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## BMR/UNISA ECONOMIST OF THE YEAR – MARCH 2026 ESTIMATES

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**FOR IMMEDIATE RELEASE**

**Date:** 16 April 2026

### **ECONOMIC OUTLOOK TURNS MORE CAUTIOUS AMID RISING GLOBAL UNCERTAINTY**

*Economists revise growth lower and inflation slightly higher as global risks intensify*

#### **Overview**

The latest results from the Bureau of Market Research (BMR)/Unisa Economist of the Year (EoY) Competition point to a more uncertain and fragile economic outlook for both South Africa and the global economy.

Forecasts submitted in March 2026 show that expectations have shifted slightly compared to February, reflecting growing concerns about geopolitical tensions, inflation risks and a possible global economic slowdown.

Real GDP growth for South Africa in 2026 is now expected to come in at 1.5%, slightly lower than previous estimates, while inflation expectations have edged higher to 3.5%. Together, these shifts point to a more constrained environment for growth, policy flexibility and household recovery.

#### **Key drivers behind the outlook**

A major factor influencing the revised outlook is the increase in global oil prices, largely linked to ongoing geopolitical tensions in the Middle East. This has raised concerns about inflation, trade disruptions and overall global economic stability.


At the same time, global economic growth expectations have weakened, which could affect South Africa's exports and broader economic performance.

Despite these pressures, the rand remains relatively stable, suggesting that investor confidence has not deteriorated significantly.

Prof Carel van Aardt, EoY Project Lead, noted: *“The latest forecasts reflect an economy that is still recovering, but at a slower and more uncertain pace. Global developments, particularly geopolitical tensions, are now playing a much bigger role in shaping South Africa’s economic outlook.”*

Prof Deon Tustin, CEO of the Bureau of Market Research, added: *“While inflation remains relatively contained, upward pressure from oil prices and global uncertainty means policymakers will need to remain cautious. The environment calls for careful balancing between supporting growth and maintaining price stability.”*

## What changed from February to March?

Key Economic Indicators		Feb	March	Change	Economic interpretation
	Real GDP growth (2026)	1.6%	1.5%	↓ 0.1 pp	Economic growth is expected to recover modestly but remains below the level required to meaningfully reduce unemployment.
	Consumer inflation (CPI)	3.4%	3.5%	↑ 0.1 pp	Inflation is projected to remain within the SARB's new 2% to 4% target band, close to the 3% objective, creating some space for limited monetary easing although that is unlikely to happen soon due to the Governor of the Reserve Bank indicating that the Bank's Monetary Policy Committee is very concerned about the adverse economic impacts of the Middle East conflict on price inflation in South Africa.
	Prime interest rate (Q4 2026)	9.8%	10.0%	↑ 0.2 pp	Interest rates were expected to ease slightly as inflation pressures remain contained but monetary easing might be stalled due to inflation concerns originating from the economic impact of the Middle East conflict.
	ZAR/USD exchange rate (Q4 2026)	R16.50	R16.50	No change	The rand is supported by a weaker US dollar but remains vulnerable to global financial market volatility.
	Brent crude oil price (Q4 2026)	\$64	\$70	↑ \$6	Oil prices were forecasted to remain moderate, reflecting relatively balanced global supply and demand conditions. However, the growing impact of the Middle East conflict on Brent Crude oil prices is causing a spike, which is expected to moderate over the medium term.
	Real household consumption expenditure growth	2.1%	2.0%	↓ 0.1 pp	Consumer spending is expected to recover gradually, although household finances remain under pressure.
	Long-term government bond yield	8.55%	8.60%	↑ 0.05 pp	Bond yields are expected to remain relatively elevated, reflecting continued tight financing conditions and fiscal risks.
	Current account balance	-1.0%	-1.1%	↓ 0.1 pp	The current account is projected to remain in deficit as import demand gradually recovers.
	Global GDP growth	3.1%	2.9%	↓ 0.2 pp	The global economy is expected to expand at a steady but moderate pace, although the Middle East conflict is likely to have an adverse impact over the medium term.
	Employment growth (Q4 2026)	1.0%	1.0%	No change	Employment growth is expected to remain modest, reflecting the subdued pace of economic expansion and the suboptimal production elasticity of employment in South Africa.

### A more uncertain road ahead

Overall, the March forecasts suggest:

- Slower economic growth.
- Slightly higher inflation risks.
- A more cautious interest rate outlook.
- Increased sensitivity to global events.

Participants emphasised that the economic outlook remains highly dependent on how geopolitical tensions evolve in the coming months. Even if such tensions subside in the short term, their direct, indirect and induced effects are expected to continue filtering through the global economy for some time. Downside risks to the outlook now appear more prominent than upside surprises.

It is, however, not anticipated that the conflict will ease in the short term, given the underlying political, social and economic complexities.

### **The value of the Economist of the Year Competition**

The BMR/Unisa Economist of the Year Competition continues to play a vital role in bringing together leading economic minds to assess and interpret key trends shaping South Africa's future.

Beyond forecasting, the competition provides:

- Credible, data-driven insights for policymakers, businesses, and the public.
- A platform for informed debate on economic risks and opportunities.
- Greater public understanding of how global and local factors affect everyday life.

In an increasingly uncertain world, the competition serves as a trusted barometer of economic expectations and a valuable tool for better decision-making across society.

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