



stats sa

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Press statement

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GDP in the second quarter of 2019 increased by 3,1%

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) increased by 3,1% in the second quarter of 2019.¹

The mining and quarrying industry increased by 14,4% and contributed 1,0 percentage point to GDP growth. Increased production was reported for mining of iron ore, manganese ore, coal and 'other' metal ores including platinum.

Finance, real estate and business services increased by 4,1% in the second quarter. Increased economic activity was reported for financial intermediation, real estate activities and business services.

The trade, catering and accommodation industry increased by 3,9%. Increased economic activity was reported in all trade divisions except the food and beverages major group.

General government services increased by 3,4%, mainly attributed to an increase in employment.

In contrast, the agriculture, forestry and fishing industry and the construction industry decreased by 4,2% and 1,6% respectively, and each contributed -0,1 of a percentage point to GDP growth.

The unadjusted real GDP at market prices for the first six months of 2019 increased by 0,4% compared with the first six months of 2018.

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 rose by 3,0% in the second quarter of 2019.

Household final consumption expenditure increased by 2,8% in the second quarter, contributing 1,7 percentage points to total growth. The main positive contributors to growth in HFCE were expenditures on food and non-alcoholic beverages (4,2% and contributing 0,8 of a percentage point), the 'other' category³ (4,0% and contributing 0,5 of a percentage point) and recreation and culture (7,4% and contributing 0,4 of a percentage point). A negative contribution to growth in HFCE was reported for expenditures in restaurants and hotels.

Final consumption expenditure by general government increased by 2,8%. Increases in employment and spending on goods and services were reported in the second quarter. Extra-budgetary accounts institutions reported large increases in employment numbers to support national and provincial election activities.

Gross fixed capital formation increased by 6,1%, following five consecutive declines. The main contributors to the increase were machinery and equipment, transport equipment and residential buildings. Strong imports of machinery and equipment supported the increase in gross fixed capital formation.

There was a R26 billion build-up of inventories in the second quarter of 2019. Large increases were reported for the mining industry and the trade industry.

Net exports contributed negatively to growth in expenditure on GDP in the second quarter. Exports of goods and services were down 0,7%, largely influenced by decreasing trade in precious metals.

Imports of goods and services increased by 18,8%, driven largely by an increase in imports of machinery and equipment, mineral products and chemical products.

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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.