



stats sa

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Statistics South Africa
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Press statement

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GDP increased at an annualised rate of 66,1%¹

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) increased at an annualised rate of 66,1% in the third quarter of 2020, largely as a result of the easing of COVID-19 lockdown restrictions (note: without annualising, the quarter-on-quarter seasonally adjusted growth rate was 13,5%).

The manufacturing industry increased at a rate of 210,2% in the third quarter, contributing 16,2 percentage points to GDP growth. All ten manufacturing divisions reported positive growth rates in the third quarter. The four divisions with the largest contributions to the increase were basic iron and steel, non-ferrous metal products, metal products and machinery; petroleum, chemical products, rubber and plastic products; transport equipment; and food and beverages.

The mining and quarrying industry increased at a rate of 288,3%, contributing 11,8 percentage points to GDP growth. In the third quarter the industry recovered largely on account of the easing of local and global lockdown restrictions. Higher production was mainly due to increased activities in the production of platinum group metals (PGMs), iron ore, gold, manganese ore and diamonds.

The trade, catering and accommodation industry increased at a rate of 137,0%. Increased economic activities were reported for wholesale trade, retail trade, motor trade, catering and accommodation. However, so severe was the impact of COVID-19 in the second quarter that total value added for the industry in the third quarter remained below its level in the first quarter of 2020.

The transport, storage and communication industry increased at a rate of 79,3% as a result of increases in land transport, air transport, transport support services and communication services.

Finance, real estate and business services increased at a rate of 16,5% in the third quarter. Increased economic activity was reported for financial intermediation, insurance and pension funding and other business services.

The construction industry increased by 71,1% in the third quarter. Increased production was reported for residential buildings, non-residential buildings and construction works.

The unadjusted real GDP at market prices for the first nine months of 2020 decreased by 7,9% compared with the first nine months of 2019.

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 67,6% in the third quarter of 2020, as household consumption, exports and gross fixed capital formation recovered.

Household final consumption expenditure increased at a rate of 69,5% in the third quarter, contributing 43,8 percentage points to total growth. The highest recovery rates were seen in durables and semi-durables, but the largest contributor to growth was non-durables (which accounts for over a third of HFCE on goods and services).

The main positive contributors to growth in HFCE were expenditures on transport (173,6% and contributing 17,2 percentage points), alcoholic beverages, tobacco and narcotics (673,4% and contributing 9,5 percentage points), food and non-alcoholic beverages (39,4% and contributing 9,1 percentage points), clothing and footwear (417,0% and contributing 9,0 percentage points), recreation and culture (410,3% and contributing 8,2 percentage points), and furniture, equipment and maintenance (102,0% and contributing 7,8 percentage points).

Final consumption expenditure by general government increased at a rate of 0,7% in the third quarter. Increases in employment and spending on goods and services were reported in the third quarter.

Gross fixed capital formation increased at a rate of 26,5%. The main contributors to the increase were construction works, residential buildings, non-residential buildings and machinery and other equipment³.

There was a R156,2 billion (annualised) drawdown of inventories in the third quarter of 2020. Large decreases in trade and mining contributed to the inventory drawdowns experienced in the third quarter of 2020.

Net exports contributed positively to growth in expenditure on GDP in the third quarter. Exports of goods and services increased at a rate of 201,4%, largely influenced by increased trade in vehicles and other transport equipment; precious metals and stones; machinery and equipment; mineral products; and base metals.

Imports of goods and services decreased at a rate of 1,6%, driven largely by decreases in textiles and textiles articles; chemical products; and prepared foodstuffs, beverages and tobacco 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 Machinery and other equipment includes computers and related equipment.