



stats sa

Department:
Statistics South Africa
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Press statement

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GDP increased at an annualised rate of 4,6%¹

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) increased at an annualised rate of 4,6% in the first quarter of 2021.

Finance, real estate and business services increased at a rate of 7,4% in the first quarter, and made the largest contribution to GDP growth, namely 1,5 percentage points. Increased economic activity was reported for financial intermediation, auxiliary activities, real estate activities and other business services.

The mining and quarrying industry increased at a rate of 18,1% and contributed 1,2 percentage points to GDP growth. Increased production was reported for platinum group metals (PGMs), iron ore and gold.

The trade, catering and accommodation industry increased at a rate of 6,2%, contributing 0,8 of a percentage point to GDP growth. Increased economic activity was reported in wholesale trade and retail trade.

The transport, storage and communication industry increased at a rate of 4,8%, contributing 0,4 of a percentage point. Increased economic activity was reported for land transport and communication services.

The manufacturing industry increased at a rate of 1,6% in the first quarter, contributing 0,2 of a percentage point to GDP growth. Five of the ten manufacturing divisions reported positive growth rates in the first quarter. The divisions that made the largest contributions to the increase were motor vehicles, parts and accessories and other transport equipment; and wood and wood products, paper, publishing and printing.

The personal services industry increased at a rate of 1,7% in the first quarter. Increases were reported for community services and other producers.

¹ 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 GDP²

Expenditure on real gross domestic product increased at an annualised rate of 4,5% in the first quarter of 2021.

Household final consumption expenditure increased at a rate of 4,7% in the first quarter, contributing 3,0 percentage points to total growth. The highest growth rates were seen in durable and semi-durable goods and the largest contributors to growth were expenditures on durables goods and services.

The main positive contributors to growth in HFCE were expenditures on the 'other' category³ (9,8% and contributing 1,2 percentage points), clothing and footwear (22,2% and contributing 1,0 percentage point, furnishings, household equipment and maintenance (8,9% and contributing 0,8 of a percentage point) and food and non-alcoholic beverages (2,3% and contributing 0,5 of a percentage point).

Final consumption expenditure by general government increased at a rate of 1,0% in the first quarter. Increases in compensation of employees and spending on goods and services were reported in the first quarter.

Gross fixed capital formation decreased at a rate of 2,6%. The main contributor to the decrease was machinery and equipment.⁴

There was a R53,2 billion (annualised) drawdown of inventories in the first quarter of 2021. Large decreases in mining and trade contributed to the inventory drawdowns experienced in the first quarter of 2021.

Net exports contributed negatively to growth in expenditure on GDP in the first quarter. Exports of goods and services decreased at a rate of 0,9%, largely influenced by decreased trade in mineral products and vehicles and other transport equipment.

Imports of goods and services increased at a rate of 26,5%, driven largely by increases in mineral products, machinery and equipment, and vehicles and transport equipment.

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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.

³ Given the sources used to estimate HFCE, spending by non-residents in South Africa needs to be deducted from HFCE. Hence, a decrease in non-residents' expenditure increases the 'other' component of HFCE and makes a positive contribution to the HFCE growth rate.

⁴ Machinery and other equipment includes computers and related equipment.