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Department:  
Statistics South Africa  
**REPUBLIC OF SOUTH AFRICA**

**Press release**

**Embargo: Tuesday 07 March 2023, 11:30**

## **GDP decreased by 1,3% in the fourth quarter of 2022<sup>1</sup>**

### **Gross domestic product (measured by production)**

South Africa's gross domestic product (GDP) decreased by 1,3% in the fourth quarter of 2022.

The finance, real estate and business services industry decreased at a rate of 2,3% in the fourth quarter, contributing -0,6 of a percentage point to GDP growth. Decreased economic activities were reported for financial intermediation, insurance and pension funding and auxiliary activities.

The trade, catering and accommodation industry decreased by 2,1% in the fourth quarter, contributing -0,3 of a percentage point to GDP growth. Decreased economic activities were reported for wholesale trade and catering and accommodation.

The mining and quarrying industry decreased by 3,2%, contributing -0,1 of a percentage point to GDP growth. Decreased economic activities were reported for diamonds, iron ore and platinum group metals (PGMs).

The agriculture, forestry and fishing industry decreased by 3,3% in the fourth quarter, contributing -0,1 of a percentage point to GDP growth. Decreased economic activities were reported for field crops and horticulture products.

The manufacturing industry decreased by 0,9% in the fourth quarter, contributing -0,1 of a percentage point to GDP growth. Five of the ten manufacturing divisions reported negative growth rates in the fourth quarter. The food and beverages division made the largest contribution to the decrease in the fourth quarter. The basic iron and steel, non-ferrous metal products, metal products and machinery division also made a significant contribution to the contraction in this industry.

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

## Expenditure on GDP<sup>2</sup>

Expenditure on real GDP decreased by 1,3% in the fourth quarter of 2022.

Household final consumption expenditure (HFCE) increased by 0,9% in the fourth quarter, contributing 0,6 of a percentage point to the overall change in expenditure on GDP. The highest growth rate was reported for expenditure on durable goods while the largest contributor to growth was services.

The main contributors to the increase in HFCE were expenditures in the 'other' category<sup>3</sup> (4,0% and contributing 0,5 of a percentage point), restaurants and hotels (5,3% and contributing 0,2 of a percentage point) and furnishings, household equipment and maintenance (1,8% and contributing 0,1 of a percentage point).

Expenditures on food, alcohol and tobacco, transport and recreation contributed negatively to growth in HFCE in the fourth quarter.

Final consumption expenditure by general government (GFCE) decreased by 0,7% in the fourth quarter, mainly driven by decreases in goods and services and compensation of employees.

Total gross fixed capital formation (GFCF) increased by 1,3%. The main positive contributors to the increase were transport equipment (13,4% and contributing 1,4 percentage points) and machinery and other equipment (2,1% and contributing 0,8 of a percentage point).

There was a R29 billion build-up of inventories in the fourth quarter of 2022 (seasonally adjusted and annualised value). Large increases in three industries, namely, mining and quarrying, manufacturing and trade, catering and accommodation contributed to the inventory build-up.

Net exports contributed negatively to growth in expenditure on GDP in the fourth quarter. Exports of goods and services decreased by 4,8%, largely influenced by decreased trade in base metals and articles of base metals; mineral products; and paper and articles of paper.

Imports of goods and services decreased by 0,8%, largely influenced by decreased trade in chemical products; animal and vegetable fats and oil; artificial resins and plastics; and services of other transportation.

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<sup>2</sup> 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 31 on the Stats SA website.

<sup>3</sup> Given the sources used to estimate HFCE, spending by residents abroad needs to be added to HFCE. Hence, an increase in residents' expenditure abroad increases the 'other' component of HFCE and makes a positive contribution to the HFCE growth rate.