



The South Africa I know, the home I understand

Press statement

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GDP in the second quarter of 2016 grew by 3,3%

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) growth rate was 3,3% in the second quarter of 2016.¹

The main contributors to the GDP growth rate were the manufacturing industry and the mining and quarrying industry. Manufacturing increased by 8,1%, largely as a result of higher production in petroleum, chemical products, rubber and plastic products; and motor vehicles, parts and accessories and other transport equipment. Mining and quarrying grew by 11,8%, largely as a result of higher production of platinum group metals.

Only two industries contracted in the second quarter, namely agriculture, forestry and fishing (-0,8%); and electricity, gas and water (-1,8%). The agriculture, forestry and fishing industry has been in decline for six consecutive quarters.

Expenditure on GDP²

Expenditure on real gross domestic product grew by 3,4% in the second quarter of 2016.

Household final consumption expenditure increased by 1,0% in the second quarter. The main sources of the increase were miscellaneous goods and services and health services.

Government final consumption expenditure increased by 1,3%.

Gross fixed capital formation decreased by 4,6%. The main contributors to the decline were construction works and machinery and other equipment.

There was a R23 billion drawdown of inventories in the second quarter (following a R1 billion build-up in the first quarter), which contributed -3,2 percentage points to total growth.

Net exports contributed positively to total expenditure on GDP. Exports increased by 18,1%, mainly because of higher exports of precious metals and vehicle and transport equipment. Imports decreased by 5,1%, mainly because of lower imports of machinery and electrical equipment.

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¹ Unless otherwise specified, quarter-on-quarter growth rates are seasonally adjusted and annualised. All growth rates are calculated on the basis of series at constant prices. The GDP estimates are preliminary and may be revised.

² The figures showing growth in expenditure on GDP exclude the residual, calculated as the difference between GDP measured by production and the sum of the expenditure components. For more detail see Table 30 on the Stats SA website.