



**stats sa**

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**Press statement**

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## **GDP in the first quarter of 2020 fell by 2,0%<sup>1</sup>**

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

South Africa's gross domestic product (GDP) decreased by 2,0% in the first quarter of 2020.

The mining and quarrying industry decreased by 21,5% and contributed 1,7 percentage points to GDP growth. Decreased production was reported for iron ore, manganese ore, other metallic minerals and chromium.

The manufacturing industry contracted by 8,5% in the first quarter. Seven of the ten manufacturing divisions reported negative growth rates in the first quarter. The divisions that made the largest contributions to the decrease were petroleum, chemical products, rubber and plastic products; basic iron and steel, non-ferrous metal products, metal products and machinery; and motor vehicles, parts and accessories and other transport equipment.

The electricity, gas and water industry contracted by 5,6% in the first quarter, largely due to decreases in electricity distributed and water consumption.

The construction industry decreased by 4,7%. Decreases were reported for residential buildings, non-residential buildings and construction works.

The agriculture, forestry and fishing industry increased by 27,8% and contributed 0,5 of a percentage point to GDP growth. The increase was mainly due to increases in the production of field crops, horticultural products and animal products.

Finance, real estate and business services increased by 3,7% in the first quarter. Increased economic activity was reported for financial intermediation, insurance and pension funding, auxiliary activities, and other business services.

General government services increased by 1,0%, mainly attributed to increased employment in provincial government and higher education institutions.

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<sup>1</sup> Unless otherwise specified, growth rates are quarter-on-quarter, 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.



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

Expenditure on real gross domestic product fell by 2,3% in the first quarter of 2020.

Household final consumption expenditure increased by 0,7% in the first quarter, contributing 0,4 of a percentage point to total growth. The main positive contributors to growth in HFCE were expenditures on food and non-alcoholic beverages (4,3% and contributing 0,8 of a percentage point), furnishings, household equipment, maintenance (3,2% and contributing 0,3 of a percentage point) and housing and utilities (1,7% and contributing 0,2 of a percentage point).

Expenditure on transport and clothing and footwear decreased and contributed negatively to growth in HFCE.

Final consumption expenditure by general government increased by 1,1%. Increases in employment and spending on goods and services were reported in the first quarter.

Gross fixed capital formation decreased by 20,5%. The main contributors to the decrease were machinery and other equipment<sup>3</sup>, transport equipment and other assets<sup>4</sup>. Weak imports of machinery and other equipment and transport equipment contributed to the decrease in gross fixed capital formation.

There was a R67,3 billion drawdown of inventories in the first quarter of 2020. Large decreases were reported for the mining, manufacturing and trade industries.

Net exports contributed positively to growth in expenditure on GDP in the first quarter. Exports of goods and services were down 2,3%, largely influenced by decreased trade in precious metals, base metals and travel services.

Imports of goods and services decreased by 16,7%, driven largely by decreases in machinery and electrical equipment, mineral products and travel services.

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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 30 on the Stats SA website.

<sup>3</sup> Machinery and other equipment includes computers and related equipment.

<sup>4</sup> Other assets includes research and development, computer software, mineral exploration and cultivated biological resources.