



DISTRICT: TSHWANE NORTH CASE STUDY

12 AUGUST 2026

GRADE 12
ECONOMICS
TERM 3

TIME: 1 hour

MARKS: 50

The task contains 9 pages, including the cover page.

NAME & SURNAME		LEARNER MARK:		%
			50	
		MODERATOR MARK:		%
			50	

INSTRUCTIONS

1. This is an individual task.
2. This task must be completed under controlled conditions.
3. Number the answers correctly according to the numbering system in this question paper.
4. Answer ALL the questions.
5. Read the questions carefully.
6. Answer the questions in full sentences and ensure that the format, content and context of your answers meet the cognitive requirements of the questions.
7. Use only black or blue ink.
8. You may use a non-programmable calculator.
9. Write neatly and clearly.

Please turn over.

QUESTION 1

Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A – D) next to the question numbers (1.1 to 1.3) in the answer book, e.g. 1.4 D.

- 1.1 A tariff imposed by an importing partner that increases the price of South African exports is best described as a ...
- A. non-tariff barrier.
 - B. import quota.
 - C. export subsidy.
 - D. trade tariff.
- 1.2 Which ONE of the following will make the greatest contribution to sustainable economic growth?
- A. Higher consumer spending
 - B. Investments in infrastructure and skills
 - C. Higher imports
 - D. Increase in subsidies on consumption
- 1.3 When inflation is 5,8%, while wage increases are on average 4,2%, this means that workers most likely will...
- A. enjoy higher real income.
 - B. experience a decrease in real purchasing power.
 - C. spend less because prices are falling.
 - D. pay lower indirect taxes.

(3 x 2) (6)

Please turn over.

EXTRACT A**SOUTH AFRICA: AfCFTA INJECTS R547 BILLION INTO TRADE TO BOOST THE ECONOMY**

With 90% of tariff lines liberalized since 2025, South Africa's economy is leveraging the strength of Afreximbank to make the most of the African Continental Free Trade Area (AfCFTA). With regional growth jumping by 12,4% and a growing automotive sector, South Africa is reshaping its industrial policy to match a 3.4 trillion dollars market. This strategic shift marks the advent of a new era in which African finance becomes the direct fuel of sovereign and shared industrialisation.

As the continent's leading industrialised economy, South Africa is reaffirming its weight in African trade. In 2023, it accounted for 29.7% of intra-African exports, totaling R547 billion, while its foreign trade represented 65.7% of GDP. The operational launch of the AfCFTA is acting as an accelerator. The continental market, with 1.4 billion consumers and a combined GDP of 3.4 trillion dollars, is redefining trade priorities. Between January 2024 and March 2025, South Africa's preferential exports reached 820 million rand, compared to R610 million in imports. In this context, the Minister of Trade, Industry and Competition frames South Africa's membership in Afreximbank within a clearly defined institutional approach.

In 2024, intra-African trade increased by 12.4% to reach 220 billion Euros, placing Africa among the few regions above the global average. South Africa is positioning itself as one of the drivers of this momentum, particularly in the automotive sector. South African exports to the continent reached R2.6 billion in 2024, up 12.4%, alongside Morocco. The gradual removal of tariffs under the AfCFTA opens up immediate growth potential by 2026.

[Source: <https://africa24tv.com/south-africa-afcfta-injects-r547-billion-into-trade-to-boost-the-economy/>]

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EXTRACT B

UNBLOCKING OBSTACLES TO THE DEVELOPMENT OF THE ATLANTIS SEZ AND FREEPORT SALDANHA IDZ

Despite the challenging global trading environment, the country's SEZ Programme continues to make a meaningful contribution towards attracting fixed capital investments.

