education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

NASIONAL SENIOR CERTIFICATE

GRADE 12

ECONOMICS P1

SEPTEMBER 2025

MARKING GUIDELINES

MARKS: 150

This marking guidelines consists of 19 pages.

SECTION A (COMPULSORY)

QUESTION 1

1.1 MULTIPLE-CHOICE QUESTIONS

1.1.1 A recession✓✓
1.1.2 B Laffer ✓✓
1.1.3 B International Monetary Fund✓✓
1.1.4 C absolute advantage✓✓
1.1.5 A Integrated Manufacturing Strategy✓✓
1.1.6 D economic development✓✓
1.1.7 C sanctions✓✓
1.1.8 D globalisation✓✓ (8 x 2) (16)

1.2 MATCHING ITEMS

1.2.1 B an economy that includes the foreign sector✓
1.2.2 C point where the economic contraction is at its lowest✓
1.2.3 A national account figures at constant prices ✓
1.2.4 E transfer of ownership of entities from the private sector to the public sector✓
1.2.5 D countries with advanced technological infrastructure✓
1.2.6 G withdrawal of capital investment from a country or company✓
1.2.7 F removes barriers to trade in global economy✓
1.2.8 H focuses on incentives for small businesses✓ (8 x 1) (8)

1.3 GIVE THE TERM

1.3.1 Fiscal policy✓
1.3.2 Peak✓
1.3.3 Balance of payments✓
1.3.4 Industrial Development Zones✓
1.3.5 Economically Active Population✓
1.3.6 Embargo✓ (6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

Answer any TWO of the three questions in this section in the ANSWER BOOK.

QUESTION 2: MACROECONOMICS **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 **Name any TWO features of the fiscal policy.**

- Goal bound✓
- Demand biased✓
- Cyclical✓ (2 x 1) (2)

2.1.2 **What is the importance of government spending on the economy?**

- Government spending injects money into the economy, boosting aggregate demand and stimulating economic growth✓✓
- Governments provide essential public goods and services which benefit the society.✓✓
  (Accept any other correct relevant response) (1 x 2) (2)

2.2 **DATA RESPONSE.**

2.2.1 **Identify an example of a transfer payment in the cartoon above.**

- Basic Income Grant/B.I.G✓ (1)

2.2.2 **Name any ONE objective of the public sector.**

- Full employment✓
- Economic equity✓
- Exchange rate stability✓
- Price stability✓
- Economic growth✓ (1)

2.2.3 **Briefly describe the term *budget.***

- A budget is a document showing anticipated revenue and estimated expenditure for a specific period✓✓
  (Accept any other correct relevant response) (2)

2.2.4 **What is the purpose of the State of the Nation Address?**

- It serves as a means to inform the nation about its present economic, political and social condition / It is used by the president to summarize the accomplishments and plans of their program of the government for a particular year✓✓
  (Accept any other correct relevant response) (2)

2.2.5 **What negative impact will the lack of service delivery by municipalities have on local communities?**

- Broken promises erode citizens faith in government institutions✓✓
- Expectations that are not met can fuel community protests or civil unrests✓✓
- Citizens become less likely to vote or engage in community building activities✓✓

(Accept any other correct relevant response) (2 x 2) (4)

2.3 **DATA RESPONSE**

2.3.1 **Identify the largest contributor to a decrease of the business cycle indicators in the extract above?**

- A decrease in the number of residential building plans approved✓
- A narrowing of the interest rate spread✓ (1)

2.3.2 **Name any other business cycle indicator.**

- Lagging✓
- Coincident✓
- Composite✓

(Accept any other correct relevant response) (1)

2.3.3 **Briefly describe the term *business cycle.***

- The successive periods of increasing and decreasing in economic activities over time✓✓

(Accept any other correct relevant response) (2)

