storage and communication services sectors. By contrast, employment increased within the mining sector and expanded marginally in the trade, catering and accommodation services sector. Employment in the private community, social and personal services sector remained broadly unchanged in the third quarter of 2025. The private goods-producing sectors have experienced ongoing job losses over the past two years, while employment in the private services sectors has remained broadly unchanged.



Formal private sector employment



After six consecutive quarters of declines, *mining sector employment* increased by 7 300 jobs in the third quarter of 2025, with job gains observed in both the gold and non-gold mining industries. These job gains likely reflected a combination of firmer international commodity prices, especially for gold and PGMs, and the normalisation in mining output following earlier operational disruptions.

Employment in the manufacturing sector decreased for a sixth consecutive quarter in the third quarter of 2025. This resulted in a cumulative loss of 34 600 jobs over this period, underscoring the absence of sufficient demand and production momentum to support hiring. While manufacturing business confidence¹⁷ and operating conditions improved somewhat towards the end of 2025 amid easing cost pressures and stabilising demand conditions, these developments have not yet translated into a sustained increase in production. This is also reflected in the persistently weak Absa PMI readings and subdued capacity utilisation. The BER noted that although the foundations for a recovery in underlying economic conditions are emerging – supported by improvements in energy supply, logistics, input costs and overall sentiment – employment recovery hinges on a clearer and more sustained improvement in production and investment. Given the current environment and ongoing external risks, manufacturers are likely to remain cautious about increasing their workforce in the near term.

17 As measured by the BER's Absa Manufacturing Survey.

Construction sector employment was the largest drag on private sector employment, decreasing by a further 13 200 jobs in the third quarter of 2025. This reflects structural weakness in the sector amid constrained public infrastructure spending, limited private sector investment, weak project pipelines and slow project execution. Encouragingly, building and construction sentiment indicators were more optimistic in the fourth quarter of 2025, with confidence among civil contractors¹⁸ rising further to an 11-year high of 52 index points, supported by a broad-based improvement in the underlying indicators. Civil contractor activity reached its highest level in 18 years, alongside improved overall profitability, although concerns about skilled labour shortages increased. Likewise, building confidence¹⁹ rose by 8 index points to a 10-year high of 43, reflecting improved sentiment across most subsectors, especially hardware retailers and building material manufacturers. According to the BER, residential building activity continued to recover despite unchanged confidence and weak order books. Non-residential building activity eased and weighed on profitability and employment, despite confidence remaining positive at 50 due to better-than-average business conditions. Overall, the construction sector ended 2025 on a firmer footing, improving the outlook for employment should sentiment and activity gains be sustained.

18 As measured by the FNB/BER Civil Confidence Index.

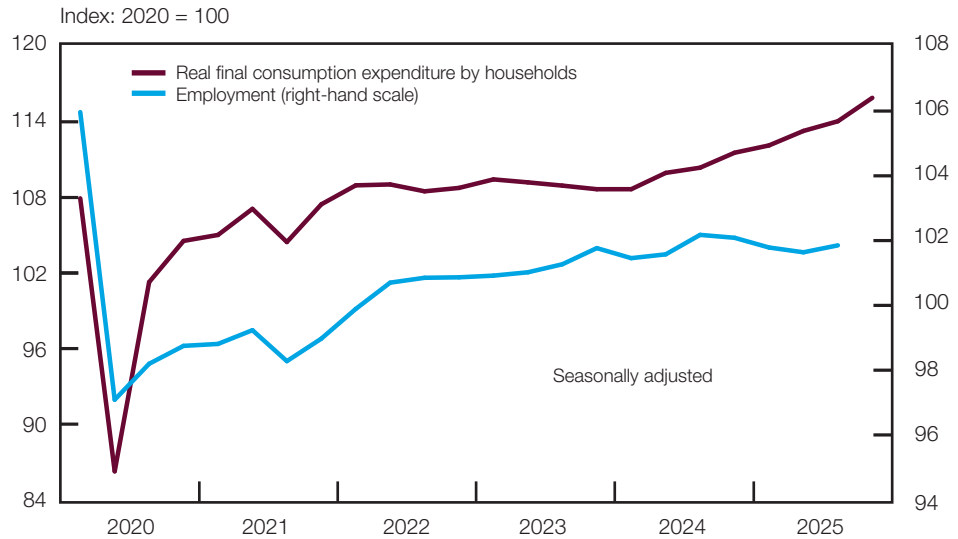
19 As measured by the FNB/BER Building Confidence Index.





Employment in the non-governmental community, social and personal services sector was largely stagnant in the third quarter of 2025 after seven consecutive quarters of decline. This, in part, reflects the negative impact associated with the funding freeze on critical health and developmental projects by the US government in early 2025, which resulted in the discontinuation of USAID-funded health, education and social work programmes. In addition, both the finance, insurance, real estate and business services sector as well as the non-governmental transport, storage and communication services sector recorded further job losses in the third quarter of 2025.

Formal trade sector employment and household consumption expenditure



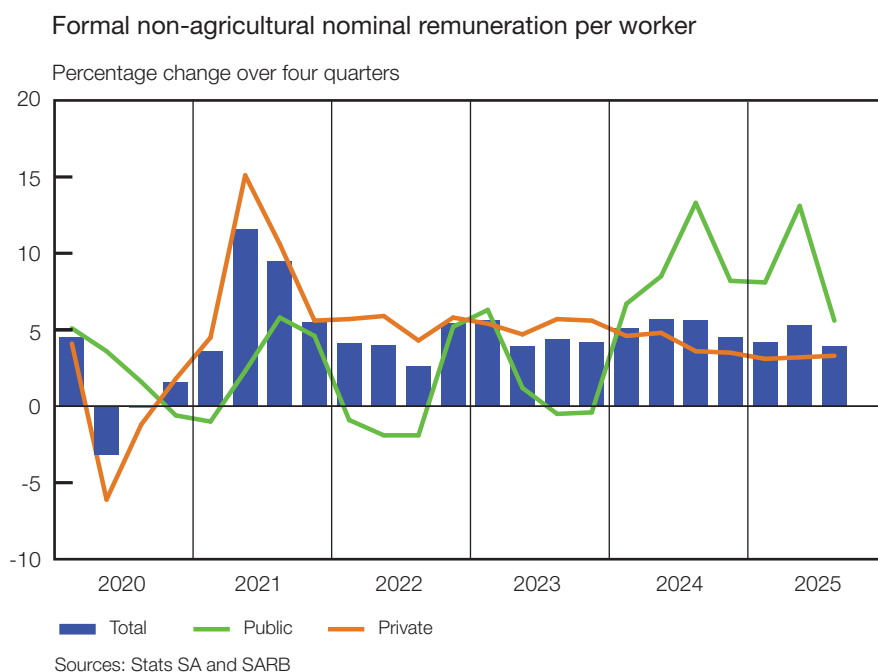
Sources: Stats SA and SARB

20 As measured by the BER's Retail Survey.

Employment in the trade, catering and accommodation services sector increased marginally in the third quarter of 2025 after declining in the preceding three quarters. Although household consumption expenditure and trade sector employment have historically tracked each other closely, the correlation appears to have weakened in recent quarters as the stronger spending has likely been accommodated through increased productivity and a shift towards more online shopping. Encouragingly, the BER reported that business conditions in the commerce sector improved in the fourth quarter of 2025 alongside continued growth in consumer demand. As such, business confidence among retailers²⁰ rose notably from 32 index points in the third quarter of 2025 to 43 index points in the fourth quarter, supported by stronger sales volumes and improved profitability. The BER noted that the strength of the recovery in confidence and underlying activity likely points to continued momentum in consumer spending, signalling a broader improvement in household finances and overall consumer health.

Labour cost and productivity

The year-on-year pace of increase in *formal non-agricultural nominal remuneration per worker* moderated from 5.3% in the second quarter of 2025 to 3.9% in the third quarter. This was due to a notable slowdown in nominal remuneration per worker in the public sector, while private sector nominal remuneration per worker accelerated marginally. This represents the slowest rate of increase in nominal remuneration growth per worker since the 3.9% recorded in the second quarter of 2023. Real wage growth per worker also slowed from 3.1% in the second quarter of 2025 to 0.6% in the third quarter as the slower nominal remuneration growth was accompanied by an acceleration in consumer price inflation over this period.



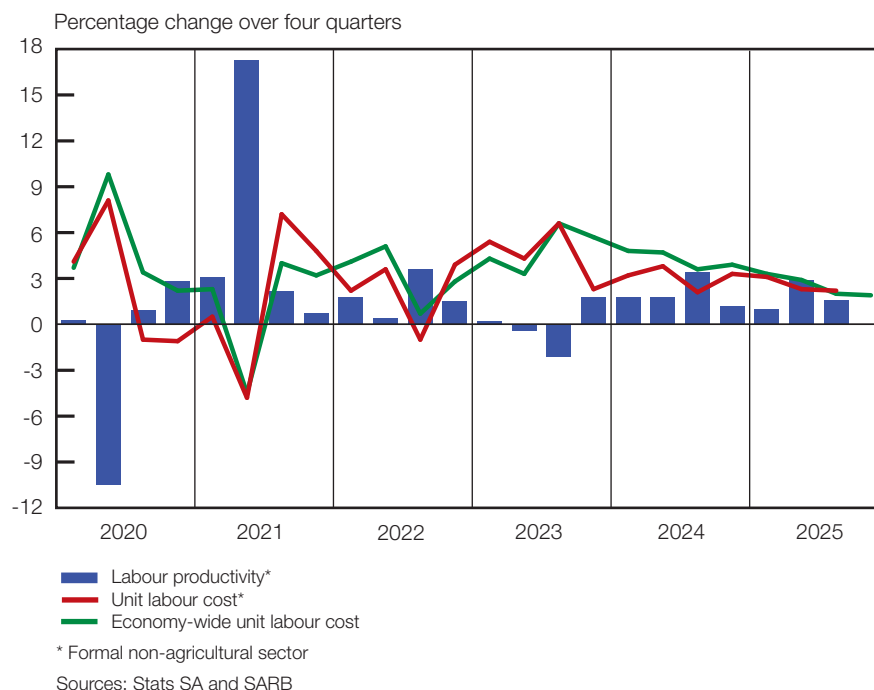
Nominal remuneration growth per public sector worker slowed markedly from 13.1% in the second quarter of 2025 to 5.6% in the third quarter as remuneration growth per worker moderated across all public sector tiers, except national departments. This deceleration largely reflected the impact of lower-paying temporary employment opportunities created in the third quarter of 2025, which lowered the average remuneration per public sector worker.

By contrast, *nominal wage growth per private sector worker* remained subdued, accelerating only marginally from 3.2% in the second quarter of 2025 to 3.3% in the third quarter. Remuneration growth per worker in the third quarter varied considerably across the different sectors of the economy. The acceleration in remuneration growth per worker in construction (to 7.8%); manufacturing (to 6.1%); and trade, catering and accommodation services (to 4.9%) slightly outweighed the slowdown in gold mining (to 6.5%); community, social and personal services (to 2.5%); non-gold mining (to 2.1%); transport, storage and communication services (to 2.1%); and finance, insurance, real estate and business services (to 1.0%). The weak nominal remuneration growth per worker in the finance, insurance, real estate and business services sector reflects the continued moderation in basic salaries and wages as well as overtime payments in this subsector.

According to Andrew Levy Employment Publications, the *average wage settlement rate in collective bargaining agreements* decreased from 6.2% in 2024 to 5.8% in 2025. In addition, the *number of working days lost due to industrial action* fell notably from 116 000 in 2024 to 30 000 in 2025. The number of working days lost has declined significantly in recent years

following a recent peak of 4.9 million in the fourth quarter of 2023, alongside the timelier conclusion of wage negotiations. Furthermore, centralised bargaining negotiations, which are typically associated with a higher incidence of large-scale industrial action, were concluded with multi-year wage agreements without significant disruption in 2025, contributing to the reduced strike activity.

Labour productivity and nominal unit labour cost



Growth in labour productivity in the formal non-agricultural sector moderated from 2.8% in the second quarter of 2025 to 1.3% in the third quarter as the slower year-on-year rate of contraction in employment outweighed the acceleration in year-on-year non-agricultural output growth. By contrast, *growth in nominal unit labour cost* in the formal non-agricultural sector decelerated from 3.3% in the fourth quarter of 2024 to 2.5% in the third quarter of 2025, as the acceleration in year-on-year non-agricultural output growth outweighed the marginal acceleration in total remuneration growth over this period. Similarly, growth in economy-wide nominal unit labour cost slowed for a fourth successive quarter, from 3.9% in the fourth quarter of 2024 to 1.9% in the fourth quarter of 2025, as year-on-year employee compensation growth continued to moderate while growth in total output accelerated over this period. The continued slowdown in both measures of nominal unit labour cost growth over the past two years suggests a moderation in inflationary pressures emanating from the labour market.

21 Unless stated to the contrary, all rates mentioned in this section reflect year-on-year changes.

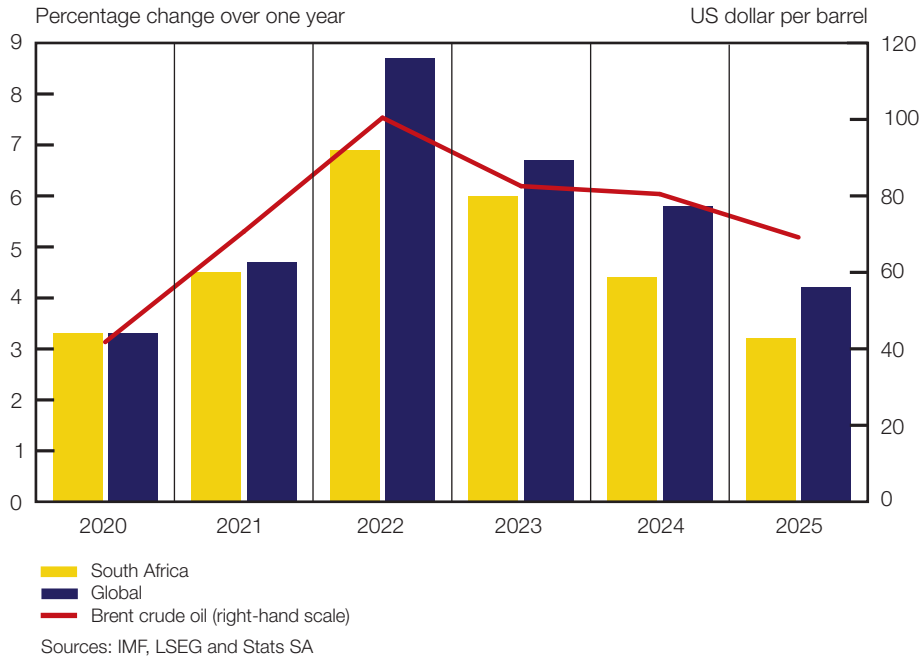
Prices²¹

Global inflation continued to slow in 2025 but remained above pre-pandemic levels. The moderation in consumer price inflation was mainly due to falling international crude oil prices, which reflected elevated production and inventories as well as reduced global demand.

Global food price inflation remained relatively contained as lower grain prices broadly offset supply shocks associated with the effects of climatic events and the outbreak of animal diseases. Nonetheless, persistent geopolitical tensions, trade fragmentation and ongoing tariff uncertainty continued to pose upside risks to global inflation. Similarly, domestic inflationary pressures eased in 2025, with annual average consumer price inflation slowing further from 4.4% in 2024 to 3.2% in 2025, marking the lowest rate of inflation since the 1.4% recorded in 2004.

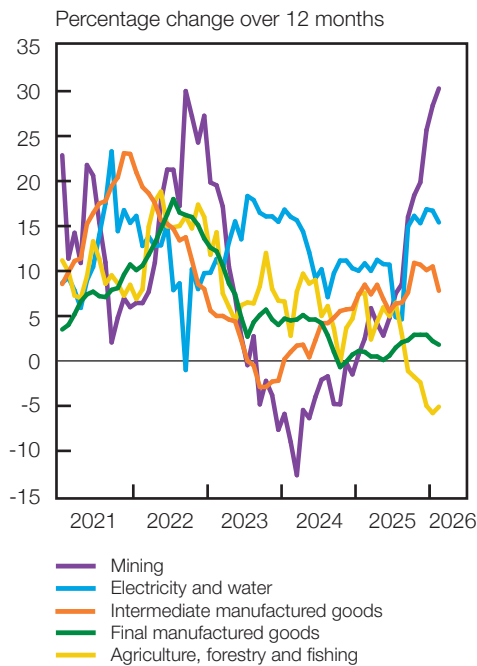


Annual average consumer and oil prices

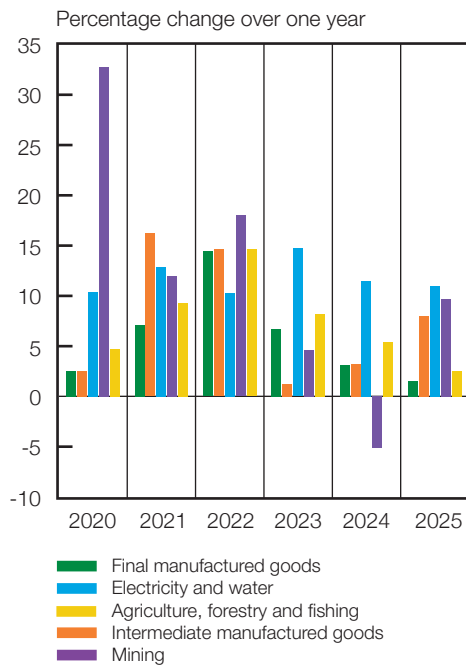


Producer price inflation for final manufactured goods accelerated slightly during the second half of 2025, reaching 2.9% in December. The modest uptick was mainly due to a reversal in the deflationary trend for producer prices of coal and petroleum products, which reverted from a year-on-year decrease of 13.8% in May 2025 to an increase of 0.2% in December. This was partly offset by lower price inflation for producer food, beverages and tobacco products, which moderated from 4.7% in April 2025 to 2.9% in December. Despite the slight acceleration in the second half of 2025, annual average headline producer price inflation slowed from 3.1% in 2024 to 1.5% in 2025 – the slowest rate of increase on record. More recently, producer price inflation for final manufactured goods slowed to 1.8% in February 2026, driven by deflation in the prices of coal and petroleum products as well as softer food price inflation.

Producer prices



Annual average producer prices





Similarly, *producer price inflation for intermediate manufactured goods* accelerated from 5.5% in June 2025 to 7.8% in February 2026. This was largely driven by elevated basic precious and non-ferrous metals prices as well as an acceleration in sawmilling and wood price inflation. By contrast, the producer prices of basic and other chemicals decreased by 14.6% in February 2026. On an annual average basis, producer price inflation for intermediate manufactured goods accelerated significantly from 3.2% in 2024 to 8.0% in 2025.

By contrast, *producer price inflation for agriculture, forestry and fishing products* eased substantially from 7.5% in January 2025 to -5.1% in February 2026. The marked slowdown was largely attributable to a year-on-year decrease in the prices of crops and horticultural products. This decline was driven by lower prices of cereals and other crops, in line with the lower prices in grain mill products, starch products and animal feeds within final manufactured goods producer price inflation.

Although still elevated due to disease-related supply constraints, live animals and animal product price inflation moderated from 23.7% in December 2025 to 16.9% in February 2026. Producer price inflation for forestry decelerated from 7.5% in March 2025 to 4.2% in February 2026, while that of fishing remained elevated at 11.7%. Annual average inflation in the producer prices for agriculture, forestry and fishing products slowed from 5.4% in 2024 to 2.5% in 2025.

Producer price inflation

Annual average percentage change

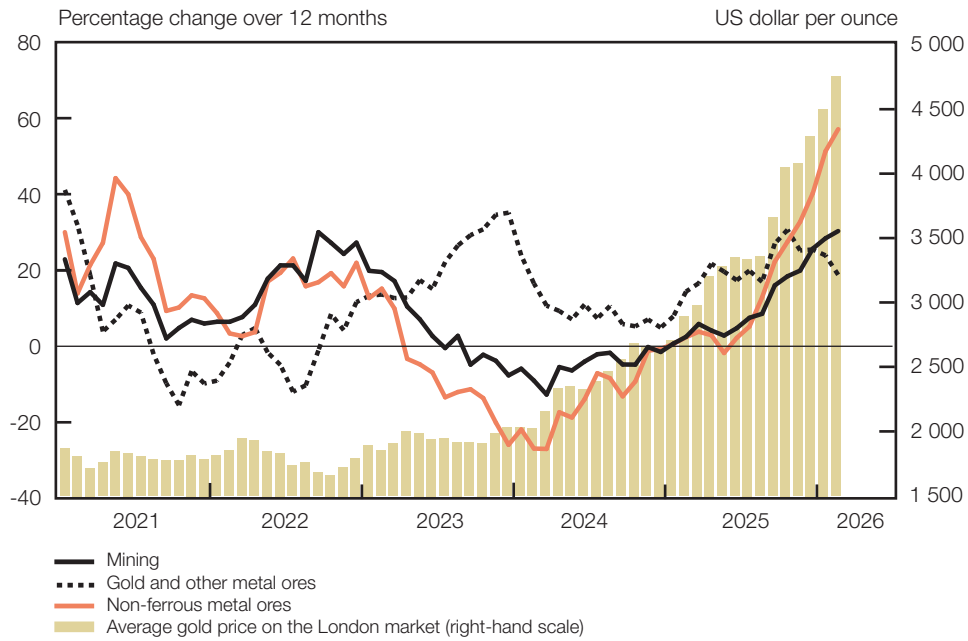
	2022	2023	2024	2025	Feb 2026*
Final manufactured goods	14.4	6.7	3.1	1.5	1.8
Intermediate manufactured goods	14.6	1.2	3.2	8.0	7.8
Electricity and water	10.3	14.7	11.5	11.0	15.4
Mining	18.0	4.6	-5.1	9.7	30.3
Agriculture, forestry and fishing.....	14.6	8.2	5.4	2.5	-5.1

* Changes in prices over 12 months
Source: Stats SA

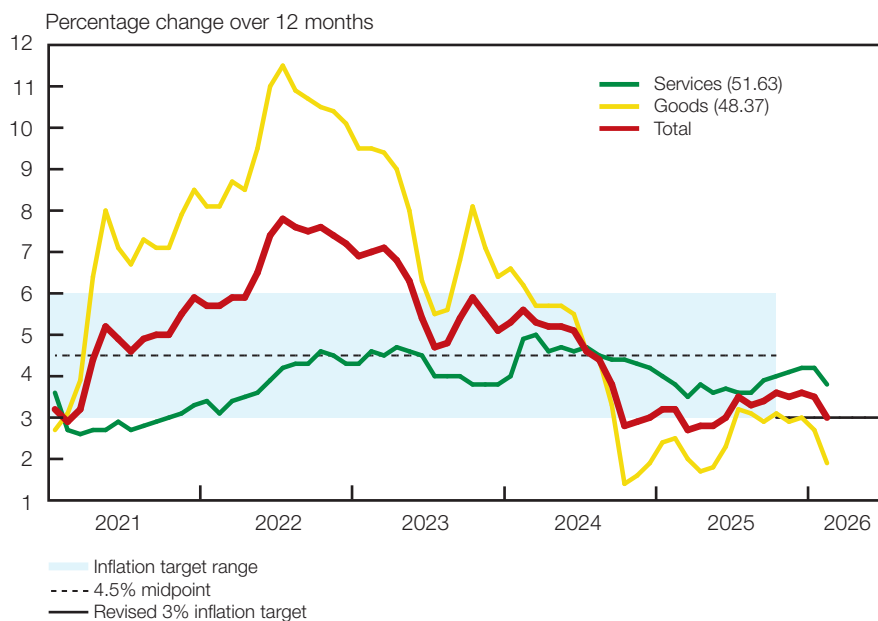
Producer price inflation for electricity and water remained high at 15.4% in February 2026, primarily due to the acceleration in electricity price inflation following Eskom's 2025 tariff increase. Producer price inflation for water also remained elevated at 11.6% in February 2026.

Producer price inflation for mining products rose sharply from 0.7% in January 2025 to 30.3% in February 2026, reflecting the marked increase in producer prices of especially non-ferrous metal ores, which accelerated significantly from 0.6% to 57.1% over the same period. This was mainly driven by the notable rally in copper and PGM prices. Despite moderating somewhat, gold and other metal ore price inflation remained high at 18.8% in February 2026, largely reflecting the persistent increase in the price of gold, which increased to above US\$4 700 per fine ounce, on average, in February 2026. The gold price continued to be supported by heightened global trade and geopolitical uncertainties, strong central bank demand, falling global real interest rates, and sustained investor appetite for safe-haven assets. By contrast, coal and gas prices deflated further, falling by 11.0% year on year in January 2026.

Mining producer prices and gold price

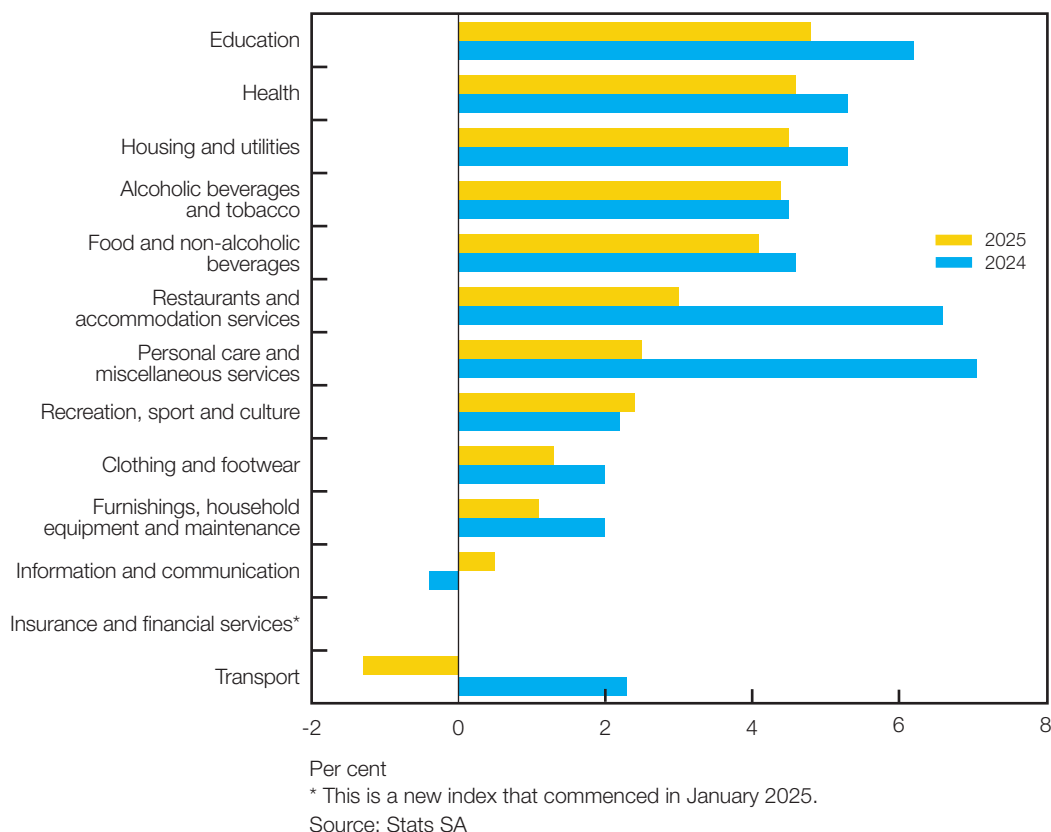


Consumer price index



Although headline consumer price inflation eased from 4.4% in 2024 to 3.2% in 2025, inflation rose gradually from a low of 2.7% in March 2025 to 3.5% in January 2026 as both services and goods price inflation accelerated slightly over this period. Consumer price inflation then reverted to the revised 3% inflation target in February 2026 as both goods and services price inflation slowed.

Annual average consumer price inflation by COICOP category



22 The insurance and financial services category was only added in January 2025, with year-on-year comparisons not yet possible.

Price changes based on the classification of individual consumption by purpose (COICOP) categories show that annual average consumer price inflation in 2025 decelerated in 10 of the 13 COICOP categories and accelerated in two of the remaining categories.²² Education recorded the highest annual average inflation rate of 4.8% in 2025, although this was down from 6.2% in 2024. Conversely, the transport category registered the lowest annual average inflation rate of -1.3% in 2025, reflecting the decline in international crude oil prices and a stronger rand against the US dollar.

Consumer price inflation

Annual average percentage change

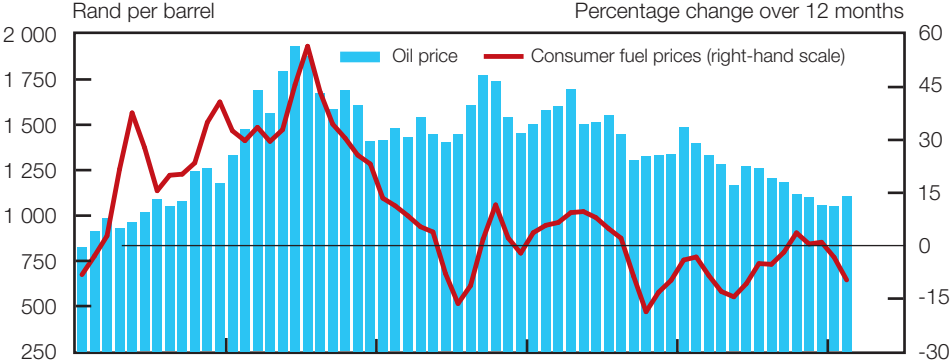
	Weight	2022	2023	2024	2025	Jan 2026*	Feb 2026*
Headline CPI	100.00	6.9	6.0	4.4	3.2	3.5	3.0
Headline CPI excluding food and non-alcoholic beverages, fuel and electricity.....	74.53	4.4	4.9	4.3	3.2	3.4	3.0
Goods	48.37	9.9	7.6	4.3	2.6	2.7	1.9
Non-durable	34.87	11.9	8.4	5.0	3.5	3.9	2.9
Semi-durable.....	5.84	2.7	3.6	2.2	0.8	0.6	0.5
Durable.....	7.66	4.5	5.9	2.7	-0.2	-1.4	-1.4
Services	51.63	3.9	4.2	4.5	3.8	4.2	3.8

* Changes in prices over 12 months
Source: Stats SA

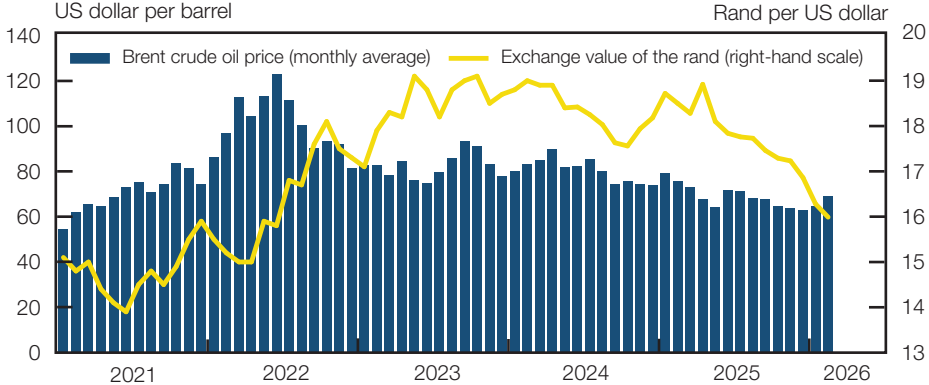
Annual average *consumer goods price inflation* moderated from 4.3% in 2024 to 2.6% in 2025, reflecting a broad-based deceleration across all durability categories. More recently, goods price inflation edged up somewhat from 1.7% in April 2025 to 3.1% in October before slowing to 1.9% in February 2026. The recent changes in consumer goods price inflation largely reflected movements in non-durable goods prices, especially food and fuel. Durable goods prices deflated further, from a year-on-year change of -0.4% in August 2025 to -1.4% in both January and February 2026, consistent with subdued consumer demand and the appreciation in the exchange value of the rand during this period. Similarly, semi-durable goods price inflation remained contained at 0.5% in February 2026 as price increases in clothing and footwear as well as furnishings, household equipment and routine maintenance goods remained muted.

Consumer fuel price inflation accelerated from a recent low of -14.9% in May 2025 to 3.3% in October, mostly reflecting base effects. It then slowed again to -10.1% in February 2026 as international crude oil prices remained contained and the rand strengthened further against the US dollar. The average price of Brent crude oil trended lower in 2025, decreasing from US\$79.39 per barrel in January 2025 to US\$62.67 per barrel in December – the lowest since February 2021 – before increasing to US\$69.24 per barrel in February 2026. The price of Brent crude oil surged to above US\$100 per barrel in mid-March following the outbreak of the war in the Middle East, which could significantly impact domestic fuel prices in the coming months.

Brent crude oil and consumer fuel prices

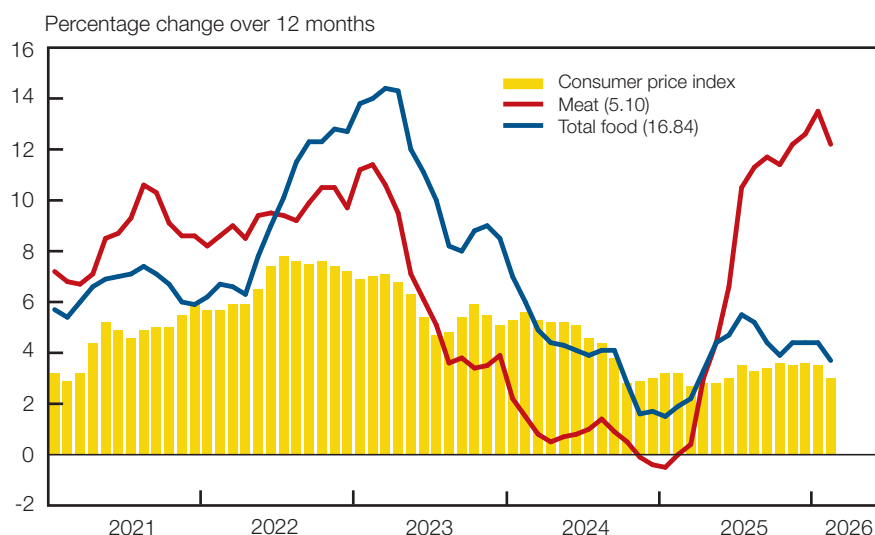


Exchange rate and Brent crude oil price



Sources: LSEG, Stats SA and SARB

Headline and consumer food prices



The numbers in brackets indicate the weights in the consumer price index.

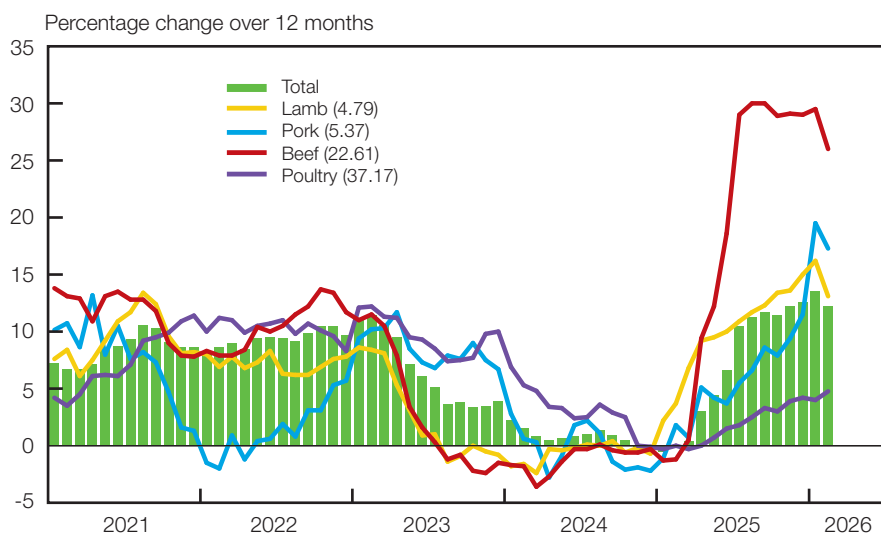
Source: Stats SA

Annual average *consumer food price inflation* eased slightly from 4.1% in 2024 to 3.8% in 2025, broadly in line with the moderation in annual average producer food price inflation. However, consumer food price inflation accelerated somewhat in the second half of 2025, recording 4.4% for three consecutive months up to January 2026 before slowing to 3.7% in February, mainly reflecting movements in meat prices. Consumer meat price inflation, which accounts for the largest share of the food basket, accelerated sharply from a low of -0.5% in January 2025 to 13.5% a year later, reflecting higher prices across most meat subcategories, before moderating somewhat to 12.2% in February 2026. The acceleration in consumer meat prices was largely attributable to supply constraints associated with animal disease outbreaks. Meat price inflation was further compounded by substitution effects as consumers shifted their preference from beef towards other meat products. Although still elevated, beef price inflation moderated slightly from a peak of 30.0% in September 2025 to 26.0% in February 2026, while price inflation for lamb and pork also remained elevated at 13.1% and 17.3% respectively in February 2026. Poultry price inflation was more muted but nevertheless accelerated gradually to 4.8% in February 2026. In addition, cereal product price inflation edged up slightly to 2.1% in December 2025 from a low of 1.5% in August before slowing again to -0.5% in February 2026, signifying sufficient domestic maize supply and slower export activity, which continued to put downward pressure on grain prices. Conversely, the prices of vegetables as well as fruits and nuts recorded pronounced year-on-year decreases of 2.7% and 7.2% respectively in February 2026, reflecting ample supply and base effects.

Final manufactured producer food price inflation moderated from 4.9% in April 2025 to 0.4% in February 2026, reflecting a broad-based deceleration across most food price subcategories. Price inflation in the meat, fish, fruit, vegetables, oils and fats subcategory slowed from 11.6% in June 2025 to 5.0% in February 2026. Although still elevated amid the ongoing foot-and-mouth disease outbreak, meat and meat products inflation moderated to 11.2% in February 2026 from 20.6% in June. In addition, price inflation for grain mill products, starch products and animal feeds slowed further to -10.7% in February 2026, in line with lower maize prices.



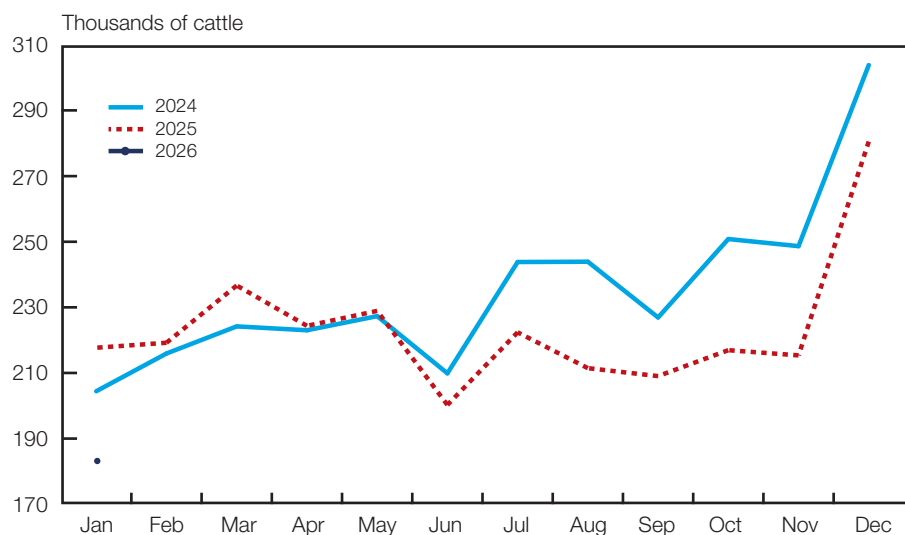
Consumer meat prices



The numbers in brackets indicate the weights in the meat price index.

Source: Stats SA

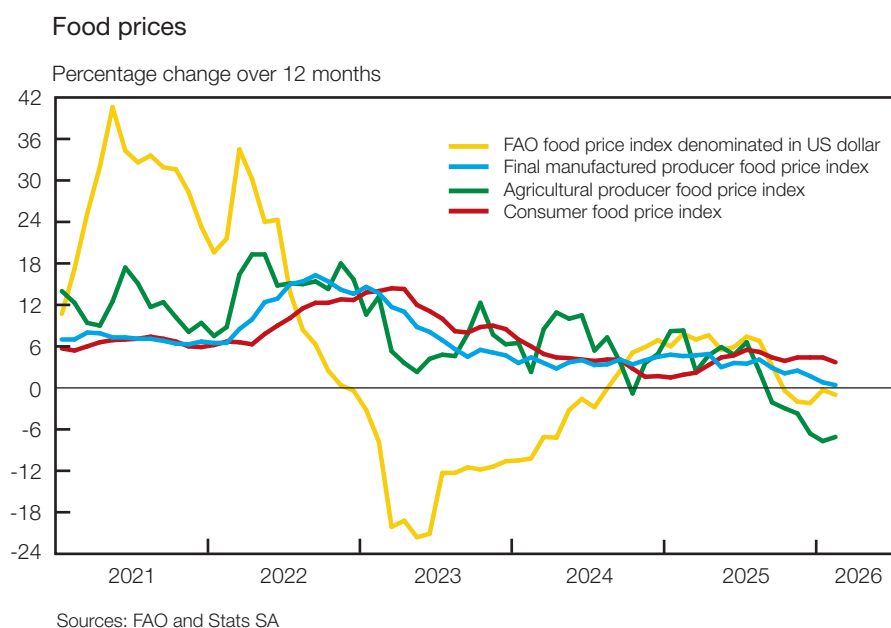
Slaughter activity of cattle



Source: Red Meat Industry Insights and Services South Africa

Producer price inflation for agricultural food products slowed markedly from 8.3% in February 2025 to -7.1% in February 2026, mainly reflecting the sharp deceleration in the price inflation of cereals and other crops, which receded from a peak of 38.6% in January 2025 to -28.0% a year later. The deceleration was driven by improved yields resulting from favourable weather conditions, which led to successive upward revisions to crop production estimates. Fruit and vegetable price inflation also decelerated sharply from 18.6% in May 2025 to -13.4% in February 2026, reflecting base effects and favourable weather conditions. By contrast, supply constraints related to the ongoing impact of foot-and-mouth disease kept producer price inflation for agricultural live animals elevated at a record high of 31.5% in December 2025. This was reflected in persistently low cattle slaughter activity in the second half of 2025 compared

with the same period in previous years, especially 2024, with slaughter activity down by 15.6% in January 2026 compared to a year earlier. More recently, producer price inflation for agricultural live animals moderated somewhat to 21.8% in February 2026.

