

Gross Domestic Product Third quarter 2014

An update of the status of the South African economy,
and the first release of an all new and improved GDP

Statistics South Africa



Outline

- Results
 - Third quarter 2014
 - Annual GDP 2013
- Benchmarking and rebasing: the release of an all new GDP
- Revisions: the previous GDP vs the revised GDP
- GDP per region (GDPR)



Results: GDP for the third quarter of 2014

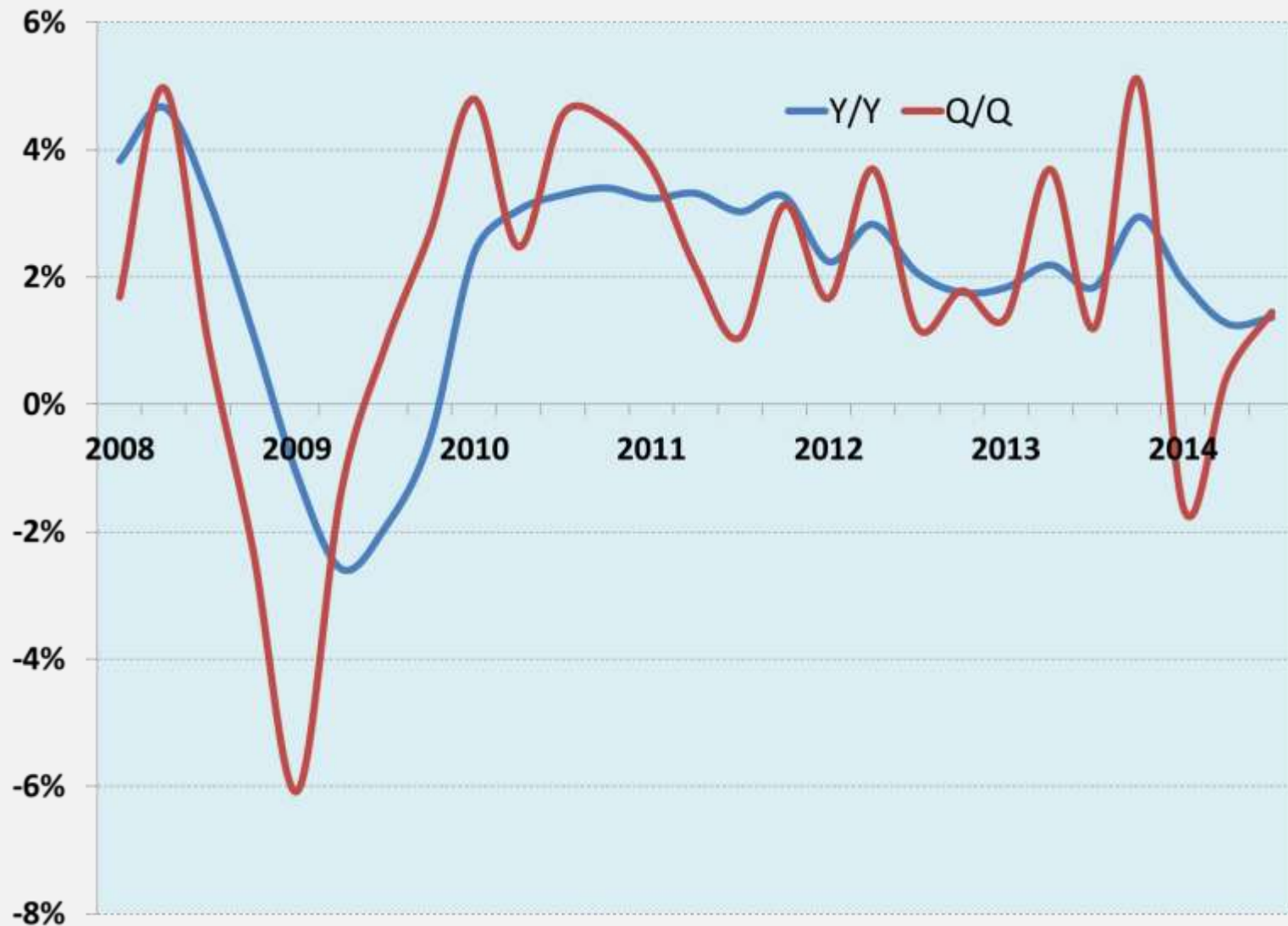