2.3.4 **Explain the impact of recession on businesses.**

- Recession decreases consumer spending and business investment✓✓
- Difficulty managing working capital and meeting the financial obligations✓✓
- Reduced availability of raw materials ✓✓
- Reduced pricing power and decreased revenue✓✓

(Accept any other correct relevant response) (2)

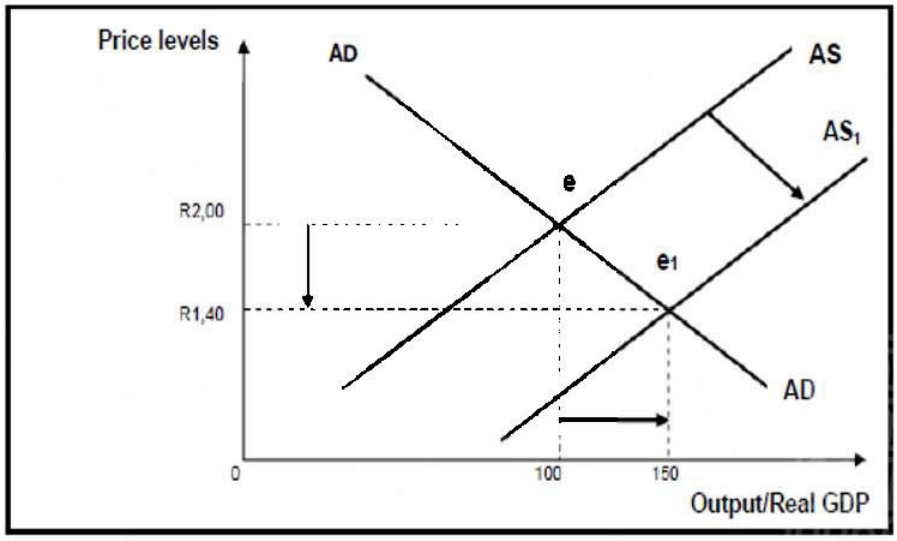
2.3.5 **How can the monetary policy be used to stimulate a depressed economy?**

Monetary policy adjustments can be made by the central bank. This can be done through:

- Reducing the repo rate at which commercial banks borrow money from the central bank, thereby reducing the interest rates they charge to customers✓✓
- Injecting money into the economy by buying government bonds, which helps reduce interest rates and increase money supply✓✓
- Decrease the cash reserve requirements so that commercial banks can have more money to lend out to the public this stimulating spending✓✓
- Applying moral suasion where the SARB consults with banks and persuade them to act in a manner that is desirable in terms of economic conditions that prevail at the time✓✓

(Accept any other correct relevant response) (2 x 2) (4)

2.4 **With the aid of a well-labelled graph, explain the influence of the supply-side policy in increasing output whilst lowering prices.**



Allocation of marks:
Correct labelling of axes = 1 mark
Decrease in price = 1 mark
Increase in quantity = 1 mark
Increase in AS to AS1 = 1 mark
Maximum = 4 marks

- Implementation of supply-side policies to complement higher aggregate demand, will shift the aggregate supply curve from AS to AS_1✓✓
- These supply-side policies include reduction in costs, improvement in the efficiency of markets and inputs ✓✓

- A new equilibrium will be formed at point e_1, where higher output 150 is produced at a lower price level of R1,40.✓✓ (8)
  (Accept any other correct relevant response) (Max 4)

2.5 **How successful has the national treasury (department of Finance) been in adhering to the discretionary limitations on spending, budgeting and borrowing?**

Not successful because:

- Debt rule✓: The debt-to-GDP ratio of South Africa is currently hovering around the range of between 72% and 75% of its nominal GDP and this exceeds the international benchmark of 60% of the country's GDP.✓✓
- Deficit rule✓: The budget deficit is currently at 4.9% of GDP and this exceeds the international benchmark of 3% of GDP.✓✓
- Borrowing rule✓: Most of the funds borrowed from multinational lenders are mostly used to finance social expenditure instead of capital expenditure, e.g. During the Covid-19 in 2020, the national treasury borrowed R500 billion from the World Bank to finance its Social Relief of Distress (SRD) fund expenditure.✓✓