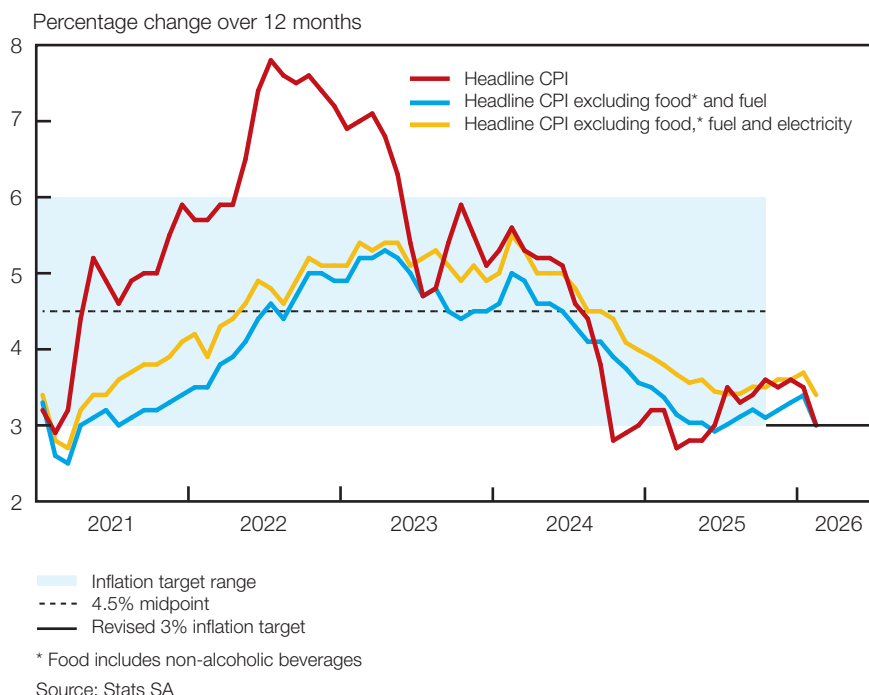


The US dollar-denominated food price index of the United Nations (UN) Food and Agriculture Organization (FAO) recorded its first monthly increase in five months in February 2026 as higher prices for meat, cereals and vegetable oils offset lower prices for dairy and sugar. Consequently, the year-on-year rate of deflation in the FAO index moderated from 2.2% in December 2025 to 1.0% in February 2026. However, the rand-denominated FAO food price index declined at a faster pace of 14.4% in the year to February 2026, supported by the firmer exchange value of the rand. Despite the uptick in February 2026, the subdued global agricultural commodity prices have been supported by improved supply conditions, underpinned by favourable harvests and lower input cost pressures.

Although annual average *consumer services price inflation* eased from 4.5% in 2024 to 3.8% in 2025, the year-on-year rate of change accelerated from a low of 3.5% in March 2025 to 4.2% in January 2026. The uptick in services price inflation was mainly due to housing and utilities services price inflation, which increased from 2.9% in February 2025 to 4.1% in January 2026. This increase was driven by faster growth in actual rentals for housing (to 3.7%), owners' equivalent rent (3.5%) and still elevated water and miscellaneous services price inflation (7.0%). Consumer services price inflation then slowed to 3.8% in February 2026, largely due to a notable deceleration in health insurance (medical aid contributions) inflation from 10.6% in January 2026 to 6.5% in February. Restaurant and accommodation services price inflation edged up slightly from a low of 1.8% in May 2025 to 3.8% in February 2026. Transport services prices were in deflation for most of 2025 on account of the lower fuel prices before increasing by 1.7% year on year in February 2026.



Headline and underlying measures of consumer prices



Consistent with the modest acceleration in headline consumer price inflation during most of 2025, most measures of underlying inflation have risen slightly in the second half of the year, primarily due to higher services price inflation, before slowing in February 2026. When excluding the effects of food, non-alcoholic beverages and fuel from the CPI basket, consumer price inflation edged up from 3.4% in August 2025 to 3.7% in January 2026 before moderating to 3.4% in February. Similarly, the South African Reserve Bank's (SARB) preferred measure of core inflation, which also excludes electricity prices, accelerated from 2.9% in June 2025 – the lowest rate since March 2021 – to 3.4% in January 2026 before slowing to 3.0% in February, largely due to the deceleration in health insurance inflation. When expressed as an annual average rate, core inflation slowed notably from 4.3% in 2024 to 3.2% in 2025.

Annual average administered price inflation decelerated from 5.3% in 2024 to 3.2% in 2025, mainly reflecting the pronounced deflationary trend in fuel prices during most of 2025. Administered price inflation rose steadily from -0.3% in May 2025 to 6.0% in October, primarily driven by higher water supply tariffs and less deflated fuel prices. Fuel price inflation accelerated from -14.9% to 3.3% over this period, largely due to base effects, before slowing again to -10.1% in February 2026. As a result, administered price inflation eased to 1.7% in February 2026. When excluding fuel prices, administered price inflation was considerably higher but nevertheless slowed to 6.5% in February 2026, reflecting the impact of higher water tariffs and elevated electricity price inflation. When excluding both fuel and electricity prices, administered price inflation stood at 4.8% in February 2026.

Average headline consumer price inflation expectations were adjusted moderately lower across the entire forecast horizon in the BER's *Inflation Expectations Survey* conducted in the first quarter of 2026 compared with the outcome of the previous survey. Headline CPI inflation expectations for 2026 decreased from 3.8% to 3.6% as financial analysts, business representatives and trade union representatives all lowered their inflation expectations. The expectations of financial analysts remained the lowest as they forecast inflation to average 3.3% in both 2026 and 2027, and to slow to 3.2% in 2028. Business representatives had the highest inflation expectations, anticipating inflation to average 4.0% over the next five years. On average, the survey participants expected inflation to amount to 3.6% across the entire forecast horizon. The downward revision in inflation expectations occurred against the backdrop of an appreciation in the exchange value of the rand during the survey period.

Headline consumer price inflation expectations

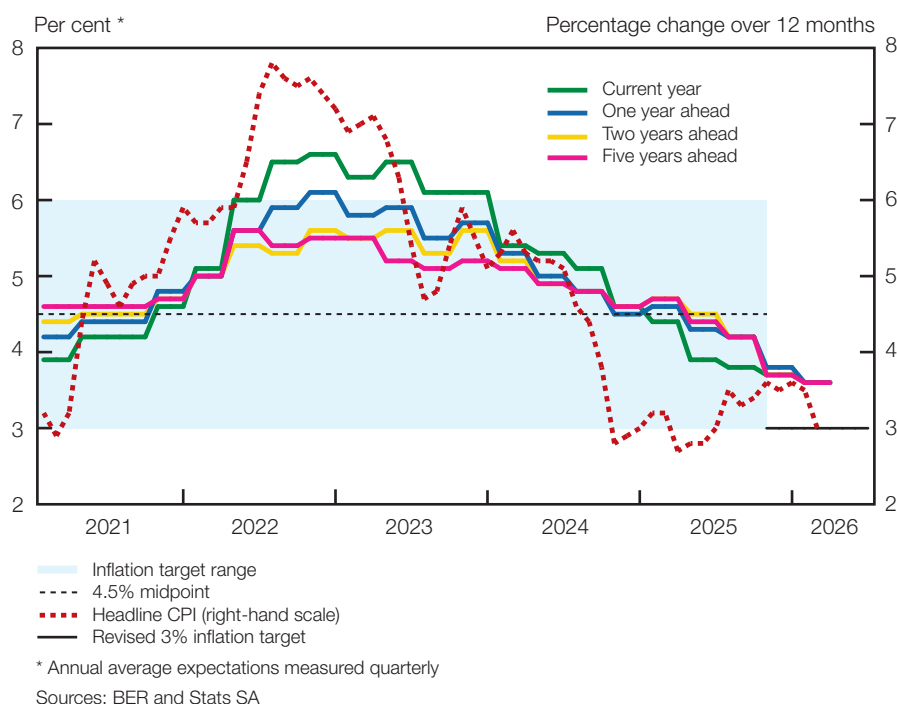
Per cent, as surveyed in the first quarter of 2026

Average expected inflation	Financial analysts	Business representatives	Trade union representatives	All surveyed participants
2026.....	3.3	3.7	3.8	3.6
2027.....	3.3	3.7	3.8	3.6
2028.....	3.2	3.9	3.7	3.6
Five years ahead	3.2	4.0	3.7	3.6

Source: BER

Household inflation expectations for the coming 12 months edged up slightly to 5.4% from 5.3% in the previous survey. Expectations differed across income groups, with high-income groups anticipating lower inflation, while low-income groups continued to expect inflation at relatively higher levels.

Inflation expectations and headline consumer prices

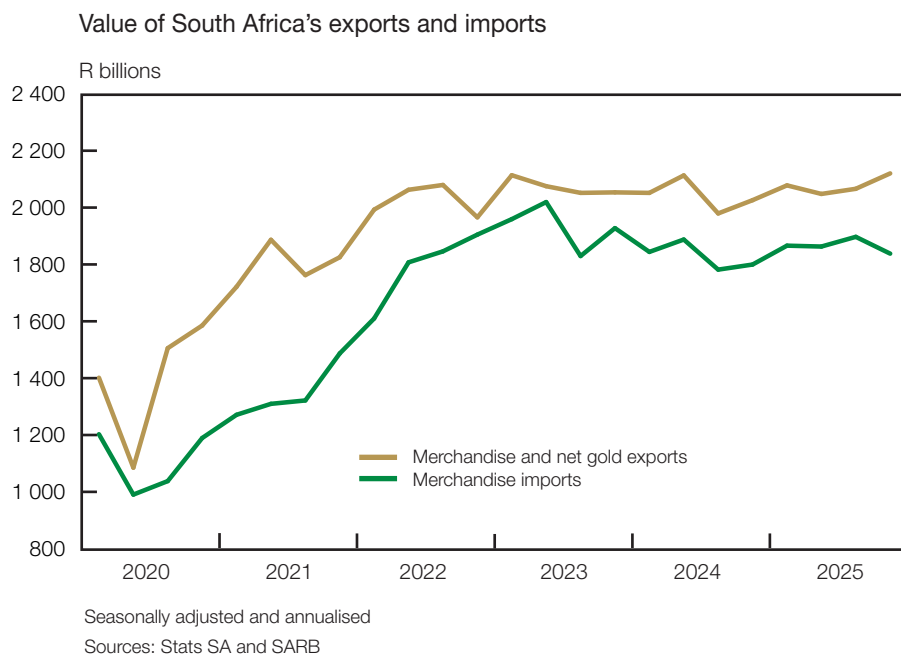


External economic accounts

Current account²³

South Africa's trade surplus widened significantly from R169 billion in the third quarter of 2025 to R282 billion in the fourth quarter as the value of merchandise and net gold exports increased, while the value of merchandise imports decreased. The increase in the value of exports reflected higher prices, while the decline in the value of imports resulted from lower prices.

23 Unless stated to the contrary, the current account transaction flows referred to in this section are all seasonally adjusted and annualised.



The balance on the current account switched from a deficit of R72.0 billion in the third quarter of 2025 to a surplus of R50.2 billion in the fourth quarter – the first surplus since the third quarter of 2023 – as the trade surplus widened alongside a narrower deficit on the services, income and current transfer account. On an annual basis, the deficit on the current account of the balance of payments narrowed to R35.2 billion (0.5% of GDP) in 2025 from R48.0 billion (0.7 % of GDP) in 2024.

Current account of the balance of payments

R billions, seasonally adjusted and annualised

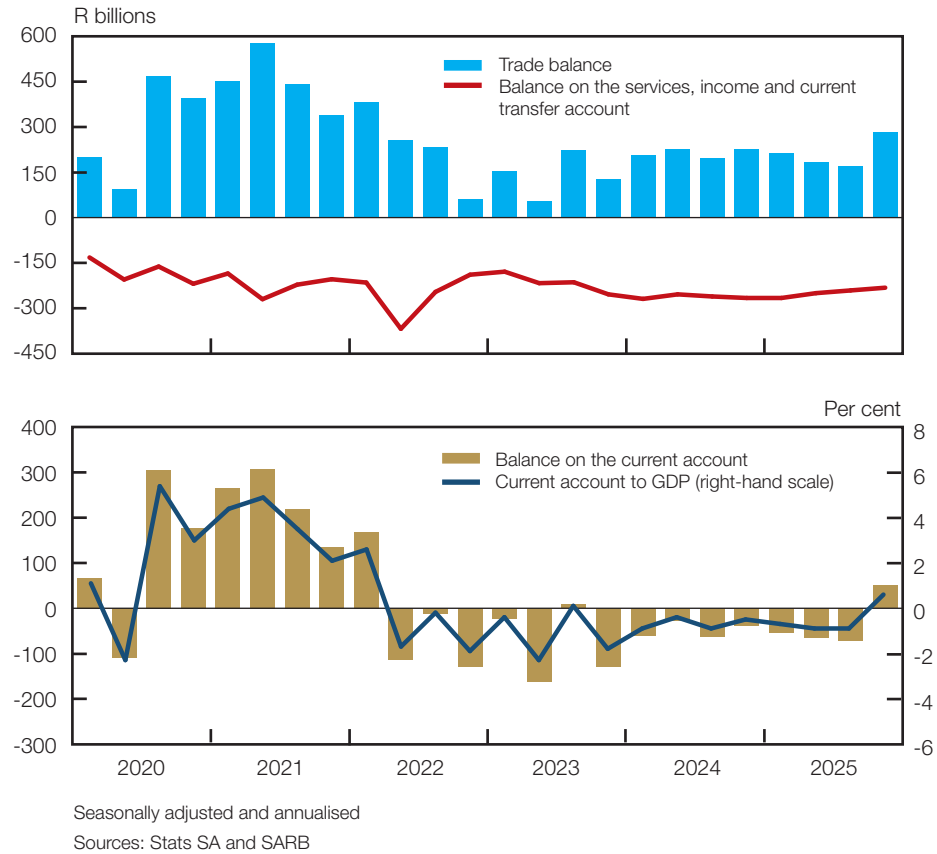
	2024		2025			
	Year	Q1	Q2	Q3	Q4	Year
Merchandise exports.....	1 893	1 910	1 870	1 917	1 927	1 906
Net gold exports.....	150	168	178	149	193	172
Merchandise imports.....	-1 828	-1 866	-1 863	-1 897	-1 838	-1 866
Trade balance.....	214	212	185	169	282	212
Net services, income and current transfer payments.....	-262	-266	-250	-241	-232	-247
Balance on current account.....	-48	-54	-65	-72	50	-35
<i>As a percentage of gross domestic product</i>						
Trade balance.....	2.9	2.9	2.5	2.2	3.6	2.8
Services balance.....	-1.0	-0.8	-0.8	-0.9	-1.0	-0.9
Income balance.....	-2.0	-2.1	-2.2	-1.8	-1.6	-1.9
Current transfer balance.....	-0.6	-0.7	-0.4	-0.4	-0.4	-0.5
Balance on current account.....	-0.7	-0.7	-0.9	-0.9	0.6	-0.5

Components may not add up to totals due to rounding off.

Sources: Stats SA and SARB

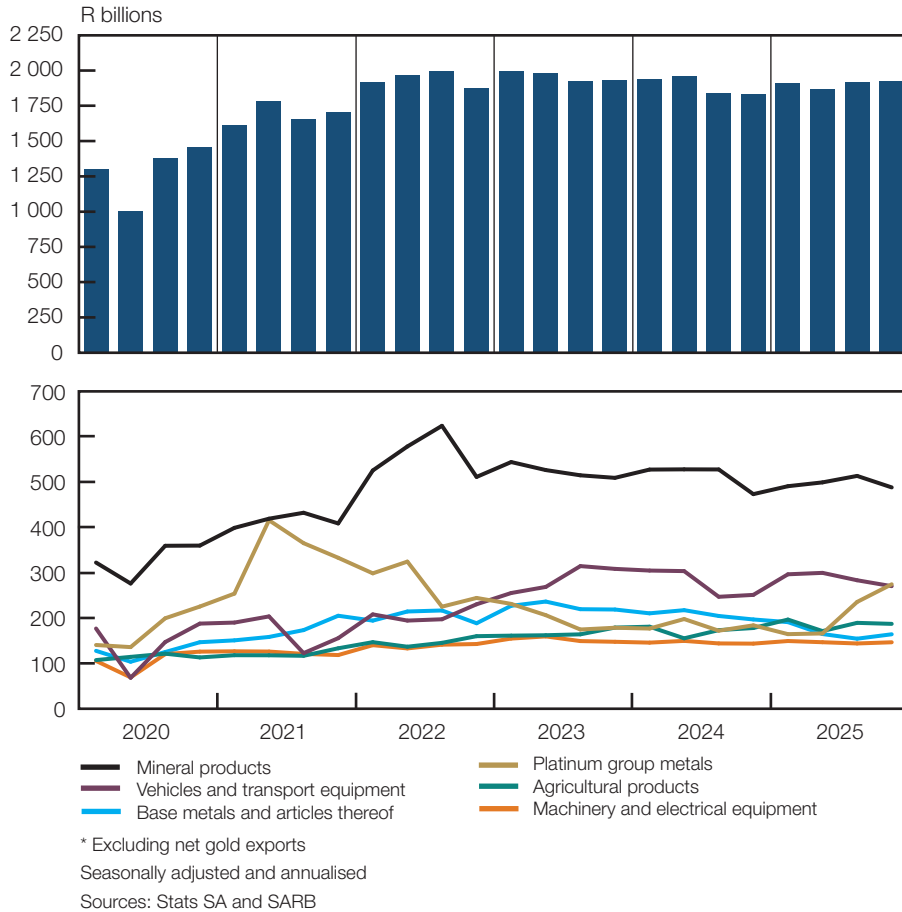


Current account of the balance of payments



The value of merchandise exports increased by 0.5% in the fourth quarter of 2025, driven by higher mining exports, which outweighed the decline in the export value of manufacturing and agricultural exports. The increase in the export value of mining products in the fourth quarter of 2025 largely reflected higher exports of PGMs, base metals and articles thereof, as well as pearls, precious and semi-precious stones, which more than offset the lower exports of mineral products. The increase in the value of PGMs reflected both higher rand prices and increased volumes, with notable increases in exports to the United Kingdom (UK), Japan, the United States (US) and Germany. The higher export value of base metals and articles thereof was mainly due to increased exports of unwrought aluminium, mainly to Greece, alongside increased exports of unrefined copper and refined copper alloys, mainly to China. The lower export value of mineral products in the fourth quarter of 2025 largely reflected reduced exports of iron and titanium ores and concentrates as well as granulated slag. The 12-day maintenance shutdown of the Saldanha iron ore terminal in October 2025 contributed to the lower value of exported iron ore, as reflected by the 23.6% decrease in the export quantity of dry bulk cargo handled at this terminal in the fourth quarter, according to the Transnet National Ports Authority.

Value of merchandise exports*



The lower value of manufacturing exports in the fourth quarter of 2025 mainly reflected decreased exports of vehicles and transport equipment; prepared foodstuff, beverages and tobacco; chemical products; as well as miscellaneous manufactured equipment. The lower export value of vehicles and transport equipment was due to decreased exports of passenger and commercial vehicles – mostly to Germany and the UK respectively. According to naamsa | the Automotive Business Council, the number of vehicles exported decreased from 111 698 (not seasonally adjusted or annualised) in the third quarter of 2025 to 95 413 in the fourth quarter. By contrast, the export value of machinery and electrical equipment increased, partly reflecting increased exports of electro-magnets and sorting machines.

The value of agricultural exports decreased in the fourth quarter of 2025, mainly weighed down by lower exports of citrus to the Netherlands and Russia. This, together with the lower export value of vegetable products as well as live animals and animal products, outweighed the higher value of exported raw hides and skins as well as animal or vegetable fats and oils.

Box 2 An analysis of trade tariffs on South Africa's exports to the United States

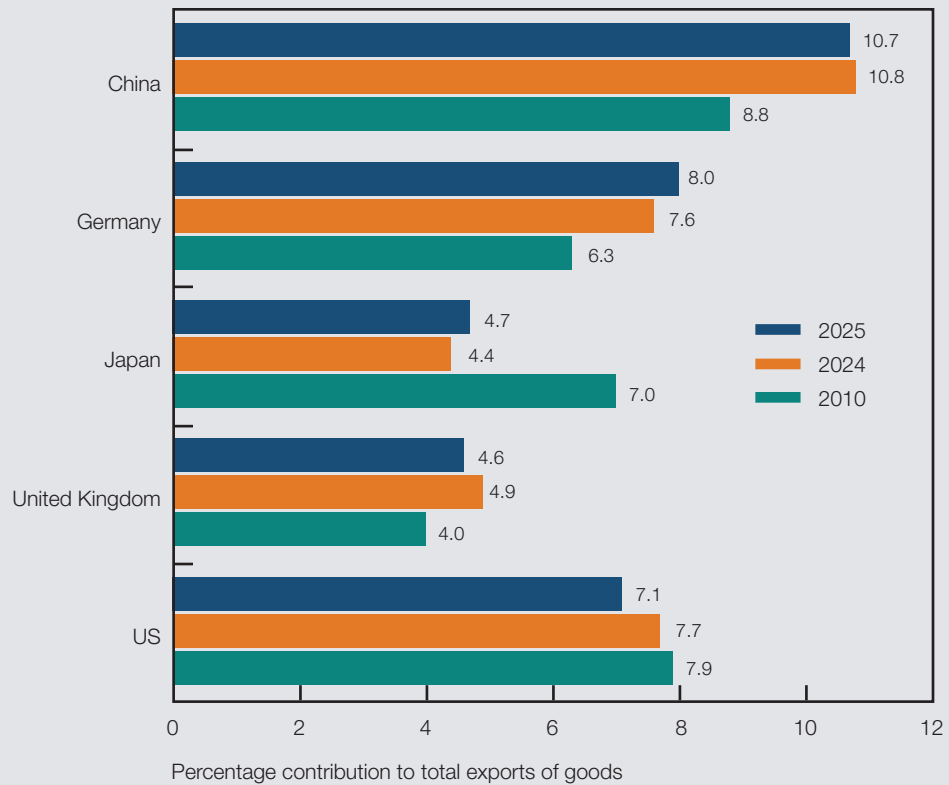
South Africa has maintained long-standing trade relations with the United States (US), marked by extensive bilateral trade flows that have generated mutual economic gains. Historically, this relationship has been characterised by a diverse range of imports and exports, highlighting the complementary strengths and diversity of both economies. In 2025, the US ranked as South Africa's third-largest trading partner, after China and Germany, accounting for 7.1% of total exports and 6.8% of total imports of goods.



Recent increases in trade tariffs have significantly impacted South Africa's export volumes to the US, with the implementation of Section 232¹ in particular affecting passenger vehicles and parts (which are now subject to a 25% tariff) as well as steel and aluminium (which now face a 50% tariff). In addition, a 30% reciprocal tariff on selected goods took effect in August 2025, and the temporary lapse of the African Growth and Opportunity Act (AGOA) benefits at the end of September 2025 increased tariff rates further, adversely affecting the competitiveness of South Africa's exports to the US. Although AGOA was subsequently extended for one year in early February 2026, the Section 232 and reciprocal tariffs remain in effect. This box examines how recent US trade tariffs have affected South Africa's export performance to the US market by identifying and assessing the affected sectors and analysing the impact on South Africa's overall exports.

In 2024, South Africa's exports were largely destined for five major markets: China, (accounting for approximately 10.8% of the total value of exports), followed by the US (7.7%), Germany (7.6%), the United Kingdom (4.9%), and Japan (4.4%). This ranking changed slightly in 2025: with the US' contribution decreasing by 0.6 percentage points, its ranking dropping from second to third, partly reflecting the changes in the tariff regime during the year.

South Africa's top five goods exports destinations

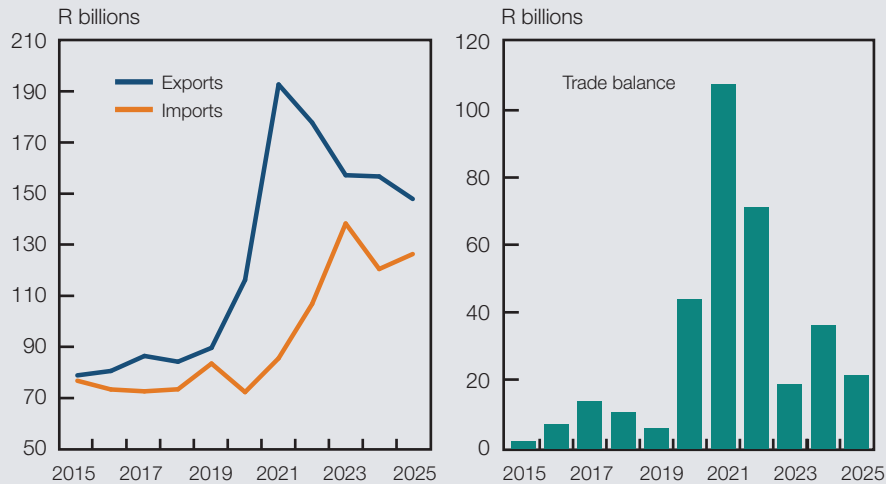


Sources: SARS and SARB

South Africa has consistently recorded a trade surplus with the US as the value of exported goods has exceeded that of imports. The establishment of AGOA in 2000 supported these positive trade balances, which peaked at R108 billion in 2021, in part due to a surge in commodity prices. AGOA also enhanced the competitiveness of South African exports by granting preferential access to the US market. This preferential treatment facilitated increased export volumes and improved market access, thereby strengthening South Africa's position in the US market.

¹ Section 232 of the Trade Expansion Act of 1962 allows the US to impose restrictions on goods imports or to enter into negotiations with trading partners following an investigation into those goods that threaten to impair US national security.

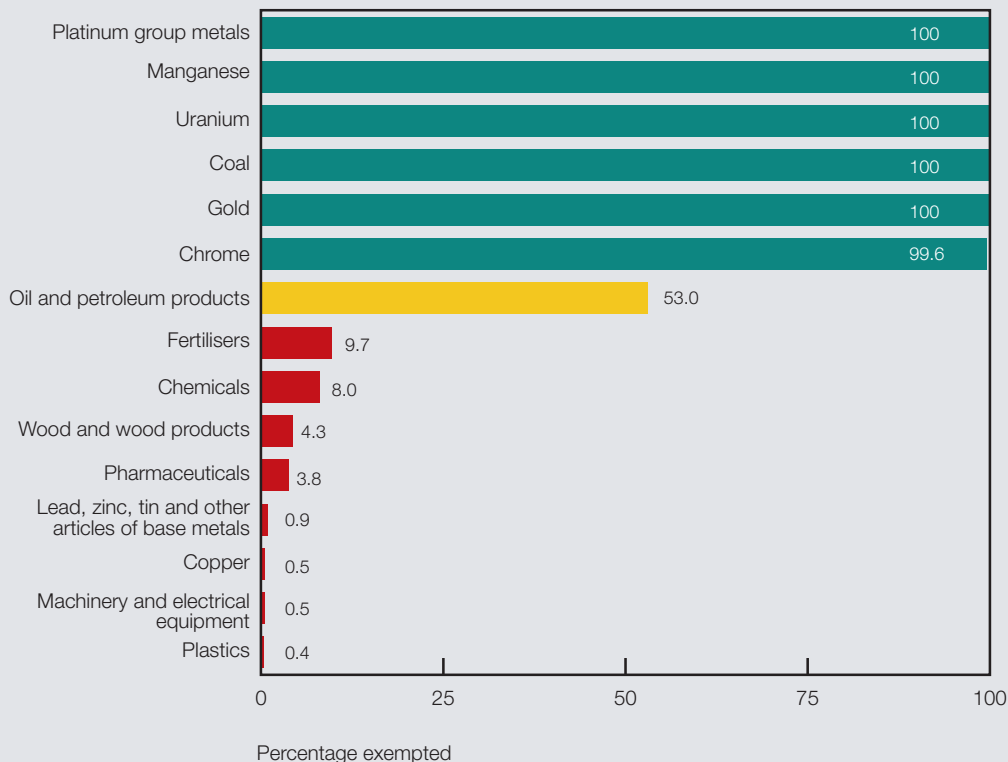
South Africa's merchandise trade with the United States



Sources: SARS and SARB

South Africa's exports to the US consist of a diverse range of mining, agricultural and manufacturing products, underscoring the strategic importance of this bilateral trade partnership. However, the implementation of reciprocal tariffs has disproportionately affected South Africa's value-added export sectors, particularly the agriculture and manufacturing sectors, with exemptions only granted for products deemed strategically significant to the US economy. These exempted products include, but are not limited to, platinum group metals (PGMs), coal, gold, manganese and chrome ore, selected pharmaceuticals as well as oil and petroleum products. Although the reciprocal tariffs were mainly implemented on manufacturing products, with the impact exacerbated by the Section 232 tariffs, some products were fully or partially exempted from these tariffs.

Selected exports exempted from reciprocal tariffs, by category*



Percentage exempted

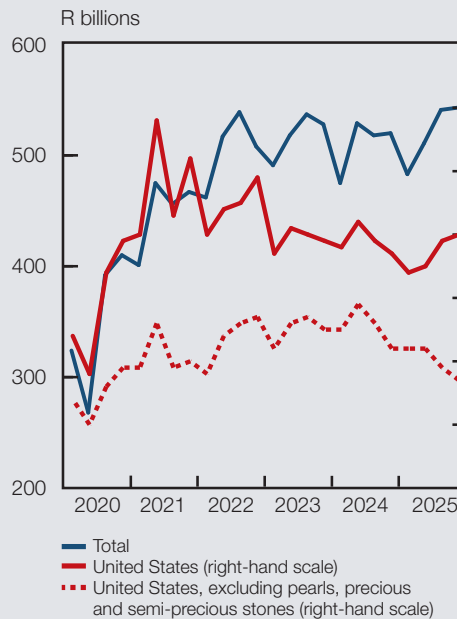
* Based on 2024 merchandise exports to the US and tariffs announced on 2 April 2025.

Sources: US government, SARS and SARB



After peaking at R193.0 billion in 2021, South Africa's exports to the US decreased to R156.8 billion in 2024, while imports increased from R85.3 billion to R120.4 billion over the same period, resulting in a trade surplus of R36.4 billion in 2024. However, the continued decline in the value of exports alongside rising imports narrowed the trade surplus further to R21.7 billion in 2025. On a quarterly basis, the value of South Africa's exports to the US increased at a slower pace of 2.9% in the fourth quarter of 2025, down from 11.8% in the third quarter. However, when excluding pearls, precious and semi-precious stones, the value of exports to the US declined by 9.9% in the fourth quarter of 2025 after contracting by 15.6% in the third quarter, reflecting the strong impact of the surge in gold and PGM prices on the overall value of exports. Notable declines were recorded in the export values of vehicles and transport equipment; chemical products; prepared foodstuff, beverages and tobacco; and base metals and articles thereof.

Value of South Africa's exports of goods



Sources: SARS, Stats SA and SARB

Volume of South Africa's exports of goods

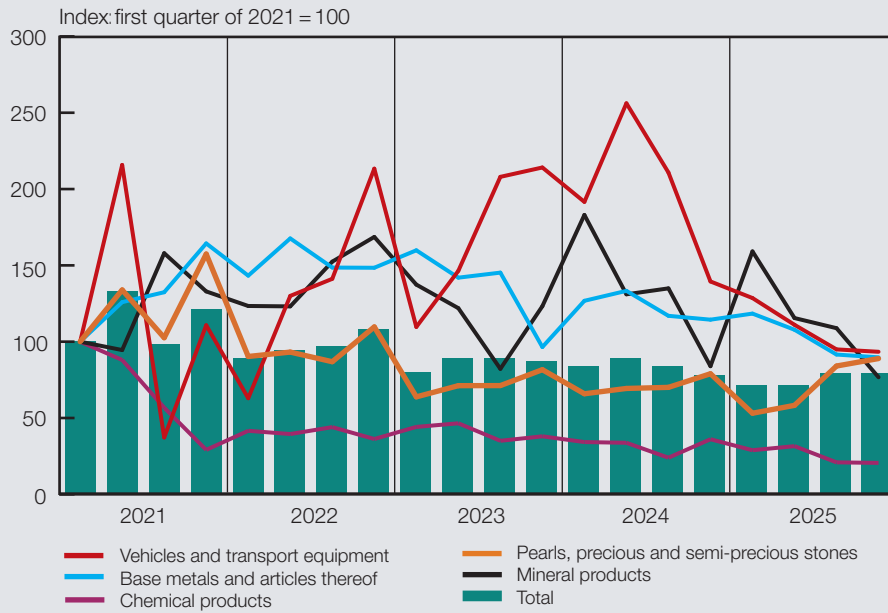


Similarly, South Africa's export volumes to the US have been trending lower since the third quarter of 2024, largely reflecting the reduced export volumes of vehicles and transport equipment. The export volumes briefly recovered in the third quarter of 2025, likely reflecting pre-emptive buying in anticipation of the impending 30% reciprocal tariff that was implemented in August. The volume of domestic exports to the US then resumed its downward trend in the fourth quarter of 2025, mainly due to notable declines in the exports of mineral and vegetable products. Despite these declines, a significant increase in the export volumes of pearls, precious and semi-precious stones helped to offset some of the overall reduction.

In 2024, exports of pearls, precious and semi-precious stones; and vehicles and transport equipment as well as base metals and articles thereof accounted for about 71.2% of total exports to the US, which increased to 73.2% in 2025. In value terms, the share of pearls and precious metals increased from 35.1% in 2024 to 35.6% in the first half of 2025, and substantially further to 54.9% in the second half. By contrast, the share of vehicles and transport equipment decreased from 22.1% to 16.6% in the first half of 2025, and further to 11.5% in the second half.

The value of exported pearls, precious and semi-precious stones increased substantially by 78.1% in the second half of 2025, largely reflecting the surge in PGM prices and an increase in the physical quantity thereof, as PGMs are exempted from the 30% reciprocal tariff. This increase also partly reflected base effects as PGM exports were impacted by reduced production volumes resulting from flooding at several domestic mining operations in the first half of 2025.

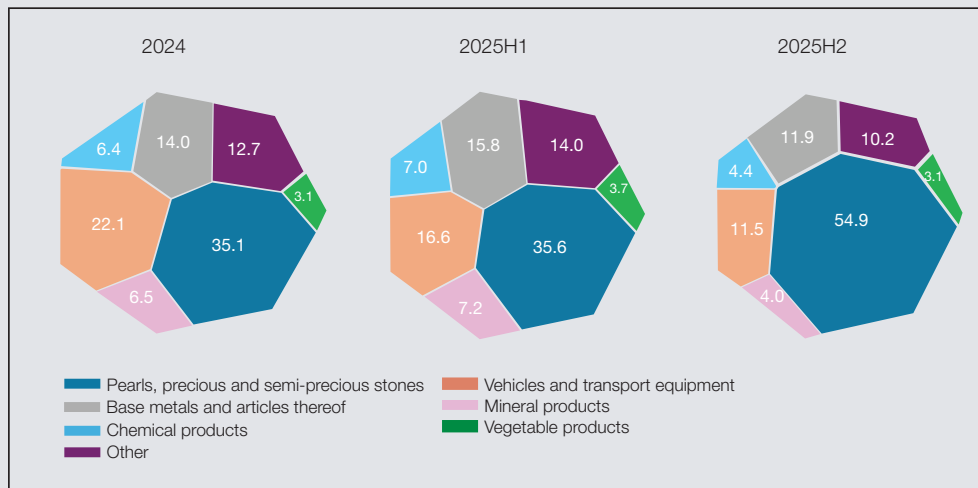
Volume of South Africa's exports of goods to the United States



By contrast, both the value and volume of exported base metals and articles thereof, vehicles and transport equipment, and mineral products to the US decreased in the second half of 2025. Exports of vehicles and transport equipment were already trending lower in the first half of 2025, mainly due to the 25% Section 232 US tariff imposed on passenger vehicles and parts in April 2025. This downward trend continued in the second half of the year following the subsequent introduction of the 30% reciprocal tariff in August. The lower export value of base metals and articles thereof reflected reduced exports of iron and steel, largely due to a combination of the imposed US tariff and systematic bottlenecks at certain South African ports, among other factors. The lower value of mineral exports was mostly due to a sharp decline in the export value of titanium ores and concentrates.

Composition of South Africa's exports to the United States

Per cent

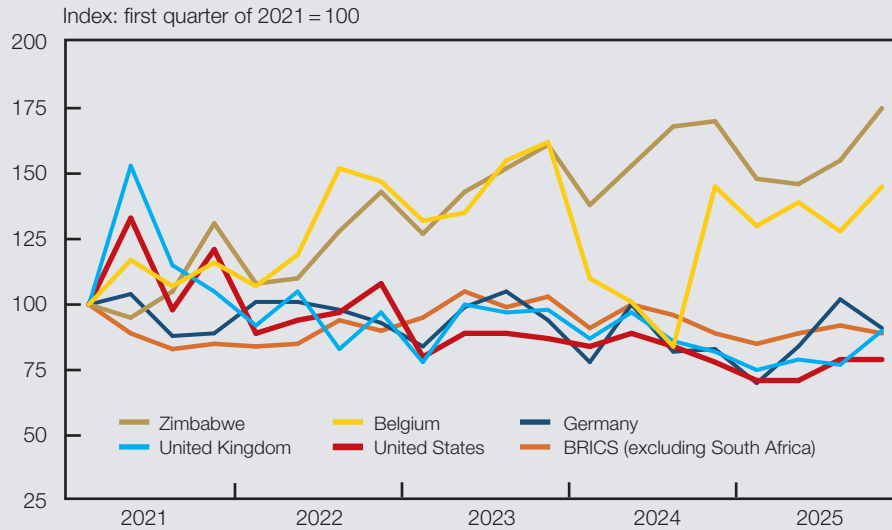


Sources: SARS and SARB

Exports by trading-partner countries indicate that South Africa's exports to the US have come under pressure since the imposition of the tariffs. By contrast, reduced exports to the US coincided with a rise in export volumes to countries such as Zimbabwe and Belgium, which absorbed some of the volumes previously destined for the US. In addition, within BRICS, increases were reflected in the export volumes to India and Brazil in the fourth quarter of 2025, while notable declines were reflected in the export volumes to Russia.



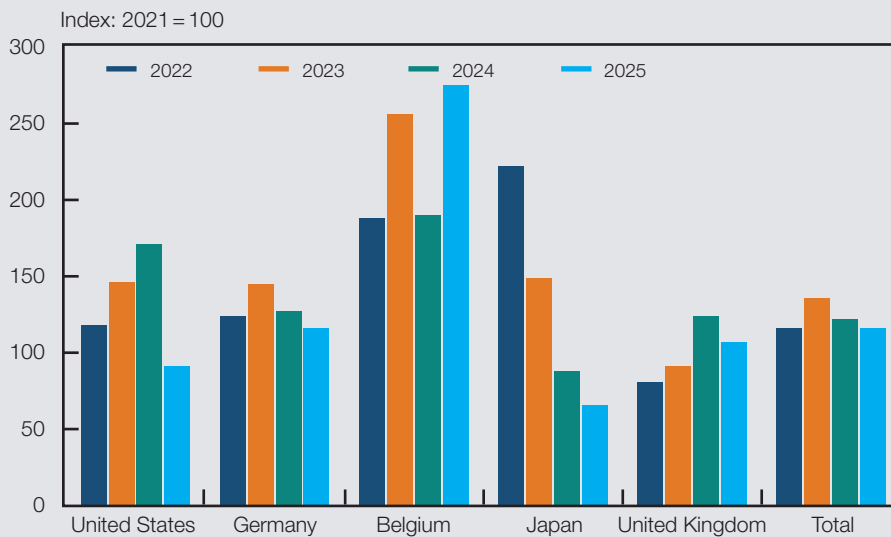
Volume of South Africa's exports of goods by selected trading partner*



* The nominal rand values were deflated with the total price of South Africa's total exports of goods.
Sources: SARS and SARB

Although South Africa's vehicle exports to the US came under pressure, stronger growth in the export volumes of vehicles destined for Europe was recorded in 2025. Despite a decline in the total export volumes of vehicles and transport equipment in the fourth quarter of 2025, a marked increase was recorded in the vehicle export volumes to Belgium.

