

**Press statement**

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## **GDP in the third quarter of 2017 grew by 2,0%**

### **Gross domestic product (measured by production)**

South Africa's real gross domestic product (GDP) growth rate was 2,0% in the third quarter of 2017.<sup>1</sup>

Second quarter GDP growth was revised from 2,5% to 2,8% after the incorporation of revised data sources.

The largest contributor to growth in GDP in the third quarter was the agriculture, forestry and fishing industry, which increased by 44,2% and contributed 0,9 of a percentage point to GDP growth.

Mining and quarrying increased by 6,6% and contributed 0,5 of a percentage point to GDP growth. Manufacturing increased by 4,3%, which contributed a further 0,5 of a percentage point.

Three industries each contributed -0,1 of a percentage point to GDP growth, namely electricity, gas and water (-5,5% growth rate), trade (-0,4% growth rate) and general government (-0,7% growth rate).

### **Expenditure on GDP<sup>2</sup>**

Expenditure on real gross domestic product grew by 2,1% in the third quarter of 2017. The second quarter growth rate was revised from 2,4% to 2,7% after the incorporation of revised data sources.

Final consumption expenditure by households increased by 2,6% in the third quarter 2017, contributing 1,6 percentage points to total growth. The four largest contributors were household furnishings and equipment (5,5% growth rate and contributing 0,4 of a percentage point), health (5,4% and 0,4 of a percentage point), transport (5,4% and 0,8 of a percentage point) and communication (9,7% and 0,4 of a percentage point). The positive growth in transport followed seven consecutive quarters of contraction.

Final consumption expenditure by general government decreased by 0,5%. A decrease in employment numbers was reported.

Gross fixed capital formation increased by 4,3% in the third quarter of 2017. The largest contributor to growth was transport equipment, which increased by 37,5% and contributed 3,7 percentage points to growth in GFCF. Machinery and equipment increased by 7,9% and contributed 2,5 percentage points.

There was a R5,5 billion drawdown of inventories in the third quarter of 2017.

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<sup>1</sup> 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.

<sup>2</sup> 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.

Net exports contributed positively to the growth rate of expenditure on GDP. Exports of goods and services decreased by 10,3% and imports decreased by 13,7%.

Exports of mineral products, base metals and precious metals were down, while exports of agricultural products were up in the third quarter of 2017.

Imports of mineral products, machinery and equipment and vehicles and transport equipment contributed to the decline in imports in the third quarter of 2017.

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