



stats sa

Department:
Statistics South Africa
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Press statement

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Updated GDP estimates that the economy is 11% larger

New benchmarked estimates

Statistics South Africa (Stats SA) has published updated estimates of gross domestic product (GDP) as a result of a comprehensive project to benchmark and rebase the statistics. This is aligned with international best practice to periodically review and update the estimates of the size, structure and performance of the economy. During this process, Stats SA included new sources of information, improved the compilation methodology, reviewed and refined the classification of economic activities, and updated the reference year from 2010 to 2015.

The revised estimate of GDP in 2020 is R5 521 billion, an increase of 11% compared with the previous estimate of R4 973 billion. The annual growth rate for 2020 was revised from -7,0% to -6,4%. The revised levels and associated annual growth rates of GDP are shown in Table 1.

Table 1 – Comparison of previous and revised GDP estimates

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Real GDP growth rate (% per year)										
Previous (2010 prices)	3,3	2,2	2,5	1,8	1,2	0,4	1,4	0,8	0,2	-7,0
Revised (2015 prices)	3,2	2,4	2,5	1,4	1,3	0,7	1,2	1,5	0,1	-6,4
Difference (% points)	-0,1	0,2	0,0	-0,4	0,1	0,3	-0,2	0,7	-0,1	0,6
Level of GDP at current prices (R billion)										
Previous	3 024	3 254	3 540	3 805	4 050	4 359	4 654	4 874	5 078	4 973
Revised	3 327	3 566	3 869	4 134	4 421	4 760	5 078	5 358	5 605	5 521
Difference	303	313	329	329	371	400	425	484	527	548
Difference (%)	10,0	9,6	9,3	8,6	9,2	9,2	9,1	9,9	10,4	11,0



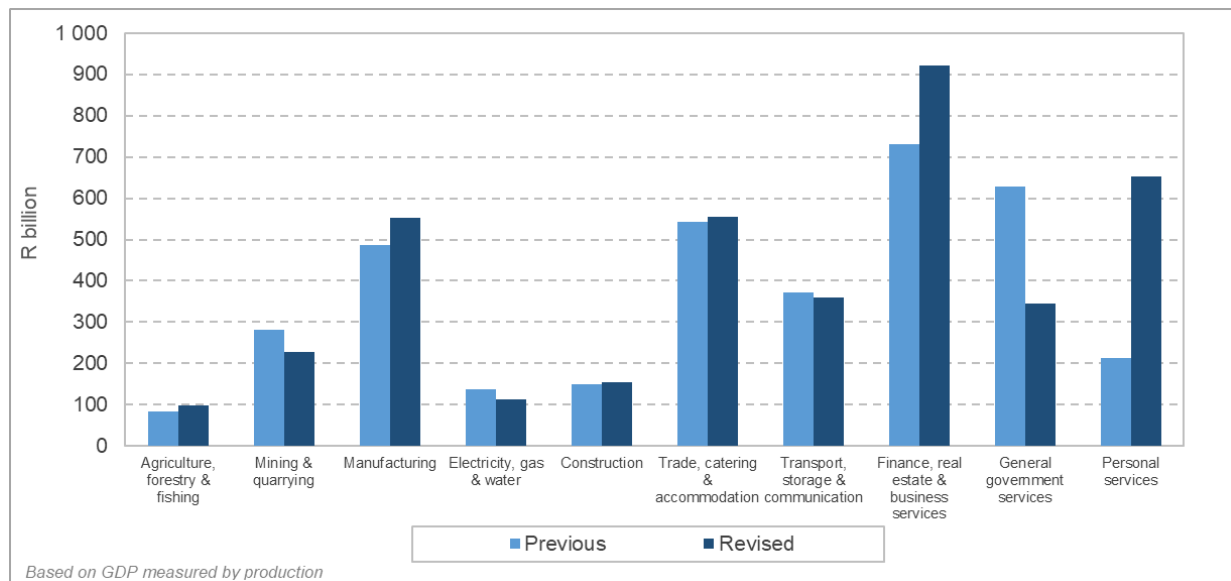
Different pattern of production

The improvements in methodology and classification resulted in economic activity being more accurately linked to the industry where the activity takes place. On the production side, education and health services are now correctly treated as part of personal services rather than general government. Similarly, trading entities from local government institutions are now also included in personal services. These reclassifications, along with new datasets and improved methods, reduced the contribution of general government to the economy in the new 2015 base year by R283 billion (down by 45%), and increased the contribution of personal services by R439 billion (up by 206%), coming from a small base.

The estimates for the finance, real estate and business services industry are now R191 billion (26%) higher in 2015. This is largely due to the inclusion of 'other' business services that were previously not surveyed as well as improved methods to estimate owner-occupied housing.