Volume of South Africa's exports of vehicles and transport equipment

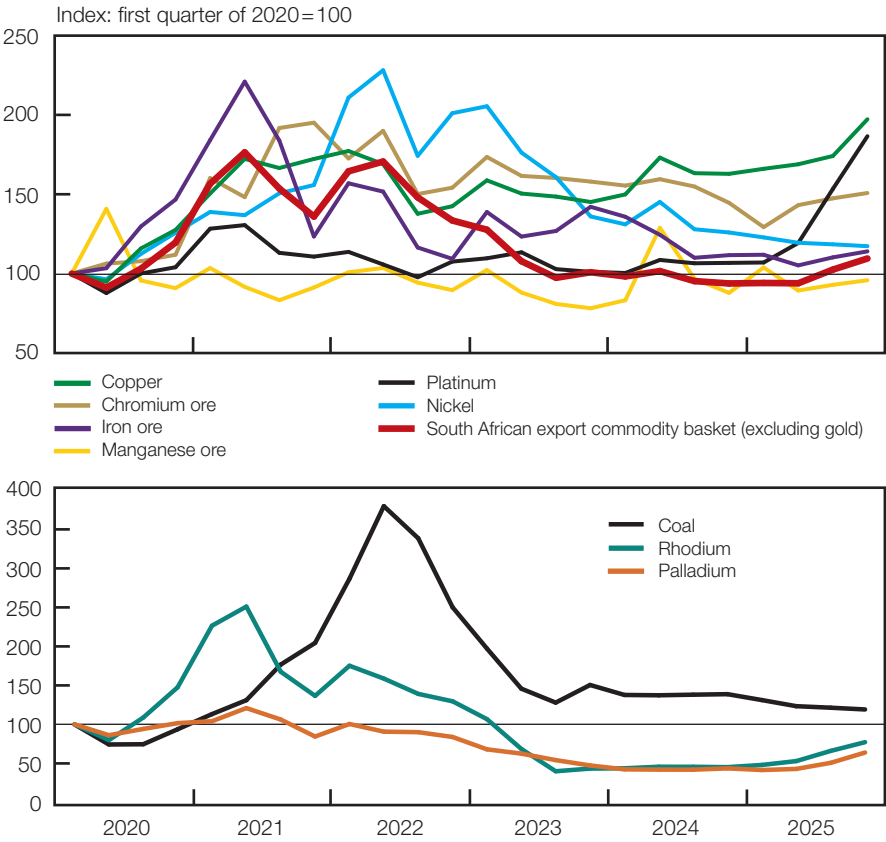


Sources: SARS and SARB

The trade tariffs imposed by the US in 2025 had a significant and disproportionate impact on South Africa's export performance, thus contributing to a change in the composition of South Africa's exports to the US. The compounding effects of the reciprocal tariffs alongside the Section 232 tariffs, especially on vehicles, aluminium and steel, reduced the competitiveness of these products in the US market. The value-added export sectors saw severe declines, while the mining sector, particularly PGMs, proved resilient, supported by the exemptions and high commodity prices. Noticeable declines were seen in the manufacturing categories, particularly vehicle and transport equipment, and in agricultural exports. Nonetheless, South Africa's overall exports remained resilient as the loss of US exports was offset by the absorption of certain goods into new markets as well as being buffered by higher commodity prices.

The US dollar price of a basket of domestically produced non-gold export commodities rose further by 6.8% in the fourth quarter of 2025 as most commodities recorded price increases, particularly palladium, platinum, rhodium and copper. The international prices of platinum and rhodium continued to trend upwards, driven by a persistent global supply deficit and sustained growth in global automotive demand. Palladium prices were partly supported by concerns about potential sanctions and US trade investigations, which led to some pre-emptive buying due to fears of possible restrictions on supply from Russia – the world’s largest palladium producer. Copper prices reached a record high in the fourth quarter of 2025 amid the continued transition to green energy and global supply disruptions, among other factors. By contrast, the prices of nickel and coal declined in the fourth quarter of 2025. Lower nickel prices were attributed to persistent oversupply, driven by increased production in Indonesia and weaker demand from China’s stainless-steel sector. Coal prices were partly affected by the continued weakening in global demand and excess supply amid the accelerating transition to renewable energy.

Selected South African export commodity prices in US dollar*



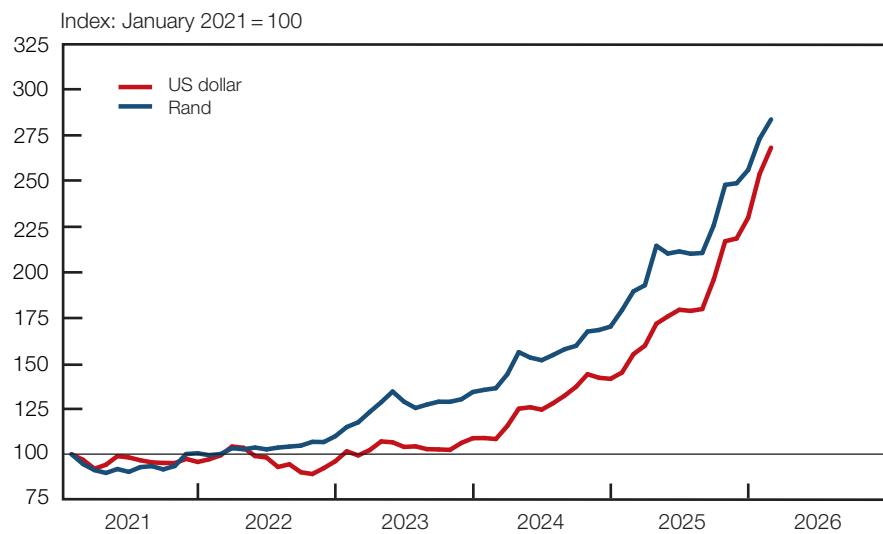
* Quarterly averages
Sources: Afrifoersight, World Bank and SARB

The rand price of merchandise exports increased by 1.5% in the fourth quarter of 2025, while the volume of merchandise exports decreased by 0.9%, weighed down by lower volumes of manufacturing and agricultural products. On an annual basis, the volume of merchandise exports as a ratio of GDP decreased from 22.8% in 2024 to 21.8% in 2025.



The average US dollar price of gold on the London market increased further by 20.0%, from US\$3 454 per fine ounce in the third quarter of 2025 to US\$4 145 per fine ounce in the fourth quarter. The higher gold price reflected, among other factors, a weaker US dollar, continued gold purchases by central banks and heightened safe-haven demand amid ongoing concerns about escalating geopolitical tensions. The average monthly US dollar price of gold increased further to US\$4 746 per fine ounce in January 2026, supported by strong safe-haven demand as geopolitical tensions intensified. The annual average price of gold surged by 44.0%, from US\$2 387 per fine ounce in 2024 to an all-time high of US\$3 436 per fine ounce in 2025, largely driven by robust safe-haven demand amid intensifying geopolitical conflicts, deepening US–China trade tensions and a weaker US dollar, among other factors. According to the World Gold Council, global gold exchange-traded fund (ETF) flows switched from an outflow of 2.9 tonnes in 2024 to a substantial inflow of approximately 801 tonnes in 2025 – the second-strongest year on record.

International price of gold



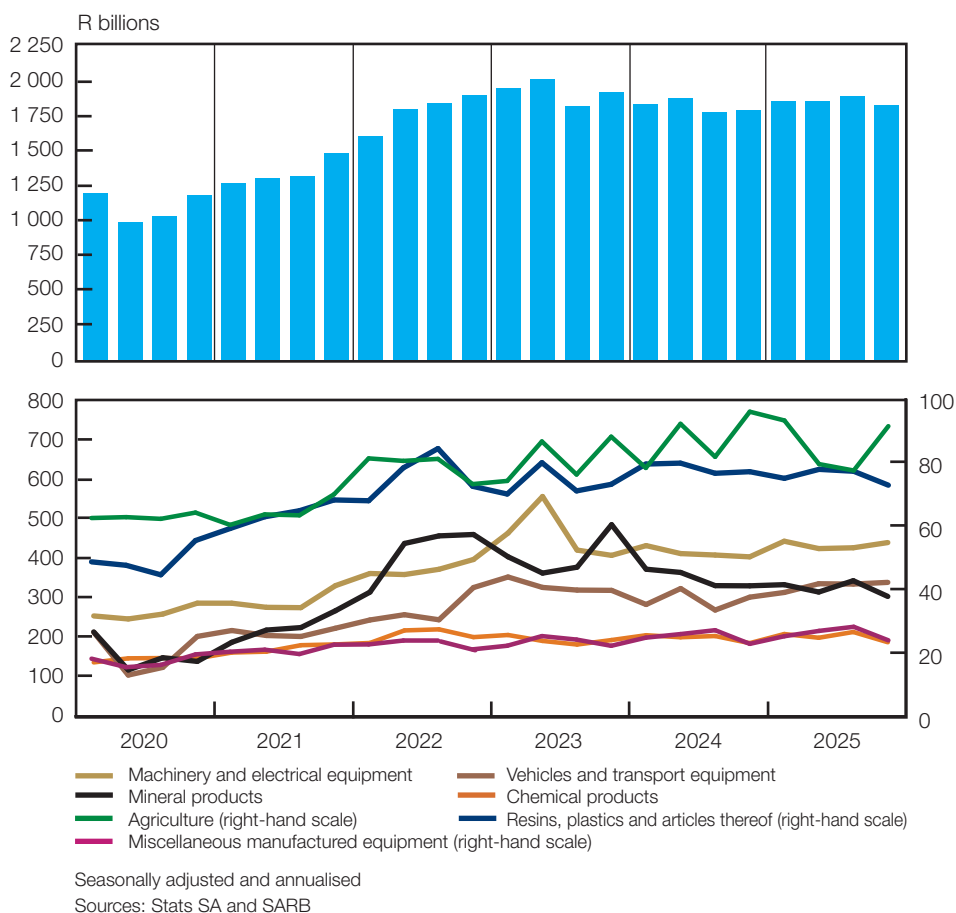
Source: LSEG

In rand terms, the average realised price of gold rose by 15.1% in the fourth quarter of 2025 as the appreciation in the exchange value of the rand moderated the increase in the US dollar price. The value of net gold exports surged by 29.5% in the fourth quarter as both the realised rand price and the physical quantity of net gold exports increased. Similarly, on an annual basis, the value of net gold exports increased by 14.8%, from R150 billion in 2024 to R172 billion in 2025, reflecting an increase in the average realised rand price of net gold exports.

The value of merchandise imports decreased by 3.1% in the fourth quarter of 2025, driven by declines in the import value of mining and manufacturing products, while the value of agricultural imports increased. The value of most subcategories of manufacturing imports also declined in the fourth quarter, with notable decreases recorded in the import value of chemical products; prepared foodstuff, beverages and tobacco; as well as resins, plastics and articles thereof. The lower import value of chemical products was largely due to reduced imports of chemical fertilisers, while that of prepared foodstuff, beverages and tobacco decreased partly due to lower imports of undenatured ethyl alcohol. By contrast, the value of imported machinery and electrical equipment increased in the fourth quarter, reflecting higher imports of electric accumulators and telephone sets.



Value of merchandise imports

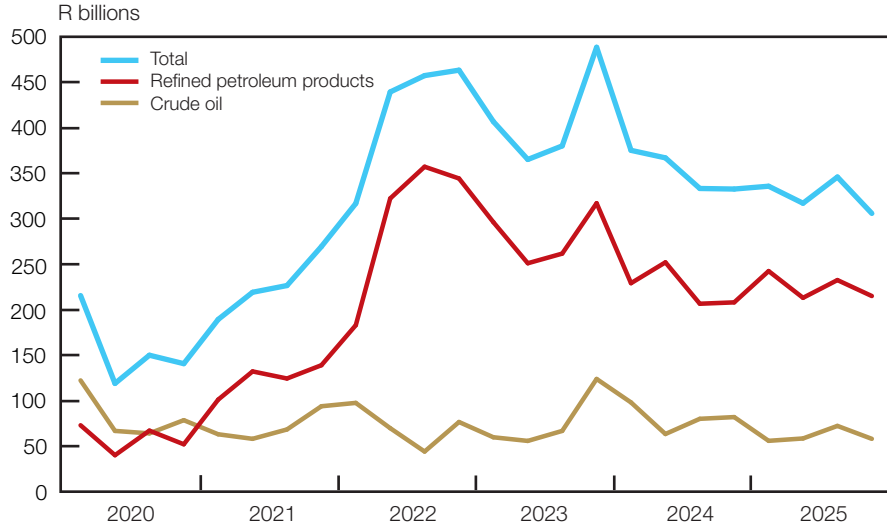


The decline in the value of mining imports in the fourth quarter of 2025 was due to lower imports of mineral products as well as base metals and articles thereof. The value of imported mineral products decreased notably, primarily due to lower imports of crude oil and refined petroleum products, particularly diesel. The value of crude oil imports fell by 19.7% in the fourth quarter, reflecting declines in both the physical quantity and the average realised rand price thereof. The average realised rand price of imported crude oil declined by 5.9%, from R1 359 per barrel in the third quarter of 2025 to R1 279 per barrel in the fourth quarter. On an annual basis, the value of refined petroleum imports increased marginally by 0.8%, from R224 billion in 2024 to R226 billion in 2025, while the value of crude oil imports declined sharply by 24.3% due to the temporary closures of some domestic refineries.

The average US dollar spot price of Brent crude oil decreased by 7.7%, from US\$69.06 per barrel in the third quarter of 2025 to US\$63.74 per barrel in the fourth quarter. This decline can primarily be attributed to an oversupply in the global market that exceeded consumption, coupled with moderating global demand. However, the price recovered somewhat from a monthly average of US\$62.67 per barrel in December 2025 to US\$64.46 per barrel in January 2026, supported by, among other factors, temporary supply disruptions caused by a severe winter storm in the US as well as heightened geopolitical tensions. The monthly average price increased further to US\$69.24 per barrel in February 2026, reflecting concerns over crude oil supply disruptions amid escalating tensions between the US and Iran.



Value of mineral imports



Seasonally adjusted and annualised
Sources: Stats SA and SARB

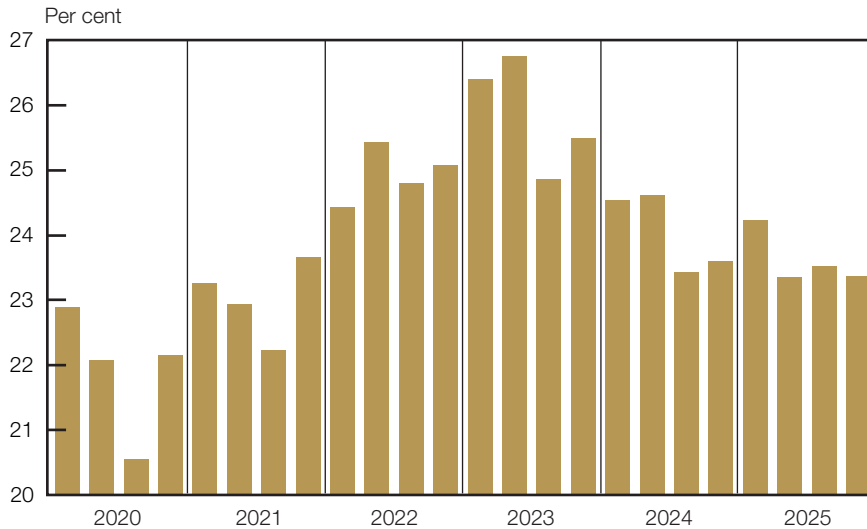
Brent crude oil price



Source: LSEG

The rand price of merchandise imports decreased by 3.1% in the fourth quarter of 2025, mainly due to a decrease in the international price of crude oil and the appreciation in the exchange value of the rand. At the same time, the volume of merchandise imports remained broadly unchanged as higher imports of agricultural and manufacturing products offset the decline in mining imports. Consequently, the import penetration ratio (i.e. real merchandise imports as a ratio of real GDE) decreased slightly from 23.5% in the third quarter of 2025 to 23.4% in the fourth quarter. For 2025 as a whole, the volume of merchandise imports decreased by 0.3%, resulting in a further decline in the import penetration ratio from 24.0% in 2024 to 23.6% in 2025.

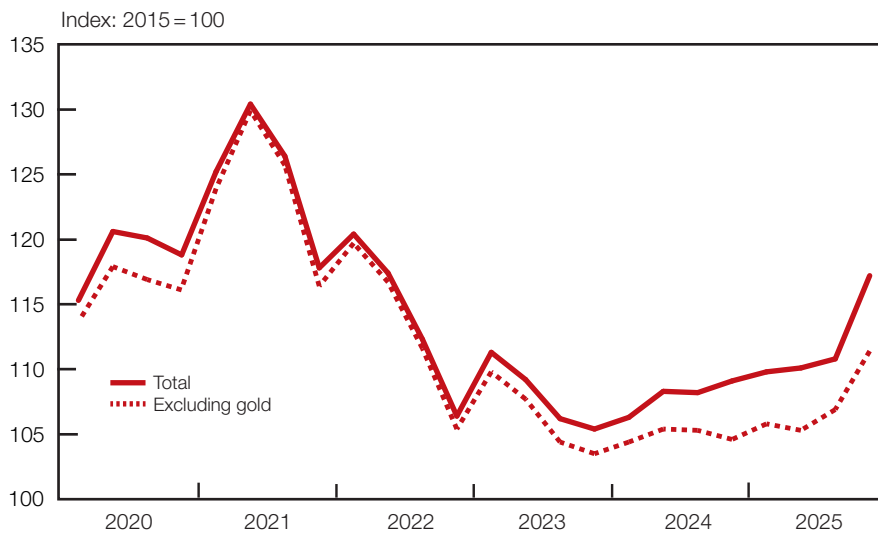
Import penetration ratio



Sources: Stats SA and SARB

South Africa's terms of trade (including and excluding gold) improved in the fourth quarter of 2025 as the rand price of exported goods and services increased, while that of imports decreased. On an annual average basis, the terms of trade also improved in 2025 as the rand price of exported goods and services outpaced that of imports.

Terms of trade

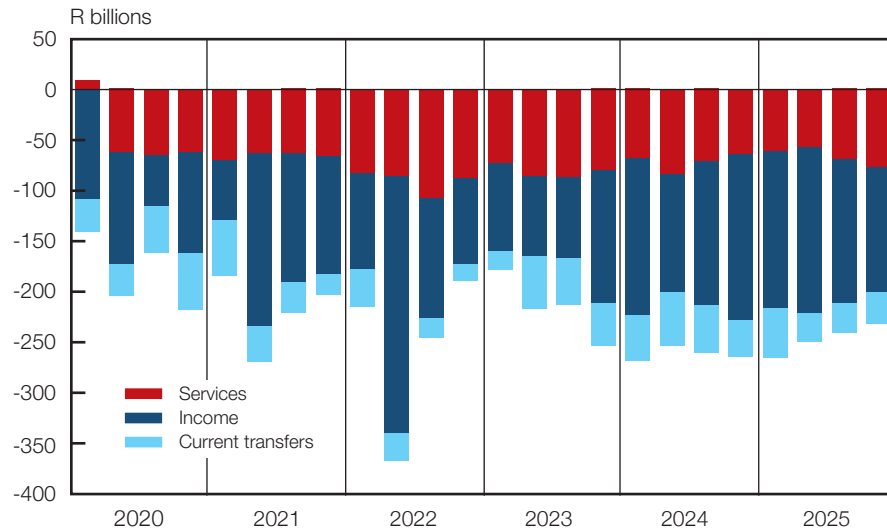


Sources: Stats SA and SARB

The deficit on the services, income and current transfer account narrowed from R241 billion in the third quarter of 2025 to R232 billion in the fourth quarter. This reflected a smaller shortfall on the income account while the deficits on the services and current transfer accounts widened. As a percentage of GDP, the deficit on the services, income and current transfer account narrowed from 3.1% in the third quarter to 3.0% in the fourth quarter and on an annual basis from 3.6% in 2024 to 3.2% in 2025.



Net services, income and current transfer payments



Seasonally adjusted and annualised

Sources: Stats SA and SARB

24 Other services include services such as charges for the use of intellectual property as well as architectural, engineering and other technical services.

The deficit on the services account widened in the fourth quarter of 2025 as gross services payments increased, while gross services receipts declined slightly. The increase in net services payments from the third to the fourth quarter of 2025 was mainly due to higher gross payments for other services,²⁴ while gross receipts for other services declined. On an annual basis, the deficit on the services account narrowed slightly from 1.0% of GDP in 2024 to 0.9% of GDP in 2025 as the surplus on net travel services continued to widen alongside relatively stable net transportation payments and lower net other services payments.

The deficit on the income account narrowed further from R142 billion in the third quarter of 2025 to R124 billion in the fourth quarter as gross income receipts increased more than gross income payments. The increase in gross income receipts was largely driven by a 16.7% increase in gross dividend receipts, boosted by higher dividends earned by financial corporations on their foreign assets. Gross income payments increased at a slower pace of 1.9% in the fourth quarter as the increase in gross dividend payments was softened by lower gross interest payments. As a percentage of GDP, the deficit on the income account narrowed to 1.6% in the fourth quarter of 2025 from 1.8% in the third quarter. On an annual basis, the deficit on the income account widened marginally from R145 billion in 2024 to R147 billion in 2025.

Net current transfer payments increased in the fourth quarter of 2025 as the decline in gross current transfer receipts exceeded that in gross current transfer payments. As a percentage of GDP, net current transfer payments remained unchanged at 0.4% in the fourth quarter of 2025 but edged lower on an annual basis from 0.6% in 2024 to 0.5% in 2025.

Financial account

The net flow of capital on South Africa's financial account of the balance of payments (excluding unrecorded transactions) switched to an outflow of R48.3 billion (2.4% of GDP) in the fourth quarter of 2025 from an inflow of R67.4 billion (3.5% of GDP) in the third quarter. On a net basis, portfolio investment, financial derivatives, other investment and reserve assets recorded outflows, while direct investment recorded inflows. The cumulative annual inflow on the financial account declined from R65.9 billion (0.9% of GDP) in 2024 to R54.1 billion (0.7% of GDP).

Net financial transactions

R billions

	2024		2025			
	Year	Q1	Q2	Q3	Q4	Year
Change in liabilities						
Direct investment.....	43.5	11.7	-73.5	-21.0	41.3	-41.4
Portfolio investment.....	6.9	-53.7	69.4	40.7	2.8	59.2
Financial derivatives.....	-172.4	-44.6	-43.1	-39.0	-62.4	-189.1
Other investment.....	130.0	64.0	-32.1	110.8	8.0	150.7
Change in assets						
Direct investment.....	22.1	8.1	23.7	38.9	1.2	71.9
Portfolio investment.....	-27.9	-19.6	-13.9	18.9	-15.2	-29.9
Financial derivatives.....	176.7	35.3	49.0	32.1	47.3	163.7
Other investment.....	-112.8	18.6	-0.8	-133.9	-10.7	-126.7
Reserve assets.....	-0.2	17.1	19.4	19.9	-60.5	-4.3
Total identified financial transactions*	65.9	36.9	-1.9	67.4	-48.3	54.1
<i>As a percentage of gross domestic product.....</i>	<i>0.9</i>	<i>2.1</i>	<i>-0.1</i>	<i>3.5</i>	<i>-2.4</i>	<i>0.7</i>

* Excluding unrecorded transactions

Inflow (+)/outflow (-)

Components may not add up to totals due to rounding off.

Source: SARB

Foreign-owned assets in South Africa

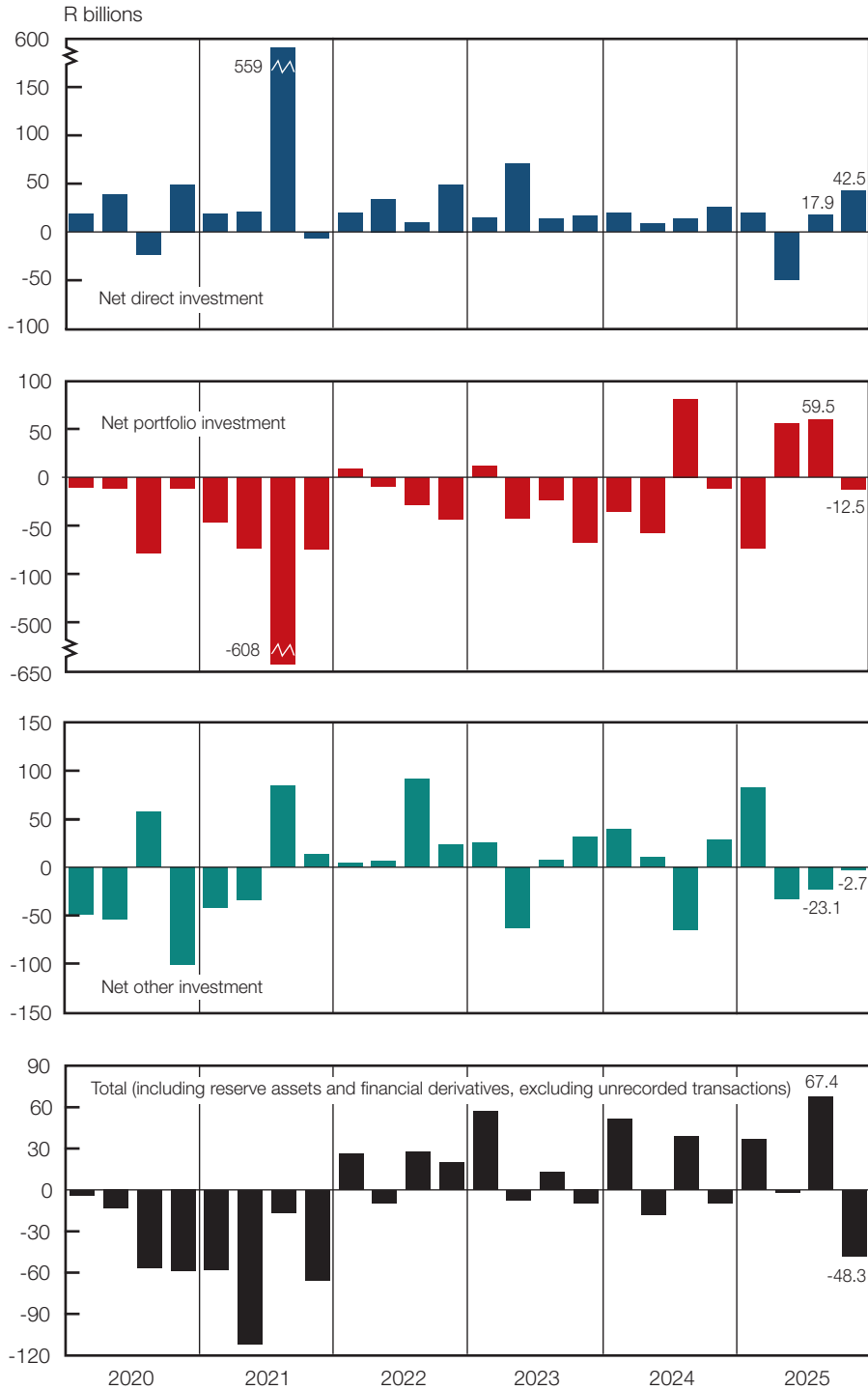
South Africa's direct investment liabilities switched to an inflow of R41.3 billion in the fourth quarter of 2025 from an outflow of R21.0 billion in the third quarter, mainly driven by non-resident investments in the media and entertainment, industrial equipment and services, and logistics sectors. Cumulatively, annual direct investment liabilities switched from an inflow of R43.5 billion in 2024 to an outflow of R41.4 billion in 2025.

Portfolio investment liabilities recorded a marginal inflow of R2.8 billion in the fourth quarter of 2025 following an inflow of R40.7 billion in the previous quarter. Non-residents acquired debt securities to the value of R12.9 billion in the fourth quarter compared with purchases of R42.7 billion in the third quarter. The issuance of two international bonds amounting to US\$3.5 billion by national government was partly offset by the redemption of a domestic bond by national government and the disposal of domestic debt securities. Non-residents disposed of equity securities to the value of R10.1 billion in the fourth quarter compared with R2.1 billion in the third quarter. Annual aggregate portfolio investment liabilities recorded a substantial inflow of R59.2 billion in 2025 following an inflow of R6.9 billion in 2024.

Other investment liabilities registered a significantly smaller inflow of R8.0 billion in the fourth quarter of 2025 compared to an inflow of R110.8 billion in the third quarter as short-term loans extended to the domestic private banking sector by non-residents exceeded the repayment of short-term loans by the domestic private non-banking sector. Annual cumulative inflows of other investment liabilities increased from R130.0 billion in 2024 to R150.7 billion in 2025.



Financial account of the balance of payments



South African-owned assets abroad

Following an inflow of R38.9 billion in the third quarter of 2025, South Africa’s direct investment assets registered a small inflow of R1.2 billion in the fourth quarter. This inflow occurred as a domestic company’s reduced shareholding in a non-resident subsidiary outweighed the

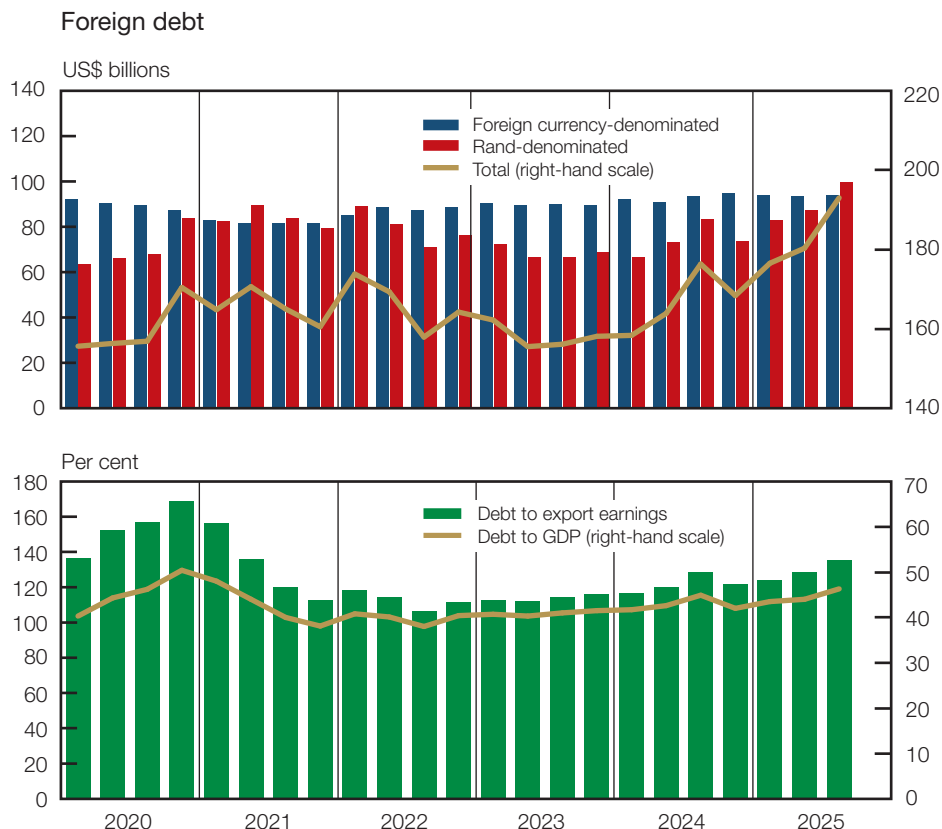
advancement of a loan by a domestic parent company in the mining sector to its non-resident subsidiary. Annual cumulative direct investment asset inflows increased from R22.1 billion in 2024 to R71.9 billion in 2025.

South Africa's foreign portfolio investment assets reverted to an outflow of R15.2 billion in the fourth quarter of 2025 from an inflow of R18.9 billion in the third quarter. The outflow was mainly driven by the domestic private non-banking sector's acquisition of foreign equity and debt securities. Cumulatively, annual portfolio investment asset outflows increased marginally from R27.9 billion in 2024 to R29.9 billion in 2025.

Other investment assets registered a significantly smaller outflow of R10.7 billion in the fourth quarter of 2025 compared to an outflow of R133.9 billion in the previous quarter. This was mainly due to the domestic private banking sector's extension of short-term loans under resale agreements as well as increased deposits at non-resident banks. Loan repayments by non-residents to the domestic private non-banking sector partly offset the outflow. Annual cumulative outflows of other investment assets increased from R112.8 billion in 2024 to R126.7 billion in 2025.

Foreign debt

South Africa's total external debt increased further from US\$180.2 billion at the end of June 2025 to US\$193.0 billion at the end of September. Expressed in rand terms, the increase was more moderate, with South Africa's total external debt increasing from R3 204 billion to R3 336 billion over the same period.



Source: SARB

Rand-denominated external debt, measured in US dollars, increased significantly from US\$86.9 billion at the end of June 2025 to US\$99.4 billion at the end of September. The increase primarily reflected non-residents' net purchases of bonds in the domestic capital market, an increase in the market value of these bonds, as well as the effect of the appreciation in the exchange value of the rand over this period. In addition, there was an increase in short-term loans received by the domestic private banking sector under repurchase agreements, as well as growth in non-resident deposits at the domestic private banking sector and short-term loans granted to the domestic private non-banking sector.

Foreign debt of South Africa

US\$ billions at end of period

	2024			2025		
	Q2	Q3	Q4	Q1	Q2	Q3
Foreign currency-denominated debt.....	90.8	93.4	94.8	93.7	93.4	93.6
Debt securities	26.0	26.0	29.5	28.3	28.3	26.3
Other.....	64.8	67.3	65.3	65.5	65.1	67.3
Public sector	18.1	17.8	17.4	16.9	16.3	18.1
Monetary sector	19.0	22.3	21.6	22.3	22.5	24.1
Non-monetary private sector	27.7	27.2	26.2	26.3	26.2	25.1
Rand-denominated debt.....	73.0	82.9	73.6	82.8	86.9	99.4
Debt securities	46.2	53.6	48.6	53.7	57.2	63.8
Other.....	26.8	29.3	25.0	29.1	29.7	35.6
Total foreign debt	163.9	176.3	168.4	176.5	180.2	193.0
<i>As a percentage of gross domestic product....</i>	<i>42.6</i>	<i>44.9</i>	<i>42.0</i>	<i>43.5</i>	<i>44.0</i>	<i>46.3</i>
<i>As a percentage of total export earnings.....</i>	<i>119.7</i>	<i>128.7</i>	<i>121.8</i>	<i>123.9</i>	<i>128.2</i>	<i>135.6</i>

Source: SARB

Foreign currency-denominated external debt increased marginally from US\$93.4 billion at the end of June 2025 to US\$93.6 billion at the end of September, mainly due to a modest increase in loans and advances by the domestic private banking sector. Although national government repaid the eighth and final instalment of XDR381 million on an International Monetary Fund (IMF) loan and redeemed a US\$2.0 billion international bond, these repayments were partly offset by the national government drawing three additional foreign loans totalling US\$2.5 billion.

South Africa's total external debt as a ratio of annual GDP²⁵ increased from 44.0% at the end of June 2025 to 46.3% at the end of September, while the ratio of external debt to export earnings increased from 128.2% to 135.6% over the same period.

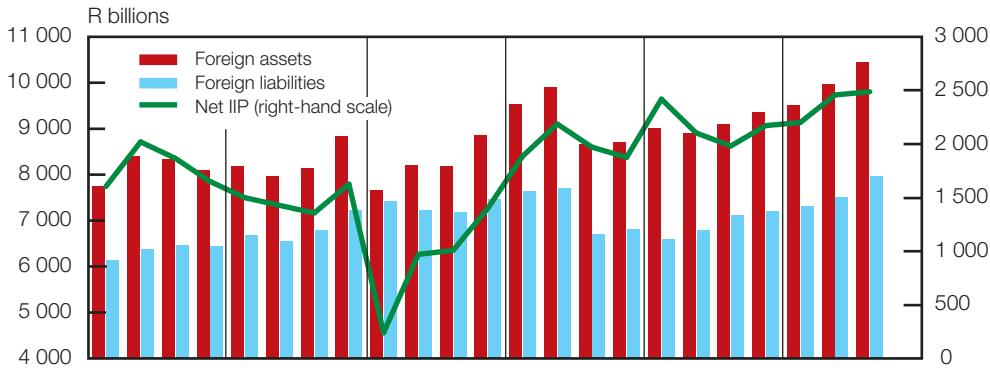
International investment position

South Africa's positive net international investment position (IIP) increased marginally from R2 458 billion at the end of June 2025 to R2 488 billion at the end of September as the market value of foreign assets increased more than that of foreign liabilities. The increase in foreign assets can mainly be attributed to an increase in direct and portfolio investment assets due to price valuation effects as major international share indices rose notably in the third quarter of 2025.

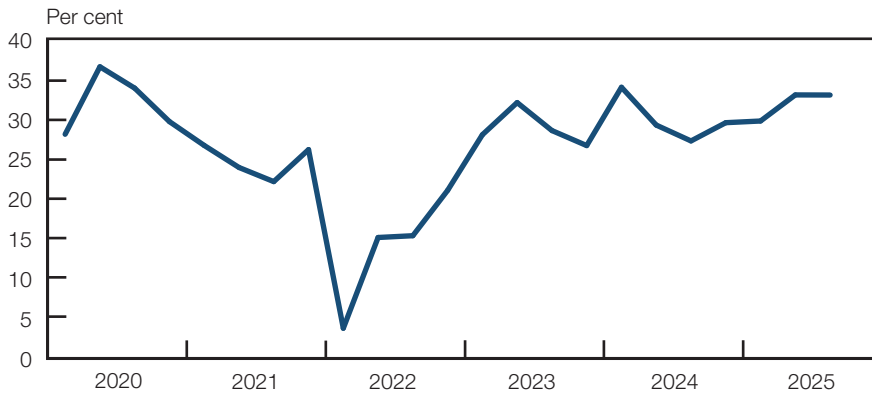
25 Annual GDP is calculated as the sum of the most recent four quarters' nominal GDP.



South Africa's international investment position



Net international investment position to gross domestic product



Source: SARB

The market value of South Africa's foreign assets (outward investment) increased by 4.8%, from a revised R9 978 billion at the end of June 2025 to R10 454 billion at the end of September. All functional categories of foreign assets increased in the third quarter of 2025, except for a slight decrease in reserve assets. The increase in portfolio investment was driven by a 7.8% rise in the US Standard & Poor's (S&P) 500 Index as well as an increase in the value of dual-listed companies. Other investment assets grew as the domestic private banking sector extended short-term loans under resale agreements to non-residents and increased its deposits at non-resident banks. In addition, the private non-banking sector extended short-term loans to non-residents. Direct investment increased mainly due to the higher market valuation of a large foreign investment by a South African company. The decrease in reserve assets was mainly due to exchange rate valuation effects, which more than offset the gains in gold reserves, despite the higher gold price.

The market value of South Africa's foreign liabilities (inward investment) increased by 5.9%, from a revised R7 519 billion at the end of June 2025 to R7 966 billion at the end of September. The increase reflected growth in all functional categories, except for a slight decline in direct investment. The increase in portfolio investment liabilities resulted from the 11.9% surge in the FTSE/JSE All-Share Index (Alsi) in the third quarter of 2025. This was further supported by non-residents' net purchases of domestic rand-denominated government bonds, which were partially offset by the redemption of a US\$2.0 billion international bond by national government during the period. Other investment liabilities increased as non-residents granted long-term loans to the general government and public corporations, and short-term loans to the domestic private banking sector under repurchase agreements, along with an increase in non-resident deposits with the domestic private banking sector. These inflows were partly offset by national government's repayment of the eighth and final instalment of XDR381 million on an IMF loan as well as repayments of long-term loans by both public corporations and the domestic private non-banking sector. Direct investment decreased, primarily due to Anglo American Plc's sale of



its remaining equity in Valterra Platinum Limited, which was only partly offset by an increase in foreign shareholding in a media and entertainment company.

As a ratio of South Africa's annual GDP,²⁶ foreign assets increased from 134.0% at the end of June 2025 to 138.7% at the end of September, while foreign liabilities increased from 101.0% to 105.7% over the same period. This resulted in the positive net IIP remaining broadly unchanged at 33.0% of GDP between the end of June and the end of September 2025.

International reserves and liquidity

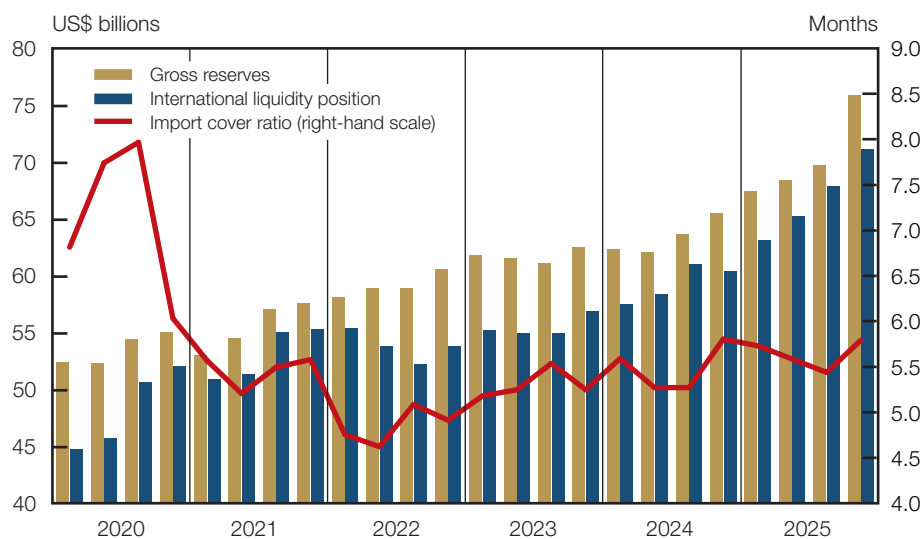
South Africa's international reserve assets increased by R60.5 billion in the fourth quarter of 2025, following three consecutive quarterly declines totalling R56.3 billion.

