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### **Background information: South African Economic Prospects**

<b>Date</b>	<b>15 September 2017</b>
<b>Time</b>	<b>07h30 to 09h30</b>
<b>Venue</b>	<b>Protea Hotel Marriot Fürstenhof</b>

The Namibian economy is closely linked to the South African economy. It is the most important export destination and source of imports. The performance of the South African economy also has a strong impact on the Southern African Custom Union Common Revenue Pool. Namibia receives about 35% of total Government income from SACU transfers. Hence the performance of the South African economy impacts on the Namibian economy the presentation by Mr. Helmo Preuss will provide detailed insight into the trends of some of the relevant indicators.

He will explain why he is forecasting a 1.8% GDP growth rate this year for South Africa when the Beeld consensus only expects a 0.6% increase. His out of consensus forecast is based on the more than doubling in the maize harvest, the 4.5% y/y increase in mining production in the first seven months and the 20.6% y/y increase in exports in US dollar terms over the same period as well as the 3.6% y/y gain in employment in the second quarter.

#### **About the speaker:**

Helmo Preuss graduated with a B. Sc. in Computer Science and Mathematical Statistics from the University of Cape Town, and a B. A. in Economics and Economic History from the University of Cape Town. While he was doing his National Service, he studied for a B. Com. in Business Economics and Operations Research from the University of South Africa. He then completed a B.Sc. Hons in Statistics and Operations from the North-West University and a M. Phil in Marketing Research from the University of Pretoria. He worked as an industrial engineer at steel maker Iscor completing feasibility studies. He was chief economist at mining house Gencor for a decade before moving into journalism with real time financial new service I-Net Bridge. At Statistics South Africa he was the economic analyst responsible for final checks on all economic data series. He is a freelance journalist for among others The BRICS Post and involved in Amore Hydro as project leader for small hydro development. He works also as an economist at Forecaster Ecosa, a consultancy he founded in October 1994

Helmo was called the most optimistic economist - a science normally referred to as "dismal" - by former South African Reserve Bank governor Tito Mboweni, because he kept on forecasting that South African economic growth would be above 5% in the years 2004 to 2007 when the Reuters consensus forecast was consistently below 5% despite evidence to the contrary.

This willingness to be outside the consensus - but grounded on data - meant he was the only forecaster in January 2002 to forecast a rand below R10 per US dollar in January 2003. In the same way, he expected a win by Donald Trump, and tweeted that on 6 November 2016 - when the consensus forecast was that Hilary Clinton would easily win. He is not always right as sometimes even his optimism is overtaken by events. In January 2017, he was the most optimistic forecaster of the rand, but the actual performance has exceeded even his forecasts.