3rd Quarter GDP 2014

GDP q/q1,4%











GDP y/y1,4%

GDP 9-on-9 y/y.....1,5%

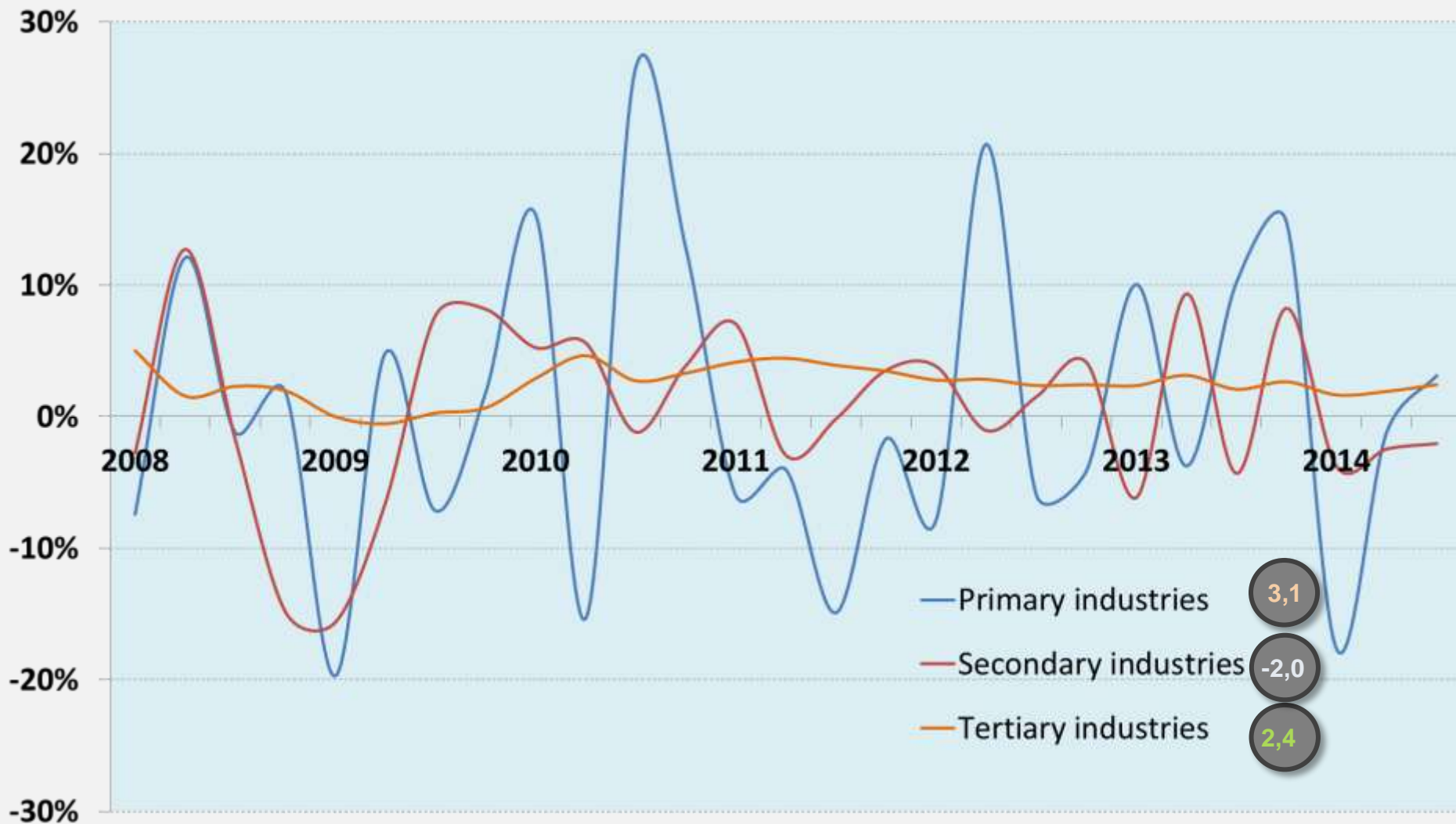
GDP growth rates over time



Industry growth rates: 3rd Quarter 2014

		Q-on-Q 1,4%	Y-on-Y* 1,4%	9-on-9* 1,5%
 Agriculture, forestry and fishing		8,2%	8,9%*	4,7%*
 Trade, catering & accommodation		3,4%	1,5%*	1,4%*
 Finance & business services		2,4%	2,2%*	2,3%*
 Manufacturing		-3,4%	-0,8%*	-0,2%*
 Electricity, gas and water		-1,1%	-1,8%*	-0,9%*