The value of South Africa's gross gold and other foreign reserves (i.e. the international reserves of the SARB before accounting for reserves-related liabilities), measured in US dollar terms, increased significantly from US\$69.7 billion at the end of September 2025 to US\$75.9 billion at the end of December. This increase mainly reflected foreign currency proceeds from the issuance of two international bonds by national government to the value of US\$3.5 billion, the increase in the US dollar gold price as well as foreign exchange (FX) purchases, which were partly offset by FX payments. Gross gold and other foreign reserves then increased further to a record high of US\$81.1 billion at the end of February 2026. South Africa's international liquidity position²⁷ increased from US\$67.9 billion at the end of September 2025 to US\$71.1 billion at the end of December before increasing further to US\$75.8 billion at the end of February 2026.

26 Annual GDP is calculated as the sum of the most recent four quarters' nominal GDP.

27 This is calculated as the SARB's gross gold and foreign reserves *minus* foreign currency-denominated liabilities against both domestic and foreign counterparties *plus/minus* the forward position in foreign currency.

International reserves



Source: SARB

The level of import cover (i.e. the value of gross international reserves relative to the value of merchandise imports as well as services and income payments) increased from 5.4 months at the end of September 2025 to 5.8 months at the end of December.

Exchange rates²⁸

The nominal effective exchange rate (NEER) of the rand increased by 3.7% in the fourth quarter of 2025 following a 3.2% increase in the third quarter. This sustained increase could be attributed to improved investor sentiment towards the domestic economy following significant progress on domestic reforms, including the formal adoption of the revised 3% inflation target as well as improved fiscal metrics. Furthermore, South Africa's risk premium decreased following the

28 Unless stated to the contrary, all percentage changes in this section are based on the end of the period.



country's removal from the Financial Action Task Force's (FATF) greylist and the credit rating upgrade by S&P Global Ratings. From 31 December 2024 to 31 December 2025, the NEER increased by 5.9%, while the exchange value of the rand appreciated by 12.7% against the US dollar, reflecting the US dollar's weakness for most of the year.

Exchange values of the rand

Percentage change

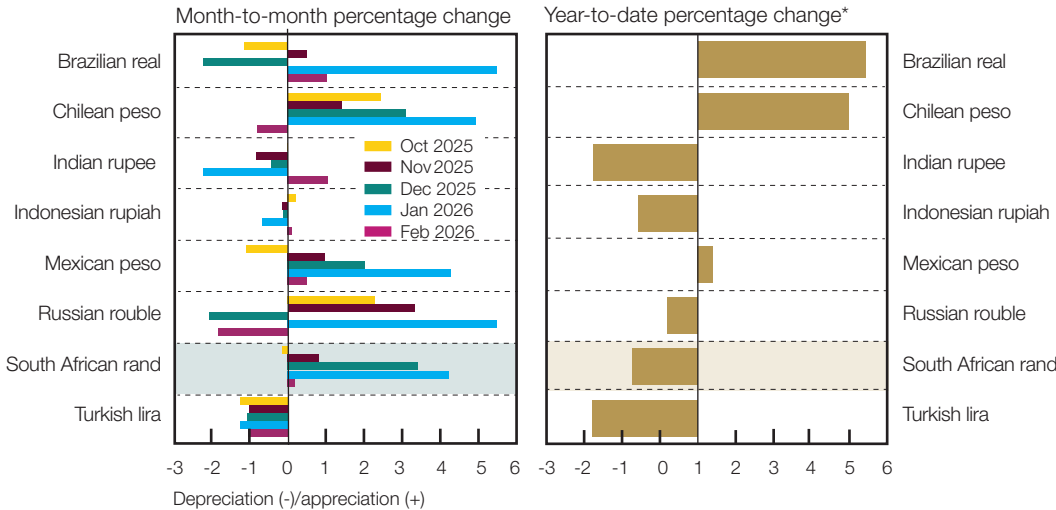
	31 Mar 2025 to 30 Jun 2025	30 Jun 2025 to 30 Sep 2025	30 Sep 2025 to 31 Dec 2025	31 Dec 2025 to 13 Mar 2026
Weighted average*	-1.3	3.2	3.7	-1.0
Euro	-5.0	2.6	4.3	0.7
US dollar	2.9	2.9	4.1	-1.7
Chinese yuan.....	1.7	2.2	2.2	-2.9
British pound.....	-2.8	4.8	4.1	-0.4
Japanese yen.....	-0.5	5.6	10.2	0.1

* Trade-weighted exchange rate against a basket of 20 currencies (nominal effective exchange rate)
Depreciation (-)/appreciation (+)

Source: SARB

During October 2025, the exchange value of the rand was mainly supported by stronger commodity prices and the 2025 *Medium Term Budget Policy Statement (MTBPS)*, which showed an improved fiscal position. This was partly offset by deteriorating global risk sentiment following the US–China trade deal as well as uncertainty around the prolonged US government shutdown. As a result, the NEER increased marginally by 0.5% in October 2025, while the exchange value of the rand depreciated by 0.1% against the US dollar.

Emerging market currencies against the US dollar



* From 31 December 2025 to 13 March 2026

Sources: LSEG and SARB

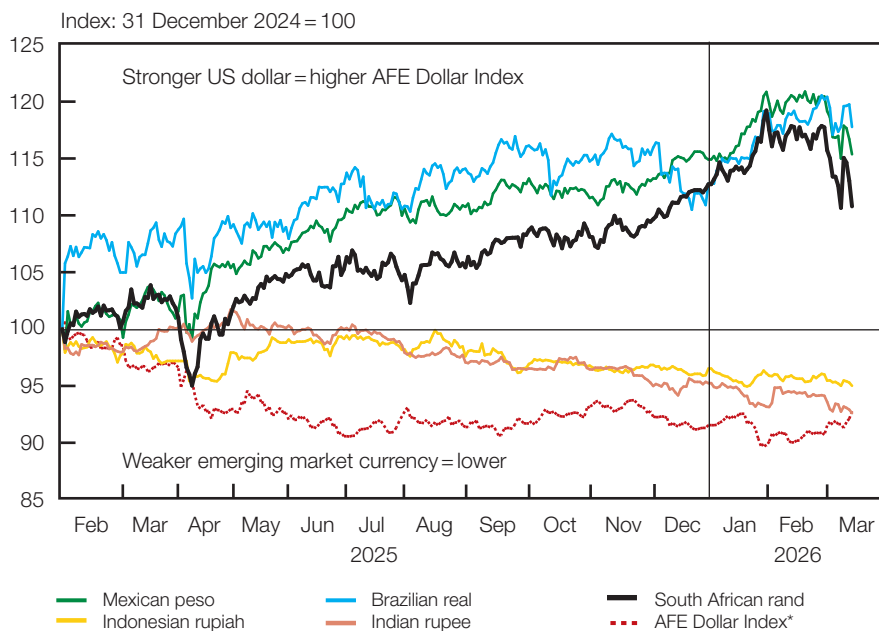


The NEER increased by 0.9% in November 2025, supported by S&P Global Ratings' credit rating upgrade and improved global risk sentiment as uncertainty about the US trade tariff policy eased somewhat following the slight improvement in US–China relations. Expectations of further monetary policy easing by the US Federal Reserve (Fed) in December 2025 and easing geopolitical tensions due to the Gaza ceasefire also supported the rand in November 2025. The exchange value of the rand appreciated by 0.8% against the US dollar in November 2025.

The NEER continued to be positively impacted by domestic factors in December 2025 as economic activity expanded for a fourth consecutive quarter in the third quarter of the year. The exchange value of the rand was also supported by the continued strength in precious metal prices, together with sustained US dollar weakness. The NEER increased by 2.3% in December 2025, while the exchange value of the rand appreciated by 3.4% against the US dollar.

The NEER increased further by 3.2% from 31 December 2025 to 27 February 2026 as the domestic currency continued to benefit from stronger commodity prices and the improved fiscal position. The exchange value of the rand appreciated to R15.69 against the US dollar at the end of January 2026 – its strongest level since June 2022. However, the NEER depreciated by 4.1% from the end of February to 13 March 2026 following the outbreak of the war in the Middle East as global risk aversion negatively affected especially emerging market currencies against the US dollar. The exchange rate of the rand depreciated from R15.89 to R16.89 against the US dollar over this period.

Emerging market currencies against the US dollar

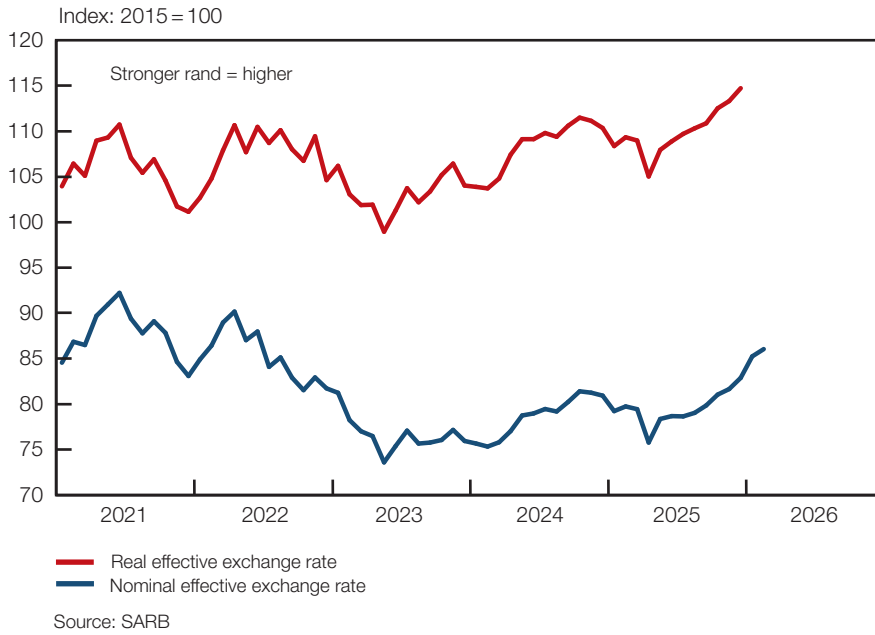


* The Advanced Foreign Economies (AFE) Dollar Index is a trade in goods and services weighted nominal effective exchange rate of the US dollar against seven other advanced economies' currencies (the euro, Canadian dollar, Japanese yen, British pound, Swiss franc, Australian dollar and Swedish krona).

Sources: US Fed, LSEG and SARB

Notably, the rand was one of the best-performing emerging market currencies in 2025. The main drivers of the appreciation in the exchange value of the rand included a weaker US dollar, higher commodity prices, stronger domestic real GDP growth, improved fiscal metrics, and the adoption of the lower 3% inflation target, all of which contributed to a substantial decline in domestic bond yields during the year.

Effective exchange rates of the rand



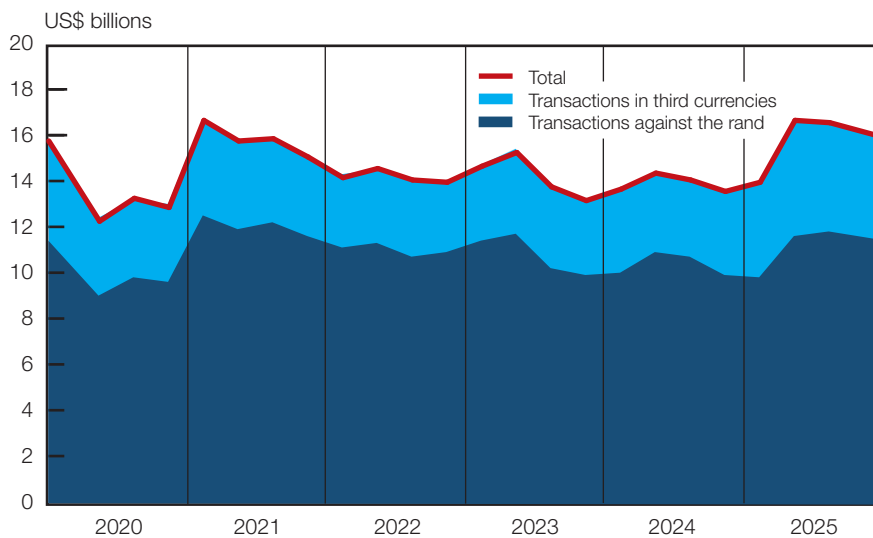
The real effective exchange rate (REER) of the rand increased by 4.0% from December 2024 to December 2025, eroding the competitiveness of domestic producers in foreign markets.

Turnover in the South African foreign exchange market

The net average daily turnover²⁹ in the South African FX market declined from US\$16.6 billion in the third quarter of 2025 to US\$16.0 billion in the fourth quarter. FX transactions against the rand decreased from US\$11.8 billion in the third quarter of 2025 to US\$11.4 billion in the fourth quarter, while transactions in third currencies decreased marginally from US\$4.7 billion to US\$4.6 billion over the same period. This decline can be attributed to the appreciation in the exchange value of the rand, together with the lower interest rate environment.

²⁹ This is calculated as the daily average of all new FX transactions concluded during a specified period, adjusted for domestic interbank double counting.

Net average daily turnover in the South African foreign exchange market

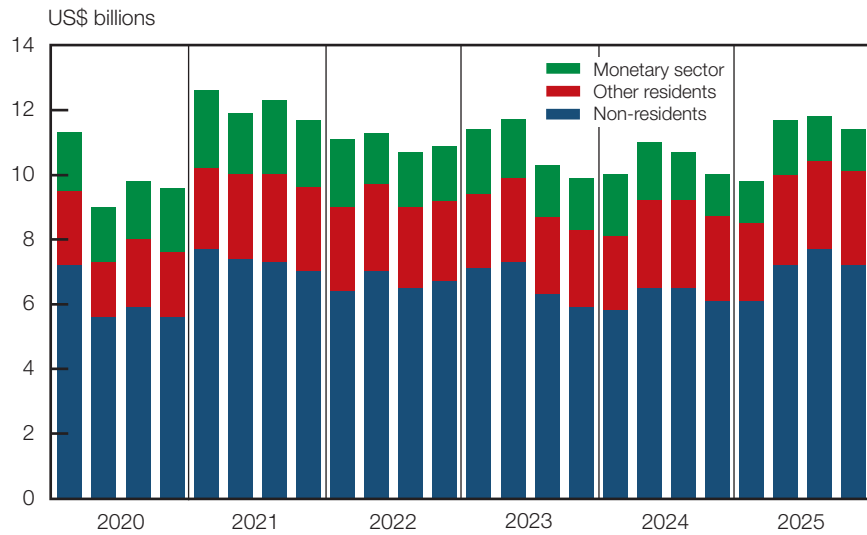


Source: SARB



The decrease in FX transactions against the rand in the fourth quarter of 2025 was driven by lower non-resident and monetary sector participation. Non-resident participation decreased from US\$7.7 billion in the third quarter of 2025 to US\$7.2 billion in the fourth quarter, while monetary sector participation decreased slightly from US\$1.4 billion to US\$1.3 billion over the same period. Participation by other residents increased from US\$2.7 billion to US\$2.9 billion from the third to the fourth quarter of 2025.

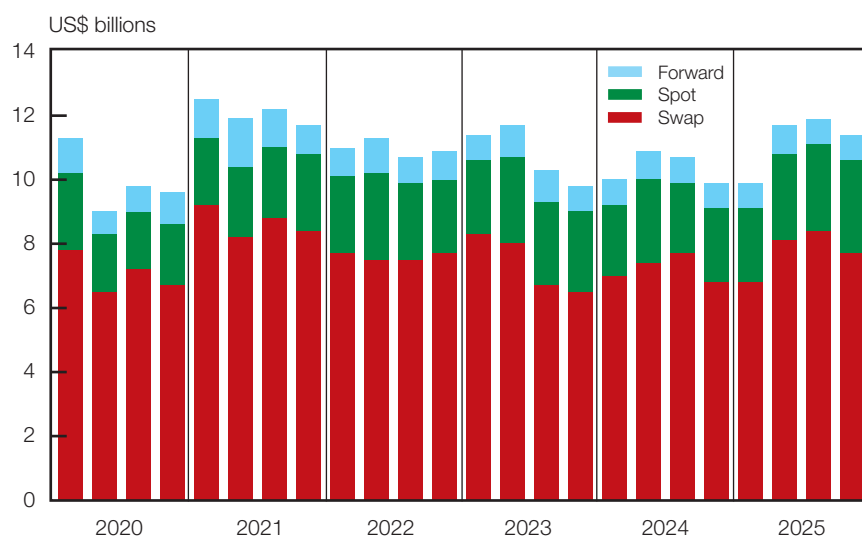
Composition of net average daily turnover in the South African foreign exchange market against the rand, by counterparty



Source: SARB

Swap transactions, which represent the largest instrument component of the market against the rand, decreased from US\$8.4 billion in the third quarter of 2025 to US\$7.7 billion in the fourth quarter. Over this period, spot transactions increased from US\$2.7 billion to US\$2.9 billion, while forward transactions remained unchanged at an average of US\$0.8 billion.

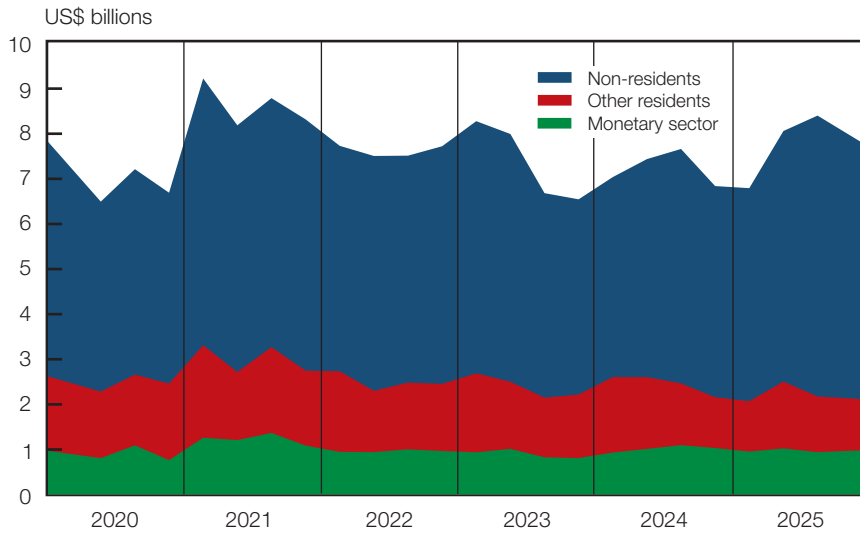
Composition of net average daily turnover in the South African foreign exchange market against the rand, by instrument



Source: SARB

The decrease in swap market transactions against the rand was mainly driven by a decline in non-resident participation, from US\$6.2 billion in the third quarter of 2025 to US\$5.6 billion in the fourth quarter. Monetary sector participation in the swap market declined marginally from US\$1.2 billion to US\$1.1 billion over the same period, while participation by other residents increased slightly from US\$0.9 billion to US\$1.0 billion.

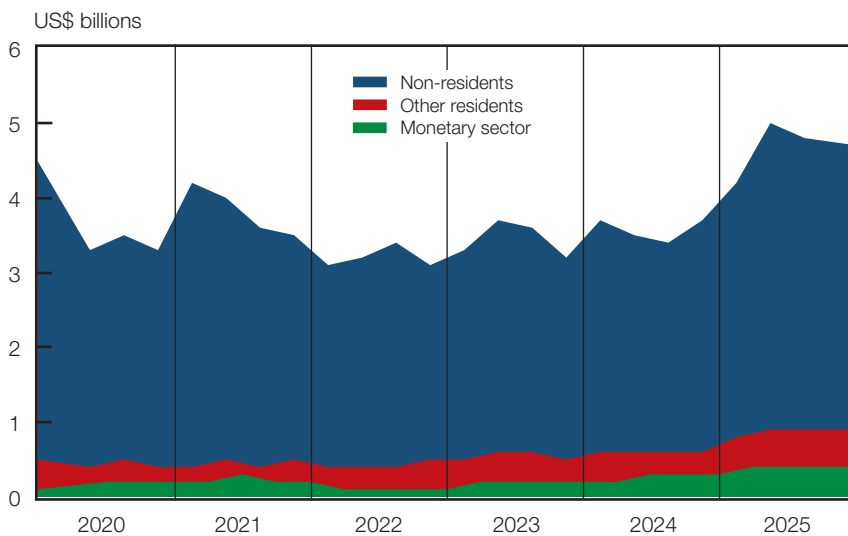
Composition of net average daily swap turnover in the South African foreign exchange market against the rand, by counterparty



Source: SARB

FX transactions in the market for third currencies remained stagnant in the fourth quarter of 2025 due to stable participation by all counterparties. Participation in the third currency market by non-residents, other residents and the monetary sector remained broadly unchanged at US\$3.8 billion, US\$0.5 billion and US\$0.4 billion respectively from the third to the fourth quarter of 2025.

Composition of net average daily turnover in the South African foreign exchange market in third currencies, by counterparty

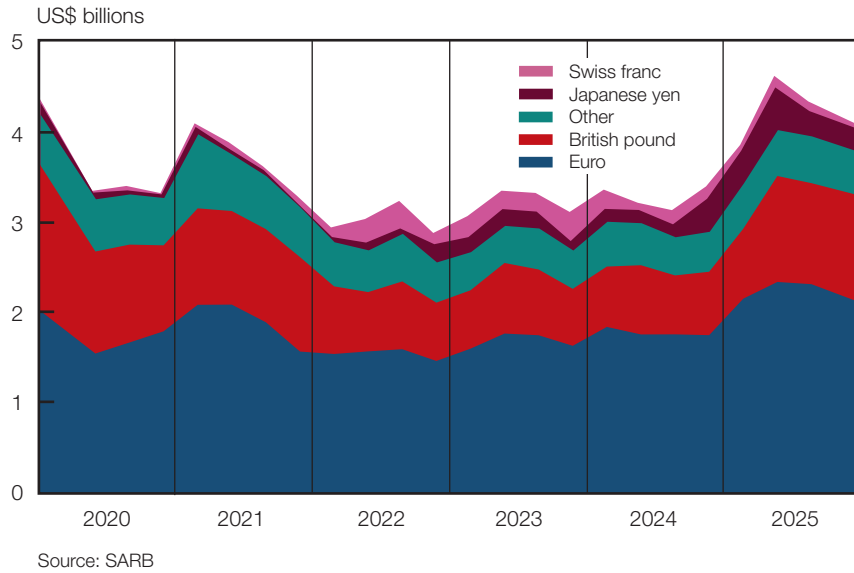


Source: SARB



In the market for third currencies, US dollar transactions against the euro decreased from US\$2.3 billion in the third quarter of 2025 to US\$2.1 billion in the fourth quarter, while US dollar transactions against the Japanese yen remained unchanged at US\$0.3 billion. Transactions of the US dollar against the Swiss franc remained broadly unchanged at US\$0.1 billion from the third to the fourth quarter of 2025, while those against the British pound increased slightly from US\$1.1 billion to US\$1.2 billion over the same period. US dollar transactions against other currencies remained unchanged at US\$0.4 billion over this period.

Composition of net average daily turnover in the South African foreign exchange market in third currencies, by US dollar against foreign currencies

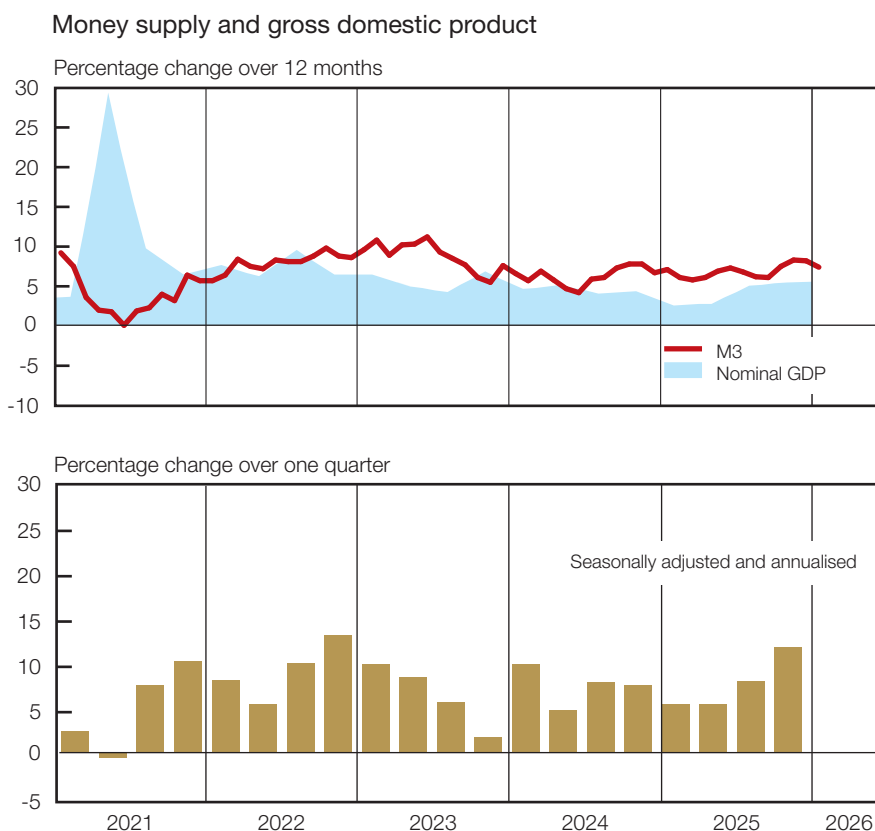


Monetary developments, interest rates and financial markets

Money supply

Growth in the broadly defined money supply (M3) fluctuated within a narrow range of 5.8% to 8.3% throughout 2025, averaging 6.8% for the year. This was a slight acceleration from the 6.3% average in 2024 but still below the 2023 average of 8.8%. Growth in deposits, particularly those of non-financial companies, supported M3 expansion in the first half of 2025, although this momentum slowed in the second half of the year. By contrast, growth in deposits of financial companies rebounded strongly in the second half of 2025. Household deposit growth moderated gradually throughout 2025, averaging 6.3% compared to the average growth of 7.4% and 8.1% recorded in 2024 and 2023 respectively. More recently, growth in M3 decelerated to 7.4% in January 2026, down from 8.2% in December 2025.

Quarter-to-quarter seasonally adjusted and annualised growth in M3 accelerated notably from 8.0% in the third quarter of 2025 to 11.7% in the fourth quarter, driven largely by financial company deposits. The income velocity of M3 decreased slightly from 1.37 in the third quarter of 2025 to 1.36 in the fourth quarter as growth in M3 outpaced that in nominal GDP.

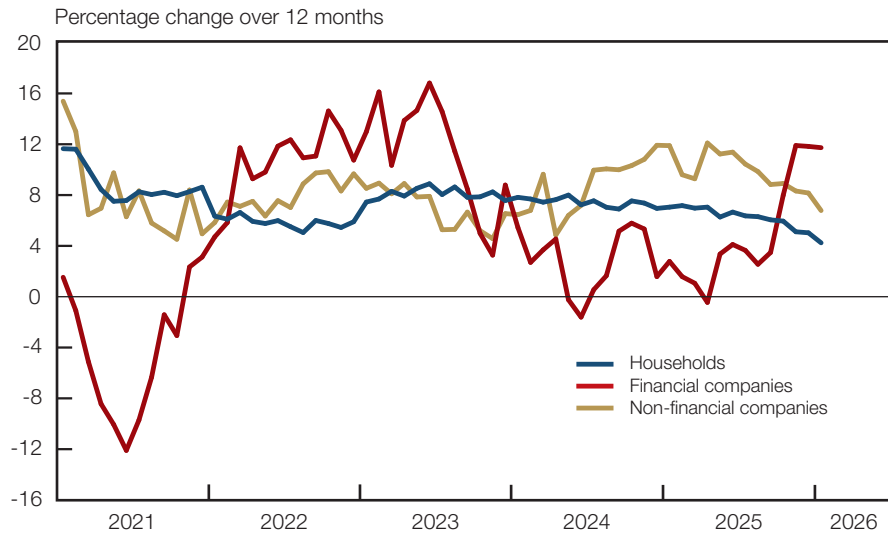


Sources: Stats SA and SARB

Year-on-year growth in the deposit balances of companies accelerated from a recent low of 5.1% in March 2025 to 10.0% in December as the deposit growth of financial companies accelerated sharply from -0.4% in April 2025 to 11.8% in December, reflecting a significant increase in the second half of the year. By contrast, growth in the deposit holdings of non-financial companies moderated from 12.1% to 8.2% over the same period. Subsequently, growth in company deposits decelerated slightly to 9.3% in January 2026, largely driven by a further moderation in the deposit growth of non-financial companies. Household deposit growth also eased somewhat, slowing steadily from 7.2% in February 2025 to 5.0% in December and further to 4.2% in January 2026.



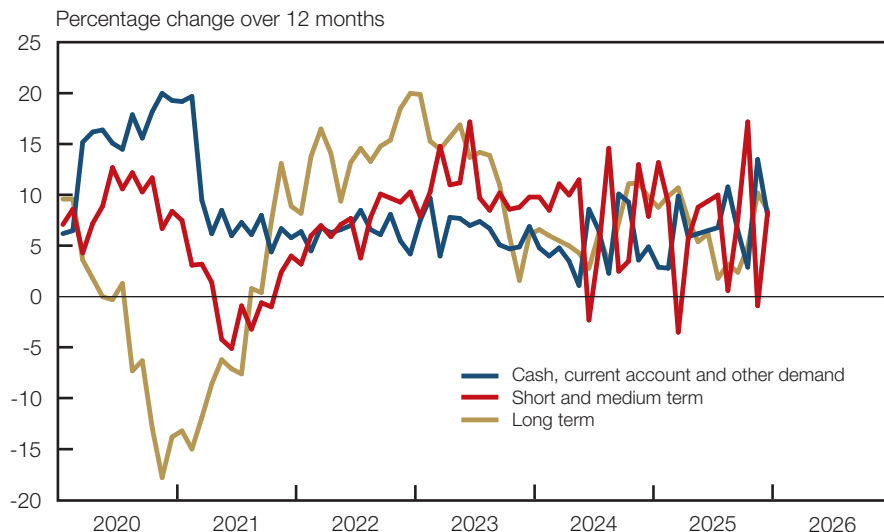
Deposit holdings of households and companies



Source: SARB

Year-on-year growth in deposits by maturity was notably volatile over the past two years. Growth in long-term deposits accelerated from a low of 1.8% in July 2025 to 10.2% in November before moderating to 8.5% in December. Nevertheless, the annual average growth in long-term deposits was 6.6% in 2025, unchanged from that recorded in 2024. More recently, growth in long-term deposits accelerated to 10.0% in January 2026. Growth in the more liquid deposit categories was even more volatile, reflecting shifts between short- and medium-term maturities and cash, current account and other demand deposits. Growth in short- and medium-term deposits fluctuated widely between -3.5% in March 2025 and 17.2% in October, before moderating to 5.7% in January 2026. Growth in cash, current account and other demand deposits rebounded from a low of 2.8% in February 2025 to 10.8% in August before varying between 2.9% in October and 7.7% in January 2026.

Deposits by maturity



Source: SARB

The value of household deposits increased by R99.8 billion in 2025, which was lower than the R129.1 billion increase recorded in 2024. Growth in household deposits remained subdued, increasing by only R8.3 billion in the fourth quarter of 2025 compared with an increase of R27.0 billion in the same quarter a year earlier. By contrast, the deposit holdings of companies increased sharply by R156.4 billion and R150.3 billion in the third and fourth quarters of 2025 respectively. This resulted in a total annual increase of R343.5 billion, well above the R212.5 billion recorded in 2024. The deposit balances of financial companies rose by R200.8 billion in 2025 – far exceeding the R26.4 billion increase recorded in 2024 – reflecting a notable rise in deposits held by institutions engaged in securities trading, investment and asset management activities. Meanwhile, deposits of non-financial companies increased by R142.6 billion in 2025, which was lower than the increase of R186.1 billion recorded in the preceding year.

M3 holdings of households and companies

	Change over one period (R billions)							Percentage of total M3 deposit holdings*
	2024		2025					
	Q4	Year	Q1	Q2	Q3	Q4	Year	
Households	27.0	129.1	22.0	38.2	31.3	8.3	99.8	35.5
Companies: Total.....	15.4	212.5	45.8	-9.0	156.4	150.3	343.5	64.5
Of which: Financial	-65.4	26.4	15.6	22.3	88.8	74.1	200.8	32.3
Non-financial.....	80.8	186.1	30.2	-31.3	67.5	76.3	142.6	32.2
Total M3 deposits.....	42.4	341.6	67.8	29.1	187.7	158.7	443.3	100.00

* Expressed as a percentage of the total outstanding balance as at December 2025.

Source: SARB

The counterparts to the R443.3 billion increase in M3 during December 2025 comprised increases of R421.0 billion in claims on the domestic private sector and R139.7 billion in net claims on the government. These increases were partly offset by declines of R69.2 billion in the monetary sector's net foreign assets and R48.2 billion in net other assets of the monetary sector.

Counterparts of change in M3

	Change over one period (R billions)						
	2024		2025				
	Q4	Year	Q1	Q2	Q3	Q4	Year
Claims on the private sector.....	-14.2	177.9	75.5	80.8	147.8	116.8	421.0
Net claims on the government sector...	-46.7	68.2	90.3	-51.2	120.5	-19.8	139.7
Net foreign assets	149.1	53.6	-86.0	-2.3	-6.1	25.3	-69.2
Net other assets.....	-45.9	41.8	-12.0	1.9	-74.4	36.3	-48.2
Change in total M3 deposits.....	42.4	341.6	67.8	29.1	187.7	158.7	443.3

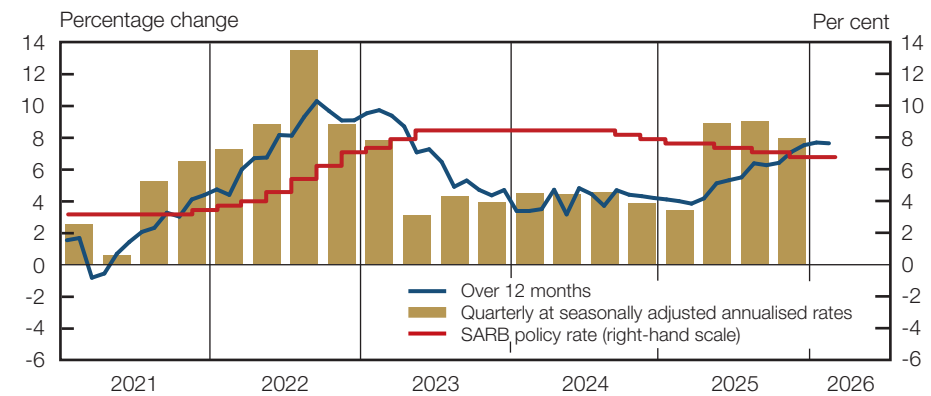
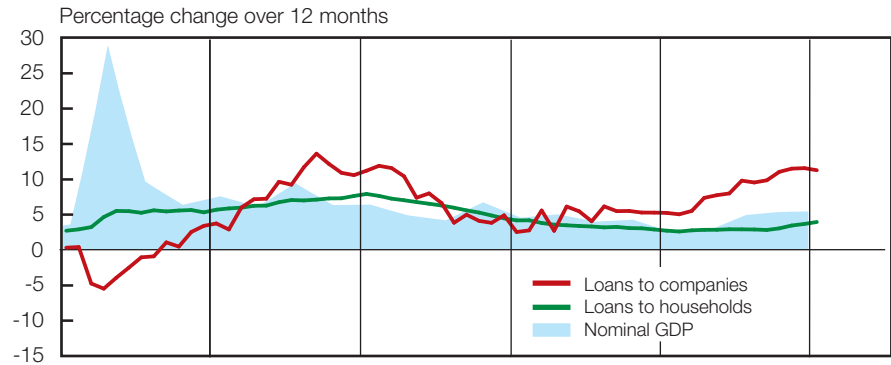
Source: SARB

Credit extension

Twelve-month growth in total loans and advances extended by monetary institutions to the domestic private sector accelerated gradually from a low of 3.9% in February 2025 to 7.8% in both December and January 2026. Annual average growth in credit extension accelerated slightly from 4.2% in 2024 to 5.9% in 2025, although it remained below the 7.0% recorded in 2023. The corporate sector was the primary driver of growth in credit extension to the domestic private sector in 2025, while household credit growth only started to improve in the fourth quarter. The seasonally adjusted and annualised growth in total loans and advances to the domestic private sector moderated from 8.9% in the third quarter of 2025 to 8.1% in the fourth quarter.



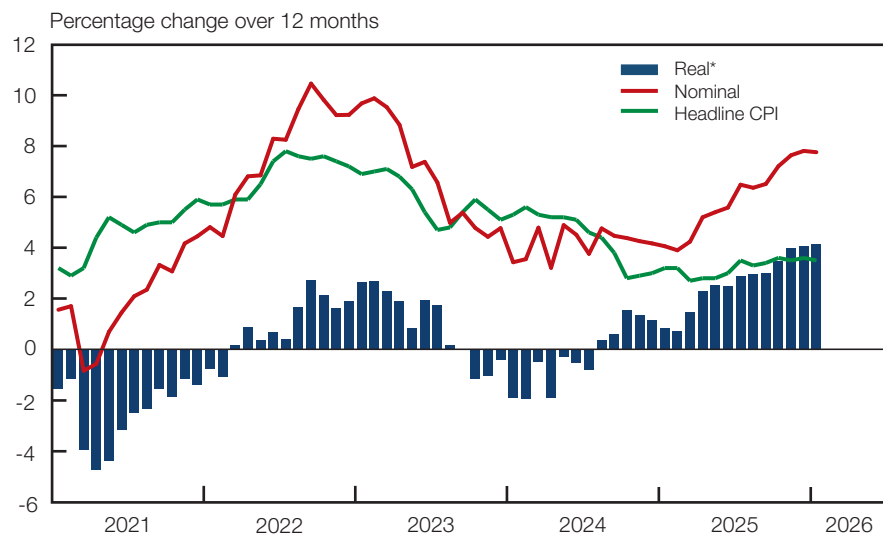
Total loans and advances to the private sector and gross domestic product



Sources: Stats SA and SARB

In real terms, total loans and advances accelerated from 0.7% in February 2025 to 4.1% in January 2026, marking the strongest real rate of increase since March 2015, as growth in nominal loans continued to outpace consumer price inflation by a wider margin. This suggests that the recent acceleration in nominal credit growth was supported by firmer underlying lending conditions rather than being driven predominantly by inflation.

Total loans and advances and consumer price inflation



* Deflated with the headline consumer price index
 Source: SARB

In nominal terms, the increase in credit extended to companies more than doubled, from R115.5 billion in 2024 to R265.9 billion in 2025. The strong increase stemmed from both financial and non-financial companies, which contributed R106.9 billion and R159.1 billion respectively. Credit extended to the household sector increased by R82.1 billion in 2025, which is higher than the increase of R62.9 billion recorded in 2024.

Total loans and advances extended to households and companies

	Change over one period (R billions)							Percentage of total loans and advances*
	2024		2025					
	Q4	Year	Q1	Q2	Q3	Q4	Year	
Households	13.2	62.9	21.9	12.8	15.1	32.3	82.1	49.1
Companies: Total.....	4.0	115.5	76.1	54.5	91.3	43.9	265.9	50.9
<i>Of which:</i> Financial	-8.0	7.4	23.9	17.9	43.3	21.9	106.9	12.4
Non-financial.....	12.0	108.1	52.3	36.7	48.0	22.1	159.1	38.4
Total bank loans and advances	17.2	178.4	98.0	67.3	106.3	76.2	348.1	100.0

* Expressed as a percentage of the total outstanding balance as at December 2025.

Source: SARB

Growth in loans and advances to companies accelerated markedly from 5.1% in February 2025 to 11.7% in December before easing slightly to 11.4% in January 2026. This reflected a broad-based improvement in corporate credit appetite amid rising business confidence and lower borrowing rates. Within the asset-backed lending categories, growth in mortgage advances to the corporate sector accelerated gradually from 5.3% in January 2025 to 6.8% in August – mainly supported by stronger demand from real estate investment trusts (REITs) – before moderating slightly to 6.4% in January 2026. Growth in instalment sale credit and leasing finance to companies accelerated from 6.1% in April 2025 to 11.2% in September, alongside increased demand for commercial vehicles. Thereafter, growth slowed to 7.6% in November following a commercial bank’s sale of its vehicle-finance book to a non-bank financial institution as part of its exit strategy, before edging up to 8.2% in December and then moderating again to 7.4% in January 2026.

Within the non-asset-backed lending categories, growth in general loans to corporates accelerated sharply from 4.2% in January 2025 to 16.2% in December before moderating slightly to 15.6% in January 2026, reflecting increased utilisation of credit facilities by both financial and non-financial companies. Among non-financial companies, credit demand was driven by firms in the mobile telecommunications and renewable energy sectors as well as in various services sectors. Within the financial sector, the increased demand for general loans stemmed largely from intercompany funding to investment banks and treasury entities of banks, as heightened activity in the domestic equity market raised the need for rand-denominated funding, particularly towards year-end.