Introduction to the Spatial Industrial Development (SID) Strategy

- **Aimed at addressing the deindustrialisation phenomenon**
 1. Advancement of the manufacturing sector through the development of industrial clusters that are geared towards enhancing beneficiation of resource endowments and other value addition capabilities in correspondence with the country's comparative and competitive advantages of the country's regions.
 2. Fostering intra-African trade through the development of export-oriented & Afro-Centric catalytic projects that incorporate green manufacturing methods.
 3. Acceleration of economic growth and the creation of much needed jobs through the attraction of relevant foreign and domestic direct investment in targeted industries.
 4. Facilitate the provision of the state of the art infrastructure to support SID projects as a critical enabling factor for economic growth, investment attraction and regional development.
- **Aimed at addressing spatial/wealth/income inequalities and structural unemployment.**
- **Aimed at skilling & training the unemployed youth & women in line with industry requirements.**

ATLANTIS SEZ

Challenges:

- Uncertainty in relation to fund allocation in line with SEZ Fund Guidelines (investors need certainty).
- Need for greater private sector involvement.
- Lack of tax incentives.

Proposed solutions:

- The Province and City of Cape Town should consider a contribution to bulk infrastructure development to align with the new approach on SEZ.
- It is proposed that National Treasury review and establish a special model for PPPs in SEZs to accelerate infrastructure development.
- SEZ incentives should be granted for a fixed period [e.g. five (5) years], subject to renewal on meeting clearly defined performance metrics.



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**FREEPORT SALDANHA IDZ****Challenges:**

- Delays in the conclusion of the Commercial Terms Framework (CTF) and lease agreement between Freeport Saldanha and TNPA. The CTF is a critical step to ensure sustainable and mutual beneficial operations within the Zone and provide investor certainty.
- Misalignment Between Development of Port Land and Port Infrastructure.

Opportunities:

- Efficient, predictable decision-making for SEZ-related investments in the port.
- Alignment between SEZ objectives, port operations, and national industrial priorities.
- Reduced regulatory complexity and duplication.
- A stronger, more competitive investor value proposition that integrates SEZ and port advantages.
- More effective crowding-in of public and private investment into port, land and infrastructure.

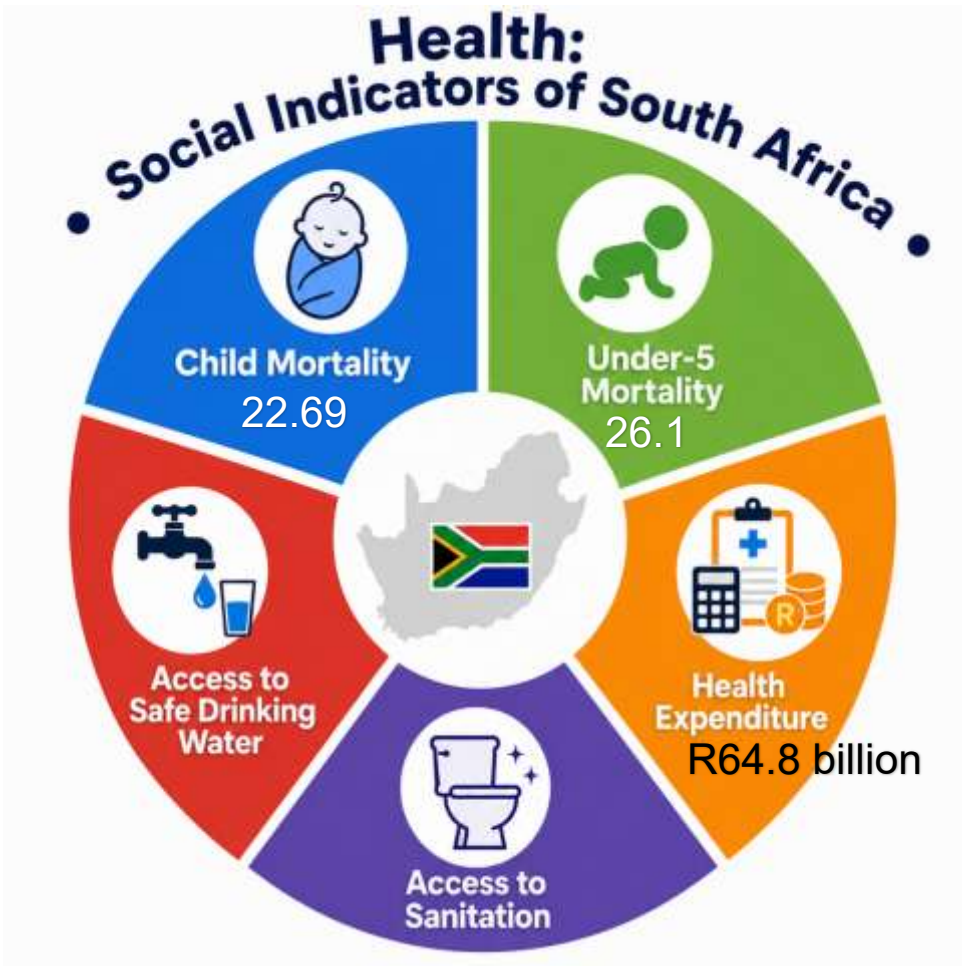
[Source: Adapted from: <https://www.thedtic.gov.za/wp-content/uploads/DTIC-PC-Trade.-SEZ-IDZ-09-June-2026.pdf>]