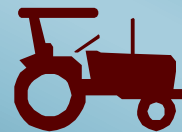
Value added growth rates sectors: 3rd Quarter 2014



Growth rates by sector (Q-on-Q)

**Primary
sector**

3,1%



**Agriculture, forestry &
fishing**

8,2



Mining & quarrying

1,6

Growth rates by sector (Q-on-Q)

**Secondary
sector**
-2,0%



Manufacturing

-3,4



**Electricity, gas &
water**

-1,1

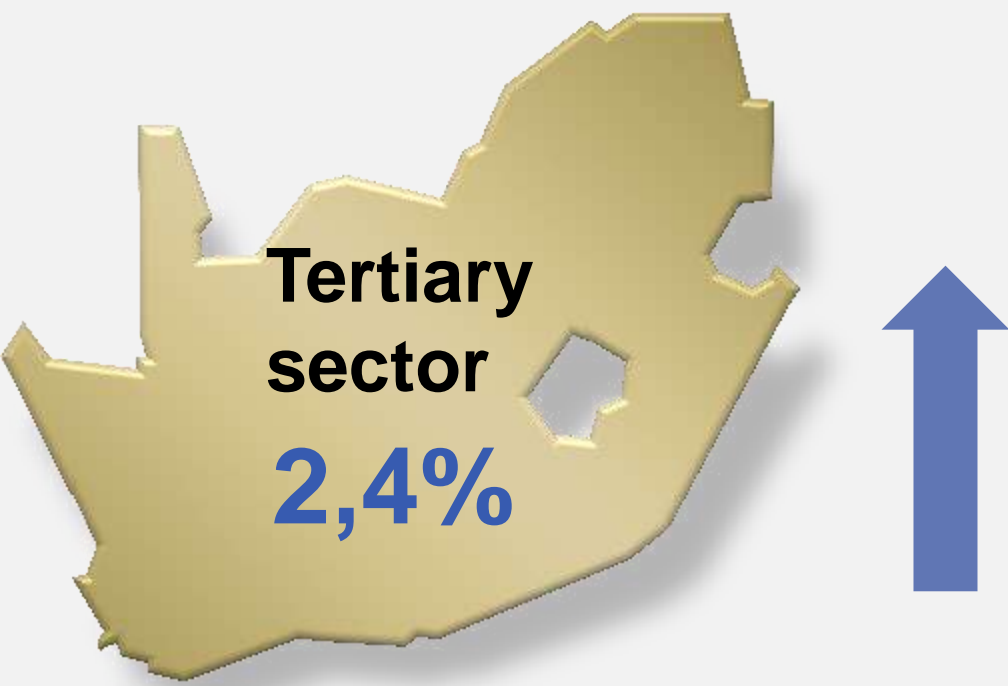


Construction

2,2













Growth rates by sector (Q-on-Q)

