



August 2021 BETI report to accompany press release
Date: 15 September 2021

Economic transactions in August 2021 stronger than previous months

The headline BankservAfrica Economic Transaction Index (BETI) increased by 13.4% year-on-year in August 2021. Although this is the lowest increase since March 2021, it remains in positive growth territory. The overall BETI and monthly figure also posted strong increases for the month.

As seen in previous months, the increase in August 2021 was off the very low base created by the pandemic hit months in 2020. However, the BETI reached 131 index points - the highest level ever - and well clear of levels where the role of deflators could influence a close call. The very fact that a new record level was reached after the hard lockdowns provide a good indication of how strongly the economy is rebounding.

The monthly BETI increase of 4% - the fastest increase since August 2020 - shows that level 3 and level 4 lockdowns and unrest in July 2021 had created pent-up demand in the economy that have been boosted by the ultra low interest rates. Furthermore, the monthly increase experienced in August 2021 compared to July 2021 indicates how events on the ground influence the economy.

Some of the other reasons for this high monthly increase in August 2021 are:

- Some payments from July 2021 were released only in August 2021 as the South African ports' imports and exports began normalising. That may have created some variances in the August 2021 BETI level.
- The extra government spending, such as the Social Relief of Stress Grant, UIF TERS and the COVID-19 TERS scheme for affected sectors, were paid out in August 2021, helping the economy in the short term.
- The high commodity prices for mining and agricultural commodities that are driving positive change in the South African economy. These are reflected in the high monthly export earnings that have filtered through to most of the economy.

At present, the extra nominal money flowing into SA for primary exports have more than made up for the tourist economic contributions which remain at very low levels. In the three months to July, South Africa's primary product exports for mining and agriculture earned the country R26.8 billion extra a month compared to the same period last year. It is interesting to note that even during the hard lockdown in 2020, primary product exports increased - although at much lower levels than in previous years.

The robust BETI level, which reflects the country's entire economic activity, has resulted in the economy now reaching its highest level since December 2018 (as recorded by the new GDP data).

How SA's growth could look like in Q3 2021

The decline in the June 2021 and July 2021 BETI data may see the Q3 2021 growth falling short of the 1.2% reported by Stats SA for Q2 2021. This is to be expected following the unrest in July 2021, stricter lockdowns, cyberattack on South Africa's main ports and lower business confidence.

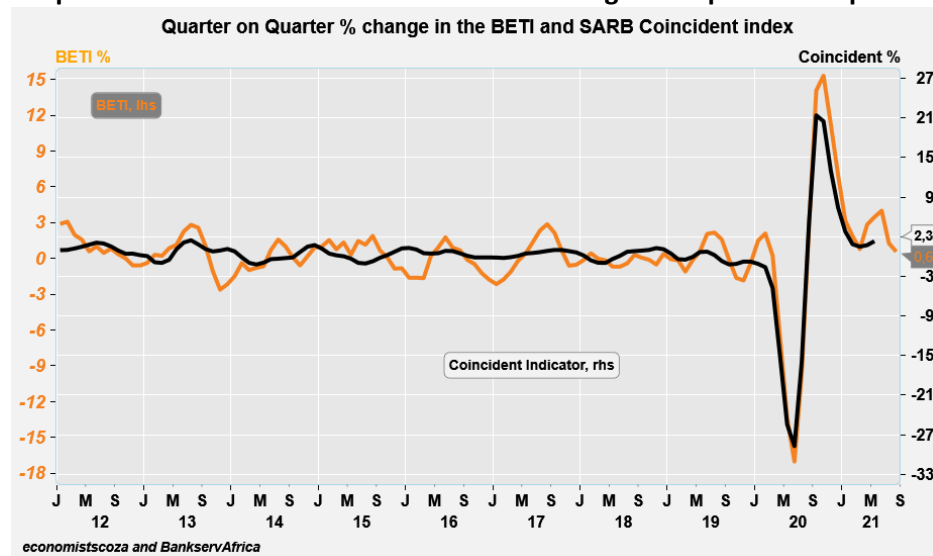
We expect that if the BETI records no growth in September 2021, it is likely that the GDP growth for Q3 2021 will still transpire but at a slower rate.

