

**Press
Release
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South African Institute of Race Relations

The power of ideas

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Zuma's departure strengthens prospect of economic recovery

South Africa's economic growth rate could recover to between 1.7% and 1.9% this year, according to IRR chief executive Frans Cronje. He was reacting to the late-night resignation of Jacob Zuma as President.

Cronje said that "if a compelling case can be made for growth and fiscal prudence in the State of the Nation Address and the Budget Speech to follow, the odds of a further rating downgrade fall to below 50%".

Cronje is also of the view that the ANC should "comfortably attain a majority of above 60% in the next election".

However, he added: "Maintaining such a majority will be determined in the main in the economy. The government must aspire to growth rates of above 5% of GDP over its next term to have any hope of significantly eroding the unemployment rate."

Ends.