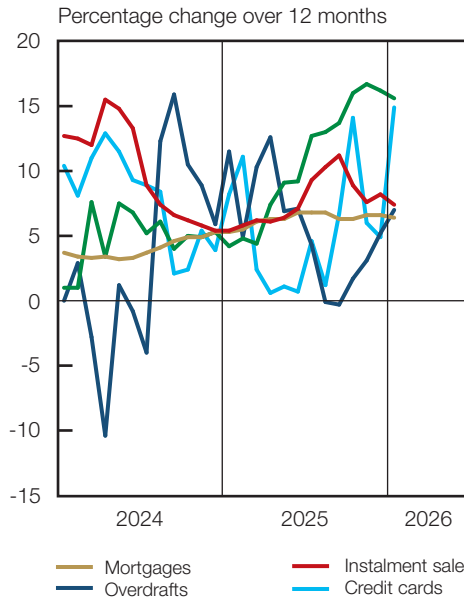
Year-on-year growth in credit card advances to corporates accelerated from a recent low of 0.6% in June 2025 to 14.1% in October before easing to 4.9% in December and then rebounding to 14.9% in January 2026. Growth in overdraft utilisation by corporates remained volatile, decelerating from 12.6% in April 2025 to -0.3% in September before rebounding to 7.0% in January 2026, largely reflecting base effects.³⁰

30 Credit cards and overdrafts constitute a small portion of total corporate credit, which can introduce disproportionate volatility in the year-on-year growth rates.

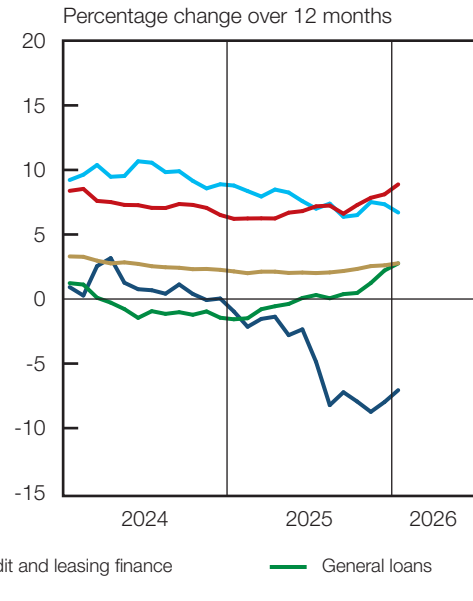


Selected loans and advances

Corporate sector



Household sector

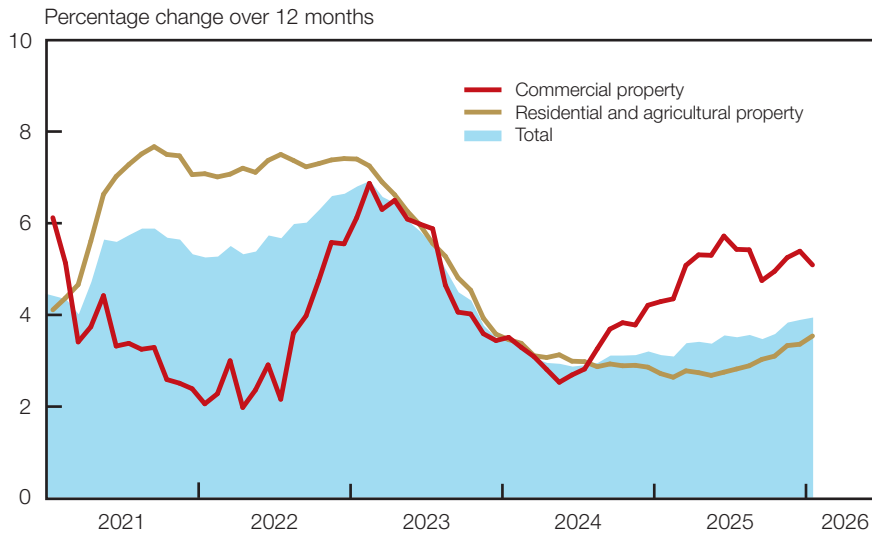


Source: SARB

Growth in credit extension to the household sector remained subdued in 2025, averaging 3.0% compared with the 6.4% and 3.5% recorded in 2023 and 2024 respectively. Growth in most credit categories slowed in the first half of the year but subsequently accelerated somewhat in the fourth quarter of 2025 and in January 2026, supported by lower borrowing costs and base effects. Within the asset-backed lending categories, growth in mortgage advances to the household sector accelerated gradually from a low of 2.0% in July 2025 to 2.8% in January 2026. Growth in instalment sale credit and leasing finance to households also edged up from 6.2% in April 2025 to 8.9% in January 2026, reflecting increased demand for new passenger vehicles amid lower borrowing costs, subdued new vehicle price inflation and the influx of more affordable vehicles from Asia.

Year-on-year growth in general loans to households increased from -1.6% in January 2025 to a still modest 2.8% in January 2026, but this was nevertheless the highest growth rate since December 2023. Households' utilisation of overdraft facilities contracted throughout 2025, with the pace of decline accelerating marginally from -7.2% in September to -7.1% in January 2026. This largely reflected ongoing adjustments in banks' overdraft portfolios following the implementation of stricter credit reporting requirements, the adoption of Basel III-aligned risk measures and a broader shift towards more granular risk-based pricing. Growth in credit card advances to households moderated from 8.5% in April 2025 to 6.4% in September before accelerating to 7.3% in December, largely reflecting increased spending during Black Friday and the festive season. In January 2026, growth decelerated slightly to 6.7%.

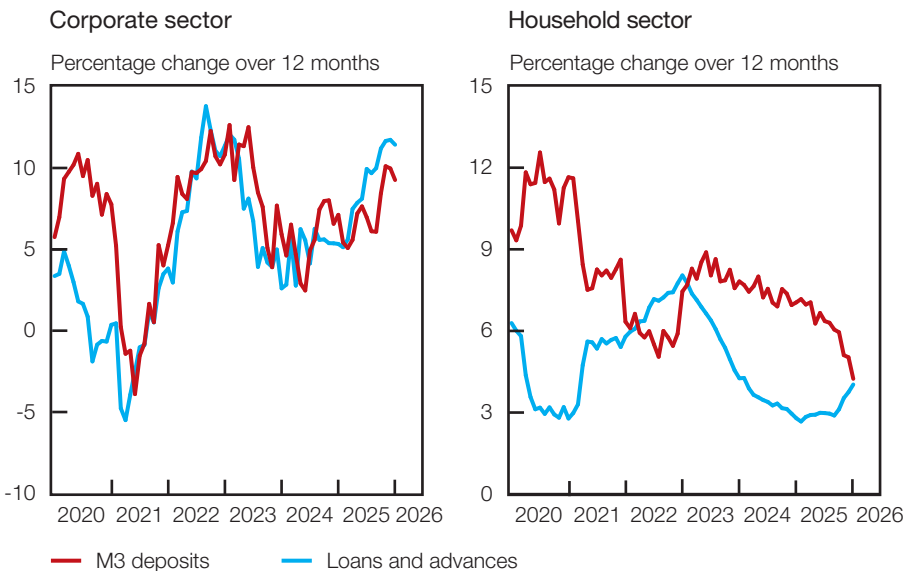
Mortgage advances



Source: SARB

Growth in mortgage advances on residential and agricultural property accelerated marginally from 2.6% in February 2025 to 3.5% in January 2026. By contrast, growth in mortgage advances on commercial property decelerated from 5.7% in June 2025 to 4.8% in September before edging up to 5.4% in December and easing slightly to 5.1% in January 2026, reflecting stronger demand from REITs. As a result, growth in total mortgage advances rose gradually from 3.1% in February 2025 to 3.9% in both December and January 2026.

Money supply and loans and advances



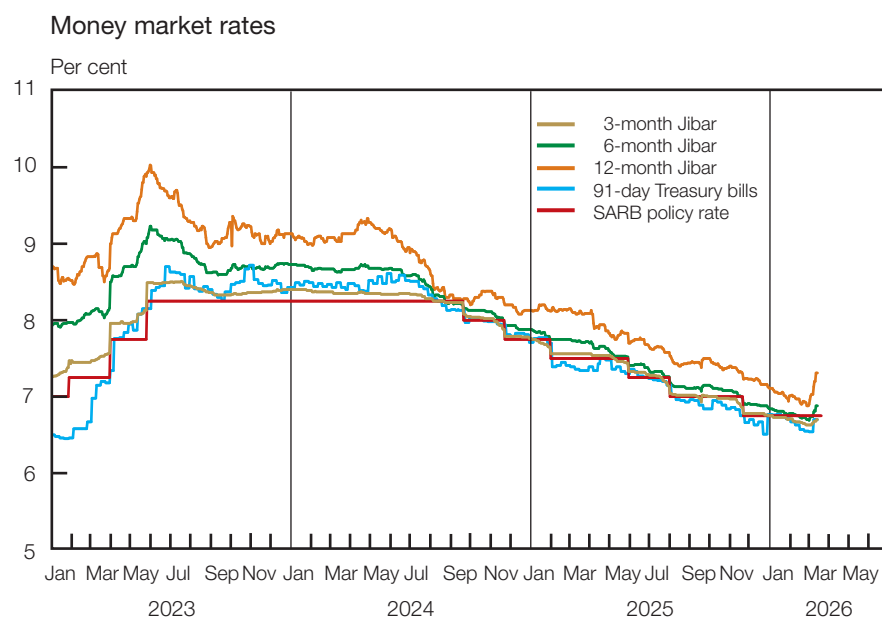
Source: SARB

Year-on-year growth in household deposits outpaced that in loans and advances up to January 2026, reflecting the sustained accumulation of liquid assets alongside a more gradual recovery in household credit extension. By contrast, growth in corporate loans and advances matched that in deposits more closely in recent years.

Interest rates and yields

At its March 2026 meeting, the South African Reserve Bank's Monetary Policy Committee (MPC) kept the policy rate unchanged at 6.75%. The MPC assessed the risks to the domestic inflation outlook to be to the upside, with the supply shock caused by the ongoing conflict in the Middle East likely to raise prices while weakening demand. The MPC noted that the standard response to such a supply shock is to look through first-round effects, which are unavoidable, but that it will remain alert to second-round effects, where an initial shock triggers broad price increases.

Domestic short-term money market rates have decreased in recent months, affected by the appreciation in the exchange value of the rand and favourable consumer price inflation outcomes. However, the rates increased somewhat in March 2026 following the depreciation in the exchange value of the rand and increased risk aversion. The three-month Johannesburg Interbank Average Rate (Jibar) decreased from 6.78% on 1 December 2025 to 6.70% on 13 March 2026. Similarly, the six-month Jibar decreased from 6.91% to 6.88% over the same period. By contrast, the longer-term 12-month Jibar increased by 8 basis points from 7.23% on 1 December 2025 to 7.31% on 13 March 2026, reflecting market participants' expectations of a policy rate increase in the future. The tender rate on 91-day Treasury bills (TBs) remained relatively stable at 6.70% from the beginning of December 2025 to 13 March 2026 as the demand for short-term high-quality liquid assets from banks remained relatively unchanged.

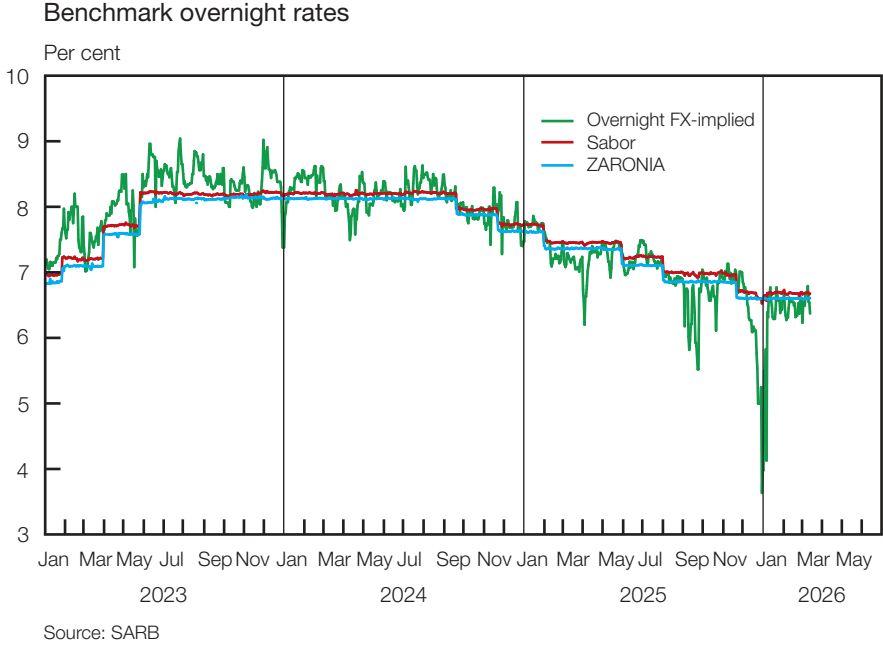


Funding conditions in the interbank lending market have remained relatively stable in recent months. The South African Benchmark Overnight Rate (Sabor) remained closely aligned with the policy rate, averaging 6.67% between 1 December 2025 and 27 February 2026 before increasing slightly to 6.68% on 13 March, as banks continued to experience adequate liquidity in the overnight interbank market. The South African Rand Overnight Index Average (ZARONIA) rate traded below the policy rate, fluctuating within a narrow range of 6.60% to 6.61% from 1 December 2025 to 13 March 2026, reflecting adequate liquidity in the overnight call deposit market.

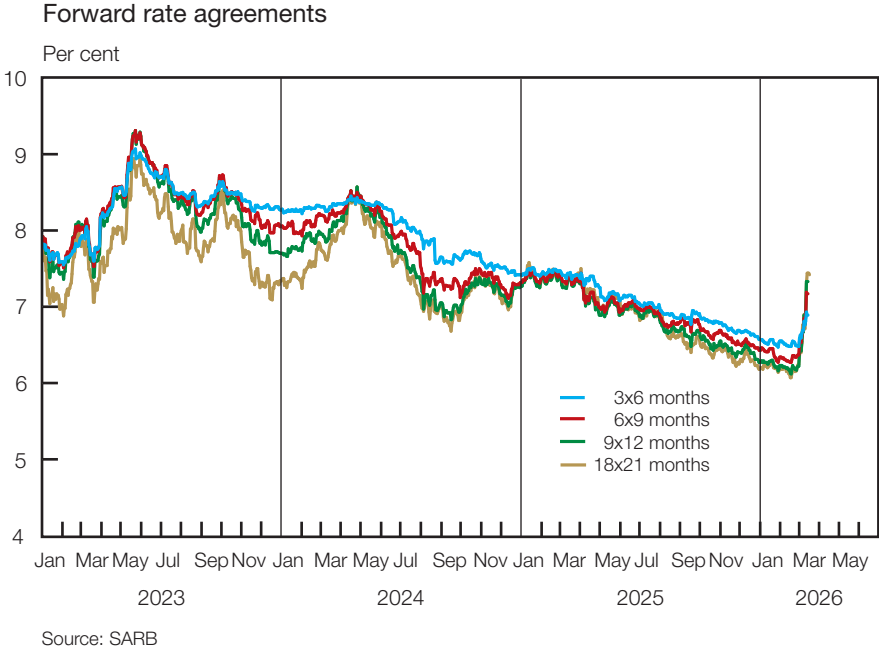
The more volatile overnight FX-implied rate declined significantly by 322 basis points from 6.85% at the beginning of December 2025 to a low of 3.63% on 30 December due to reduced demand for funding in the overnight FX forward market. Thereafter, the rate increased to 6.37% on 13 March 2026 as foreign banks increased their uptake of rand liquidity in the overnight FX forward market. Despite the increased volatility, the overnight FX-implied rate averaged 6.56%



in the fourth quarter of 2025, down from 6.85% in the third quarter.



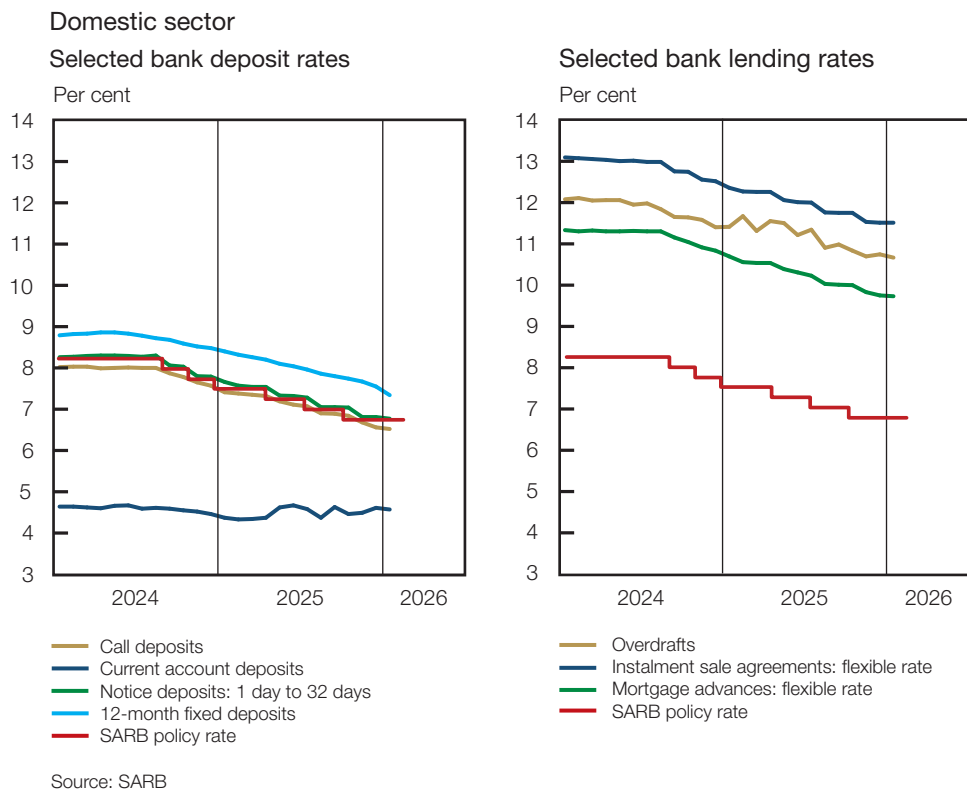
Rates on forward rate agreements (FRAs) initially trended lower as inflation expectations eased and the rand strengthened. However, this trend reversed in early March 2026 as the FRAs increased across the curve following the depreciation in the exchange value of the rand. The 3x6-month FRA increased by 21 basis points, from 6.68% on 1 December 2025 to 6.89% on 13 March 2026. Similarly, the 6x9-month FRA increased by 66 basis points, from 6.51% to 7.17% over the same period, while the 9x12-month FRA increased by 93 basis points to 7.33%. The longer-term 18x21-month FRA followed a similar trend, increasing by 115 basis points from 6.29% on 1 December 2025 to 7.44% on 13 March 2026.





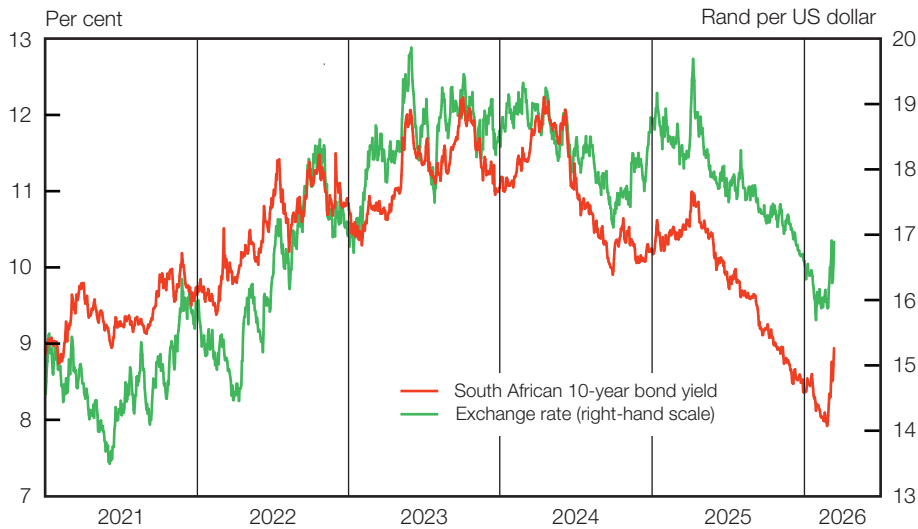
The weighted average monthly interest rate on deposits and loans offered by banks continued to decline in line with the reductions in the policy rate, reflecting the pass-through effect of policy changes into the broader financial system, although the degree of responsiveness varied across different segments. The short-term call deposit rate decreased from 6.84% in October 2025 to 6.52% in January 2026, while the 1–32 days’ notice deposit rate declined to a lesser extent, from 7.04% to 6.77% over the same period. Similarly, the 12-month fixed deposit rate decreased from 7.74% in October 2025 to 7.34% in January 2026.

The weighted average flexible rate charged by banks on mortgage advances decreased from 10.00% in October 2025 to 9.73% in January 2026, in line with the 25 basis point policy rate cut in November 2025. However, the lending rates of the other credit categories decreased by less than 25 basis points. Instalment sale credit decreased from 11.76% to 11.52% over the same period, while the interest rate on overdrafts decreased from 10.84% to 10.67%. Likewise, the interest rate on credit card advances decreased from 16.69% in October 2025 to 16.55% in January 2026.



The yield on 10-year South African rand-denominated government bonds issued and traded in the domestic market declined considerably throughout most of 2025 and into early 2026, which helped lower government’s debt-service costs. The yield dropped from a recent high of 10.99% on 7 April 2025 to 7.92% on 25 February 2026, marking the lowest rate since 7.87% was recorded on 21 May 2015. This decrease was driven by the stronger rand exchange rate, lower consumer price inflation alongside the announcement of the lower 3% inflation target, reductions in the SARB policy rate, and net purchases of domestic bonds by non-residents. The credit rating upgrade by S&P Global Ratings in November 2025 – the first in 20 years – amid an improved fiscal outlook and South Africa’s removal from the FATF greylist also supported the downward trend in bond yields. Subsequently, the 10-year bond yield increased rapidly by 102 basis points to 8.94% on 13 March, along with the depreciation in the exchange value of the rand following the outbreak of the war in the Middle East.

Government bond yield and the exchange rate



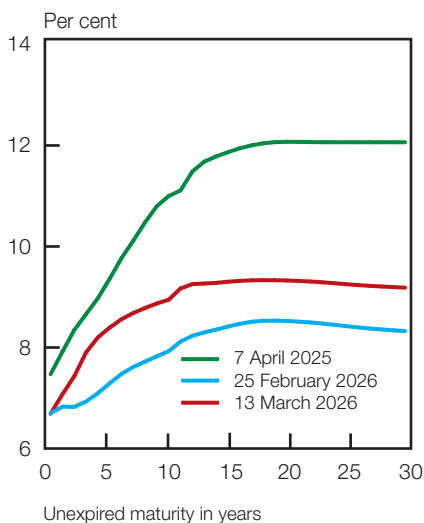
Sources: IRESS, JSE and SARB

Similarly, movements in the *yield curve* reflected the underlying drivers of bond yields as the yield curve moved lower from 7 April 2025 to 25 February 2026 across the maturity spectrum, with long-term yields declining more than short-term yields. This flattening of the yield curve signalled an improved inflation outlook and a shift in market expectations regarding monetary policy, strongly supported by the announcement of the revised 3% inflation target. Thereafter, the level of the yield curve increased across all maturity categories, except at the extreme short end as bond yields reacted to the war in the Middle East. Consequently, the yield gap³¹ narrowed from 459 basis points on 7 April 2025 to 163 basis points on 25 February 2026 before widening to 250 basis points on 13 March. By contrast, the US yield curve steepened from 7 April 2025 to 25 February 2026 as yields declined across the maturity spectrum, except at the extreme long end, in line with the weaker US dollar and rising inflation risks. Thereafter, the yield curve moved higher to 13 March. Consequently, the US yield gap widened from 34 basis points on 7 April 2025 to 101 basis points on 25 February 2026 and further to 119 basis points on 13 March.

31 The yield gap is measured as the difference between yields at the extreme long and short ends of the yield curve.

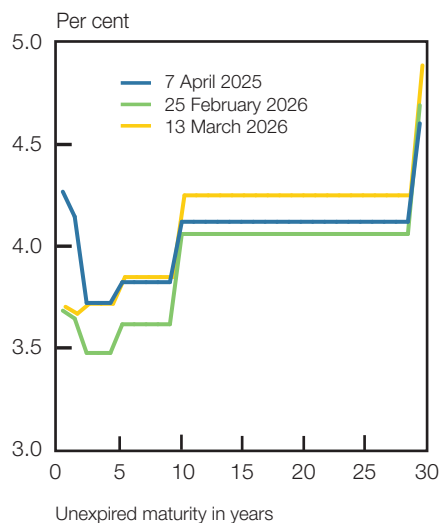
Yield curves

South Africa



Sources: IRESS and JSE

United States



Source: Bloomberg

32 The EMBI+ measures the total returns on US dollar-denominated debt instruments of emerging markets.

33 The JPMorgan GBI-EM FX Index tracks the weighted average FX spot return of emerging market currencies in the GBI-EM Global Diversified Index. The GBI-EM FX Index measures how a basket of emerging market currencies performs relative to the US dollar.

34 This is the differential between the yield on South African government US dollar-denominated bonds and that on US dollar-denominated bonds of the US government.

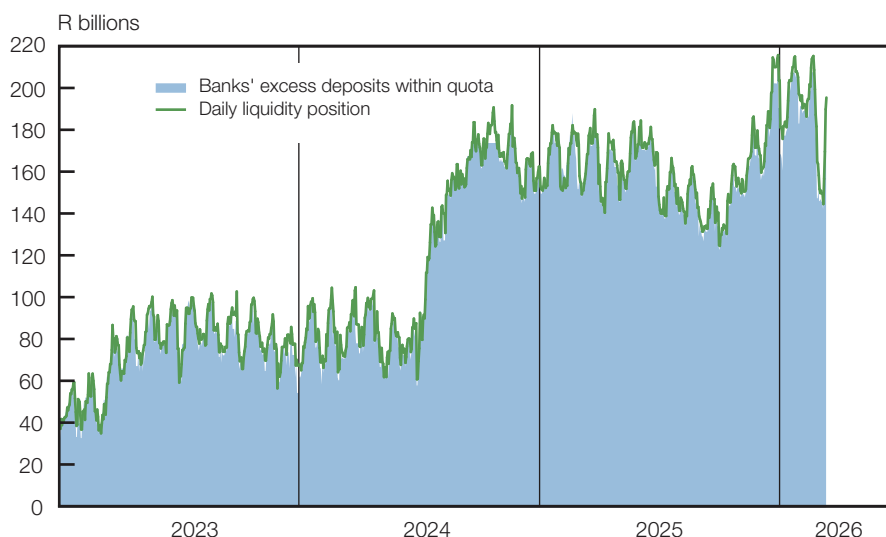
The *yield spread* for emerging market US dollar-denominated bonds relative to US government bonds, as measured by the JPMorgan Emerging Markets Bond Index Plus (EMBI+),³² narrowed from a recent high of 416 basis points in April 2025 to 275 basis points in February 2026. Over this period, emerging market bond yields decreased much more than US bond yields, benefiting from stronger currencies against the US dollar, as reflected in the increase in the JPMorgan Government Bond Index-Emerging Markets Global Diversified FX Return Index (GBI-EM FX Index).³³ Emerging market bond yields tapered off, primarily due to emerging market currencies appreciating against the US dollar, lower inflation expectations, reduced policy rates and improved emerging market investor sentiment reinforced by strong portfolio investment inflows. Similarly, South Africa's *sovereign risk premium*³⁴ on US dollar-denominated government bonds in the six-year maturity range narrowed from an average of 285 basis points in April 2025 to 157 basis points in February 2026.

Money market

Banks' average daily surplus liquidity position increased from R145.8 billion in the third quarter of 2025 to R165.9 billion in the fourth quarter, fluctuating between a low of R124.5 billion on 2 October and a high of R215.7 billion on 30 December. The increase was largely driven by the transfer of funds from the Gold and Foreign Exchange Contingency Reserve Account (GFECRA) of the SARB to National Treasury (NT). In addition, the surplus liquidity position increased when Corporation for Public Deposits (CPD) funds were temporarily withdrawn from the SARB and placed with banks. In January and February 2026, the average daily surplus liquidity position of banks increased further to R196.5 billion and R194.6 billion respectively. No liquidity was accessed through the weekly refinancing auctions during the fourth quarter of 2025 as banks experienced no short-term funding pressures.

The total benchmark quota allowance for banks was revised upwards from R302.5 billion between August 2024 and November 2025 to R315.0 billion in December 2025 following the GFECRA allocations made to NT. As a result, banks deposited R161.6 billion at the SARB within quota limits, on average, in the fourth quarter of 2025 compared with R143.4 billion in the third quarter.

Daily liquidity position and deposits of banks with the South African Reserve Bank



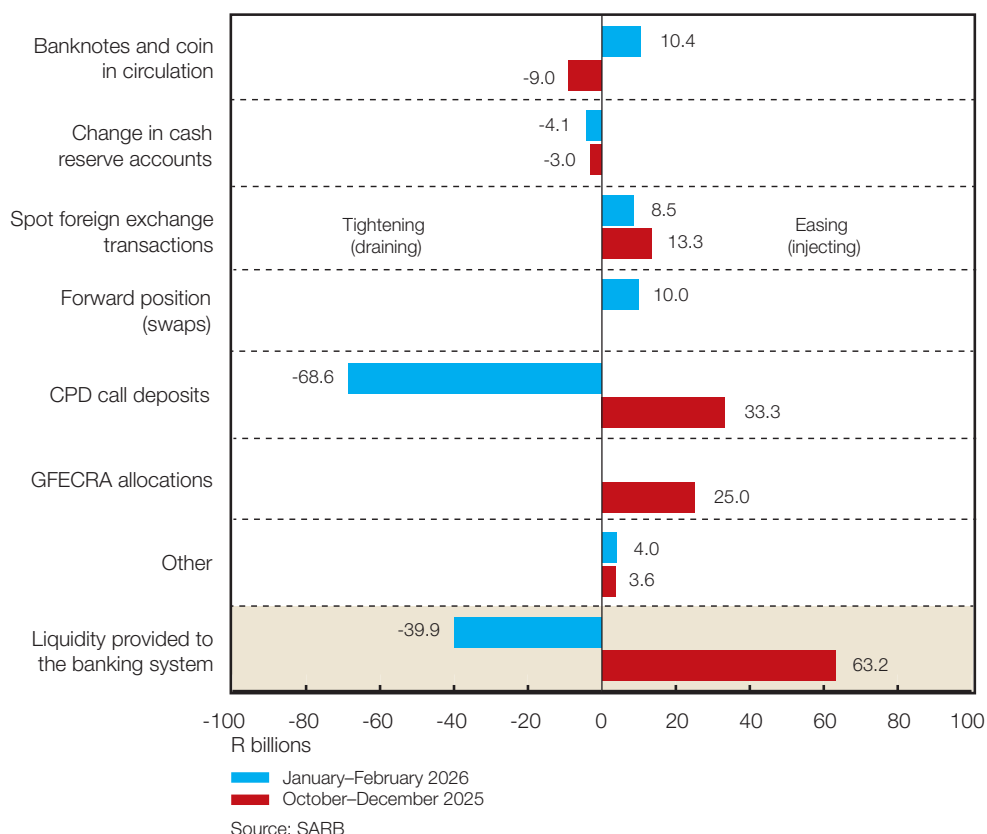
Source: SARB

Money market liquidity expanded by a net amount of R63.2 billion in the fourth quarter of 2025 following a contraction of R28.3 billion in the third quarter. The expansion was mainly due to the placement of R33.3 billion in CPD deposits at the SARB, a GFECRA allocation of R25.0 billion from the SARB to NT, FX transactions conducted in the spot market of R13.3 billion as well as 'other factors'³⁵ of R3.6 billion. These expansions were partly offset by an increase of R9.0 billion in banknotes and coin in circulation outside of the SARB and an increase of R3.0 billion in the required cash reserve deposits of banks at the SARB.

35 'Other factors' includes accommodation to banks, expansions in the loan guarantee scheme and transactions in government bonds.

In January and February 2026, money market liquidity contracted by R39.9 billion, mainly due to increases of R68.6 billion in CPD call deposits at the SARB and R4.1 billion in the required cash reserve deposits of banks at the SARB. The overall contraction was partially offset by a decrease in banknotes and coin in circulation outside of the SARB of R10.4 billion, together with maturing FX swaps of R10.0 billion and spot FX transactions of R8.5 billion.

Factors influencing money market liquidity flows



Box 3 Unpacking the cash reserve accounts of banks

This box discusses the impact of the 2022 monetary policy implementation framework (MPIF)¹ reform on banks' usage of their cash reserve accounts at the South African Reserve Bank (SARB).

Banks face a cash reserve requirement (CRR),² which is unremunerated, and hold excess reserves,³ which are remunerated at the policy rate. The cash reserve accounts also reflect the cash reserve balances⁴ and

1 Under the surplus-based MPIF, the SARB provides daily liquidity to banks, while banks still have the flexibility to lend and borrow against each other in the interbank market with no obligation to participate in the SARB's weekly refinancing auctions. Banks deposit surplus liquidity with the SARB, with the amount 'within quota limits' earning the SARB policy rate and that 'in excess of quota limits' earning the policy rate *minus* 100 basis points. This arrangement incentivises banks to remain active in the interbank market.

2 The CRR is a statutory requirement mandating banks to keep a minimum reserve of 2.5% of their total liabilities (as adjusted) in the form of cash reserve deposits with the SARB, for prudential reasons, on which they receive no interest. Excess reserves are calculated as the difference between the CRR and the actual cash reserve balance held. If this difference is positive, it constitutes a surplus, with more (excess) funds held in the cash reserve account.

3 Excess reserves are calculated as the difference between the CRR and the actual cash reserve balance held. If this difference is positive, it constitutes a surplus, with more (excess) funds held in the cash reserve account.

4 These are the actual daily balances that banks hold at the end-of-day square-off in the South African Multiple Option Settlement (SAMOS) system accounts.



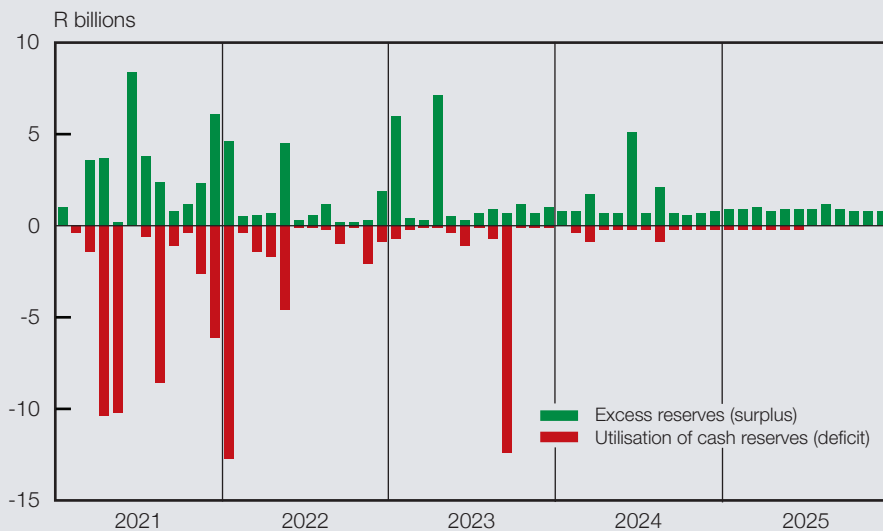
banks' utilisation of these reserve accounts.⁵ Banks' cash reserve balances fluctuate in line with the CRR and can be equal to, below, or above the CRR, depending on banks' liquidity needs for settling end-of-day obligations.⁶ Banks are allowed to use their cash reserve accounts to clear daily liquidity positions within the South African Multiple Option Settlement (SAMOS)⁷ system.

Until May 2022, when the shortage-based MPIF⁸ was still applicable, banks frequently withdrew or deposited additional funds in their cash reserve accounts, depending on their daily and month-end liquidity obligations. However, following the introduction of the new MPIF, the utilisation of cash reserves has declined due to adequate liquidity in the money market. At the same time, banks' total deposits with the SARB have increased, from R126.3 billion in December 2021 to R175.9 billion in December 2025, consistent with the establishment of the surplus-based MPIF.

The utilisation of cash reserves represents the amount that banks borrow from or deposit into their reserve accounts, which reduces or increases the account balance, and banks are subsequently required to redeposit funds for averaging purposes. The averaging of cash reserves enables banks to comply with the CRR over each maintenance period of 28 working days.⁹ During the shortage-based framework, banks sometimes deposited more than what was required for averaging purposes, even though the excess balance was not remunerated. The overall liquidity position in the money market is impacted when banks move funds to and from their cash reserve accounts.

Recently, banks have made less use of averaging, with the utilisation of cash reserves decreasing from R41.9 billion in 2021 to R1.2 billion in 2025. Consistent with this trend, banks' excess reserves remained relatively low in 2025, amounting to R10.7 billion. These excess balances are unremunerated.

The utilisation and excess cash reserves of banks



Source: SARB

⁵ This refers to banks' withdrawal of funds from their cash reserve accounts.

⁶ The end-of-day settlement refers to the process where all banks close their open intraday positions.

⁷ This is a real-time gross settlement system owned and operated by the SARB. The SAMOS system facilitates the settlement of domestic high-value payments, retail batches as well as bond and equity market settlements. The automated system settles obligations in real time or delayed settlement arrangements. Each settlement participant has a settlement account with the SARB and must provide sufficient funds to ensure the smooth functioning of the settlement system. In the event of insufficient funds, the SAMOS system automatically grants a loan against acceptable collateral.

⁸ Under the shortage-based system, the SARB created a money market liquidity shortage on a weekly basis, which banks could refinance at the policy rate, while also lending and borrowing against each other in the interbank market. In addition, banks utilised standing facilities to borrow from and deposit funds with the SARB. However, the interest rates for using these facilities were set at costly or 'punitive' rates.

⁹ The reserve maintenance period is the length of time during which the SARB requires banks to maintain a specified level of funds in their cash reserve accounts. It starts on the 15th business day of each month and ends on the 14th business day of the following month.



The surplus funds deposited by banks as reserves are reflected in the SAMOS account balance, which forms part of the monetary base (M0).¹ The SAMOS balance increased from a low of R10.9 billion in December 2021 to a high of R203.6 billion in December 2025 following the implementation of the surplus-based framework. The growth in the surplus was driven mainly by the drawdown of the National Treasury Sterilisation Deposit Account (NTSDA) and the new Gold and Foreign Exchange Contingency Reserve Account (GFECRA) settlement agreement. In this context, M0 increased from R318.6 billion in December 2021 to R563.6 billion in December 2025.

Monetary base

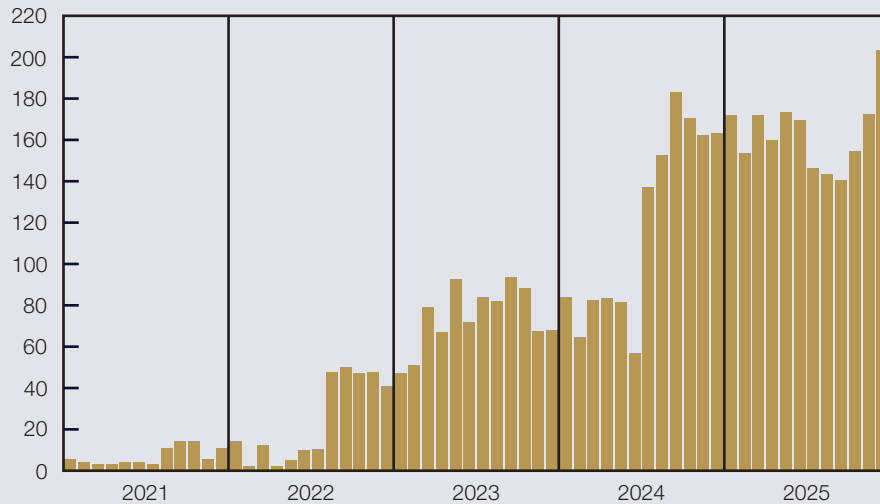
R billions

	Dec 2021	Dec 2025
Banknotes and coin in circulation outside the SARB	177.1	182.3
Banks' deposits at the SARB	9.1	205.4
Required reserve balances	126.3	175.2
Excess reserves.....	6.1	0.8
Monetary base.....	318.6	563.6

The excess reserves that banks deposit in the SAMOS system are remunerated at the policy rate up to a quota amount, with balances above the quota amount earning a penalty rate (the policy rate *minus* 100 basis points).