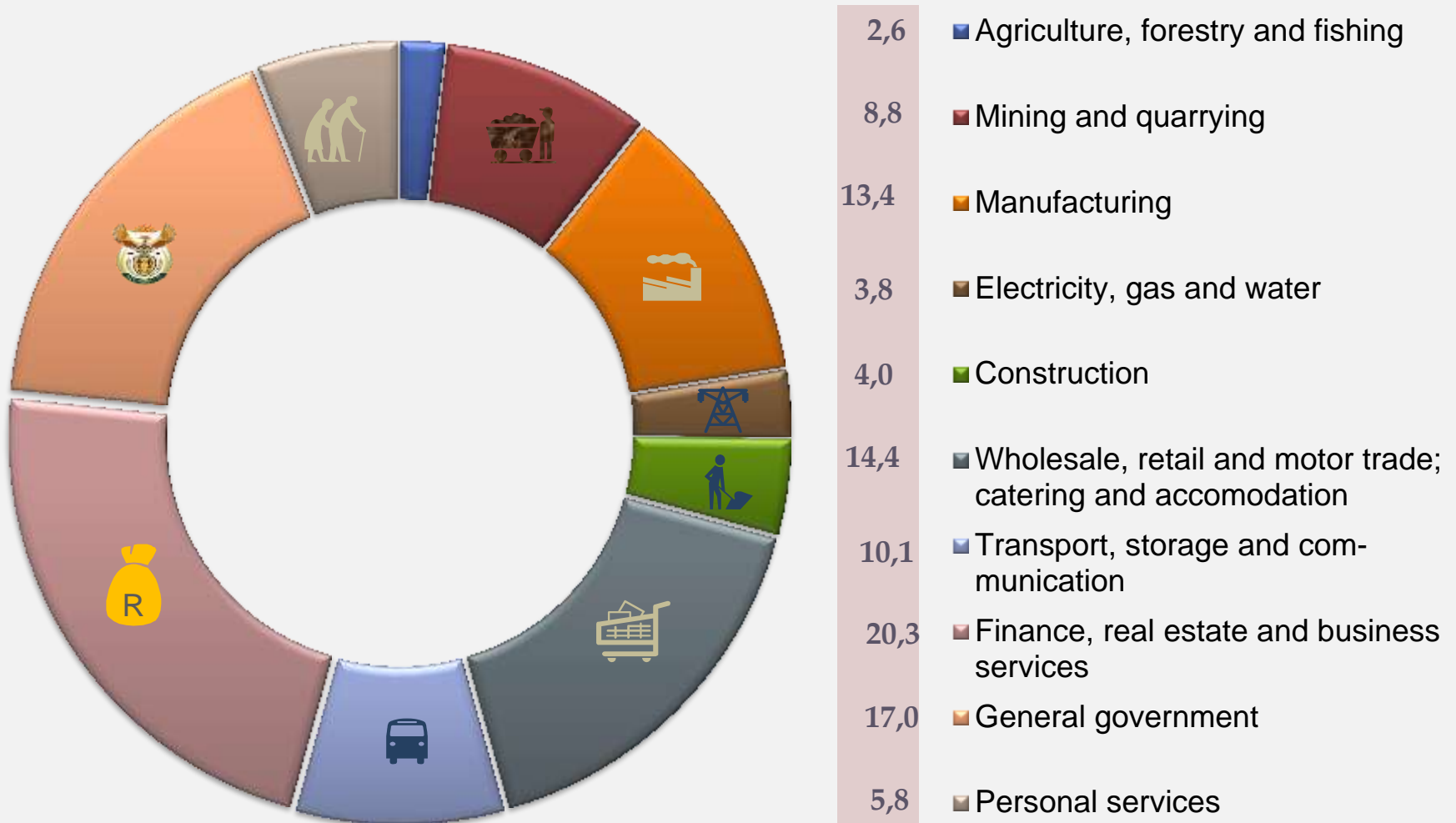


Trade	3,4	
Transport & communication	2,2	
Finance	2,4	
Government	2,2	
Personal Services	1,3	