(Accept any other correct relevant response)
(Allocate a maximum of 2 marks for a mere listing of facts/examples) (8)

QUESTION 3: ECONOMIC PURSUITS **40 MARKS – 30 MINUTES**

3.1 Answer the following questions

3.1.1 **List any TWO aspects that determine the standard of living in a country.**

- Per capita income✓
- Life expectancy✓
- Education✓

(Accept any other correct relevant response) (2 x 1) (2)

3.1.2 **What is the main focus of BRICS?**

- Promoting economic cooperation, trade, and investment among member countries✓✓
- Sharing knowledge, expertise, and resources to address development challenges and reduce poverty in member countries✓✓

(Accept any other correct relevant response) (1 x 2) (2)

3.2 **DATA RESPONSE**

3.2.1 **Identify ONE of South Africa's initiatives (endeavours) that are used to promote regional development.**

- Spatial Development Initiative (SDIs)✓
- Industrial Development Zones (IDZ)✓
- Special Economic Zones (SEZ)✓
- Corridors✓ (1)

3.2.2 **Name the province where Richardsbay SDI situated.**

- KwaZulu-Natal/ KZN✓ (1)

3.2.3 **Briefly describe the term *corridors*.**

- It is a track of land that forms a passageway allowing access from one area to another and is developed as part of regional development✓✓
  (Accept any other correct relevant response) (2)

3.2.4 **What is the aim of the government regarding regional development?**

- To stimulate development in poorer areas✓✓
- To implement and coordinate the implementation of national and regional industrial policies✓✓
- To prevent new imbalances from emerging ✓✓
- To reduce the unequal development of economic activities within the country✓✓
  (Accept any other correct relevant response) (2)

3.2.5 **How does South Africa's regional development benefit Africa as a continent?**

- Through regional development neighbouring countries could use South African ports and airports for export opportunities✓✓
- South Africa's regional development programmes in infrastructure will improve economic development in the activities of African Union (AU) and the New Partnership for Africa's Development (NEPAD) ✓✓
- It will provide strategic direction in terms of South Africa's trade position in the Southern Customs Union and the Southern African Development Community. ✓✓

  (Accept any other correct relevant response) (2 x 2) (4)

3.3 **DATA RESPONSE**

3.3.1 **Identify the economic indicator in the cartoon above.**

- Unemployment✓ (1)

3.3.2 **Name ONE international institution that requires South Africa to standardise their economic indicators.**

- United Nations/ UN✓
- International Monetary Fund/ IMF✓
- World Bank✓ (1)

3.3.3 **Briefly describe the term *economic growth*.**

- It refers to an increase in the productive capacity of a country✓✓
  (Accept any other correct relevant response) (2)

3.3.4 **What measures can the government put in place to increase the country's gross domestic product?**

- Lower interest rates to stimulate borrowing and spending✓✓
- Increase government spending or decrease taxes✓✓
- Invest in education, healthcare and training✓✓
  (Accept any other correct relevant response) (2)

3.3.5 **How can the government reduce unemployment in the economy?**

- Provide temporary employment in the public sector projects. E.g. EPWP/CWP✓✓
- Provide resources, mentorship, and funding for new entrepreneurs✓✓
- Encourage on-the-job training and skills development✓✓
- Offer financial incentives to employers hiring unemployed individuals✓✓
  (Accept any other correct relevant response) (2 x 2) (4)

