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Commission Warns Sa's Economic Recovery Could Be Slower Than Expected

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Gaye Davis / 10 June 2020

CAPE TOWN - South Africa's economic recovery from the COVID-19 crisis could take longer than was initially thought.

The Financial and Fiscal Commission (FFC) on Wednesday told Parliament's Standing Committee on Appropriations that projections were showing that recovery was likely to be delayed.

The FFC's Dr Mkhukuli Ncube said the country was in uncharted territory in terms of projections for its economic recovery.

"Initially we estimated that recovery would be quick – that we'd get what some call a V-shaped recovery process – but as projections come in now, many people are thinking we may have some delayed recovery because of many interventions and many changes both domestically and internationally," Ncube said.

Ncube said much would depend on the stimulus packages introduced elsewhere in the world, where most economies were also shrinking.

"We see that it will also depend on the stimulus packages in other countries, not what we do here alone, but in other countries – how effective their [stimulus] packages are, especially in those countries we are trading with. It is only China that is showing a little bit of recovery now, as one of our big export markets," he said.

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