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Statistics South Africa
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Press statement

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GDP decreased 1,5% in the third quarter of 2021¹

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) decreased by 1,5% in the third quarter of 2021.

The trade, catering and accommodation industry decreased by 5,5%, contributing -0,7 of a percentage point to GDP growth. Decreased economic activities were reported for wholesale, retail and motor trade; and catering and accommodation services.

The manufacturing industry decreased by 4,2% in the third quarter, contributing -0,5 of a percentage point to GDP growth. Eight of the ten manufacturing divisions reported negative growth rates in the third quarter. The motor vehicles, parts and accessories and other transport equipment division made the largest contribution to the decrease in the third quarter. The food and beverages division and basic iron and steel, non-ferrous metal products, metal products and machinery division also made noteworthy contributions to the contraction.

The agriculture, forestry and fishing industry decreased by 13,6% and contributed -0,4 of a percentage point to GDP growth. The decrease was mainly due to decreased production of field crops and animal products.

The transport, storage and communication industry decreased by 2,2%, contributing -0,2 of a percentage point. Decreased economic activity was reported for land transport and air transport.

Unadjusted real GDP at market prices for the first nine months of 2021 increased by 5,8% compared with the first nine months of 2020.

¹ 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 GDP²

Expenditure on real gross domestic product decreased by 1,6% in the third quarter of 2021.

Household final consumption expenditure decreased by 2,4% in the third quarter, contributing -1,6 percentage points to total growth. The largest decreases were reported for expenditures on durable and non-durable goods.

The main negative contributors to growth in HFCE were expenditures on transport (-4,1% and contributing -0,6 of a percentage point), furnishings (-9,9% and contributing -0,6 of a percentage point), recreation (-7,0% and contributing -0,5 of a percentage point), food (-1,8% and contributing -0,3 of a percentage point) and restaurants (-6,1% and contributing -0,2 of a percentage point).

Expenditure on health, the 'other' category and education contributed positively to growth in HFCE. Spending on life insurance services was the main contributor to the increase in the 'other' category in the third quarter.

Final consumption expenditure by general government increased by 0,1% in the third quarter. An increase in compensation of employees was reported in the third quarter.

Total gross fixed capital formation was flat between the second and third quarters. The asset types that recorded positive growth were other assets³ (8,8% and contributing 1,0 percentage point), machinery and equipment⁴ (1,8% and contributing 0,7 of a percentage point) and residential buildings (1,5% and contributing 0,2 of a percentage point).

There was a R915 million drawdown of inventories in the third quarter of 2021. Large decreases in manufacturing and trades contributed to the inventory drawdowns experienced in the third quarter of 2021.

Net exports contributed positively to growth in expenditure on GDP in the third quarter. Exports of goods and services decreased by 5,9%, largely influenced by decreased trade in vehicles and other transport equipment; chemical products; machinery and equipment; pearls, precious and semi-precious stones, precious metals; and textiles and textile articles.

Imports of goods and services decreased by 2,8%, driven largely by decreases in mineral products; base metals and articles of base metals; and prepared foodstuffs, beverages and tobacco.

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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 31 on the Stats SA website.

³ Other assets includes research and development, computer software, mineral exploration and cultivated biological resources.

⁴ Machinery and other equipment includes computers and related equipment.