3.4 **Differentiate between *producer price index* and *consumer price index***

- The producer price index pertains to the cost of production whereas consumer price index pertains to the cost of living.✓✓
- The basket consists of consumer goods only (no services.) under producer price index while the basket consists of goods and services under consumer price index.✓✓
- Capital and intermediate goods are included in the producer price index whereas they are excluded in the consumer price index. ✓✓
- Prices exclude VAT under producer price index however, the prices do include VAT in the consumer price index.✓✓
- Interest rates are not taken into account (excluded) in the producer price index but they are taken into account in the consumer price index.✓✓
- Prices of imported goods are shown explicitly in the producer price index whilst they are not explicitly shown in the consumer price index.✓✓
  (Accept any other correct relevant response) (Max. 8)

OR

Producer Price Index

- Pertains to the cost of production.✓
- Basket consists of consumer goods only (no services.) ✓
- Capital and intermediate goods are included✓
- Prices exclude VAT. ✓
- Interest rates are not taken into account (excluded). ✓
- Prices of imported goods are shown explicitly. ✓
  (Accept any other correct relevant response) (Max. 4)

Consumer Price Index

- Pertains to the cost of living.✓

- Basket consists of consumer goods and services.✓
- Capital and intermediate goods are excluded.✓
- Prices include VAT.✓
- Interest rates are taken into account.✓
- Prices of imported goods are not shown explicitly.✓

(Accept any other correct relevant response) (Max. 4) (8)

3.5 **Analyse the challenges that a country might face in implementing protectionism as an economic policy.**

- Industries that have been granted protection, tend to become dependent on it and can never survive financially without it. ✓✓
- Some industries were not protected against price cutting and dumping of foreign goods and services for example the dumping of chicken by USA. ✓✓
- The rising unemployment figures compromised the standard of living due to a lower demand impacting negatively on local production. ✓✓
- The disadvantages of higher prices against the advantages of lower imported prices are difficult to weigh up in the long term. ✓✓
- Protection largely encourages import substitution which dampens economic growth and job creation. ✓✓
- It is difficult for the government to determine when to phase out protection, because if it is done too early, it will leave the industries vulnerable. ✓✓

(Accept any other correct relevant answer)
(Allocate a maximum of 2 marks for mere listing of facts) (8)

QUESTION: 4 MACROECONOMICS AND ECONOMIC PURSUITS
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 **List any TWO incentives that are used by the SA government to improve industrial development.**

- Small Business Support Program✓
- SEDA Technology Program✓
- Skills Support Program✓
- Critical Infrastructure Program✓
- Custom-free incentives✓
- Foreign investment incentives✓
- Strategic investment Program✓
- Services to Business Processes✓

(Accept any other correct relevant response)' (2 x 1) (2)

4.1.2 **How can the government intervene indirectly in the foreign exchange market when the local currency is undervalued?**

- The central bank may increase interest rates to attract capital inflow through investments, increasing the supply of foreign exchange and the rand will appreciate.✓✓
- The central bank may reduce interest rates to create capital outflow and drain excess liquidity in the economy thereby reducing inflationary pressures.✓✓
  (Accept any other correct relevant response) (1 x 2) (2)

4.2 **DATA RESPONSE**

4.2.1 **Identify the date on which the highest deficit on the trade balance was recorded.**

- January 2025✓ (1)

4.2.2 **Name the type of exchange rate system used in South Africa.**

- Free Floating✓ (1)

4.2.3 **Briefly describe the term *terms of trade.***

- It compares a country's export prices with its import prices by means of indexes✓✓
  (Accept any other correct relevant response) (2)

4.2.4 **What negative impact will a decrease in the terms of trade have on the economy?**

- Depreciation of a currency: A deficit can lead to a depreciation of the currency, making imports more expensive and potentially worsening the trade deficit.✓✓
- Increased imports: A deficit can indicate increased demand for foreign goods, potentially leading to higher imports.✓✓
- Decreased exports: A deficit can indicate a decrease in competitiveness of domestic industries, leading to decreased exports.✓✓
- Reduced economic growth: Persistent deficits can lead to reduced economic growth, as resources are diverted to finance imports rather that domestic investment.✓✓
- Inflationary pressures: A deficit can lead to inflationary pressures, as increased demand for imports drives up prices.✓✓
  (Accept any other correct relevant response (2 x 2) (4)