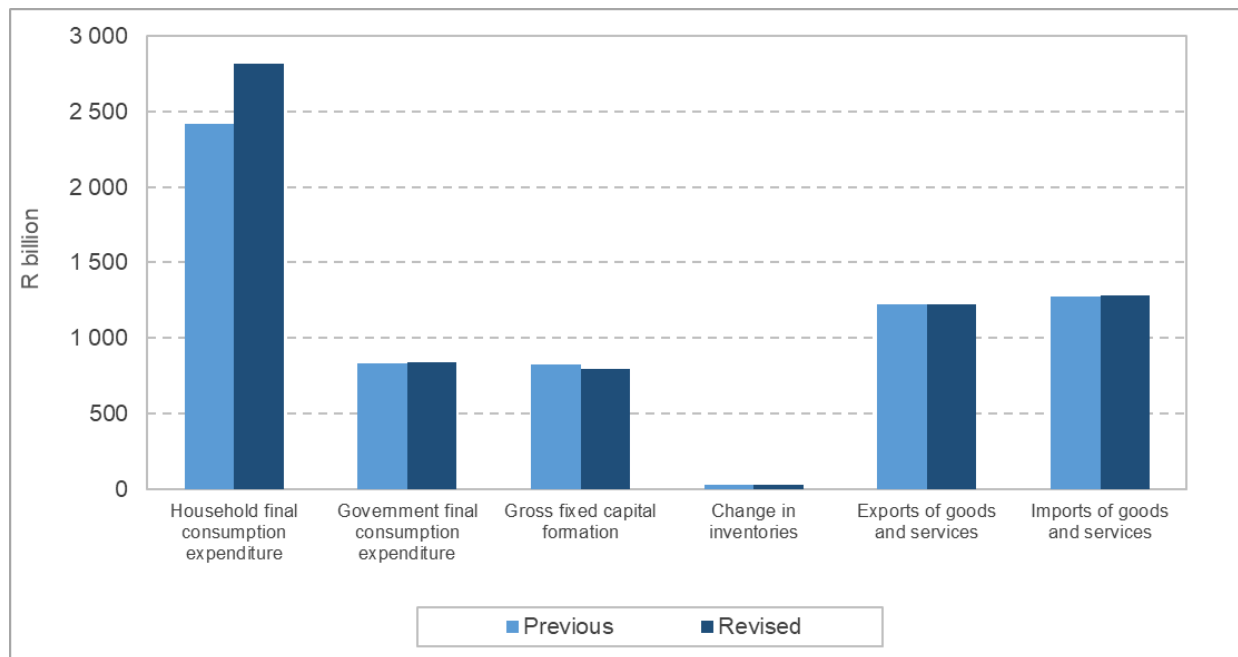
The changes in the components of value added in 2015, the new base year, are shown in Figure 1.

Figure 1 – Components of value added in 2015 base year



Upward revision of household expenditure

As part of maintaining the balance between supply and demand, expenditure on GDP must reflect changes in the production of GDP. On the expenditure (demand) side, the most significant revision in the 2015 base year is for household final consumption expenditure, which is estimated to be 16% higher (see Figure 2). The three categories of household expenditure contributing the most to this increase are recreation and culture; restaurants and hotels; and miscellaneous goods and services. There was a decrease in one category, namely food and non-alcoholic beverages.

Figure 2 – Components of expenditure on GDP in 2015 base year

Estimates of the non-observed economy

The non-observed economy consists of activities that are not captured in regular statistical enquiries. It overlaps with the informal sector, but is not the same. Between 2013 and 2018, on average the non-observed economy accounted for 8% of total value added.

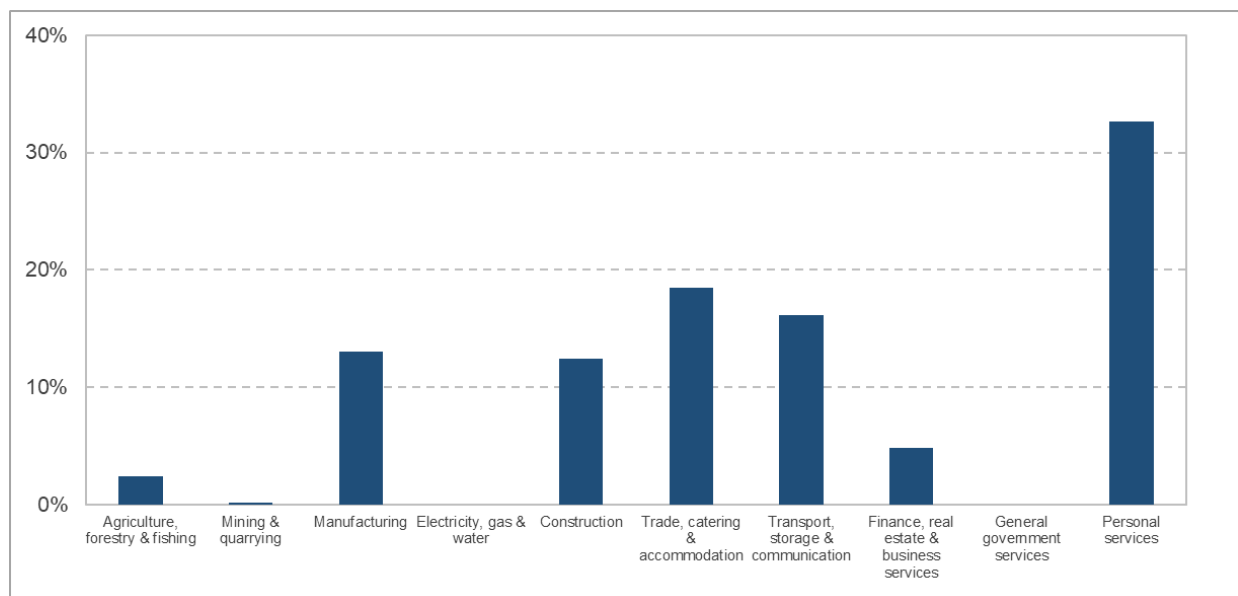
Figure 3 – Disaggregation of the non-observed economy in base year 2015

