

World recession could hurt SA's GDP

South Africa's gross domestic product could fall from a projected 3,4% to just 2,5% this year because of the turmoil in world economic markets according to a report published in *Times Live* today.

It quotes Iraj Abedian, chief executive of Pan-African Capital Holdings who, along with other economists, is closely monitoring global economic developments following the downgrading of the risk rating of the United States government and its ability to meet its financial commitments.

Finance Minister, Pravin Gordhan says that the chances of the world entering a double-dip recession were high but that South Africa's financial fundamentals would help the country weather such a storm. He said that many foreign markets were in trouble because their governments had failed to pass economic stimulus packages.

According to *Times Live*, Gordhan was referring specifically to the fact that the US Federal Reserve had undertaken not to change interest rates in that country while the Bank of England had adopted a similar stance.

Read more:

- *Times Live*: [World turmoil to hit SA GDP growth](#)

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