



stats sa

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Press statement

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GDP in the fourth quarter of 2019 decreased by 1,4%

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) decreased by 1,4% in the fourth quarter of 2019.¹

The transport, storage and communication industry decreased by 7,2% and contributed -0,6 of a percentage point to GDP growth. Decreased economic activity was reported for land and air transport, as well as transport support services.

The trade, catering and accommodation industry decreased by 3,8% and contributed -0,5 of a percentage point to GDP growth. Decreased economic activity was reported for wholesale and motor trade and accommodation.

The manufacturing industry decreased by 1,8% and contributed -0,2 of a percentage point to GDP growth. The divisions that made the largest contributions to the decrease were motor vehicles, parts and accessories and other transport equipment; and wood and wood products, paper, publishing and printing.

The construction industry decreased by 5,9% and contributed -0,2 of a percentage point to GDP growth. Decreases were reported for residential and non-residential buildings and construction works.

The agriculture, forestry and fishing industry decreased by 7,6% and contributed -0,2 of a percentage point to GDP growth. The decreased was mainly due to a fall in the production of field crops and horticultural products.

In contrast, finance, real estate and business services increased by 2,7% and contributed 0,6 of a percentage point to GDP growth.

The mining and quarrying industry increased by 1,8% and contributed 0,1 of a percentage point to GDP growth. Increased production was reported for platinum group metals, iron ore and gold.

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 fell by 1,2% in the fourth quarter of 2019.

Household final consumption expenditure increased by 1,4% in the fourth quarter, contributing 0,8 of a percentage point to total growth. The main positive contributors to growth in HFCE were expenditures on clothing and footwear (8,5% and contributing 0,5 of a percentage point), the 'other' category (3,6% and contributing 0,4 of a percentage point) and household furnishings and equipment (3,5% and contributing 0,3 of a percentage point). Expenditure on transport activities declined and contributed negatively to growth in HFCE.

Final consumption expenditure by general government decreased by 0,2%. A decrease in employment was reported in the fourth quarter.

Gross fixed capital formation decreased by 10,0%. The main contributors to the decrease were machinery and equipment³, transport equipment, non-residential buildings and other assets⁴. Weak imports of machinery and equipment contributed to the decrease in gross fixed capital formation.

There was a R40,3 billion drawdown of inventories in the fourth quarter of 2019. Large decreases were reported for the mining industry and trade.

Net exports contributed positively to growth in expenditure on GDP in the fourth quarter. Exports of goods and services were up 2,3%, largely influenced by increase trade in precious metals and stones.

Imports of goods and services decreased by 8,5%, driven largely by a decrease in imports of machinery and equipment as well as vehicles and transport equipment.

Key findings for the annual estimates of 2019

Real annual GDP increased by 0,2% in 2019 following an increase of 0,8% in 2018

According to the latest preliminary indicators, real GDP increased by 0,2% in 2019 following an increase of 0,8% in 2018.

The annual real GDP growth rate of 0,2% in 2019 was primarily led by increased economic activity in finance, real estate and business services, which contributed 0,5 of a percentage point based on growth of 2,3%; general government services, which contributed 0,3 of a percentage point based on growth of 1,7%; and personal services, which contributed 0,1 of a percentage point based on growth of 1,0%.

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 This category includes computer equipment.

⁴ This category includes computer software.

The agriculture, forestry and fishing industry decreased by 6,9% in 2019, and the mining and quarrying industry declined by 1,9% in 2019

Expenditure on GDP in 2019

Expenditure on GDP increased by 0,1% in 2019, decelerating from an increase of 0,7% in 2018.

Household consumption increased by 1,0% and contributed 0,6 of a percentage point, and government consumption increased by 1,5% and contributed 0,3 of a percentage point.

The main positive contributors to growth of 1,0% in HFCE were expenditure on food (2,1% and contributing 0,4 of a percentage point), the 'other' category (2,1% and contributing 0,3 of a percentage point) and household furnishings and equipment (1,8% and contributing 0,2 of a percentage point).

Gross fixed capital formation decreased by 0,9%, contributing -0,2 of a percentage point to total growth, and changes in inventories contributed -0,1 of a percentage point to total growth.

Net exports contributed -0,6 of a percentage point to growth in expenditure on GDP.

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