The value of standardised nominal value of transactions is at an all-time high again

The standardised nominal value of the transactions in the BETI was R1.08 trillion. The volume of transactions in August 2021 hit another all-time high of 139.1 million transactions that follows July's record figure of 122.5 million.

At the same time, the real average value per transaction reached the lowest level in 2021. It appears that many smaller transactions are moving to Real-time Clearing Transactions and the new DebiCheck system that is replacing early debit orders.

Graph 1: The South African GDP and BETI % change on a quarter-on-quarter basis



Source: BankservAfrica and Economists.co.za

Table 1: The BankservAfrica Economic Transaction Index

	The BETI Index	The headline BETI % change	BETI quarterly % change	BETI monthly % change
01-Jan-20	123,1	3,7%	1,5%	0,6%
01-Feb-20	122,4	2,1%	2,1%	-0,6%
01-Mar-20	118,5	-0,3%	0,2%	-3,2%
01-Apr-20	101,9	-15,6%	-6,5%	-14,0%
01-May-20	98,1	-19,4%	-13,4%	-3,7%
01-Jun-20	102,0	-16,6%	-17,0%	3,9%
01-Jul-20	109,5	-11,0%	-9,7%	7,4%
01-Aug-20	115,5	-5,2%	2,6%	5,5%
01-Sep-20	119,5	-0,1%	14,1%	3,5%
01-Oct-20	122,0	1,9%	15,3%	2,0%
01-Nov-20	122,2	1,0%	11,2%	0,2%
01-Dec-20	124,4	1,7%	7,0%	1,8%
01-Jan-21	121,6	-1,2%	3,2%	-2,3%
01-Feb-21	124,4	1,7%	1,9%	2,3%
01-Mar-21	125,5	5,9%	0,8%	0,8%
01-Apr-21	128,8	26,4%	2,8%	2,7%
01-May-21	129,0	31,4%	3,5%	0,1%
01-Jun-21	128,5	26,1%	4,0%	-0,4%
01-Jul-21	125,9	15,0%	1,3%	-2,0%

01-Aug-21	131,0	13,4%	0,6%	4,0%
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Source: BankservAfrica and Economists.co.za

Table 2: The volume and average value of transactions and the standardised BETI in nominal terms

	Nominal standardised value of transactions	Number of transactions	Average transaction value	Change in transaction volume
01-Jan-20	827 069 468 236	98 568 174	8339	3,2%
01-Feb-20	921 749 299 725	101 662 462	8522	4,9%
01-Mar-20	891 197 747 730	103 280 758	8822	3,3%
01-Apr-20	679 399 945 727	90 027 122	6960	-12,9%
01-May-20	703 813 457 711	92 353 231	7348	-9,1%
01-Jun-20	795 028 150 576	99 747 038	7821	6,5%
01-Jul-20	842 860 988 641	107 166 184	8258	2,4%
01-Aug-20	894 409 284 562	103 606 195	8388	-0,7%
01-Sep-20	931 179 397 577	105 595 111	8653	5,9%
01-Oct-20	948 772 152 278	113 464 522	8549	11,7%
01-Nov-20	973 059 693 766	105 494 728	9051	0,7%
01-Dec-20	1 039 056 126 408	117 705 373	8773	13,0%
01-Jan-21	830 431 229 519	99 046 275	8084	0,5%
01-Feb-21	985 568 635 898	105 369 295	8671	3,6%
01-Mar-21	1 016 197 489 145	121 094 342	8603	17,2%
01-Apr-21	1 034 989 208 807	114 992 885	8301	27,7%
01-May-21	999 971 999 135	114 860 839	8652	24,4%
01-Jun-21	1 000 598 759 677	115 994 019	8464	16,3%
01-Jul-21	971 405 321 598	122 534 840	8083	14,3%
01-Aug-21	1 079 970 334 333	139 115 440	7738	34,3%

Source: BankservAfrica and Economists.co.za