4.2.5 **Calculate the percentage change in the trade balance between December 2024 and January 2025.**

Percentage change= $\frac{\text{R16,4bn – R14,7bn}}{\text{✓}}$ x 100✓

R14,76bn✓
= 11,56%✓ (4)

4.3 **DATA RESPONSE**

4.3.1 **Identify a social indicator in the cartoon above.**

- Education✓ (1)

4.3.2 **Name ONE problem that South Africa is facing according to the cartoon above**

- Crime✓
- Poverty✓
- Ignorance✓ (1)

4.3.3 **Briefly describe the term *social welfare.***

- It refers to the well-being and quality of life of individuals or groups within a society.✓✓
  (Accept any other correct relevant response) (2)

4.3.4 **Explain the impact of poor literacy levels on citizens.**

- Limited literacy skills hinder workforce efficiency.✓✓
- It restricts career choices and advancements leading to limited opportunities.✓✓
- Individuals may have low self-esteem as feelings of inadequacy occur.✓✓
- Daily tasks become challenging without literacy skills, and it leads to the dependency on others.✓✓
- It reduces the quality of life of individuals because it affects the mental and physical well-being.✓✓
  (Accept any other correct relevant response) (2)

4.3.5 **What is the relationship between economic growth and social indicators?**

- Economic growth can lead to increased employment opportunities, higher incomes, and reduced poverty.✓✓
- Economic growth can increase access to healthcare services, improve healthcare infrastructure, and reduce mortality rates.✓✓
- Economic growth can lead to increased investment in education, improved educational outcomes, and higher literacy rates.✓✓
- Economic growth can lead to increased access to basic necessities like food, water, shelter and sanitation.✓✓
  (Accept any other correct relevant response) (2 x 2) (4)

4.4 **Briefly discuss *export incentives* and *export subsidies* as methods of export promotion.**

Incentives:

- The government supplies information on export markets in order to stimulate exports✓✓
- Other examples are research on new markets, concessions on transport charges, export credit ✓✓ (2 x 2) (4)

Subsidies:

- Incentives which encourage exporters to increase the amount of their production✓✓
- It includes direct and indirect subsidies:
  - o Direct subsidies: Cash payments to exporters✓✓
  - o Indirect subsidies: Refunds on import tariffs and general tax rebates✓✓

(Accept any other correct relevant response) (2 x 2) (4) (8)

(Allocate a maximum of 4 marks for a mere listing of facts/ examples)

4.5 **Evaluate the impact of specialisation on the South African economy.**

Specialisation will impact *positively* on the South African economy in the following ways:

- Specialisation allows South African businesses to focus on specific areas, leading to increased efficiency and productivity.✓✓
- By concentrating on specific industries, South Africa can develop a competitive advantage in the global market, attracting foreign investment and boosting exports.✓✓
- Specialisation can lead to increased economic growth, as industries become more efficient and productive, contributing to the country's GDP.✓✓
- It can lead to the creation of new job opportunities in specific industries, reducing unemployment and poverty ✓✓

Specialisation will impact *negatively* on the South African economy in the following ways:

- Over-specialisation can make the economy vulnerable to fluctuations in a few industries, leading to economic instability due to the dependence on a few industries.✓✓
- Specialisation can limit the country's ability to diversify its economy, making it less resilient to external shocks.✓✓
- Inequality and unemployment can occur as specialisation can exacerbate income inequality and unemployment, as some industries may not provide enough job opportunities or fair wages.✓✓
- Specialisation in industries such as mining or agriculture can lead to environmental degradation and resource depletion.✓✓

(Accept any other correct relevant response) (8)

SECTION C:

Answer ONE of the two questions in this section in the ANSWER BOOK.