SAMOS settlement balance

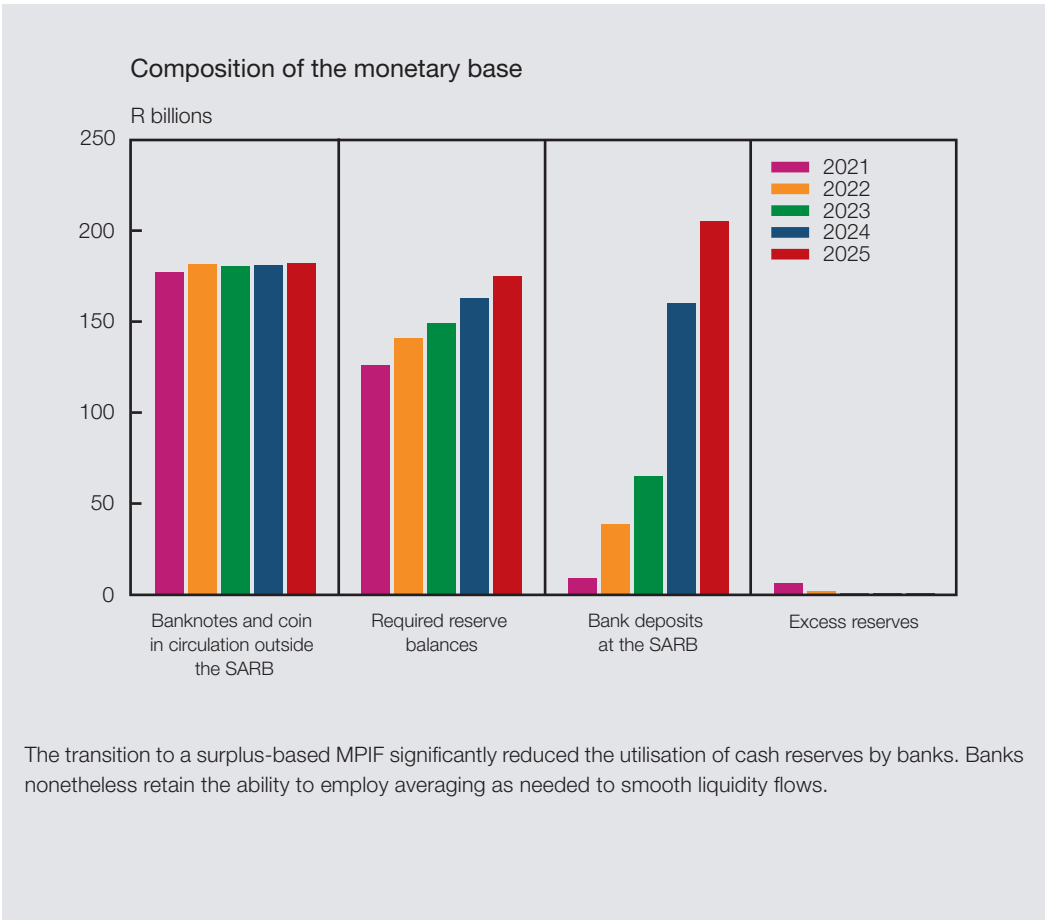
R billions



Source: SARB

The required reserves balance of banks increased from R126.3 billion in 2021 to R175.2 billion in December 2025, while banknotes and coin in circulation outside the SARB increased from R177.1 billion to R182.3 billion. Bank deposits at the SARB increased notably, from R9.1 billion to R205.4 billion over the same period.

¹ The monetary base comprises banknotes and coin in circulation outside the SARB, banks' deposits at the SARB, required cash reserve balances and excess cash reserves.



Bond market

The total *nominal value of outstanding listed³⁶ and unlisted³⁷ rand-denominated debt securities* issued by residents and non-residents in the domestic primary debt market of R7.7 trillion at the end of 2025 was 6.3% more than that recorded at the end of 2024, reflecting net issuance of R454 billion for the year. However, this was 15.7% lower than the net issuance of R539 billion recorded in 2024 as general government's³⁸ net issuance of debt securities decreased by 22.8% year on year to R365 billion in 2025. The lower net issuance by general government in 2025 was mainly due to the maturity of the *I2025* inflation-linked bond and the redemption of the *R010* fixed-rate bond (following the NT's first tranche split of the R186 bond) in January and December 2025 respectively. Further net issuance of R35.4 billion in January 2026 increased the total nominal outstanding amount in issue to R7.8 trillion.

36 These are debt securities listed on the JSE Limited (JSE), the Cape Town Stock Exchange (CTSE) and The Integrated Exchange (I-Ex).

37 These are debt securities that are not listed on a stock exchange and traded in the over-the-counter (OTC) market.

38 General government includes national government, extra-budgetary institutions and local government.

Nominal value of rand-denominated debt securities by residents and non-residents in the domestic primary debt market

R billions

	Net issuance*			Amount in issue as at 31 January 2026
	2024	2025	January 2026	
General government.....	472	365	22	5 441
Financial corporations.....	55	70	14	1 958
Banks.....	38	52	14	1 404
Insurers	3	-4	0	36
Other**	14	22	0	518
Non-financial corporations.....	11	18	-1	334
Non-residents.....	1	1	0	17
Total.....	539	454	35	7 750

* Net issues (+)/net redemptions (-) for listed and unlisted debt securities

** Includes state-owned companies, real estate companies, special purpose vehicles and other financial corporations

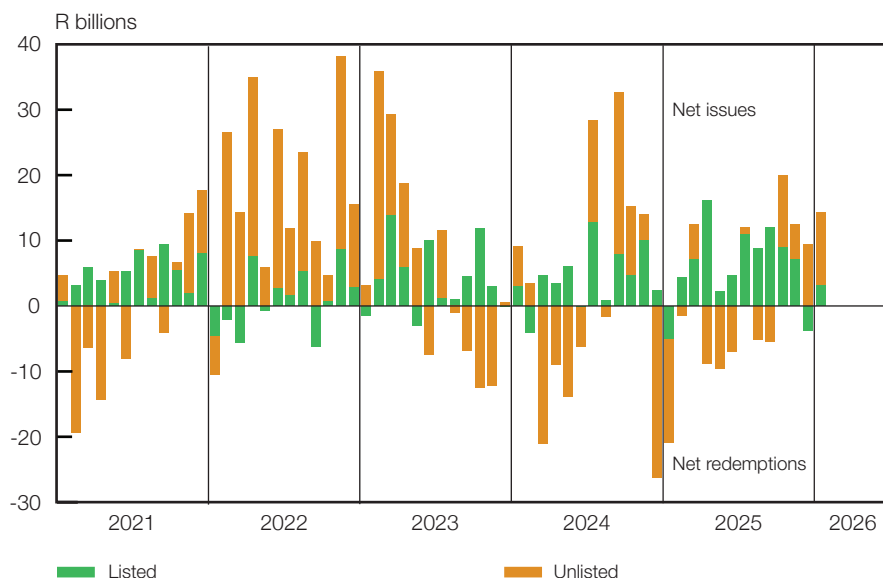
Sources: Banks, CTSE, I-Ex, JSE and National Treasury

NT raised US\$3.5 billion (or R59.0 billion) in international capital markets in December 2025 through the issuance of two new international bonds: a 12-year bond of US\$1.75 billion maturing in 2037 with a coupon rate of 6.125%, and a 30-year bond of US\$1.75 billion maturing in 2055 with a coupon rate of 7.25%. In addition, NT issued its first Infrastructure and Development Finance Bond in the domestic market in December 2025, raising R11.795 billion through two new fixed-rate bonds, namely the *RI2036* (10-year) and *RI2041* (15-year) bonds, offered at coupon rates of 8.575% and 9.13% respectively, with the possibility of tapping these bonds in the future. These issuances form part of a series of reforms outlined in the *2024 MTBPS* aimed at boosting infrastructure investment, with the proceeds to be used exclusively to finance projects under government's Budget Facility for Infrastructure (BFI) programme.

Corporations³⁹ increased their net issuance of rand-denominated debt securities in the domestic primary corporate debt market in 2025, with net issuance by banks increasing by 36.7% to R52.5 billion in 2025. The robust issuance by banks was mainly driven by high net issuance of listed debt securities of R73.7 billion compared to net redemptions of unlisted debt securities of R21.2 billion. This reflected a shift in funding strategy – partly because banks can issue listed debt at more favourable pricing than unlisted debt – as well as strong investor demand for liquid, tradable instruments. Net issuance of listed and unlisted debt securities by banks amounted to R14.3 billion in January 2026, contributing to the outstanding amount in issue of R1.4 trillion at the end of that month.

39 Corporations include both public and private financial and non-financial corporations.

Net issuance of rand-denominated debt securities by banks in the domestic primary debt market*



* Nominal value

Sources: Banks, CTSE and JSE

The total *value of turnover* in the domestic secondary bond market of the JSE Limited (JSE) and the Cape Town Stock Exchange (CTSE) increased by 14.7% to R50.4 trillion in 2025. Turnover was boosted by higher bond prices, despite the slightly lower number of trades. Non-residents' participation rate averaged 10.2% in 2025, up from 9.1% in 2024. The value of turnover amounted to R9.1 trillion in the first two months of 2026.

Net redemptions of rand-denominated debt securities in the *European and Japanese bond markets* more than doubled from R4.2 billion in 2024 to R9.2 billion in 2025. Issuance dwindled as investor appetite weakened, influenced by factors such as currency volatility and subdued domestic economic growth prospects. Consequently, the total outstanding amount of rand-denominated bonds in issue in both markets decreased from R274 billion at the end of 2024 to R265 billion a year later before decreasing further to R259 billion at the end of February 2026.

Rand-denominated bonds issued in international bond markets

R millions

	Eurorand		Uridashi		Total	
	2024	2025	2024	2025	2024	2025
Issues.....	15 620	3 140	300	0	15 920	3 140
Redemptions.....	18 271	12 279	1 799	77	20 070	12 356
Net.....	-2 651	-9 139	-1 499	-77	-4 150	-9 216

Source: Bloomberg

Non-residents' net sales of JSE-listed bonds of R24.7 billion in the fourth quarter of 2025 followed net purchases in the preceding quarters of the year, according to JSE data. This contributed to cumulative net purchases of bonds by non-residents of R86.2 billion in 2025 compared to net purchases of R30.1 billion in 2024. Non-residents further increased their holdings of JSE-listed bonds by R47.4 billion in the first two months of 2026. Key drivers of non-resident net purchases in 2025 and early 2026 included factors such as monetary policy easing, subdued inflation, the improved fiscal position and credibility, and improved investor sentiment following the renewal of the African Growth and Opportunity Act (AGOA) by the US.

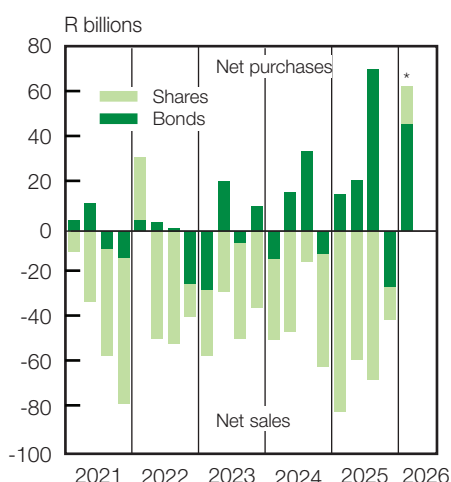
Since mid-2021, non-residents have utilised short-term borrowing in the domestic bond market as they recorded net purchases on a cumulative⁴⁰ basis through repurchase (repo) agreements.⁴¹ Cumulative net purchases of repo agreements peaked at R172 billion in February 2026 compared to cumulative net sales of outright trades⁴² of R21.8 billion over the same period.

40 The cumulative non-resident net transactions were calculated from January 2021.

41 Repurchase agreements (also known as repos), which are a form of primarily short-term borrowing, are contracts to sell and subsequently repurchase securities at a predetermined price and date.

42 Outright trades are the outright purchases and sales of securities in the market, with no reverse transfer of ownership. Outright consideration transactions include standard spot trades, other standard trades, structured deals and options exercised.

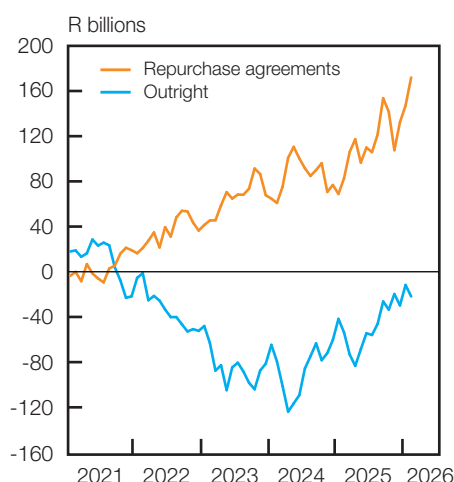
Non-resident net transactions in the domestic bond and share market



* January and February

Source: JSE

Non-resident net transactions in the domestic bond market by trade type*



* Cumulative from January 2021

Share market

The *value of secondary equity capital raised*⁴³ in the domestic and international primary share markets by companies listed on the JSE was subdued at R23.2 billion in 2025 – the lowest annual level since the R13.3 billion recorded in 2022 and considerably less than the R102 billion raised in 2024. Primary-listed companies on the JSE accounted for 63.7% of all equity capital raised in 2025 compared to 26.8% in 2024. Companies in the financial sector contributed 53.7% to the total value of equity capital raised in 2025, while those in the resources sector contributed 26.8%. Subsequently, the value of shares issued in the first two months of 2026 amounted to R2.1 billion.

The combined *value of turnover* in the secondary share market of the four South African stock exchanges reached R7.3 trillion in 2025, representing a 32.9% increase compared to 2024, and was supported by higher share prices. In the first two months of 2026, the value of turnover amounted to R1.3 trillion. Listings on both the CTSE and The Integrated Exchange (I-Ex) increased in 2025, while listings on the A2X Markets (A2X) decreased. The number of listings on the JSE

43 This excludes primary equity capital raised through new listings.

also declined in 2025, following 16 delistings and 7 new listings, as some small to medium-sized companies found the compliance and administrative costs of being listed on the JSE too high. In response, the JSE launched simplified listing requirements on 13 January 2026, aimed at reducing the complexity and compliance costs of listing and to encourage new listings. Consistent with soaring share prices, the combined market capitalisation of shares listed on all four exchanges increased notably during 2025, breaching the R20 trillion level in February 2025 to reach an all-time high of R25.9 trillion in February 2026.

Number of listings on the various South African exchanges

As at 31 December	JSE	A2X Markets	Cape Town Stock Exchange	The Integrated Exchange
2023.....	284	180	21	7
2024.....	280	174	17	7
2025	271	165	18	22
2026 (as at 28 February)	264	166	18	22

Sources: A2X, CTSE, I-Ex, JSE and ZAR X

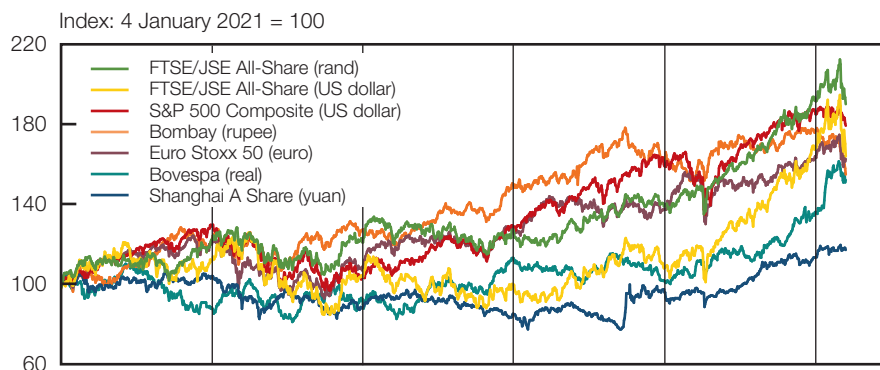
Non-residents' net sales of JSE-listed shares increased to R219 billion in 2025, up from R145 billion in 2024, according to JSE data. This increase reflected heightened risk aversion amid increased global uncertainty and subdued domestic economic growth. However, this trend reversed as non-residents recorded net purchases of R17.3 billion in the first two months of 2026 – the first consecutive monthly net purchases since February and March 2022. The increased demand for local equities by non-residents occurred alongside the surge in international commodity prices, especially precious metals such as gold and PMGs, as well as improved macroeconomic fundamentals, including subdued inflation and the stronger fiscal position. In addition, the share of non-resident holdings of JSE-listed shares increased from 26.8% in January 2025 to 32.9% in February 2026 – the highest level since March 2023.

The *domestic share market* performed exceptionally well in 2025, with the Alsi, in rand terms and on balance, surging by 37.7% – its best annual performance since 2005. The Alsi surpassed the historic 100 000 index-point milestone for the first time on 23 July 2025 and reached 115 832 index points on 31 December. In US dollar terms, the Alsi rose by 55.3% in 2025, significantly outperforming its emerging and developed market counterparts. This strong performance reflected improved sentiment amid positive domestic political and fiscal developments, monetary policy easing as well as higher international commodity and share prices. The Alsi extended its gains into early 2026, reaching an all-time high of 128 456 index points on 27 February, supported by the stronger precious metals and mining share price index within the resources sector. Following this peak, the Alsi corrected rapidly by 10.5% to 114 924 index points on 13 March as the war in the Middle East weighed on the performance of global share markets.

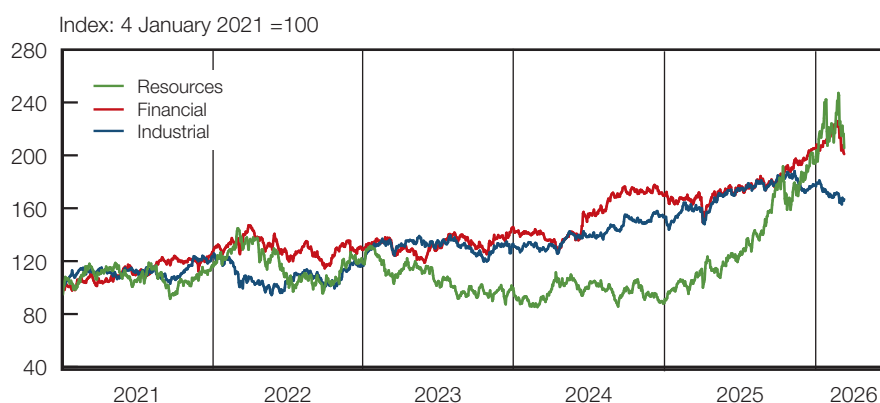
The *overall price-earnings ratio* of ordinary shares listed on the JSE increased progressively from a recent low of 14.7 in January 2025 to 20.1 in January 2026. The upward trend was driven by the strong rally in share prices, while total earnings decreased over the same period. However, this trend reversed in February as the price-earnings ratio declined to 15.9, along with an increase in total earnings. Similarly, the *dividend yield* increased from a recent low of 1.7% in February 2025 to 2.0% in January 2026 before decreasing to 1.3% in February.



Share price indices



JSE share price indices by sector



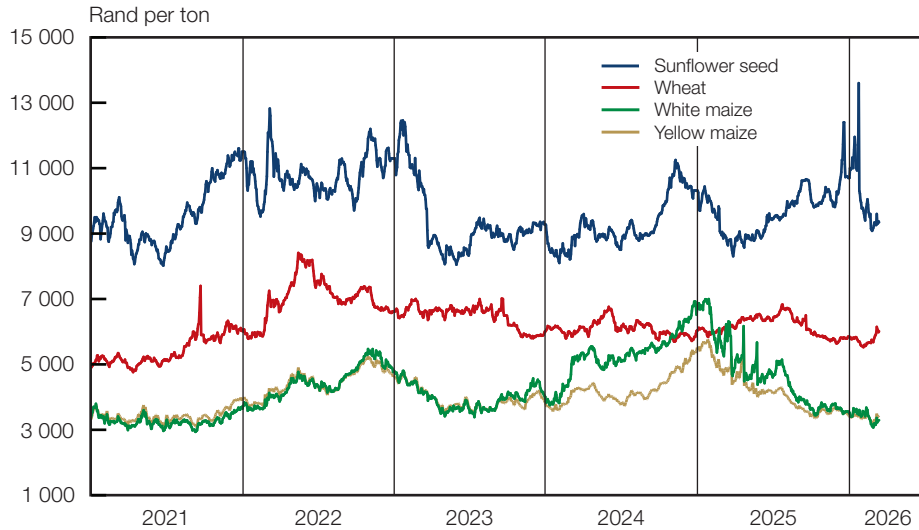
Sources: IRESS and JSE

Market for exchange-traded derivatives

The *domestic spot prices of white and yellow maize contracts* traded on the JSE trended noticeably lower during 2025 and into early 2026. The spot price of white maize fell sharply by 52.9%, from a historic peak of R6 998 per ton on 28 January 2025 to R3 293 per ton on 13 March 2026. Similarly, the spot price of yellow maize dropped by 40.4%, from R5 761 per ton on 24 January 2025 to R3 434 per ton on 13 March 2026. The decline in domestic maize prices largely reflected lower international maize prices, the stronger rand exchange rate and favourable domestic production conditions. The ample domestic supply exerted significant downward pressure on maize prices as the 2024/25 harvest produced the second-largest maize crop on record at 16.65 million tonnes, representing a 29.6% increase compared to the previous harvest as yields improved. In addition, the 2025/26 maize planting area is projected to expand by 4.4% compared to the previous season, according to the Crop Estimates Committee (CEC) of the Department of Agriculture.



Grain prices



Source: JSE

The *spot price of domestic wheat contracts* rose modestly in the first half of 2025 before trending lower from a recent high of R6 830 per ton on 24 July 2025 to R5 524 per ton on 4 February 2026, despite higher international wheat prices. The downward trend in domestic wheat prices was primarily induced by, among other factors, the firmer exchange value of the rand and a larger projected domestic wheat harvest by the CEC. Subsequently, domestic wheat prices increased to R6 012 per ton on 13 March as the final production estimate declined noticeably in February 2026.

The *spot price of domestic sunflower seed contracts* strengthened throughout most of 2025 and continued to rise in 2026, reaching an all-time high of R13 600 per ton on 23 January. The increase was consistent with higher international sunflower seed prices due to global production constraints as reflected by the United States Department of Agriculture's (USDA) downwardly revised global oilseed production forecast. Subsequently, the spot price of domestic sunflower seed receded to R9 344 per ton on 13 March following expectations of a bigger harvest due to a larger area planted in the 2025/26 production season, with significant improvements anticipated in some provinces, notably Limpopo and the Free State.

The *total value of turnover in the derivatives markets of the JSE*⁴⁴ increased by 11.9% in 2025. The value of transactions in currency derivatives increased noticeably by 29.0%, indicating increased hedging activity against exchange rate volatility. Similarly, transactions in equity, commodity and interest rate derivatives increased by 14.9%, 8.8% and 7.1% respectively in 2025. Total turnover on the derivatives markets increased further by 12.5% in the first two months of 2026 compared with the corresponding period of 2025.

Despite the reduction in total open interest on the equity derivatives market of the JSE from 25.2 million at the end of 2023 to 16.8 million at the end of 2024, the total open interest on equity derivatives at the end of 2024 was still much higher than the total open interest on the currency derivatives market of 6.3 million contracts. However, open interest on the equity derivatives market increased to 19.7 million contracts at the end of February 2025, while currency derivatives amounted to 6.9 million contracts. Although considerably higher than their share in currency derivatives contracts, non-residents' share in total open interest on equity derivatives declined from an average of 39.3% in 2023 to an average of 23.9% in 2024. This reflected the sell-off by

44 This includes warrants as well as equity, commodity, interest rate and currency derivatives markets.



non-residents in international option contracts on the equity derivatives market of the JSE, mainly due to uncertainty around US trade policies. This was exacerbated by international underlying equity contracts on the JSE having a different contract size relative to domestic underlying equity derivative contracts. Subsequently, non-residents' share of the total number of outstanding equity and currency derivatives contracts amounted to only 14.9% and 8.6% respectively in February 2025.

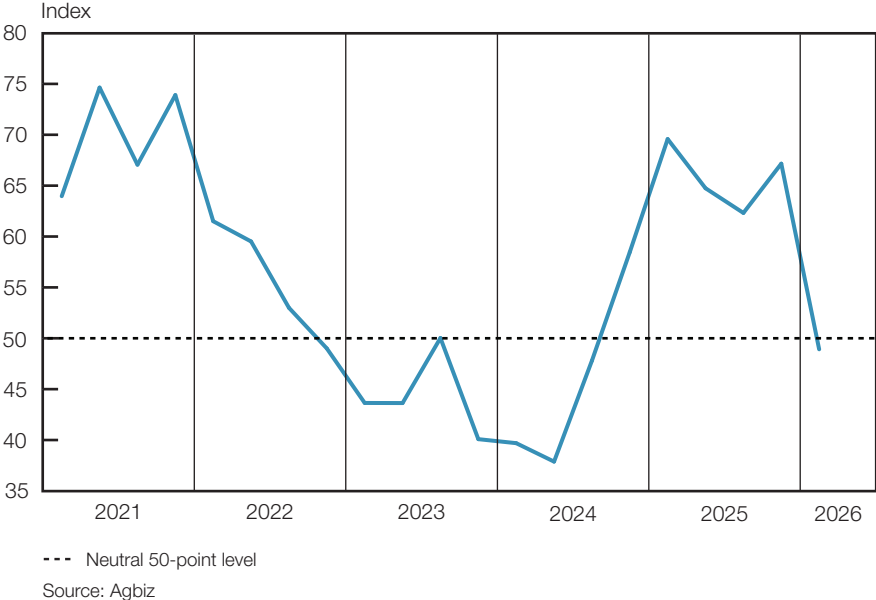
Derivatives turnover on the JSE

Type of derivative	Value (R billions)		Change over one year (per cent)	
	2025	Jan–Feb 2026	2025	Jan–Feb 2026
Equity	7 202	941	14.9	31.2
Warrants.....	1	0.1	3.5	-53.0
Commodity.....	1 393	213	8.8	-14.4
Interest rate	1 604	344	7.1	-6.1
Currency.....	1 514	127	29.0	13.2
Total	11 714	1 625	11.9	12.5

Source: JSE

After increasing to 67 index points in the fourth quarter of 2025, the Agricultural Business Chamber of South Africa/Industrial Development Corporation (Agbiz/IDC) Agribusiness Confidence Index (ACI) decreased significantly by 18 index points to just below the neutral 50-point level at 49 index points in the first quarter of 2026 – the lowest level since the third quarter of 2024. The main factors weighing on sentiment were the spread of foot-and-mouth disease, African swine fever in the pig industry, and rising concerns about the impact of the war in the Middle East on input costs.

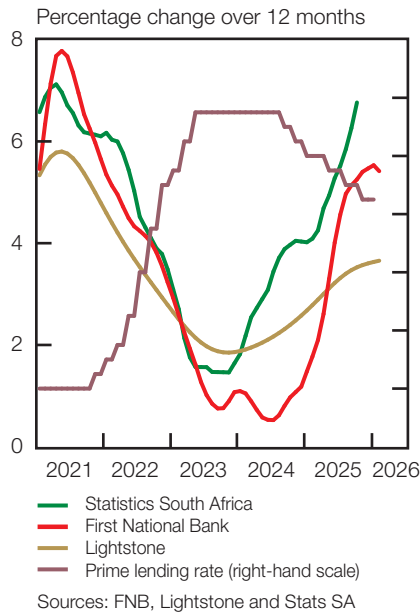
Agbiz/IDC Agribusiness Confidence Index



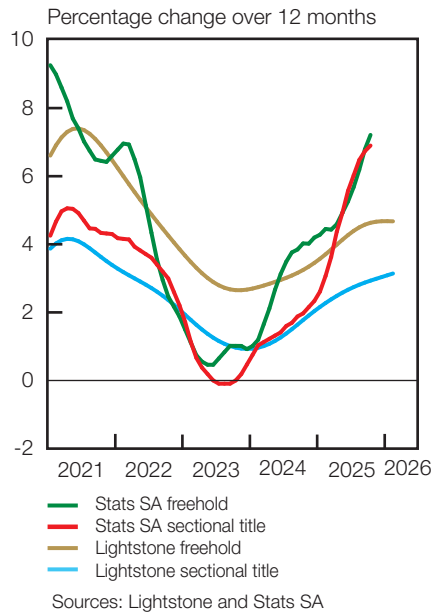
Real estate market

Growth in nominal residential property prices continued to accelerate in early 2026, supported by lower interest rates and inflation as well as improved consumer sentiment. The year-on-year rate of increase in Stats SA's residential property price index accelerated to 6.8% in October 2025, while growth in the FNB and Lightstone house price indices accelerated to 5.4% and 3.7% respectively in February 2026. According to Stats SA and Lightstone, growth in the prices of both sectional title and freehold properties accelerated, with a somewhat stronger increase in freehold properties.

Residential property prices and prime lending rate

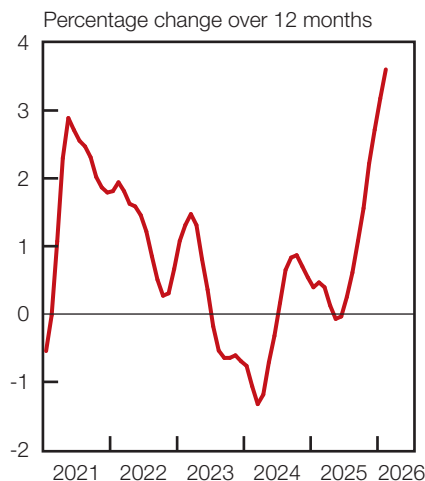


Residential property prices by type



The increase in domestic residential property prices coincided with an increase in the residential Property Demand Index compiled by FNB, which indicated that demand for residential property continued to increase at the beginning of 2026. Furthermore, the time that residential properties remained on the market declined slightly from an average of 12.3 weeks in the third quarter of 2025 to 11.4 weeks in the fourth quarter, much lower than the average of 14.8 weeks between 2010 and 2019.

Residential Property Demand Index



Average time that residential properties remain on the market



Non-bank financial institutions

The net financial flows⁴⁵ of non-bank financial institutions⁴⁶ declined from R153 billion in the third quarter of 2025 to R136 billion in the fourth quarter as gross outflows increased more than gross inflows. However, on an annual basis, net flows to these institutions increased markedly from R335 billion in 2024 to R557 billion in 2025, mainly supported by higher net flows to unit trusts and insurance companies, which benefited from, among other factors, increased investment income following the strong rally in financial asset prices and premiums received.

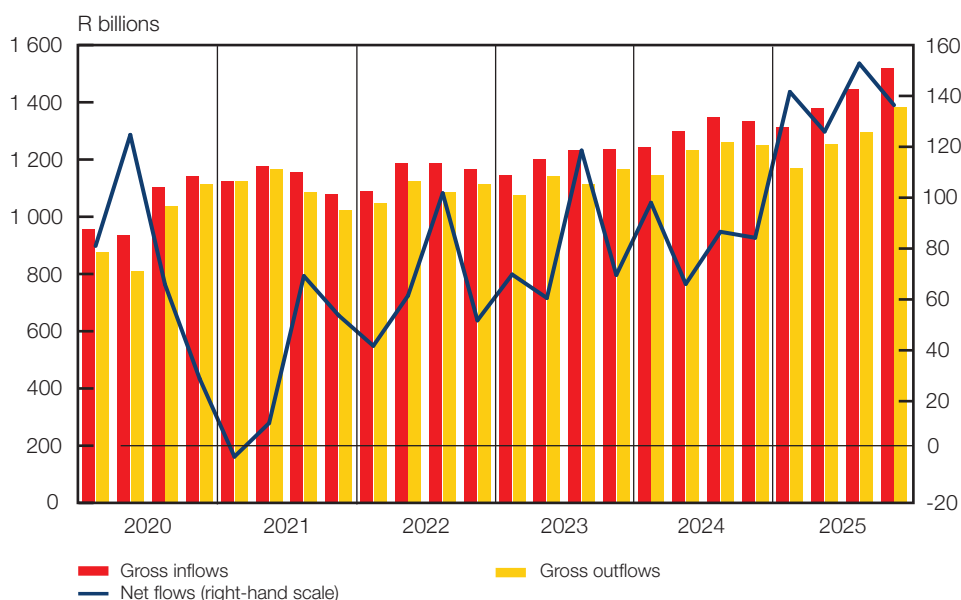
Gross inflows⁴⁷ to non-bank financial institutions increased by 4.9% from the third quarter of 2025 to R1.5 trillion in the fourth quarter. As a ratio of nominal GDP, gross inflows to non-bank financial institutions increased from 74.6% in the third quarter of 2025 to 75.7% in the fourth quarter compared to 70.1% recorded in the fourth quarter of 2024. Gross inflows to unit trusts increased the most, by 7.1% from the third quarter of 2025 to R954 billion in the fourth quarter, as investors increased their exposure to both money and non-money market funds due to, among other factors, the continued increase in financial asset prices. Gross inflows to insurance companies rose by 1.4% to R372 billion over the same period, mainly as a result of increased investment income and premiums received by life insurers.

45 Net financial flows are measured as the difference between gross inflows and gross outflows.

46 Non-bank financial institutions consist of unit trusts, life and non-life insurance companies as well as private and official retirement funds.

47 Gross inflows comprise investment and other income, contributions and premiums received as well as sales of units, including the reinvestment of interest and dividends as well as switches.

Non-bank financial institution flows



Source: SARB

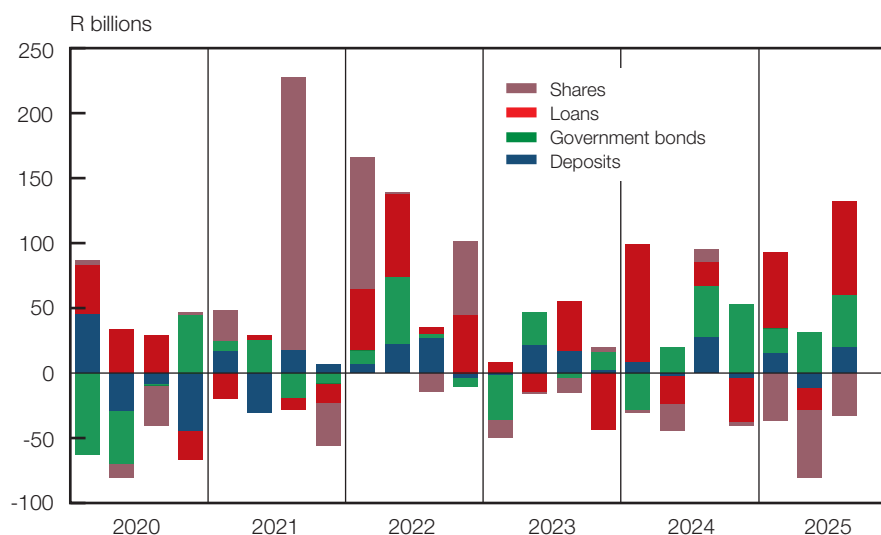
Gross outflows⁴⁸ from non-bank financial institutions increased by 6.8% from the third quarter of 2025 to R1.4 trillion in the fourth quarter. Unit trusts recorded pronounced gross outflows, increasing by 12.4% to R915 billion in the fourth quarter of 2025 as the household sector and linked investment service providers were the main sellers of units. By contrast, gross outflows from retirement funds decreased by 3.5% from the third quarter of 2025 to R156 billion in the fourth quarter, mainly as benefits paid on pension withdrawals, including two-pot retirement withdrawals, and other benefit payments declined. Similarly, the gross outflows from insurance companies declined by 2.4% from the third quarter of 2025 to R311 billion in the fourth quarter as especially surrenders paid by life insurers declined. However, claims paid by non-life insurers increased by 3.4% to R30.2 billion in the fourth quarter of 2025 as a result of, among other factors, the widespread floods which affected large parts of the country over this period.

48 Gross outflows comprise benefits and claims paid, premiums paid on reinsurance outwards, surrenders, repurchases of units, administrative expenses, dividends paid and other expenditure.

Flow of funds

The global economy remained resilient in the third quarter of 2025, largely absorbing the impact of US tariffs, while many central banks implemented monetary policy easing. Notably, *non-residents'* capital flows to South Africa shifted from a net outflow of R8.4 billion in the second quarter of 2025 to a net inflow of R38.6 billion in the third quarter. The inflow largely reflected the net acquisition of domestic financial assets totalling R130 billion in the third quarter of 2025. Foreign loans extended to the domestic economy of R72.1 billion, primarily extended to domestic banks as well as central and provincial governments, were partly offset by loan repayments by non-financial private corporate business enterprises. Non-residents' net purchases of domestic fixed-interest securities increased from R30.2 billion in the second quarter of 2025 to R42.2 billion in the third quarter. The increase reflects strengthened investor confidence and robust demand for domestic debt securities, supported by the US Federal Reserve's decision to reduce interest rates and the removal of South Africa from the FATF greylist. Deposits from non-residents to the domestic banking sector amounted to R19.9 billion in the third quarter of 2025 compared to withdrawals of R11.1 billion in the second quarter. By contrast, non-residents' net sales of domestic shares amounted to R33.1 billion, while they reduced their exposure to domestic financial derivatives by R39.0 billion in the third quarter of 2025, compared to net sales of R52.2 billion and a reduction of R43.1 billion respectively in the second quarter.

Non-residents' net acquisition of selected domestic assets



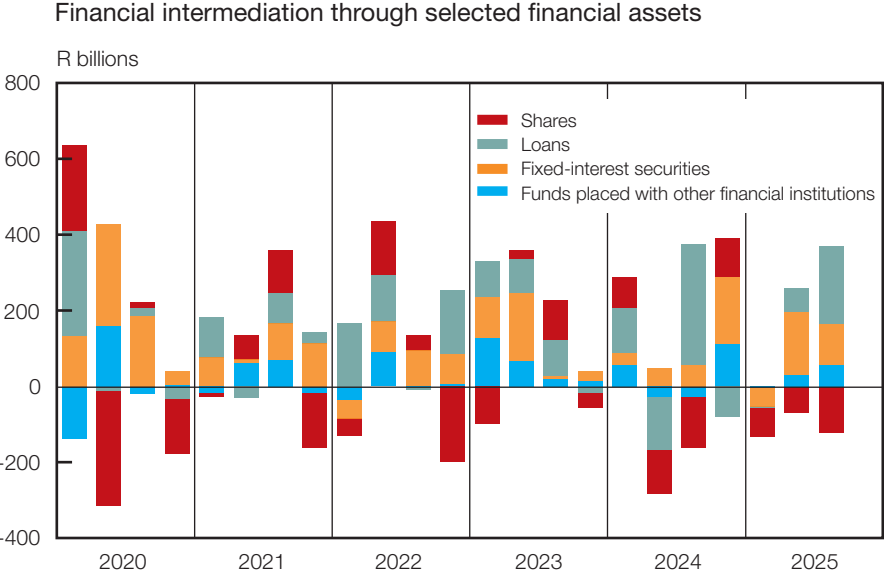
Source: SARB

South African residents recorded a net acquisition of foreign assets valued at R91.1 billion in the third quarter of 2025. The domestic institutional sectors, mainly the domestic banking sector, extended loans of R99.7 billion to non-residents and placed funds with other foreign financial institutions to acquire foreign unit trusts to the value of R87.5 billion. By contrast, domestic investors recorded net sales of foreign shares to the value of R34.7 billion. In addition, gold and other foreign reserves declined by a further R19.9 billion in the third quarter of 2025.

Although domestic economic growth slowed in the third quarter of 2025, *financial intermediaries* expanded their net acquisition of financial assets to R317 billion in the third quarter of 2025 following net purchases of R205 billion in the second quarter. Net purchases of fixed-interest securities, predominantly acquired by other financial institutions, amounted to R106 billion in the third quarter of 2025. At the same time, loans granted by financial intermediaries increased noticeably to R205 billion, up from R63.0 billion in the second quarter. Credit demand was

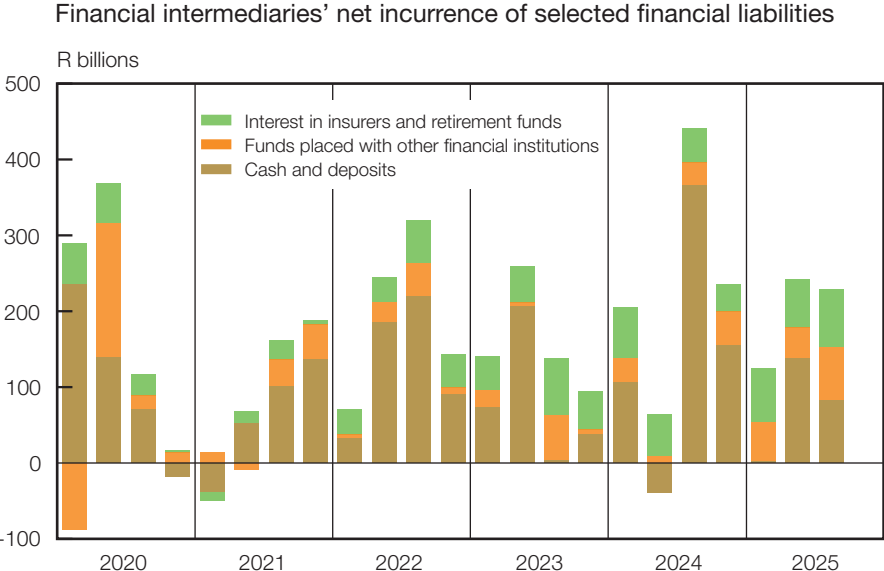


mainly driven by other financial institutions and, to a lesser extent, households and non-financial private corporate business enterprises, which utilised these funds to finance capital expenditure, among other activities. By contrast, financial intermediaries remained net sellers of shares at R122 billion in the third quarter of 2025.