Growth and Contributions: 3rd Quarter 2014











	Industry growth		Contributions
Agriculture	8,2		0,2
Mining	1,6		0,1
Manufacturing	-3,4		-0,4
Electricity	-1,1		0,0
Construction	2,2		0,1
Trade	3,4		0,5
Transport	2,2		0,2
Finance	2,4		0,5
Government	2,2		0,3
Personal Services	1,3		0,1

Contributions to nominal GDP: 3rd Quarter 2014

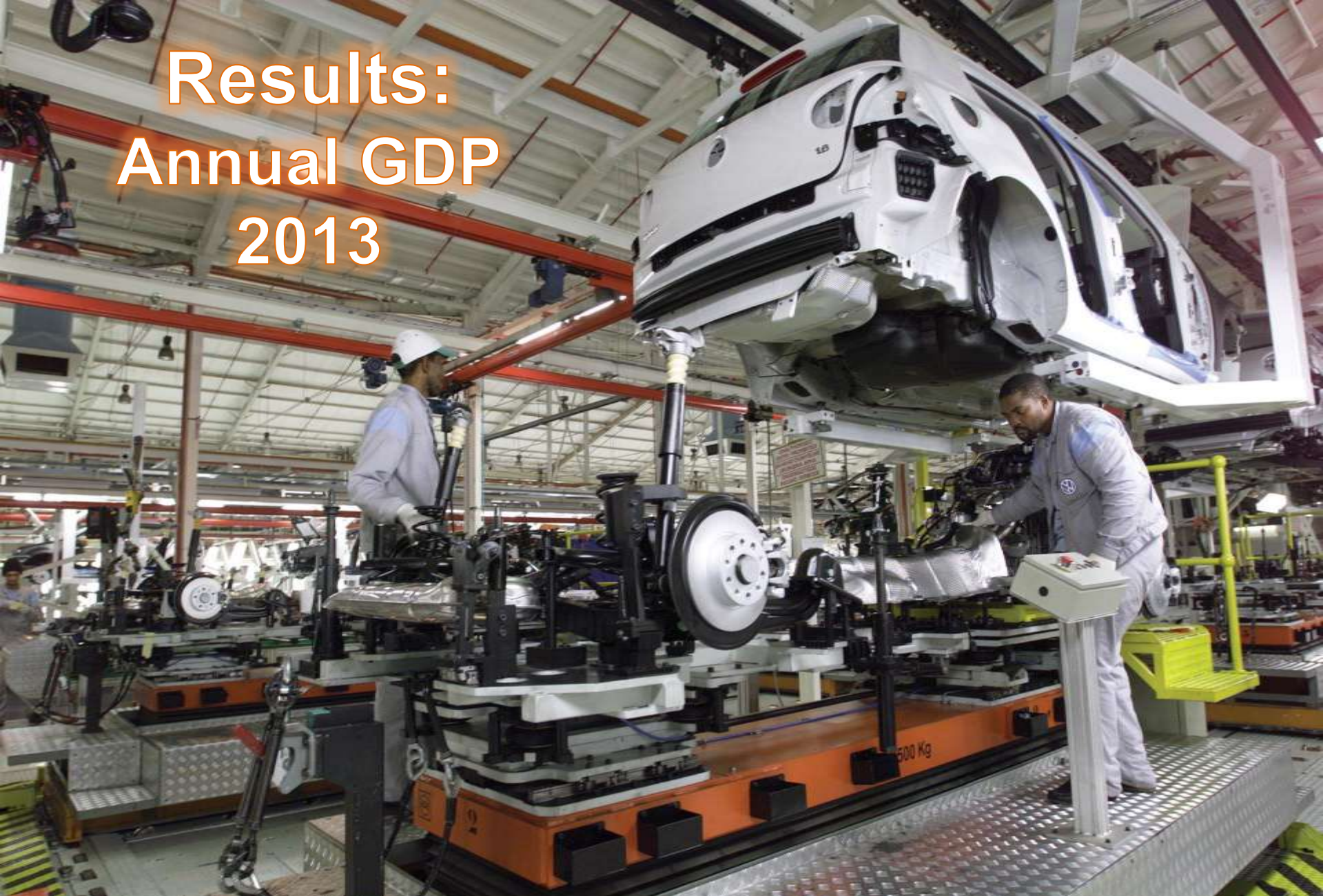


Nominal GDP: 3rd Quarter 2014



Agriculture		↓ R14 billion less
Mining		↑ R9 billion more
Manufacturing		↑ R7 billion more
Electricity		↓ R5 billion less
Construction		↓ R3 billion less
Trade		↑ R2 billion more
Transport		↑ R4 billion more
Finance		↑ R6 billion more
Government		↑ R3 billion more
Personal Services		↑ R1 billion more

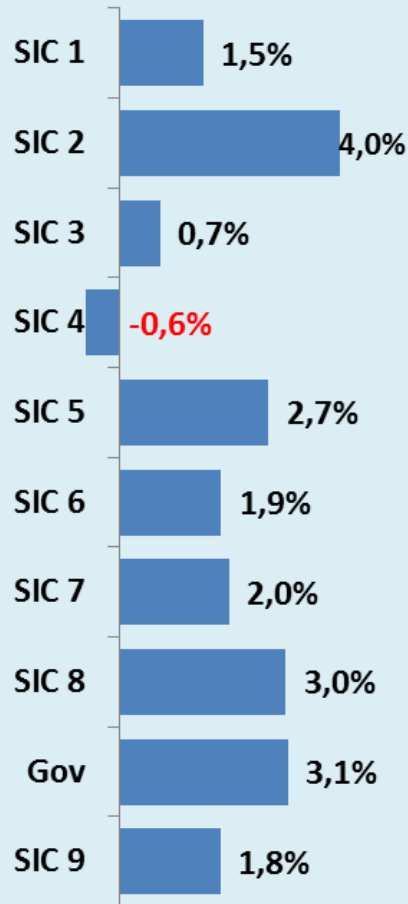
Results: Annual GDP 2013



Real GDP 2013

2,2%

Real growth and nominal contributions to GDP: 2013



**Agriculture,
forestry and
fishing (SIC 1)**
2,3%



**Mining and
quarrying (SIC
2)**
9,0%



**Manufacturing
(SIC 3)**
13,2%



**Electricity, gas
and water (SIC
4)**
3,7%



**Construction
(SIC 5)**
4,0%



**Wholesale,
retail, motor
trade and
accommodation
(SIC 6)**
14,8%



**Transport, storage
and communication
(SIC 7)**
10,0%



**Finance, real
estate and
business
services (SIC 8)**
20,3%



**General
government
services
(Gov)**
16,8%



**Personal
services (SIC 9)**
5,9%

Rebasing and benchmarking

The release of an all new GDP



What is benchmarking?

**Benchmarking is the reconciliation of
high-frequency monthly/quarterly data that
track short-term dynamics in the economy
with
more accurate and detailed annual and periodic
data of lower frequency**

What is rebasing?

Rebasing is the replacement of the national accounts existing **constant prices** with new constant prices from a new reference year

The rebasing process

- New weights are introduced on a lower unpublished level
- Preservation of growth rates
- Additivity.

Benchmarking in South Africa: a history

Reference year **1995**

- Implemented the 1993 SNA
- New sectors e.g. Informal and telecommunication

Reference year **2000**

- New taxation based business register
- Introduced supply and use tables to calculate annual estimates (95 industries, 28 commodities)

Reference year **2005**

- Introduced the non-observed economy
- Increased the compilation level of supply and use tables (292 industries, 105 commodities)

The 2008 SNA involves 44 major changes Only few will have an impact on GDP

SNA 2008 changes to the South African GDP

- Capitalisation of research and development
- Treatment of employment stock options as compensation of employees
- Capitalisation of expenditure on weapon systems
- Refined method for calculating FSIM