QUESTION: 5 MACROECONOMICS **40 MARKS – 40 MINUTES**

- **Discuss in detail the markets within the four-sector circular flow model.** (26)
- **Analyse the impact of spending changes on the multiplier.** (10)

INTRODUCTION

The circular flow is a simplified economic model that illustrates the inter-relationship between the economic participants ✓✓

OR

A market is a mechanism that brings buyers and sellers together to exchange different types of products. ✓✓

(Accept any other correct relevant introduction)

BODY: MAIN PART

MARKETS IN THE FOUR SECTOR CIRCULAR FLOW MODEL

Product/Goods market/Output✓

- Product market is where goods and services are bought and sold✓✓
- Firms, government and foreign sector supply goods and services and their movement is called real flow✓✓
- Goods are defined as any tangible items such as food, clothing and cars that satisfy human needs✓✓
- In capital goods marker products such as buildings and machinery are exchanged. ✓✓
- Consumer goods market involves the trading of durable consumer goods, semi-durable consumer goods and non-durable consumer goods. ✓✓
- Services are defined as non-tangible actions and includes wholesale and retail, transport and financial markets. ✓✓

Factor/Resources/Input market✓

- Factor market is where factors of production are exchanged,✓✓e.g. the labour market, property market and financial markets✓
- Households are the owners of the factors of production, and they sell them to firms to produce goods and services. ✓✓
- The factors of production are labour, entrepreneurship, capital and land and they are exchanged for wages, profit, interest, and rent respectively. ✓✓
- Factor services are real flows, and they are accompanied by counter flows of income on the factor market✓✓

Financial markets ✓

- Financial markets render financial services to the other participants in the economy gathering surplus funds and lending them to those who needs funding. ✓✓

- Banks, insurance companies and pension funds form part of the financial markets.✓✓
- Financial markets are not directly involved in production of goods and services, but act as a link between households and businesses with surplus income and other participants who require it.✓✓

Money market✓
- The money market is the market for short-term and very short-term savings and loans.✓✓
- The South African Reserve Bank (SARB) is a key institution in the money market.✓✓
- The SARB administers the function of legislating and managing the money market.✓✓
- Money market includes inter-bank lending for a period as short as overnight.✓✓
- The securities traded include short term deposits, short term debentures and treasury bills.✓✓

Capital market✓
- The capital market is the market for long-term savings and loans.✓✓
- The Johannesburg Securities Exchange (JSE) is a key institution in the capital market ✓✓
- The securities traded in this market are long term deposits, mortgage bonds and shares.✓✓

Foreign exchange market✓
- The foreign exchange market is a multi-national market where currencies of all the countries are traded✓✓ e.g. The South African rand can be exchanged for the US dollar.✓✓
- The foreign exchange market originates when one country imports goods from another country and domestic currency must be exchanged to pay for such imports.✓✓
- Foreign exchange can be bought and sold at the banks and foreign exchange agencies.✓✓
- The South African rand is freely traded in the forex markets and its value is determined by the market forces of demand and supply.✓✓
  (Allocate a max of 8 marks for headings/subheadings/examples)

ADDITIONAL PART

The impact of spending changes has the following impact on the multiplier:

- Increase in government spending will stimulate economic growth, create jobs and attract foreign investments.✓✓
- Government spending that targets key industries like mining, agriculture, manufacturing and services can have a significant impact on the economy.✓✓
- Government spending on social programs, such as healthcare and social grants will have a high multiplier effect as these programs provide immediate support to those in need, who are likely to spend the money quickly on essential goods and services, thereby stimulating the economy.✓✓
- Increase in consumer spending will increase the demand for goods and services which can lead to a positive multiplier effect.✓✓
- Increase in consumer spending will encourage businesses to produce more, leading to economic growth.✓✓
- Increase in investment spending enhances productivity and capacity which will stimulate economic growth and attract foreign investment.✓✓
- Investments in cutting-edge technologies can lead to significant productivity gains, further increasing the multiplier.✓✓
- Spending on imported goods and services leaks money out of the economy, reducing the multiplier.✓✓