Figure 3 shows the distribution of the non-observed economy in the 2015 base year. The highest level of activity took place in the personal services industry (33%), followed by trade, catering

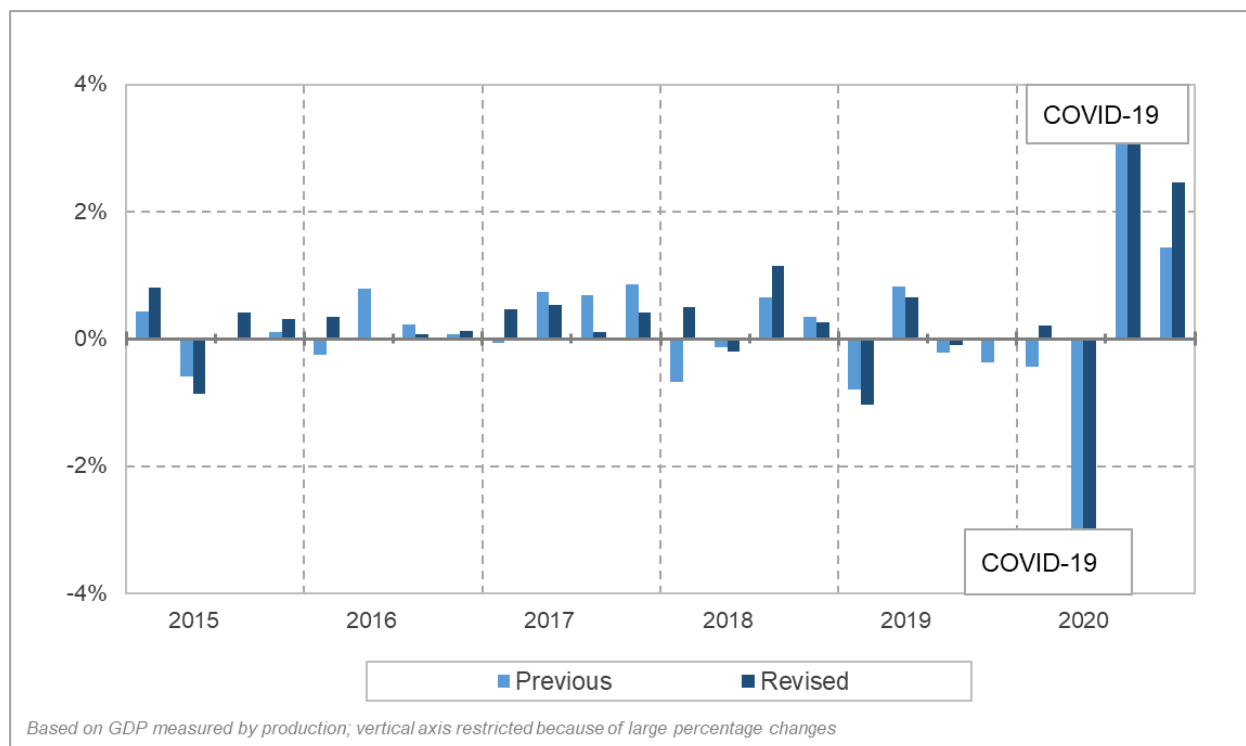
and accommodation (18%), transport, storage and communication (16%), and manufacturing (13%).

On 7 September 2021 Stats SA will publish quarterly GDP for the second quarter of 2021. As announced previously, the headline GDP growth rate will no longer be annualised. A note on annualisation is available in the previous quarterly GDP statistical release:

<http://www.statssa.gov.za/publications/P0441/P04411stQuarter2021.pdf>

The newly benchmarked and rebased time series for GDP and the supply and use tables are available in Excel files on Stats SA's website, together with a detailed publication titled National Accounts: Sources and Methods (Report 04-04-04). The revised quarterly time series are available up to the fourth quarter of 2020, and a comparison of previous and revised quarterly growth rates (both *not* annualised) is shown in Figure 4. Revised quarterly GDP statistics for the first quarter of 2021 will be published on 7 September 2021.

Figure 4 – Real GDP growth rate, quarter-on-quarter, seasonally adjusted (not annualised)



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