Financial intermediaries’ net incurrence of financial liabilities increased to R283 billion in the third quarter of 2025 from R178 billion in the second quarter. Cash and deposits increased by R81.8 billion in the third quarter of 2025, down from R137 billion in the second quarter. The moderation in deposit growth largely reflected withdrawals by the general government to pay interest on government securities. Furthermore, combined net flows to collective investment schemes⁴⁹ as well as insurers and retirement funds amounted to R147 billion in the third quarter of 2025.

49 Collective investment schemes exclude hedge funds.



The *general government*'s net borrowing requirement surged from R40.3 billion in the second



quarter of 2025 to R170 billion in the third quarter, mainly as gross saving of R10.1 billion switched to gross dissaving of R117 billion over this period. To meet its funding needs, the general government's net issuance of bonds amounted to R103 billion (including the redemption of a foreign bond) and TBs of R13.8 billion in the third quarter, while it also secured loans of R59.4 billion, predominantly from the foreign sector. Conversely, cash and deposit holdings decreased by R92.7 billion over this period.

The net lending position of *non-financial private and public corporate business enterprises* decreased to R10.7 billion in the third quarter of 2025, from R27.7 billion in the second quarter, as the 15.4% increase in gross capital formation outpaced the 5.0% increase in gross saving. Gross capital formation by non-financial public corporate business enterprises increased by 8.6%, owing to investments related to infrastructure expansion and energy diversification. Meanwhile, gross capital formation by non-financial private corporate business enterprises increased by 16.6%, benefiting from improved macroeconomic conditions such as subdued inflation and lower interest rates, and the country's removal from the FATF greylist. Non-financial corporate business enterprises allocated surplus funds to cash and deposits of R66.2 billion, while net purchases of units in collective investment schemes amounted to R11.5 billion and net flows to insurers and retirement funds amounted to R7.4 billion in the third quarter of 2025. On the liabilities side, non-financial corporate business enterprises' net funding through the acquisition of loans amounted to R28.3 billion in the third quarter of 2025, while their net issuance of shares totalled R50.5 billion over the same period.

The *household sector* switched from a net borrowing position of R6.6 billion in the second quarter of 2025 to a net lending position of R86.5 billion in the third quarter due to higher gross saving. The surplus funds were channelled to net purchases of units with collective investment schemes worth R53.0 billion in the third quarter, while cash and deposit holdings increased by R29.1 billion. The net flow from households to insurers and retirement funds increased from R44.2 billion in the second quarter of 2025 to R53.2 billion in the third quarter. The household sector sourced financing through loans of R27.5 billion in the third quarter of 2025 compared to R17.8 billion in the second quarter.

Public finance⁵⁰

Non-financial public sector borrowing requirement⁵¹

The preliminary *non-financial public sector borrowing requirement* decreased significantly by R106.3 billion year on year to R133.0 billion in the first nine months (April–December 2025) of fiscal 2025/26. The lower borrowing requirement reflected the lower cash deficit of the consolidated general government, alongside a switch from a cash *deficit* to a cash *surplus* by the non-financial public enterprises and corporations, or state-owned companies (SOCs). The smaller cash deficit of the consolidated general government reflected the lower cash deficit of national government and cash surpluses at all other tiers of general government. National government's cash deficit decreased as revenue growth far outpaced growth in total expenditure. Extra-budgetary institutions recorded a larger cash surplus as cash receipts from operating activities, boosted by grants, grew much faster than total expenditure. Local government's larger cash surplus resulted largely from a marked increase in other receipts, notably sales of goods and services and property income. The consolidated provincial government switched from a cash *deficit* to a cash *surplus*, largely reflecting higher equitable share transfers by national government, particularly in the fourth quarter of 2025.

Non-financial public sector borrowing requirement

R billions

Level of government	Apr–Dec 2024*	Apr–Dec 2025*
Consolidated general government.....	211.2	153.8
National government.....	276.2	248.4
Extra-budgetary institutions	-2.3	-11.1
Social security funds.....	-28.2	-20.1
Consolidated provincial government	11.2	-1.3
Local government.....	-45.8	-62.1
Non-financial public enterprises and corporations**	28.1	-20.8
Total.....	239.3	133.0
<i>As a percentage of gross domestic product.....</i>	<i>4.3</i>	<i>2.3</i>

* Deficit (+)/surplus (-)

** Data for the National Transmission Company of South Africa (NTCSA) have not been included in the statistics of the non-financial state-owned companies (SOCs) since commencing operations in the third quarter of 2024. Therefore, statistics for non-financial SOCs are preliminary and subject to revision following the inclusion of NTCSA data.

Components may not add up to totals due to rounding off.

Sources: National Treasury, Stats SA and SARB

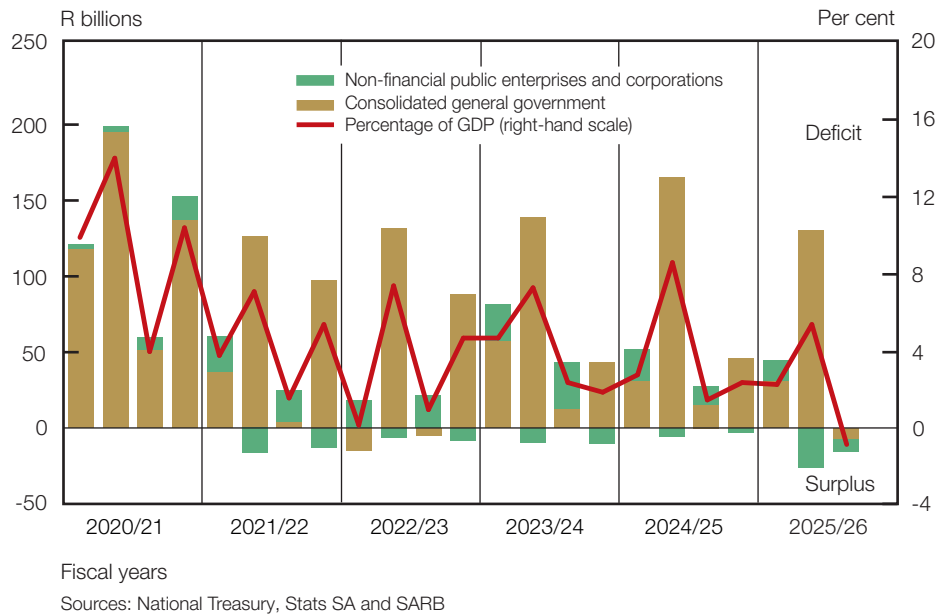
As a ratio of GDP, the non-financial public sector borrowing requirement decreased to 2.3% in the first nine months of fiscal 2025/26 compared with 4.3% in the corresponding period of the previous fiscal year.

50 Unless stated to the contrary, the year-on-year rates of change in this section compare April–December 2025 with April–December 2024 for flows, while stocks are as at 31 December 2025.

51 The non-financial public sector borrowing requirement is calculated as the cash *deficit/surplus* of the consolidated general government as well as non-financial public enterprises and corporations.



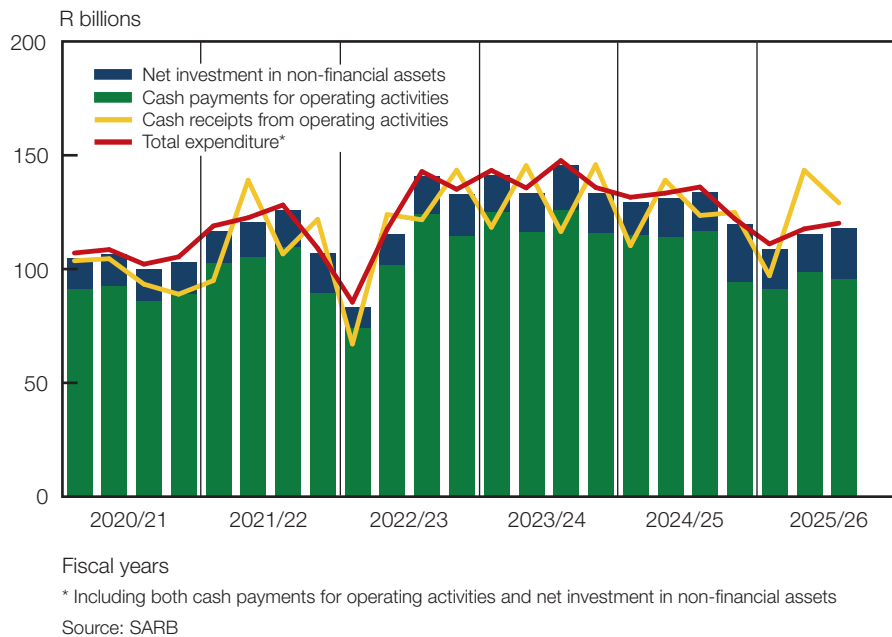
Non-financial public sector borrowing requirement



52 Data for the National Transmission Company of South Africa (NTCSA) have not been included in the statistics of the non-financial state-owned companies (SOCs) since commencing operations in the third quarter of 2024. Therefore, statistics for non-financial SOC are preliminary and subject to revision following the inclusion of NTCSA data.

The preliminary financial activities of the non-financial SOC⁵² resulted in a cash *deficit* of R28.1 billion in April–December 2024 compared with a cash *surplus* of R20.8 billion in April–December 2025. This reflected a notable decrease in total expenditure, while total cash receipts from operating activities decreased only marginally.

Financial activities of non-financial public enterprises and corporations



Total cash receipts from operating activities decreased slightly by 0.9% year on year to R362.8 billion in April–December 2025, largely due to the reduced sales of goods and services. However, total expenditure by the non-financial SOC⁵², inclusive of cash payments for operating activities and net investment in non-financial assets, decreased significantly by 13.2% year on year to R342.1 billion. The sharp decline reflected a marked reduction in purchases of goods and services, in particular primary energy expenses such as coal and fuel. Despite the decrease in total expenditure, net investment in non-financial assets increased by 17.7% year on year to R57.0 billion in April–December 2025, largely driven by higher spending on buildings and structures as well as intangible fixed assets.



Box 4 The 2026 Budget Review¹

The theme of the 2026 Budget centred around strengthening economic stability and promoting sustainable economic growth. Accordingly, National Treasury expects growth in real gross domestic product (GDP) to improve slightly to 1.6% in 2026, from 1.4% in 2025, and further to 2.0% in 2028, bolstered by improved fiscal conditions, lower inflation expectations and improved investor confidence in the medium term. However, challenges such as logistical bottlenecks, weak public infrastructure, and adverse climate and weather-related events pose risks to the outlook, as they add to the cost of doing business.

Macroeconomic projections*

Percentage

	2023	2024	2025			2026	2027	2028
	Actual outcome		Budget	MTBPS	Budget**	Medium-term estimates**		
Real GDP growth	0.8	0.5	1.4	1.2	1.4	1.6	1.8	2.0
Consumer price inflation	5.9	4.4	3.7	3.3	3.2	3.4	3.3	3.2
Current account balance***	-1.1	-0.7	-0.7	-1.0	-0.9	-1.0	-1.2	-1.3

* Calendar years

** 2026 Budget Review

*** As a percentage of GDP

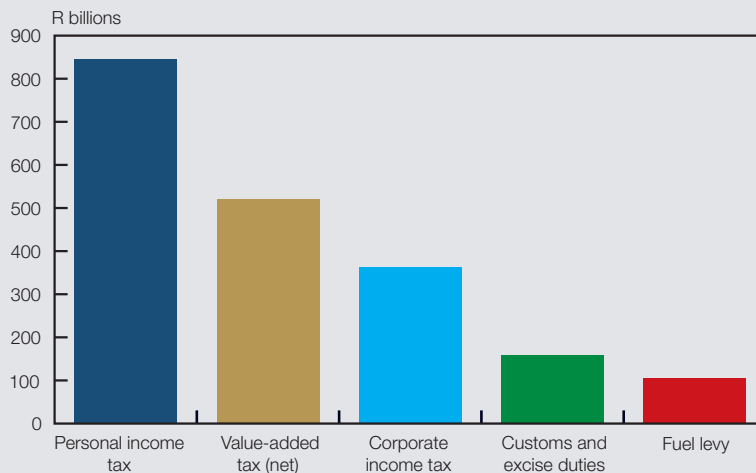
Sources: National Treasury, Stats SA and SARB

The 2026 Budget marks an important turning point, with the economic outlook expected to improve moderately and public debt projected to stabilise in fiscal 2025/26 and decline over the medium term. The Budget proposed that government should introduce legislation requiring each new administration to table a medium-term fiscal plan to ensure fiscal sustainability. Furthermore, government will announce proposals for a principles-led fiscal anchor in the 2026 Medium Term Budget Policy Statement (MTBPS) instead of one based on numerical rules.

The budget deficit is projected to narrow, while the primary surplus is anticipated to increase steadily over the medium term. Risks to the fiscal outlook include weaker-than-expected global and domestic economic growth, commodity price volatility, the financial health of state-owned companies (SOCs) and higher borrowing costs due to geopolitical risks, adverse global monetary conditions or changes in investor sentiment.

The 2026 Budget projected that gross tax revenue will be R21.3 billion higher in fiscal 2025/26 than previously expected in the 2025 Budget Overview. The revenue overrun is due to higher collections of net value-added tax, corporate income tax and dividends tax, with the tax-to-GDP ratio expected to increase from 25.1% in fiscal 2024/25 to 25.9% in fiscal 2025/26. Consequently, the proposed R20 billion tax increase in the 2025 Budget Overview was withdrawn as key fiscal targets are expected to be achieved. This change supports economic growth by allowing households and businesses to retain a larger share of their income. As a result, total tax revenue was revised cumulatively lower by R57.2 billion over the medium term.

Major sources of consolidated government revenue in fiscal 2026/27



Sources: National Treasury and SARS

¹ The Minister of Finance presented the 2026 Budget Review to Parliament on 25 February 2026.

For the first time since fiscal 2023/24, tax thresholds, rebates and duties have been adjusted to offer taxpayers some relief from the impact of inflation. The main tax proposals include the following:

- In fiscal 2026/27, personal income tax (PIT) brackets and rebates will be adjusted in line with the expected inflation rate of 3.4% for 2026.
- Medical tax credits will increase from R364 to R376 for the first two members, and from R246 to R254 for additional members.
- The updated global minimum tax rules will be implemented in fiscal 2026/27 and are anticipated to reduce profit shifting by multinational corporations by limiting opportunities to benefit from negligible or zero tax rates abroad.
- Excise duties on alcoholic beverages and tobacco products will be increased in line with the projected inflation rate for fiscal 2026/27.
- Given subdued fuel prices, the general fuel levy is proposed to increase by less than inflation from 1 April 2026, to R4.10 per litre for petrol and R3.93 per litre for diesel. The Road Accident Fund (RAF) levy will increase by 7 cents per litre to R2.25 per litre, in line with expected inflation, while customs and excise levies will remain unchanged. The carbon fuel levy will increase to 19 cents per litre for petrol and 23 cents per litre for diesel, effective 1 April 2026.

Consolidated fiscal framework indicators*

R billions

	2023/24	2024/25	2025/26			2026/27	2027/28	2028/29
	Outcome		2025 Budget	2025 MTBPS	2026 Budget**	Medium-term estimates***		
Consolidated revenue ...	1 950	2 054	2 201	2 225	2 232	2 345	2 467	2 613
<i>Percentage of GDP</i>	<i>27.4</i>	<i>27.8</i>	<i>28.0</i>	<i>26.9</i>	<i>28.8</i>	<i>28.6</i>	<i>28.6</i>	<i>28.8</i>
Consolidated expenditure	2 257	2 390	2 579	2 589	2 579	2 670	2 768	2 893
<i>Percentage of GDP</i>	<i>31.7</i>	<i>32.3</i>	<i>32.8</i>	<i>31.8</i>	<i>33.2</i>	<i>32.6</i>	<i>32.1</i>	<i>31.9</i>
Consolidated budget balance	-306.5	-336.0	-377.9	-363.4	-347.2	-324.3	-300.8	-280.7
<i>Percentage of GDP</i>	<i>-4.3</i>	<i>-4.5</i>	<i>-4.8</i>	<i>-4.7</i>	<i>-4.5</i>	<i>-4.0</i>	<i>-3.5</i>	<i>-3.1</i>
Primary surplus***	33.2	51.0	65.0	68.5	71.7	131.2	166.9	208.9
<i>Percentage of GDP</i>	<i>0.5</i>	<i>0.7</i>	<i>0.8</i>	<i>0.9</i>	<i>0.9</i>	<i>1.6</i>	<i>1.9</i>	<i>2.3</i>
Gross loan debt***	5 259	5 694	6 091	6 070	6 119	6 326	6 636	6 944
<i>Percentage of GDP</i>	<i>73.9</i>	<i>77.0</i>	<i>77.4</i>	<i>77.9</i>	<i>78.9</i>	<i>77.3</i>	<i>77.0</i>	<i>76.5</i>
Net loan debt***	5 064	5 469	5 964	5 928	5 915	6 178	6 515	6 838
<i>Percentage of GDP</i>	<i>71.2</i>	<i>73.9</i>	<i>75.8</i>	<i>76.1</i>	<i>76.3</i>	<i>75.4</i>	<i>75.6</i>	<i>75.3</i>

* Fiscal years. This is the consolidated budget framework of national, provincial and local government as well as social security funds and selected public entities. Budget data are therefore not strictly comparable with the data published in the SARB's *Quarterly Bulletin*.

** 2026 Budget Review

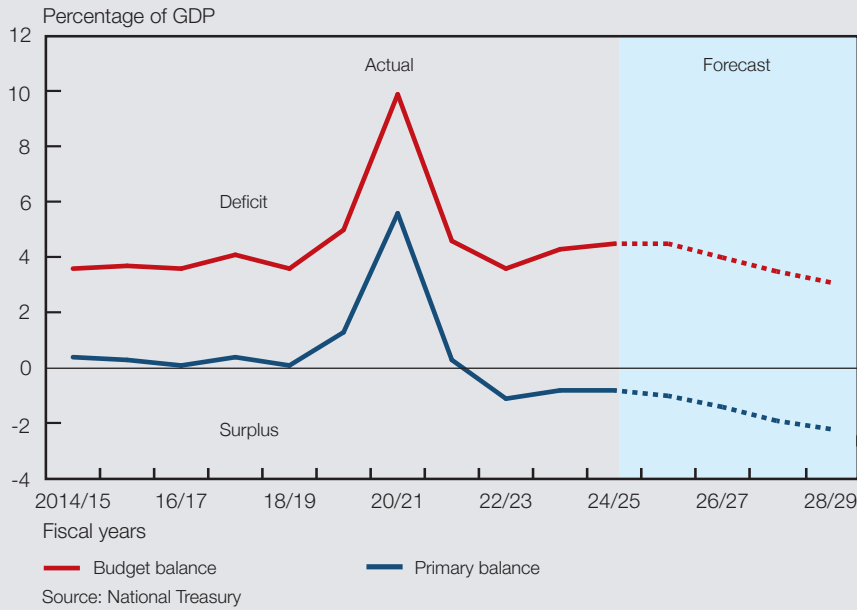
*** Main budget

Source: National Treasury

Consolidated government expenditure is projected to increase at an average annual rate of 3.9% over the medium term, rising from R2.6 trillion in fiscal 2025/26 to R2.9 trillion in fiscal 2028/29. Consolidated non-interest expenditure is expected to increase at an average annual rate of 3.9%. The cost of servicing debt is anticipated to decline from 21.3% of total revenue in fiscal 2025/26 to 20.2% in fiscal 2028/29, with a downward revision of R10.6 billion over the medium term. The 2026 Budget remains highly redistributive, allocating approximately 60% of non-interest spending to social programmes over the medium term, primarily towards basic education, health and social protection. Capital payments, the fastest-growing expenditure item, is expected to increase by 9.7% per annum on average over the medium term, thereby improving access to public services, expanding the economy's productive capacity and unlocking more private investment.



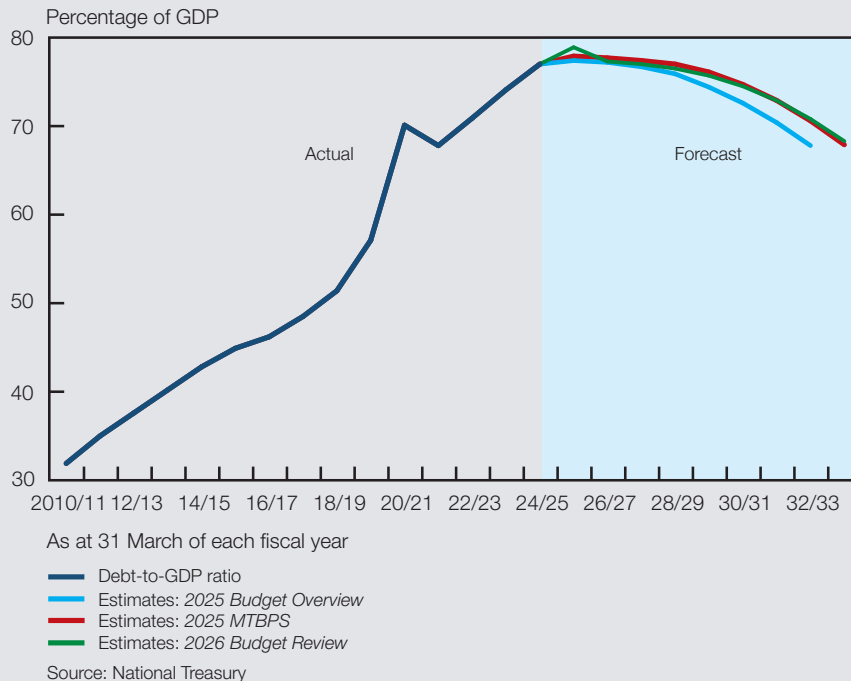
Consolidated fiscal balances



The consolidated budget deficit was revised lower to 4.5% of GDP in fiscal 2025/26 compared with 4.8% projected in the *2025 Budget Overview*, and is expected to narrow further to 3.1% in fiscal 2028/29. In addition, the consolidated government’s expected primary surplus (attained when revenue exceeds non-interest expenditure) of 1.0% of GDP in fiscal 2025/26 is projected to increase to 2.2% of GDP in fiscal 2028/29.

In line with the fiscal strategy, gross loan debt as a share of GDP is expected to stabilise at 78.9% in fiscal 2025/26 before declining to 76.5% in fiscal 2028/29. The stock of gross loan debt is expected to increase from R6.1 trillion in fiscal 2025/26 to R6.9 trillion in fiscal 2028/29, which is R277.4 billion lower than projected in the *2025 Budget*, demonstrating the positive impact of improved fiscal management. Over the medium term, government will raise about US\$13.2 billion from multilateral development banks, international financial institutions and international capital markets to meet its foreign exchange commitments.

National government’s gross loan debt



The 2026 Budget strikes a balance between social spending and measures to support economic growth, including investment in infrastructure and strengthening the service delivery capabilities of local government. The tax proposals are aimed at putting more income in the pockets of individuals and businesses.

Budget comparable analysis of national government finances⁵³

53 Data for flows for April–December 2025 are unaudited and preliminary, while that for April–December 2024 are audited.

54 The net borrowing requirement of national government is the cash flow deficit after accounting for accrual adjustments, Eskom's debt restructuring programme and the net Gold and Foreign Exchange Contingency Reserve Account (GFECRA) settlement.

National government's cash book deficit narrowed to R242.9 billion in the first nine months of fiscal 2025/26 (April–December 2025) compared to R285.2 billion recorded in the corresponding period of the previous fiscal year, as total revenue increased at a faster pace than total expenditure. As a result, the primary balance shifted from a *deficit* of R52.1 billion recorded in April–December 2024 to a *surplus* of R7.7 billion in April–December 2025. The net borrowing requirement⁵⁴ was financed in both the domestic and foreign financial markets through the net issuance of domestic and foreign government bonds and loans, TBs and short-term loans from the CPD. Notably, national government's available cash balances also increased significantly by R85.4 billion in the period under review.

National government finances

	Originally budgeted ¹ Fiscal 2025/26		Revised estimates ² Fiscal 2025/26		Actual Apr–Dec 2024		Actual Apr–Dec 2025	
	R billions	Percentage change ³	R billions	Percentage change ⁴	R billions	Percentage change ⁵	R billions	Percentage change ⁵
Revenue	1 949.4	7.9	1 968.7	8.9	1 279.9	3.1	1 413.2	10.4
<i>Percentage of GDP</i>	24.8		25.3		22.9		24.2	
Expenditure	2 310.7	7.8	2 321.7	8.3	1 565.1	3.1	1 656.1	5.8
<i>Percentage of GDP</i>	29.4		29.8		28.0		28.3	
Cash book balance ⁶	-361.3		-353.1		-285.2		-242.9	
<i>Percentage of GDP</i>	-4.6		-4.5		-5.1		-4.2	
Primary balance ⁷	64.8		68.2		-52.1		7.7	
<i>Percentage of GDP</i>	0.8		0.9		-0.9		0.1	
Gross loan debt ⁸	6 090.5	7.0	6 070.0	6.6	5 667.0	10.0	6 018.1	6.2
<i>Percentage of GDP</i>	77.4		77.9		77.1		78.8	

1 2025 Budget Overview

2 2025 MTBPS

3 Year-on-year percentage change: budgeted outcome on previous year's audited outcome

4 Year-on-year percentage change: revised estimates on previous year's audited outcome

5 Year-on-year percentage change: actual outcome on previous year's audited outcome

6 Cash book deficit (-)/surplus (+)

7 Primary balance refers to the cash book deficit (-)/surplus (+) excluding interest payments

8 As at 31 December for actual rand values

Components may not add up to totals due to rounding off and the exclusion of unclassified items.

Sources: National Treasury, SARS and Stats SA

National government's total revenue increased by 10.4% year on year to R1 413 billion in the first nine months of fiscal 2025/26, supported by gains across all major tax categories, particularly taxes on goods and services as well as on income, profits and capital gains. The *2025 Budget Overview* projected total revenue for fiscal 2025/26 at R1 949 billion (24.8% of GDP), which was revised upwards to R1 969 billion (25.3% of GDP) in the *2025 MTBPS*. As a ratio of GDP, national government revenue increased from 22.9% in April–December 2024 to 24.2% in the same period of 2025.



National government revenue in fiscal 2025/26

Revenue source	Originally budgeted ¹ Fiscal 2025/26		Revised estimates ² Fiscal 2025/26		Actual Apr–Dec 2025	
	R billions	Percentage change ³	R billions	Percentage change ⁴	R billions	Percentage change ⁵
Taxes on income, profits and capital gains	1 182.8	7.5	1 191.2	8.2	850.0	8.2
<i>Of which:</i> Income tax on individuals...	795.8	8.5	795.0	8.4	561.4	7.2
Income tax on companies...	343.7	6.3	348.7	7.9	253.5	8.6
Payroll taxes	26.0	6.4	26.0	6.3	19.2	6.1
Taxes on property	5.5	6.3	5.6	7.3	4.2	14.7
Taxes on goods and services	687.1	6.5	698.9	8.3	498.0	9.4
<i>Of which:</i> Value-added tax (VAT) net	482.2	5.3	493.6	7.8	351.6	9.1
Domestic	591.1	5.3	599.7	6.8	447.4	7.0
Imports	276.5	5.6	269.8	3.0	190.0	2.9
Refunds	-385.3	5.4	-375.9	2.8	-285.8	1.9
Fuel levy	96.6	12.5	98.6	14.8	71.0	14.1
Other excise duties	73.9	7.3	71.6	3.9	48.0	4.0
Taxes on international trade and transactions.....	84.2	5.5	83.7	4.8	59.2	6.6
Import duties.....	81.0	5.4	80.5	4.8	57.1	6.4
Other.....	3.2	7.1	3.1	5.5	2.1	12.9
Total tax revenue (gross)	1 985.6	7.0	2 005.3	8.1	1 430.5	8.6
Other revenue ⁶	37.4	-11.0	36.9	-12.0	37.8	26.9
Less: SACU ⁷ payments	73.6	-18.2	73.6	-18.2	55.2	-18.2
Total revenue	1 949.4	7.9	1 968.7	8.9	1 413.2	10.4

1 2025 Budget Overview

2 2025 MTBPS

3 Year-on-year percentage change: budgeted estimates on previous year's audited outcome

4 Year-on-year percentage change: revised estimates on previous year's audited outcome

5 Year-on-year percentage change: actual outcome on previous year's audited outcome

6 Including non-tax revenue and extraordinary receipts

7 Southern African Customs Union

Components may not add up to totals due to rounding off and the exclusion of unclassified items.

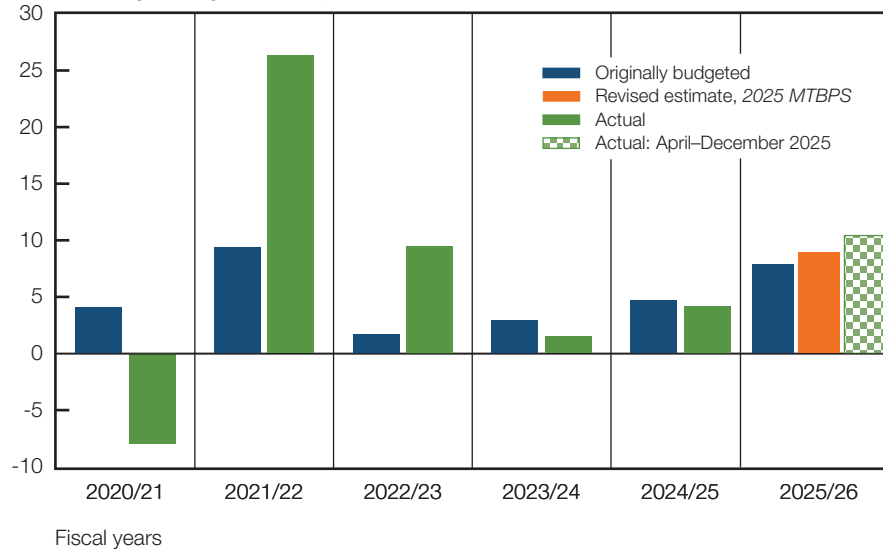
Sources: National Treasury and SARS

Revenue from taxes on income, profits and capital gains amounted to R850.0 billion in April–December 2025, representing a year-on-year increase of 8.2%. The increase was supported by a 7.2% year-on-year increase in personal income tax (PIT) receipts to R561.4 billion (66.0% of total taxes on income, profits and capital gains). This increase was mainly driven by strong pay-as-you-earn (PAYE) receipts, particularly in the finance, community services and wholesale trade sectors. Corporate income tax (CIT) increased by 8.6% year on year to R253.5 billion (29.8% of total taxes on income, profits and capital gains), supported by stronger provisional tax collections from the finance, wholesale and retail trade as well as mining sectors, reflecting improved profitability, improved trading conditions and higher international commodity prices. The 2025 Budget Overview estimated taxes on income, profits and capital gains to reach R1 183 billion in fiscal 2025/26, which was revised higher to R1 191 billion in the 2025 MTBPS.



Revenue of national government

Percentage change over one year



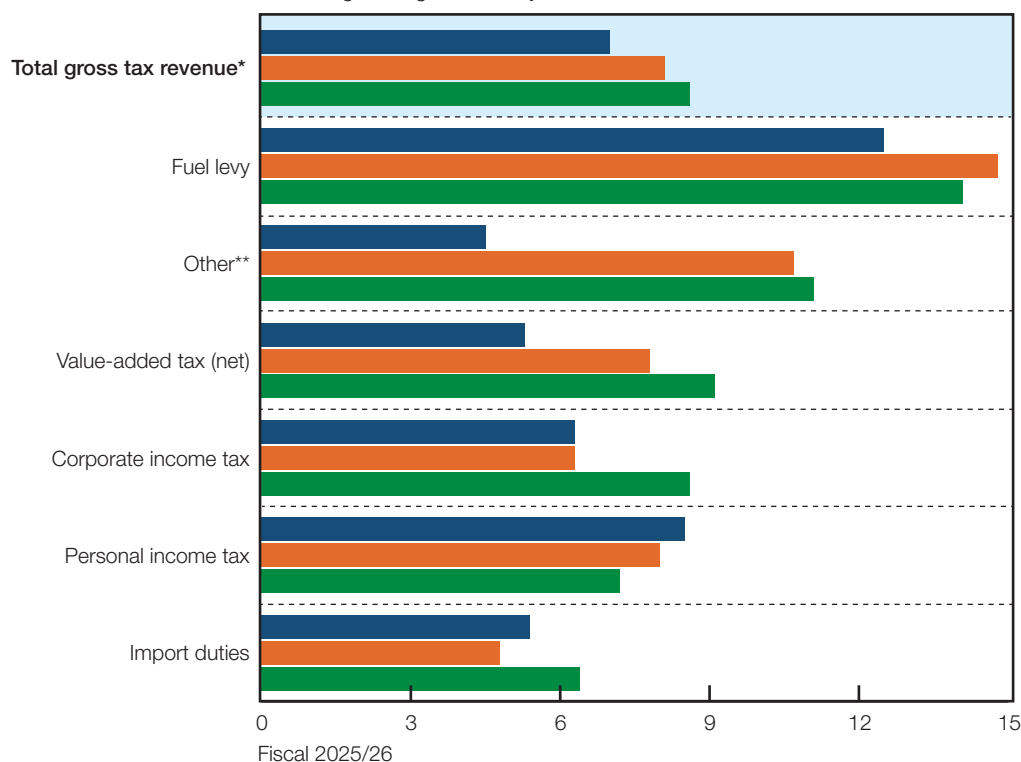
Sources: National Treasury and SARS

Taxes on goods and services of R498.0 billion (34.8% of total gross tax revenue) in the first nine months of fiscal 2025/26 reflected a 9.4% year-on-year increase. Net value-added tax (VAT), which accounted for 70.6% of taxes on goods and services, rose by 9.1% year on year to R351.6 billion due to robust domestic VAT collections from the finance, wholesale trade and manufacturing sectors, along with a modest 1.9% year-on-year increase in VAT refunds to R285.8 billion. The 2025 MTBPS revised the projected revenue from taxes on goods and services for fiscal 2025/26 upwards to R698.9 billion from the initial estimate of R687.1 billion in the 2025 Budget Overview.

Receipts from taxes on international trade and transactions amounted to R59.2 billion in April–December 2025, representing a 6.6% year-on-year increase. This was largely due to a 6.4% increase in import duties to R57.1 billion, mainly from higher vehicle imports. The 2025 Budget Overview estimated taxes on international trade and transactions at R84.2 billion for fiscal 2025/26, which was revised slightly lower to R83.7 billion in the 2025 MTBPS.

Growth in national government's gross tax revenue*

Percentage change over one year



Legend:
■ Originally budgeted, 2025 Budget Overview
■ Revised estimates, 2025 MTBPS
■ Actual: April–December 2025

* Before netting out SACU payments

** Including secondary tax on companies, withholding tax on interest and other excise duties and taxes on property

Sources: National Treasury and SARS

Other revenue, largely comprising non-tax revenue,⁵⁵ increased significantly by 26.9% year on year to R37.8 billion in the first nine months of fiscal 2025/26, mainly driven by higher revenue from rent on land. The *2025 Budget Overview* initially projected other revenue at R37.4 billion for fiscal 2025/26, which was revised lower to R36.9 billion in the *2025 MTBPS*. In addition, the *2025 Budget Overview* allocated R73.6 billion for Southern African Customs Union (SACU) distributions in fiscal 2025/26, which was less than the R89.9 billion transferred in the preceding fiscal year. The full amount was disbursed in four equal instalments in April, July and October 2025 and January 2026.

In the first 10 months of fiscal 2025/26 (April 2025–January 2026), national government's total revenue increased by 10.5% year on year to R1 553 billion. With only two months remaining in the current fiscal year, total revenue collected to date accounted for 78.9% of the revised estimate in the *2025 MTBPS*.

National government's total expenditure increased by 5.8% year on year to R1 656 billion in the first nine months of fiscal 2025/26, mainly due to higher statutory amounts⁵⁶ associated with rising debt-service cost and larger equitable share transfers to provinces. The *2025 Budget Overview* estimated total expenditure for fiscal 2025/26 at R2 311 billion (29.4% of GDP), which was revised upwards to R2 322 billion (29.8% of GDP) in the *2025 MTBPS*. As a ratio of GDP, total expenditure increased from 28.0% in April–December 2024 to 28.3% in the same period of 2025.

55 Non-tax revenue comprises sales of goods and services other than capital assets, interest, dividends, rent on land as well as financial transactions in assets and liabilities.

56 Statutory amounts are payments mandated by law or a statute, such as debt-service costs and salaries of the president, deputy president, magistrates and judges.

National government expenditure in fiscal 2025/26

Expenditure item	Originally budgeted ¹ Fiscal 2025/26		Revised estimates ² Fiscal 2025/26		Actual Apr–Dec 2025	
	R billions	Percentage change ³	R billions	Percentage change ⁴	R billions	Percentage change ⁵
Voted expenditure	1 172.2	5.5	1 183.1	6.5	880.8	3.9
Transfers and subsidies.....	846.7	5.1	853.6	6.0	642.7	3.0
Current payments.....	298.7	5.6	303.4	7.3	221.5	5.3
Payments for capital assets	17.1	3.6	18.7	13.3	11.3	-8.7
Payments for financial assets	9.8	59.7	7.4	20.5	5.3	-
Statutory amounts ⁶	1 138.5	10.2	1 138.7	10.2	775.3	8.1
<i>Of which:</i> Provincial equitable share	633.2	5.4	647.6	7.8	479.7	6.5
Interest on debt	426.1	10.5	421.3	9.3	250.6	7.5
General fuel levy	16.8	4.5	16.8	4.5	11.2	4.5
Total expenditure.....	2 310.7	7.8	2 321.7	8.3	1 656.1	5.8

1 2025 Budget Overview

2 2025 MTBPS

3 Year-on-year percentage change: budgeted estimates on previous year's audited outcome

4 Year-on-year percentage change: revised estimates on previous year's audited outcome

5 Year-on-year percentage change: actual outcome on previous year's audited outcome

6 Including extraordinary payments

- Denotes a value of more than 100 percentage points

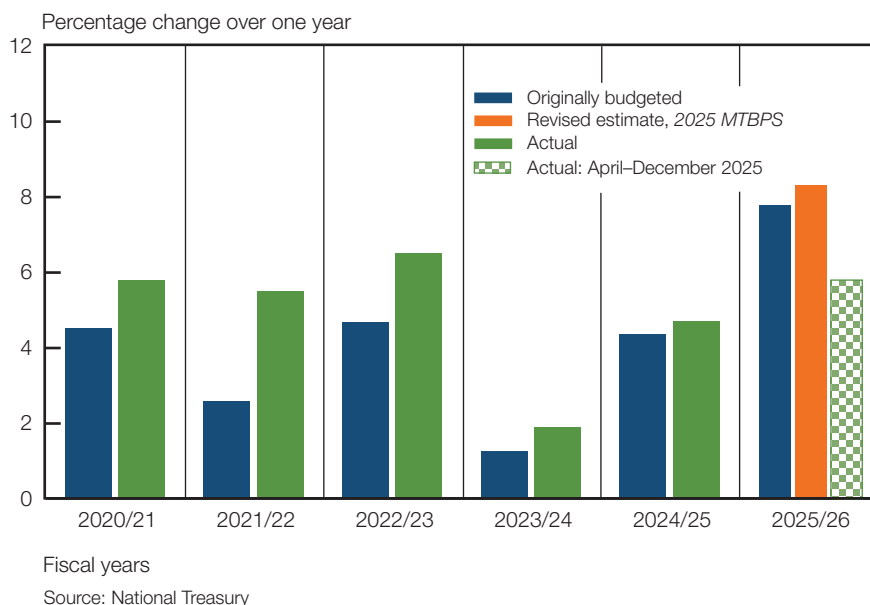
Components may not add up to totals due to rounding off and the exclusion of unclassified items.

Source: National Treasury

Total voted expenditure by national government departments increased by 3.9% year on year to R880.8 billion (53.2% of total expenditure) in the first nine months of fiscal 2025/26. Over the same period, transfers and subsidies increased by 3.0% to R642.7 billion, while current payments rose by 5.3% to R221.5 billion. Payments for financial assets increased sharply from R969.9 million to R5.3 billion, mainly due to the takeover of the South African National Roads Agency SOC Limited's (SANRAL) debt related to the Gauteng Freeway Improvement Project (GFIP) by the Gauteng provincial government. By contrast, payments for capital assets declined by 8.7% year on year to R11.3 billion during the period under review. The *2025 Budget Overview* projected total voted expenditure at R1 172 billion for fiscal 2025/26, which was revised higher to R1 183 billion in the *2025 MTBPS*.

Interest payments on national government debt (debt-service cost) rose by 7.5% year on year to R250.6 billion (15.1% of total expenditure) in the first nine months of fiscal 2025/26, consistent with the rise in gross loan debt. The *2025 Budget Overview* initially projected national government's total debt-service cost for fiscal 2025/26 at R426.1 billion, which was revised lower to R421.3 billion in the *2025 MTBPS*.