(Accept any other correct relevant response)
(A maximum of 2 marks may be allocated for mere listing of facts/examples)

CONCLUSION

- Markets ensure the availability of consumer goods and services to households and government while allowing businesses access to factors of production. ✓✓ /
- Markets are critically important institutions in our economic system, because they regulate the market, to safeguard price stability and general business confidence ✓✓

(Accept any other correct relevant higher order conclusion)

QUESTION: 6 ECONOMIC PURSUITS **40 MARKS – 40 MINUTES**

- **Discuss in detail the South African growth and development policies and strategic initiatives. (26 marks)**
- **Critically discuss the challenges encountered by the South African government in achieving its economic growth targets (10 marks)**

INTRODUCTION

- Economic growth is an increase in the productive capacity or real GDP of an economy over time✓✓
- Economic development is the process by which the standard of living improves over a period of time✓✓
  (Accept any other correct relevant introduction)

BODY: MAIN PART

SOUTH AFRICAN GROWTH AND DEVELOPMENT POLICIES AND STRATEGIC INITIATIVES

Reconstruction and Development Programme (RDP) ✓

- RDP was introduced to alleviate poverty and address the inequalities and shortfalls in social services.✓✓
- The strategy focused on job creation, welfare, housing, transport, land reform, healthcare, education, training, water and sanitation.✓✓
- The objectives of RDP were to:
  - Improve service delivery for the poor such as housing, electricity, water and sanitation.✓✓
  - Create an environment that is suitable for human development through education and training.✓✓
  - Serve as a road map for economic development in South Africa.✓✓
  - Create a dynamic economy that can create new and sustainable jobs.✓✓
  - Alleviate poverty, low wages, and extreme inequalities in wages and wealth. ✓✓
  - Address economic imbalances and structural problems in the economy.✓✓
  - Ensure elimination of discrimination on the basis of race and gender.✓✓
  - Democratise the economy and empower the previously disadvantaged groups✓✓

Growth, Employment, and Redistribution (RDP) ✓

- GEAR was introduced to stimulate economic growth and create employment opportunities.✓✓
- The strategy was to strengthen economic development, redistribute income and create socio-economic opportunities for the poor.✓✓
- The objectives were to:
  - Promote economic growth by attracting foreign direct investments.✓✓
  - Have tax system to finance education and training programmes which will improve workers skills and create employment.✓✓
  - Have budget reforms meant to redistribute income.✓✓
  - Adopt a free-floating exchange rate policy that would ensure exchange rate stability and make South African products competitive.✓✓
  - Reduce tariffs that would lower prices of imported inputs.✓✓
  - Maintain a consistent monetary policy to prevent high inflation.✓✓
  - Increase the restructuring and privatisation of some parastatals.✓✓

Black Economic Empowerment Programmes (BEE)✓

- The strategy was launched to assist in the transformation and redress of previously disadvantaged groups.✓✓
- BEE aims to significantly increase the number of black people who own, manage and control businesses.✓✓
- The objectives were redress and affirmative action in the workplace and business environments.✓✓

Expanded Public Works Programme (EPWP) ✓

- It was introduced to create employment opportunities for the poor and vulnerable/ disadvantaged people.✓✓
- The strategy was to use labour-intensive programmes to give people skills they can use to find jobs afterwards.✓✓
- The objectives of EPWP were to:
    - Provide poverty and income relief by creating temporary work opportunities for the unskilled, unemployed, poor and vulnerable such as women and youth.✓✓
    - Use existing government and public entity budgets to reduce and alleviate unemployment.✓✓
    - Increase the ability of workers to earn an income, either through the labour market or through entrepreneurial activity.✓✓

