

**QPM forecast summary table September 2021 MPC Press**

**report** Summary tables of quarterly projection model projections

**Summary of selected forecast results**

\* Figures below the forecast in parentheses represents the previous MPC forecast

1. Selected forecast results (quarterly)																					
Percentage change (year-on-year)		Actual										Forecast									
		1	2	3	4	2020	1	2	3	4	2021	1	2	3	4	2022	1	2	3	4	2023
1.	Headline CPI	4.4	2.4	3.1	3.2	3.3	3.2	4.9	4.8	5.0	4.4	4.7	4.3	3.8	4.1	4.2	4.4	4.4	4.5	4.5	4.5
		(4.4)	(2.4)	(3.1)	(3.2)	(3.3)	(3.2)	(4.9)	(4.6)	(4.7)	(4.3)	(4.5)	(4.1)	(3.9)	(4.3)	(4.2)	(4.4)	(4.4)	(4.4)	(4.5)	(4.5)
2.	Core CPI	3.7	3.1	3.3	3.3	3.3	2.8	3.1	3.0	3.1	3.0	3.6	3.8	3.8	4.1	3.8	4.2	4.2	4.3	4.4	4.3
		(3.7)	(3.1)	(3.3)	(3.3)	(3.3)	(2.8)	(3.1)	(2.8)	(2.9)	(2.9)	(3.3)	(3.5)	(3.8)	(4.1)	(3.7)	(4.2)	(4.2)	(4.3)	(4.4)	(4.3)

2. Selected forecast results (annual)								
Percentage changes (unless otherwise indicated)		Actual				Forecast		
		2017	2018	2019	2020	2021	2022	2023
1.	GDP growth	1.2%	1.5%	0.1%	-6.4%	5.3%	1.7%	1.8%
		(1.4%)	(0.8%)	(0.2%)	(-7.0%)	(4.2%)	(2.3%)	(2.4%)
2.	Output gap	-0.4	-0.1	-0.3	-4.0	-2.0	-1.2	-0.2
		(-0.9)	(-0.9)	(-1.0)	(-5.9)	(-3.2)	(-1.8)	(-0.4)
3.	Nominal effective exchange rate	9.9%	-1.0%	-7.0%	-12.8%	11.4%	-2.6%	-3.7%
		(9.9%)	(-1.0%)	(-7.0%)	(-12.8%)	(11.5%)	(-3.4%)	(-3.6%)
4.	Real effective exchange rate	13.7%	1.4%	-4.5%	-10.6%	13.5%	-0.5%	-1.2%
		(13.7%)	(1.4%)	(-4.5%)	(-10.6%)	(13.6%)	(-1.4%)	(-1.1%)
5.	Real exchange rate gap	1.2	2.0	-1.3	-10.8	2.1	1.8	0.5
		(1.2)	(2.0)	(-1.3)	(-10.8)	(2.3)	(0.9)	(-0.2)
6.	Repurchase rate (end of period)	6.75	6.60	6.50	3.50	3.82	5.17	6.36
		(6.75)	(6.60)	(6.50)	(3.50)	(3.79)	(4.93)	(6.13)
7.	Current account balance	-2.4	-3.0	-2.6	2.0	4.6	0.7	-0.3
	(ratio to GDP) **	(-2.5)	(-3.5)	(-3.0)	(2.2)	(3.7)	(-0.1)	(-0.9)

**Notes**

- Nominal effective exchange rate:** is based on the bilateral exchange rates of our three largest trading partners (euro area, United States and Japan). The bilateral exchange rates are weighted by export trade weights.
- Real effective exchange rate:** is the nominal effective exchange rate deflated by the consumer price differential (between South Africa and the trade weighted CPI of euro area, United States and Japan).
- Real exchange rate gap:** The gap signifies the extent to which the real exchange rate deviates from its estimated equilibrium level. A positive gap shows an overvaluation of the currency, and vice versa.
- \*\* Current account balance as a percentage of GDP:** forecast obtained from the SARb's Core macroeconomic model.