

South African feedback on Economic Downturn – Impacts, Risks and Opportunities

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- South African banks not directly exposed to the sub-prime mortgage crisis
- Capital withdrawn from emerging markets
- International liquidity dried up
- Commodity prices have fallen
- Drop in private sector credit extensions
- Client prospect and project termination



- Leadership capability to deal with chaos
- Client creditworthiness and cash flow
- Increased demands on working capital
- Supply chain continuity
- Industrial action
- Increase in claims and legal costs
- Erosion of margins
- Inequitable risk transfer



Opportunities

- Distressed contractors, suppliers and sub-contractors may offer growth opportunities
- Infrastructure supply chain
- Government infrastructure development is an economic imperative