Accelerated and Shared Growth Initiative for South Africa (ASGISA) ✓

- It was launched as a national initiative to be supported by all businesses, labour and entrepreneurs.✓✓
- The key elements of ASGISA were:
    - Halving unemployment and poverty by 2014✓✓
    - Increasing economic growth to an average of 6% between 2010 and 2014✓✓
- The objectives were to:
    - Improve and develop infrastructure by spending 8% of GDP on infrastructure development.✓✓
    - Promote industrial development through Industrial Development Zones (IDZ) ✓✓
    - Promote education and skills development to reduce the shortage of scarce skills.✓✓
    - Stimulate the second economies (Informal sector) ✓✓
    - Improve state administration through good governance.✓✓
    - Achieve economic development through economic growth.✓✓
    - Improve the production capacity of tourism, biofuel and manufacturing.✓✓

National Skills Development Strategy (NSDS) ✓

- Strategy is intended to radically transform education and training in South Africa.✓✓
- The strategy aimed at improving the quality and quantity of training to support increased industrial competitiveness and improved quality of life for all South Africans.✓✓
- The Department of Labour used the NSDS as a tool to drive the process of developing skills of the South African labour force.✓✓

Joint Initiative on Priority Skills Acquisitions (JIPSA)✓

- It is introduced as the skills development arm of ASGISA.✓✓
- The objective was skills development, especially through the SETAs.✓✓

Small Business Development Promotion Programme (SBDPP)✓

- The strategy was to deliver support and services to SMMEs.✓✓
- Department of Trade, Industry and Competition (DTIC), Industrial Development Corporation (IDC) and the National Small Business Act offer these services.✓✓

The New Growth Path (NGP)✓

- The strategy was introduced to identify key sectors as 'job drivers' and promote industries and sectors that can drive job creation.✓✓
- It aimed to increase economic growth, create 5 million jobs by 2020 and create greater economic equity.✓✓
- The NGP identifies the manufacturing, tourism, green energy and infrastructure development as key areas of job creation.✓✓

National Development Plan✓

- NDP was founded and led by the former Minister of Finance in 2012/2013.✓✓
- The strategy is to expand economic opportunities through investment in infrastructure, more innovation, private investment and entrepreneurship.✓✓
- The objectives were to:
    - Eliminate poverty and reduce inequality by 2030.✓✓
    - Reduce unemployment by 14% in 2020 and 6% in 2030.✓✓
    - Achieve economic growth on an inclusive basis.✓✓
    - Achieve economic transformation through enhancing the capacity of the state and promoting leadership and partnerships throughout society.✓✓

(A maximum of 8 marks may be allocated for mere listing of heading/examples) (Max 26)

ADDITIONAL PART

The South African government is encountered with the following significant challenges:

- The country's GDP growth estimate for 2023 has been revised down to 0,6% due to various structural constraints and the ongoing impact of the COVID-19 pandemic.✓✓
- In 2023 the country experienced a severe electricity shortfall, with rolling scheduled power cuts lasting 289 days.✓✓
- This disrupted economic activity and increasing the operating costs for businesses✓✓
- The pace of job creation is not keeping up with the growing labour force resulting in a rising number of unemployed people. ✓✓
- The unemployment rate stands at an 33.5% as of Q2-2024, with women and youth being the mostly affected. ✓✓
- Inequality and poverty are a challenge as the country is having one of the highest inequality rates in the world.✓✓
- South Africa faces significant skills gaps, hindering economic growth and development.✓✓
- The Government of National Unity (GNU), formed in June 2024, aims to rebuild South Africa's economy through key reforms, focusing on economic recovery, workers' rights, social protection and equity.✓✓
  (Accept any other correct relevant response)
  (A maximum of 2 marks may be allocated for mere listing of facts/examples)

(Max 10)

CONCLUSION

South Africa's growth target is facing significant headwinds, and addressing these challenges will require sustained efforts from the government and international partners.✓✓

(Accept any other correct relevant higher order conclusion) (Max 2) **[40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150