Please turn over.

EXTRACT C

AS PER STATS SA'S MONTHLY INDICATORS PUBLISHED IN JUNE 2026

	y/y percentage change			m/m percentage change		
	26 Mar	26 Apr	26 May	26 Mar	26 Apr	26 May
Consumer Price Index (CPI) 🏠	3,1	4,0	4,5	0,6	1,1	0,7
Producer Price Index (PPI) ⚙️	2,3	4,8	7,8	1,1	3,0	2,6



Please turn over.

Figure 9.1 – Percentage (%) distribution of households with access to piped or tap water in their dwellings, off-site or on-site by province, selected years 2002-2024



[Source: <https://www.statssa.gov.za/publications/P0318/P03182024.pdf>]

QUESTION 2

Study EXTRACT A and answer the questions that follow:

- 2.1 Name ONE institution that, according to the extract, supports South Africa's participation in the AfCFTA. (1)
- 2.2 Why can the AfCFTA be considered an example of free trade? (2)
- 2.3 Briefly describe the concept of *tariff liberalisation*. (2)
- 2.4 Explain the immediate impact of the liberalisation of 90% of the tariff lines on import prices in South Africa. (2)
- 2.5 Discuss the benefit to South Africa of membership in a large continent-wide market such as the AfCFTA. (4)

[11]

Please turn over.

QUESTION 3

Study EXTRACT B and answer the questions that follow:

- 3.1 Name ONE challenge that Atlantis SEZ experiences according to the extract. (1)
- 3.2 What will the potential benefits be if the CPA and lease agreement between Freeport Saldanha and TNPA are concluded on time? (2 x 1) (2)
- 3.3 Briefly describe the concept of *public private partnerships* (PPP). (2)
- 3.4 How can special economic zones (SEZs) contribute to regional development? (4)
- 3.5 Analyse how the government can use incentives to promote industrial development. (8)

[17]**QUESTION 4**

Study EXTRACT C and answer the questions that follow:

- 4.1 Identify the price index that measures prices at producer level. (1)
- 4.2 What does the term *under 5-mortality refer to?* (1)
- 4.3 Why are the Eastern Cape or Limpopo province's percentages for 2024 in figure 9.1 so much lower than the other provinces in South Africa? (2)
- 4.4 Explain how economic and social indicators help policymakers to promote inclusive growth in South Africa. (4)
- 4.5 Discuss the relationship between the Consumer Price Index (CPI) and the Producer Price Index (PPI). (8)

[16]**GRAND TOTAL: 50**

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