Expenditure by national government



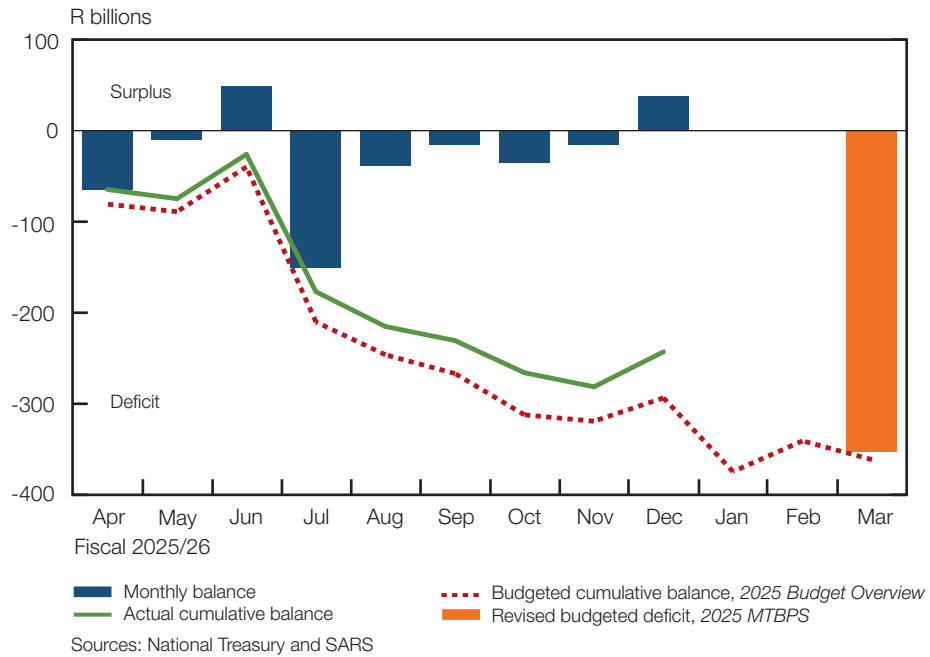
Equitable share transfers to provinces – the main source of provincial governments’ total revenue – amounted to R479.7 billion in April–December 2025, representing a 6.5% year-on-year increase. The *2025 Budget Overview* projected equitable share transfers to provinces at R633.2 billion for fiscal 2025/26, which was revised higher to R647.6 billion in the *2025 MTBPS*. In addition, the general fuel levy allocation to metropolitan municipalities is projected to increase by 4.5% year on year to R16.8 billion in fiscal 2025/26, with the first two instalments of R5.6 billion each already transferred in August and December 2025 and the final instalment of R5.6 billion scheduled for March 2026.

National government’s total expenditure increased by 6.5% year on year to R1 868 billion in the first 10 months of fiscal 2025/26.

Developments in national government finances resulted in a decrease in the cash book deficit of R42.2 billion year on year to R242.9 billion in the first nine months of fiscal 2025/26. The *2025 Budget Overview* estimated a cash book deficit of R361.3 billion for fiscal 2025/26, which was higher than the deficit of R336.7 billion recorded in fiscal 2024/25. This was revised lower to R353.1 billion in the *2025 MTBPS*. As a percentage of GDP, the cash book deficit decreased to 4.2% in April–December 2025 from the 5.1% recorded in the same period of 2024.

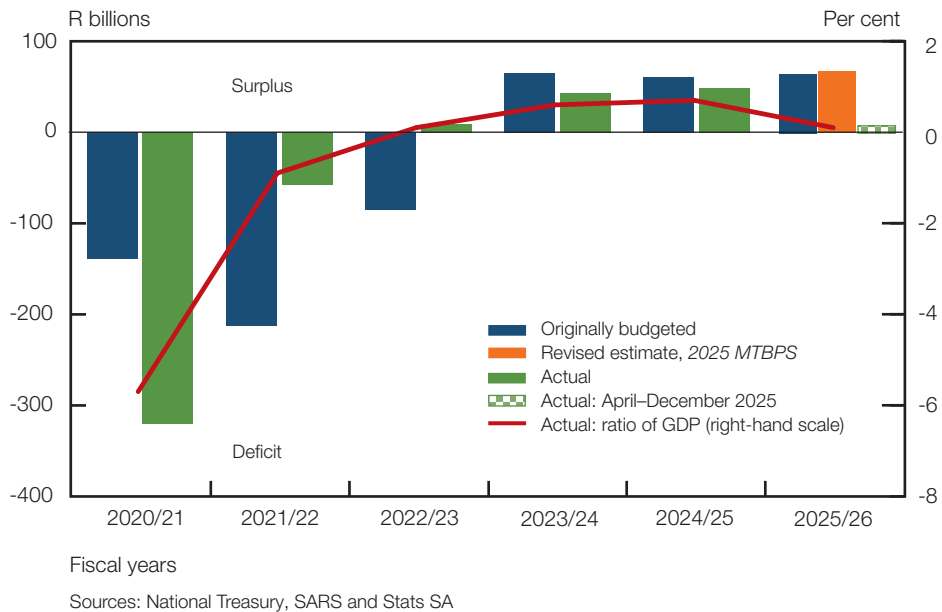


Cash book balance of national government



National government’s cash book deficit of R314.5 billion in the first 10 months of fiscal 2025/26 was R33.3 billion less than the deficit recorded in the same period of the previous fiscal year.

Primary balance of national government



National government recorded a primary *surplus* of R7.7 billion in April–December 2025, marking a turnaround from the primary *deficit* of R52.1 billion recorded in the corresponding period a year earlier, as revenue growth outpaced that in non-interest expenditure. The 2025 Budget Overview estimated a primary surplus of R64.8 billion (0.8% of GDP) for fiscal 2025/26, which was revised higher to R68.2 billion (0.9% of GDP) in the 2025 MTBPS.

National government financing

R billions

Item or instrument	Originally budgeted ¹	Revised estimates ²	Actual	Actual
	Fiscal 2025/26	Fiscal 2025/26	Apr–Dec 2024	Apr–Dec 2025
Cash book balance ³	-361.3	-353.1	-285.2	-242.9
Cash flow balance ^{3,4}	-289.4	-260.8
<i>Plus:</i> Cost/profit on revaluation of foreign debt at redemption ⁵	-20.1	-16.9	-3.0	-16.8
Accrual adjustments.....	14.1	5.3	36.9	62.8
SOCs ⁶ debt relief.....	-80.2	-80.2	-8.0	-
GFECRA ⁷ settlement (net).....	25.0	25.0	100.0	25.0
Net lending/borrowing requirement⁸.....	-422.5	-419.9	-163.6	-189.7
Treasury bills and short-term loans ⁹	37.2	39.1	28.0	37.0
Domestic bonds ⁹	233.9	249.5	214.0	171.7
Foreign bonds and loans ⁹	58.6	54.0	38.3	66.4
Change in available cash balances ¹⁰	92.8	77.3	-116.7	-85.4
Total net financing.....	422.5	419.9	163.6	189.7

1 2025 Budget Overview

2 2025 MTBPS

3 Deficit (-)/surplus (+)

4 The cash flow balance includes extraordinary receipts and payments and differs from the cash book balance.

5 Cost (+)/profit (-)

6 State-owned companies

7 Gold and Foreign Exchange Contingency Reserve Account

8 Net lending (+)/net borrowing (-)

9 Net issuance (+)/net redemption (-)

10 Increase (-)/decrease (+)

... Not available

Components may not add up to totals due to rounding off.

Sources: National Treasury and SARB

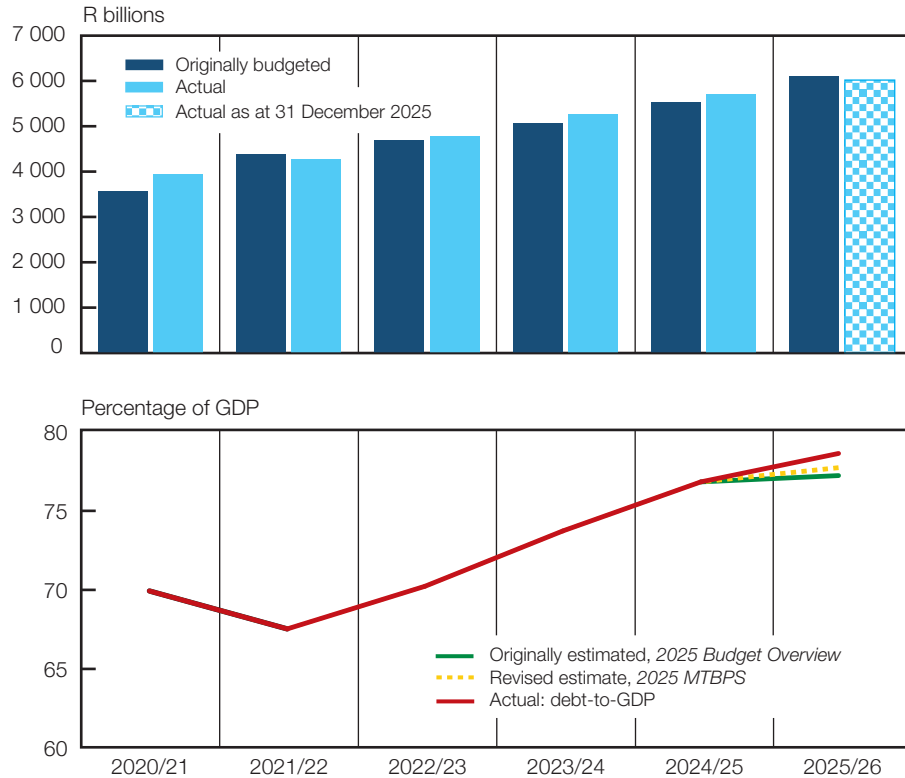
National government recorded a cash flow deficit of R260.8 billion in the first nine months of fiscal 2025/26 compared with a deficit of R289.4 billion in the same period of the previous fiscal year. After accounting for accrual adjustments of R62.8 billion, the cost on revaluation of foreign debt at redemption of R16.8 billion and the net GFECRA settlement of R25.0 billion, national government's net borrowing requirement amounted to R189.7 billion in the first nine months of fiscal 2025/26 compared with R163.6 billion in the corresponding period a year earlier.

In April–December 2025, national government's net borrowing requirement was financed in both the domestic and foreign financial markets through the net issuance of domestic government bonds of R171.7 billion, foreign bonds and loans of R66.4 billion and TBs of R37.0 billion. In addition, national government's available cash balances increased by R85.4 billion over this period.

National government's total gross loan debt (domestic and foreign) increased by R351.1 billion year on year to R6 018 billion as at 31 December 2025. The increase was driven by the higher net issuance of domestic debt, which accounted for the largest share of total gross loan debt at 90.1%, while foreign debt declined. As a share of GDP, total gross loan debt increased from 77.1% as at 31 December 2024 to 78.8% a year later. The 2025 MTBPS revised gross loan debt lower to R6 070 billion (77.9% of GDP) from R6 091 billion (77.4% of GDP) projected in the 2025 Budget Overview. As at 31 December 2025, government had already borrowed R466.6 billion (96.1%) of the total revised estimate of R485.6 billion for the full fiscal year anticipated in the 2025 MTBPS. This compares with the gross borrowing of R360.2 billion (91.9%) during the same period of fiscal 2024/25.



Gross loan debt of national government



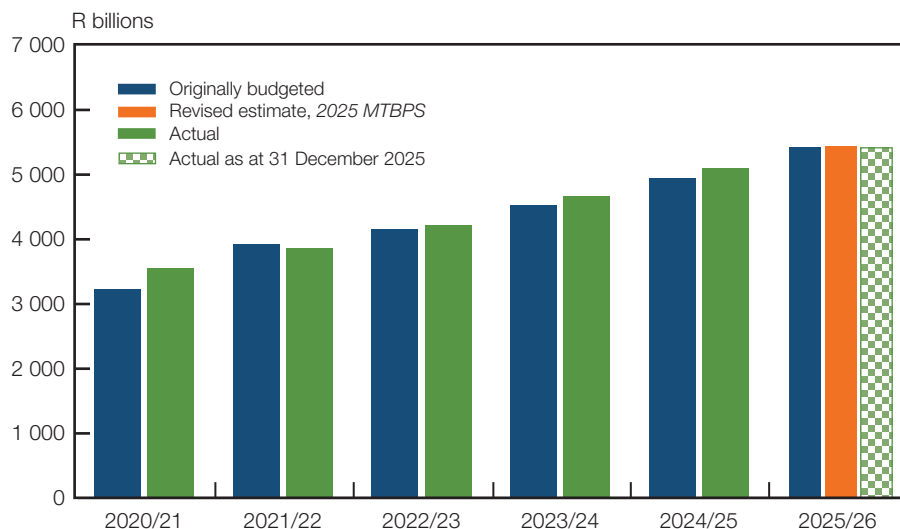
As at 31 March of each fiscal year
Sources: National Treasury and Stats SA

57 Including fixed-rate, zero-coupon, floating-rate and inflation-linked bonds.

58 Including the 91-, 182-, 273- and 364-day short-term debt instruments.

Total gross domestic debt (marketable and non-marketable) of national government increased by 7.4% year on year to R5 420 billion as at 31 December 2025. This was mainly due to the higher net issuance of domestic marketable debt (bonds⁵⁷ and TBs⁵⁸), which remained the main contributor to total domestic debt at 99.5%. The 2025 MTBPS revised total gross domestic debt upwards to R5 449 billion from the original estimate of R5 437 billion in the 2025 Budget Overview.

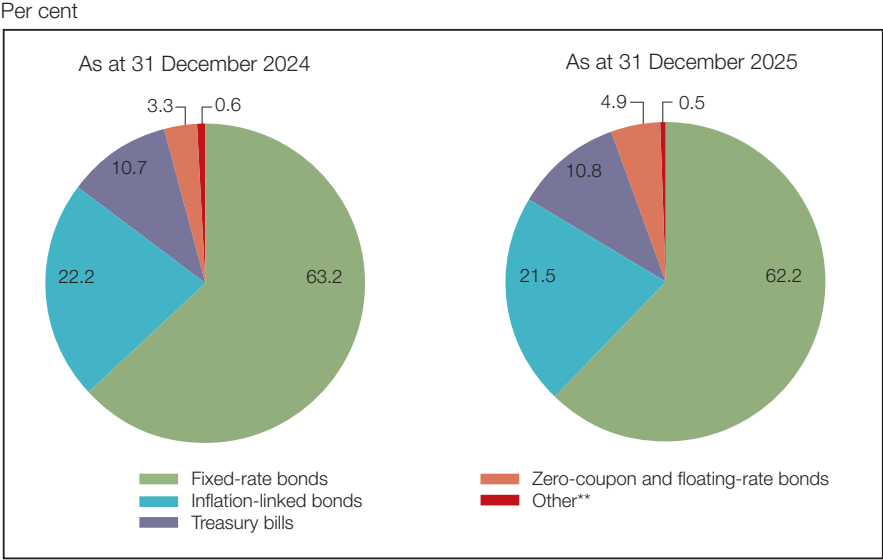
Domestic debt of national government



As at 31 March of each fiscal year
Source: National Treasury

The outstanding stock of fixed-rate bonds increased by 5.6% year on year to R3 370 billion as at 31 December 2025, while its share of total domestic debt decreased from 63.2% to 62.2% over this period. The increase reflected two new issuances (R2039 and R2042) to the combined value of R14.7 billion in October 2025 as well as two new Infrastructure and Development Finance bonds (RI2036 and RI2041) with a combined value of R11.8 billion in December 2025. In addition, the total outstanding stock of inflation-linked bonds increased by 4.0% year on year to R1 167 billion as at 31 December 2025, while its share of total domestic debt decreased slightly from 22.2% to 21.5%. Of this amount, R626.3 billion (53.7%) represents the nominal value and R540.8 billion (46.3%) is attributable to revaluation effects related to the consumer price index. The share of zero-coupon and floating-rate bonds to total domestic debt increased from 3.3% as at 31 December 2024 to 4.9% a year later as the outstanding stock increased from R165.8 to R266.8 billion over this period. Meanwhile, TBs increased to R587.5 billion as at 31 December 2025 following the net issuance of R48.3 billion in the preceding 12 months. Of this increase, the 364-day short-term debt instruments accounted for 47.7%, followed by the 273-day and 182-day instruments at 45.1% and 8.1% respectively. By contrast, the outstanding stock of 91-day instruments declined by 2.2% compared with the same period a year earlier.

Composition of national government’s domestic debt*



* Components may not add up to 100 due to rounding off.
 ** Including total outstanding domestic non-marketable bonds, short-term loans from the CPD and other debt
 Source: National Treasury

National government’s total foreign debt (marketable and non-marketable) declined by 3.3% year on year to R597.6 billion as at 31 December 2025, primarily due to a reduction in foreign marketable bonds. This decrease largely reflected exchange rate revaluation effects arising from the appreciation in the exchange value of the rand against other major trading currencies. In the first nine months of fiscal 2025/26, government had already raised R104.7 billion in gross foreign borrowing, which was R10.4 billion more than the revised amount projected for the full fiscal year in the 2025 MTBPS. This outcome reflects government’s strategic intent to capitalise on more favourable international borrowing conditions compared to those prevailing at the time of international bond issuance in November 2024.

The outstanding stock of foreign marketable bonds declined by R26.4 billion year on year to R433.3 billion as at 31 December 2025. This decline reflected the full redemption of the TY2/90 bond to the value of US\$2.0 billion (R34.8 billion) in September 2025, along with exchange rate revaluation effects. Despite the decline, government successfully raised US\$3.5 billion (R59.0 billion) in international capital markets in December 2025 through the issuance of two new US dollar-denominated bonds – a 12-year bond maturing in December 2037 and a 30-year bond maturing in December 2055 – each valued at



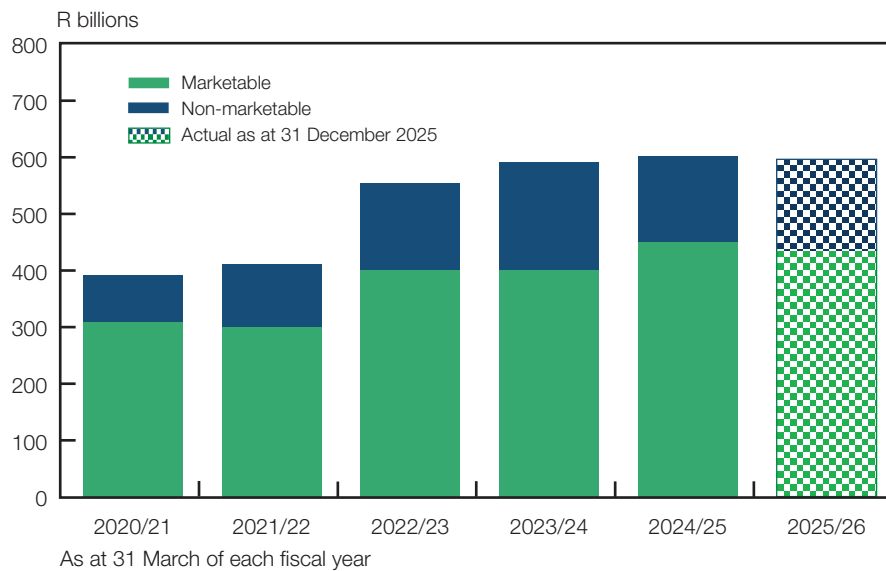


59 Short term refers to periods not exceeding one year; medium term, to periods exceeding one year but not more than three years; and long term, to periods exceeding three years.

US\$1.75 billion (R29.5 billion). As a result, the average remaining maturity of foreign marketable debt increased from 162 months as at 31 December 2024 to 176 months a year later. Two of the outstanding foreign marketable bonds (TY2/92 and TY2/94) with a combined value of R30.5 billion are expected to mature in the short term, while the bulk of the portfolio (R402.7 billion) will mature over the medium to long term.⁵⁹

Foreign non-marketable loans increased by R5.9 billion between 31 December 2024 and 31 December 2025, lifting the outstanding stock of foreign non-marketable debt to R164.3 billion (27.5% of total gross foreign debt) as at 31 December 2025. The increase was primarily driven by the take-up of four new concessional loans from international financial institutions: two loans totalling €700 million (R14.3 billion) in March and August 2025 and two loans totalling US\$2.0 billion (R35.3 billion) in July and September 2025. This was offset by the partial redemption of five foreign loans: two equal instalments on the IMF loan of XDR381.4 million each in January and July 2025; three repayments on two US dollar-denominated loans of US\$76.7 million in March, September and December 2025; two instalments on the Canadian dollar-denominated loan of CAD6.0 million each in March and September 2025; and the first repayment of the rand-denominated loan to the value of R166.9 million.

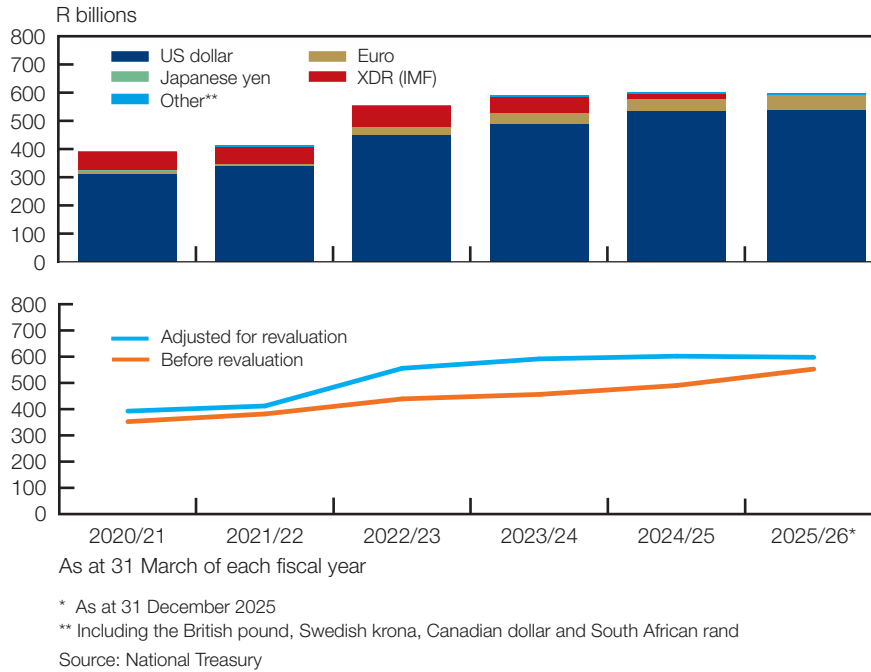
Foreign debt of national government



Source: National Treasury

National government's total outstanding foreign debt increased to R597.6 billion as at 31 December 2025 after accounting for revaluation adjustments compared to R552.8 billion before accounting for these adjustments. US dollar-denominated debt continued to dominate the composition of foreign debt at 90.2% of the total, while euro-denominated debt represented 8.8% and the balance was shared equally between Canadian dollar- and South African rand-denominated debt.

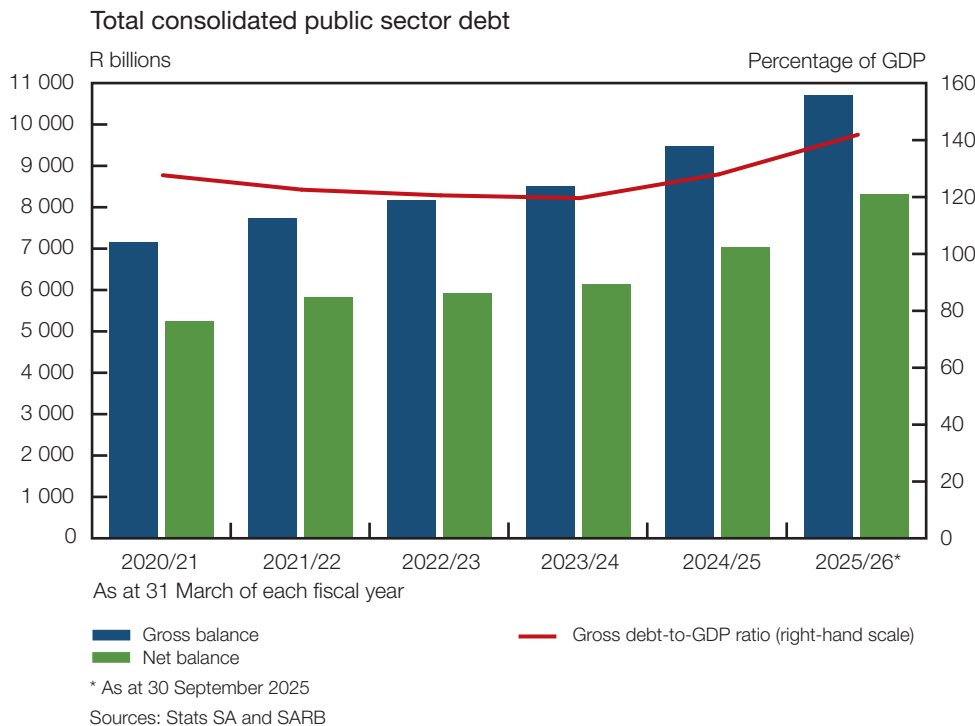
Currency composition of national government's foreign debt



National government's total gross loan debt increased by 7.0% year on year to R6 017 billion as at 31 January 2026, reflecting the net issuance of domestic debt, which increased by 8.5%. As at 31 January 2026, national government had issued R486.7 billion (0.2%), above the total projected gross borrowing of R485.6 billion in domestic and foreign debt for fiscal 2025/26.

Total public sector debt^{60, 61}

South Africa's preliminary total consolidated gross⁶² public sector debt (both domestic and foreign) increased to R10 697 billion (141.9% of GDP) as at 30 September 2025 – R1 322 billion more than a year earlier. After offsetting the individual debt instruments against the corresponding financial assets, the consolidated net⁶³ public sector debt increased to R8 305 billion (110.2% of GDP) as at 30 September 2025 from R7 111 billion (97.7% of GDP) a year earlier.



60 The public sector in South Africa comprises general government as well as both financial and non-financial public enterprises and corporations. General government, in turn, comprises central government (national government, extra-budgetary institutions and social security funds), consolidated provincial government and local government.

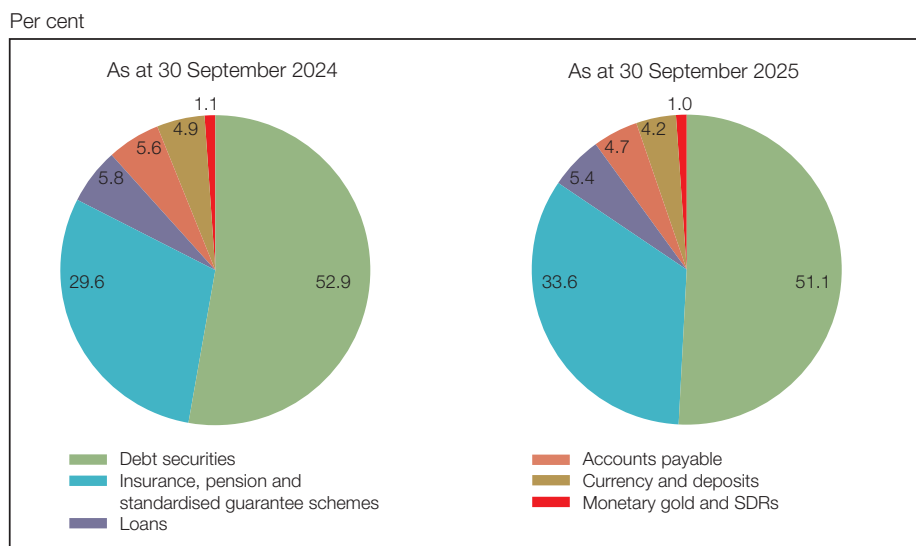
61 Unless stated to the contrary, the year-on-year rates of increase/decrease in this section compare 30 September 2025 to 30 September 2024.

62 Gross public sector debt comprises financial debt instruments such as special drawing rights (SDRs); currency and deposits; debt securities; loans; insurance, pension and standardised guarantee schemes; and other accounts payable – before netting the individual debt instrument against its corresponding financial assets.

63 Net public sector debt comprises SDRs; currency and deposits; debt securities; loans; insurance, pension and standardised guarantee schemes; and other accounts payable – after netting the individual debt instrument against its corresponding financial assets.

The total outstanding consolidated public sector debt securities in the domestic and international markets amounted to R5 462 billion (51.1% of total gross public sector debt) as at 30 September 2025. The share of insurance, pension and standardised guarantee schemes increased to 33.6% of total gross public sector debt as at 30 September 2025. The balance was shared among the remaining debt instruments, namely loans (5.4%), currency and deposits (4.7%), accounts payable (4.2%), and monetary gold and SDRs (1.0%).

Consolidated gross public sector debt



Source: SARB

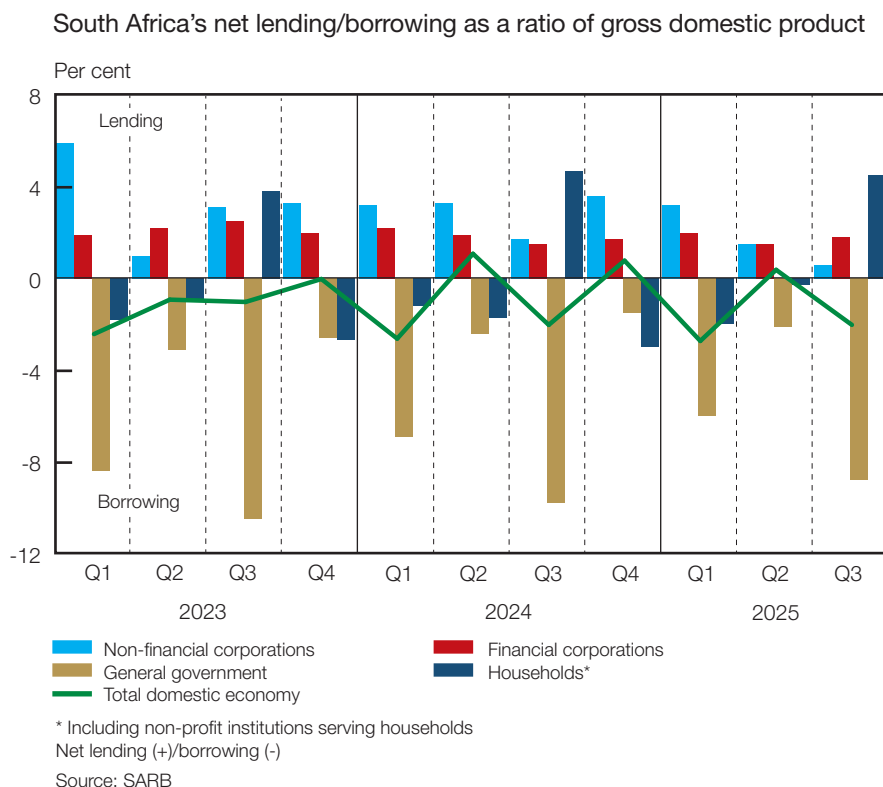
Integrated economic accounts⁶⁴

Current and capital account

South Africa's financing position switched from net lending⁶⁵ of R8.4 billion (0.4% of GDP) in the second quarter of 2025 to net borrowing of R38.6 billion (2.0% of GDP) in the third quarter as gross saving decreased and gross capital formation increased. The country's net borrowing position increased from R62.3 billion in the first three quarters of 2024 to R79.5 billion in the same period of 2025.

64 The analysis in this section is based on the experimental statistics compiled for South Africa's integrated economic accounts and is subject to further revision. See pages E-2 to E-12 in the experimental tables section in this edition of the *Quarterly Bulletin*.

65 Net lending/borrowing is calculated as gross saving *plus/minus* capital transfers receivable/*payable minus* gross capital formation.



Both financial and non-financial corporations maintained their net lending positions in the third quarter of 2025, as both sectors' gross saving improved. As at the third quarter, non-financial corporations had maintained a net lending position for thirteen consecutive quarters, while financial corporations last recorded a net borrowing position in the third quarter of 2005. The household sector reverted from a net borrowing position in the second quarter of 2025 to a net lending position in the third quarter due to a notable increase in its gross saving following higher dividend receipts. General government switched from gross saving in the second quarter of 2025 to gross dissaving in the third quarter, resulting in a significantly larger net borrowing position.

Non-financial balance sheet and accumulation account

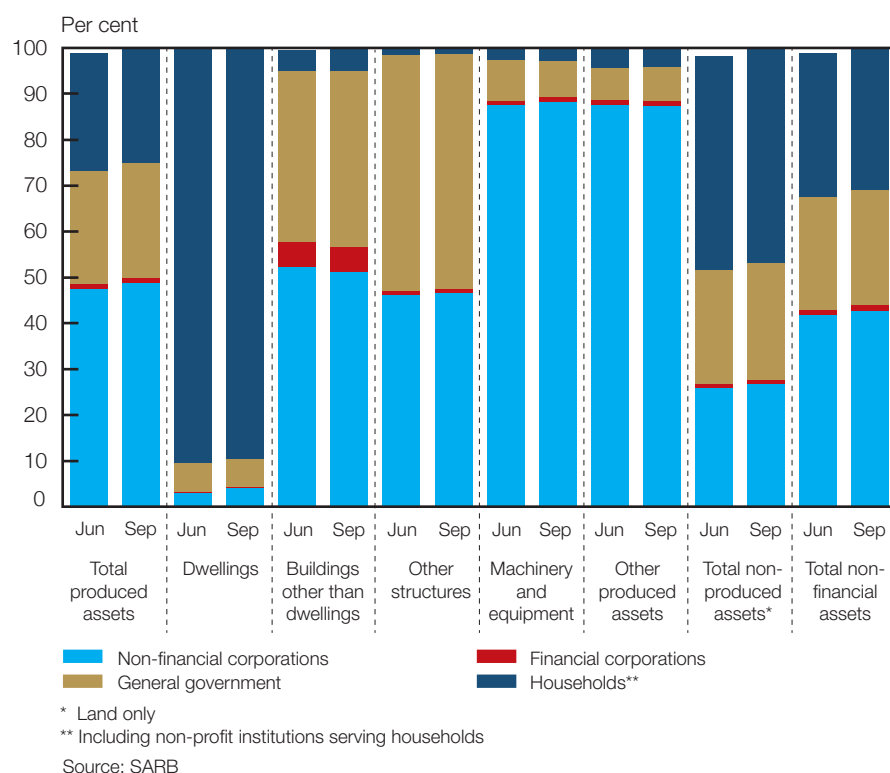
The market value of total non-financial assets increased by 1.3% from 30 June 2025 to R20.5 trillion as at 30 September. Non-financial corporations (public and private) held the largest share of total non-financial assets at 42.7%, while households and general government owned 31.1% and 25.1% respectively. Financial corporations held only 1.1% of total non-financial assets, mainly in the form of buildings other than dwellings. As at 30 September 2025, households owned 89.6% of all dwellings. General government and non-financial corporations accounted for the majority holdings of other structures such as roads, bridges and harbours, at 51.2% and 46.5% respectively, while 88.2% of total machinery and equipment was held by non-financial corporations.



The market value of total produced fixed assets increased by R128.3 billion from 30 June 2025 to R13.8 trillion as at 30 September, reflecting revaluations of R130.0 billion and a decrease of R1.7 billion in net capital formation. The market value of dwellings and other structures increased by R55.3 billion and R64.3 billion respectively in the third quarter of 2025, contributing 0.4 and 0.5 percentage points respectively to growth in the capital stock of non-financial assets. The market value of buildings other than dwellings as well as that of machinery and equipment increased by R3.2 billion and R4.2 billion respectively during this period.

Households owned 47.0% of non-produced assets (land only) as at 30 September 2025, while non-financial corporations and general government held 26.7% and 25.4% respectively.

Institutional sector non-financial asset holdings as at 30 June and 30 September 2025



Financial balance sheet and accumulation account

The market value of total financial assets in the domestic economy increased by R2.6 trillion to R59.9 trillion in the three months to 30 September 2025, while the market value of total liabilities increased by R2.7 trillion to R57.0 trillion. The increase in both financial assets and liabilities was supported by revaluations on holdings of equity and investment fund shares/units; insurance, pension and standardised guarantee schemes; as well as loans to the corporate sector.

Financial corporations' share of total financial assets remained unchanged at 52.2% as at 30 September. This was despite an increase in holdings of listed shares by non-money market fund investment funds and pension funds, driven by higher share prices of private non-financial corporations in the mining industry. Meanwhile, financial corporations' share of total liabilities decreased marginally from 60.0% to 59.6% over the same period, notwithstanding positive investor sentiment in collective investment scheme portfolios amid the strong equity market performance and increased exposure to households' insurance and pension entitlement assets.

Households' share of total financial assets increased from 30.9% as at 30 June 2025 to 31.2% as at 30 September, supported by the higher market value of equity and investment fund shares/unit holdings and positive investment returns in insurance annuity and pension entitlements

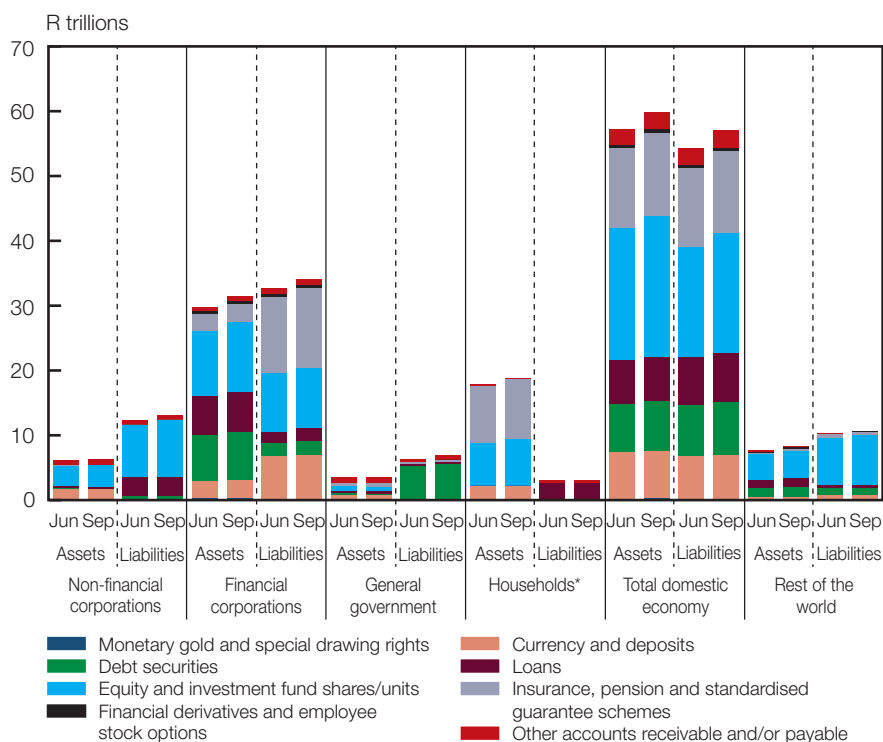
amid the surge in equity market valuations. Households' share of total liabilities decreased from 5.6% as at 30 June 2025 to 5.4% as at 30 September, reflecting subdued growth in short- and long-term loans.

Non-financial corporations' contribution to total financial assets remained unchanged at 10.7% as at 30 September 2025. This reflected the offsetting effects of a decrease in long-term foreign loans by domestic private non-financial corporations alongside higher market valuation of a large foreign investment held by a domestic private non-financial corporation. The increase in the contribution of non-financial corporations to total liabilities from 22.5% to 23.1% over the same period could mainly be attributed to valuation effects arising from equity exposure with the rest of the world (ROW) and domestic institutional sectors and, to a lesser extent, loans extended to non-financial corporations.

General government's share of total financial assets decreased from 6.2% as at 30 June 2025 to 5.9% as at 30 September. This reflected reduced deposit holdings with deposit-taking corporations and the central bank, driven by, among other factors, local equitable share transfer payments, repayments of FX loans and interest payments on government securities. However, there were positive valuation effects on the outstanding balance of the GFECRA. Meanwhile, general government's share of total liabilities remained unchanged at 11.9% over this period, reflecting the lower net issuance of long-term government bonds and a decline in short-term loans from the CPD.

The market value of the ROW's holdings of South African financial assets increased from R7.6 trillion on 30 June 2025 to R8.2 trillion on 30 September. The increase was primarily due to the higher market valuation of equity holdings, reflecting the strong rally in domestic share prices, and an increase in loans granted to deposit-taking corporations and the general government. The market value of South Africa's total foreign assets (the ROW's total liabilities) increased from R10.3 trillion to R10.8 trillion over the same period. This increase was mainly driven by the higher market valuation of unlisted shares exposure, particularly the upward revaluation of a large foreign investment held by a domestic private non-financial corporation, alongside an increase in loans extended by deposit-taking corporations.

Market value of total financial assets and liabilities by institutional sector and financial instrument as at 30 June and 30 September 2025



* Including non-profit institutions serving households

Source: SARB



The changes in both financial assets and liabilities in the total economy during the third quarter of 2025 resulted mainly from revaluation effects, which accounted for R2.5 trillion of the increase in the value of various financial instruments, especially equity and investment fund shares/units as well as insurance, pension and standardised guarantee schemes. Financial transactions contributed a further R7.1 billion to the overall increase.

The from-whom-to-whom market value of financial asset and liability stock positions between the domestic institutional sectors and the ROW as at 30 September 2025 showed that the household sector recorded a positive net financial wealth (asset) position of R15.6 trillion, mainly against financial corporations. The negative net financial wealth (liability) position of non-financial corporations mainly reflected the combined net incurrence of liabilities of R6.6 trillion against financial corporations, households and the ROW. General government's negative net financial wealth position of R3.3 trillion was mainly against financial corporations and the ROW and could be attributed to the acquisition of national government debt securities by these sectors, together with revaluation effects. Financial corporations recorded the largest financial asset and liability claims of R31.3 trillion and R34.0 trillion respectively in the total economy. The ROW's negative net financial wealth position mainly comprised liabilities of R7.2 trillion incurred against financial corporations and R3.2 trillion incurred against non-financial corporations.