

Press statement

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GDP in the first quarter of 2016 fell by 1,2%

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) growth rate was -1,2% in the first quarter of 2016.¹

The main contributors to the negative GDP growth rate were the mining and quarrying industry and the transport, storage and communication industry. Mining and quarrying fell by 18,1%, largely as a result of lower production of platinum group metals and iron ore. Transport, storage and communication fell by 2,7%, largely as a result of a decline in land transportation (both passenger and freight).

The two other industries that contracted in the first quarter were agriculture, forestry and fishing (-6,5%); and electricity, gas and water (-2,8%). The agriculture, forestry and fishing industry has been in decline for five consecutive quarters.

The strongest performer in value added in the first quarter was finance, real estate and business services. The industry increased by 1,9%, mainly because of growth in finance and real estate services.

Expenditure on GDP²

Expenditure on real gross domestic product fell by 0,7% in the first quarter of 2016.

Household final consumption expenditure decreased by 1,3% in the first quarter. The main source of the decline was spending on transport.

Government final consumption expenditure increased by 1%.

Gross fixed capital formation decreased by 6%. The main contributors to the decline were machinery and other equipment, transport equipment, and buildings (both residential and non-residential).

There was a positive change in changes in inventories in the first quarter, which contributed 1 percentage point.

Net exports made a small positive contribution to total expenditure growth. Exports decreased by 7,1%, mainly because of lower mineral products, precious metals and transport equipment. Imports also decreased by 7,1%, mainly because of lower mineral and chemical products and imports of services.

¹ Unless otherwise specified, quarter-on-quarter growth rates are 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.

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.

Supporting documents

The following supporting documents relating to expenditure on GDP are available on Stats SA's website:

Expenditure on GDP: information note

http://www.statssa.gov.za/publications/P0441/Information_note_on_Expenditure_on_GDP.pdf

Note on sources and methods

http://www.statssa.gov.za/publications/P0441/Read_me_Sources_and_Methods.pdf

Expenditure on GDP: sources and methods

http://www.statssa.gov.za/publications/P0441/Expenditure_on_GDP_Sources_and_Methods.pdf

Gross domestic product revisions and corrections

On 23 May 2016 Stats SA published revised GDP estimates for the period 2010–2015.

In the GDP tables published today, a few revisions and corrections should be noted.

1. Gold

The deflator applied to sales of non-monetary gold abroad was corrected to reflect actual (realised) prices rather than gold spot market prices. This change, which had its largest impact in 2015, caused offsetting revisions to exports of goods and services and changes in inventories at constant prices.

2. Government

Government consumption of fixed capital was corrected at the margin to reflect the value calculated by the South African Reserve Bank, but the change is too small to have a significant effect on the non-wage component of value added.

3. Household final consumption expenditure

Minor revisions were made to reflect updated data sources.

4. Taxes less subsidies on products

Taxes and subsidies changed slightly along with changes to value added.

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