

# Press Release

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INSTITUTE OF  
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South Africa's Leading Research and Policy Organisation

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## **The debt capital of South Africa**

Gauteng has the highest consumer debt per capita of all nine provinces and accounts for almost half of total consumer debt held in South Africa. The average individual in Gauteng owes R4 260. This is according to the *South Africa Survey*, to be published by the South African Institute of Race Relations in Johannesburg next week.

Forms of debt include mortgage agreements, secured credit, unsecured credit, credit facilities, and short-term credit transactions.

The Western Cape accounts for 14% of the total debt owed in South Africa and has the second highest debt per capita at R2 700 per person. The province with the lowest per capita debt is Limpopo, which accounts for 4% of the total debt owed in South Africa, with R750 per capita.

The data, obtained from the National Credit Regulator, revealed that total consumer debt in South Africa increased from R85bn in 2011 to R104bn in 2012, or by R19bn. Average per capita debt in South Africa is R2 050, representing the average amount each person owes.

Georgina Alexander, a researcher at the Institute, said, 'Higher income earners are able to borrow money more easily as they have assets or income against which they can borrow. On the other hand, low income earners are less likely to have assets or a large enough income against which they can borrow money. Gauteng has the highest annual average household income in the country of all provinces, so part of the reason for the high per capita debt in Gauteng may be the higher incomes in the province.'

**ends**