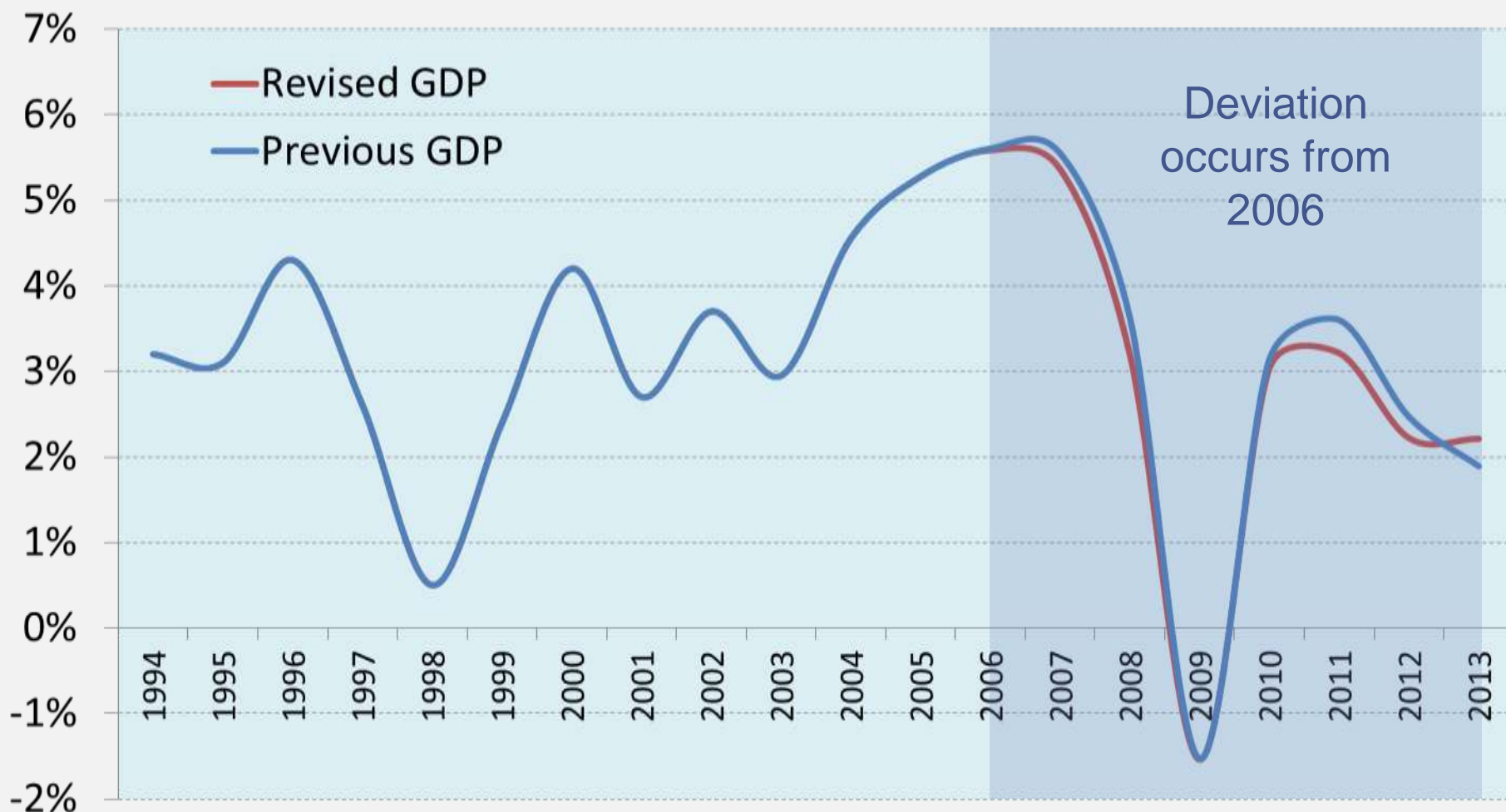
Datasets to be added since last release

- IES of households was conducted in 2010/11
- Various SIS (LSS) data are available
- Results of the population census 2011
- More detailed producer and consumer prices



Revised GDP and the previous GDP: how do they differ?

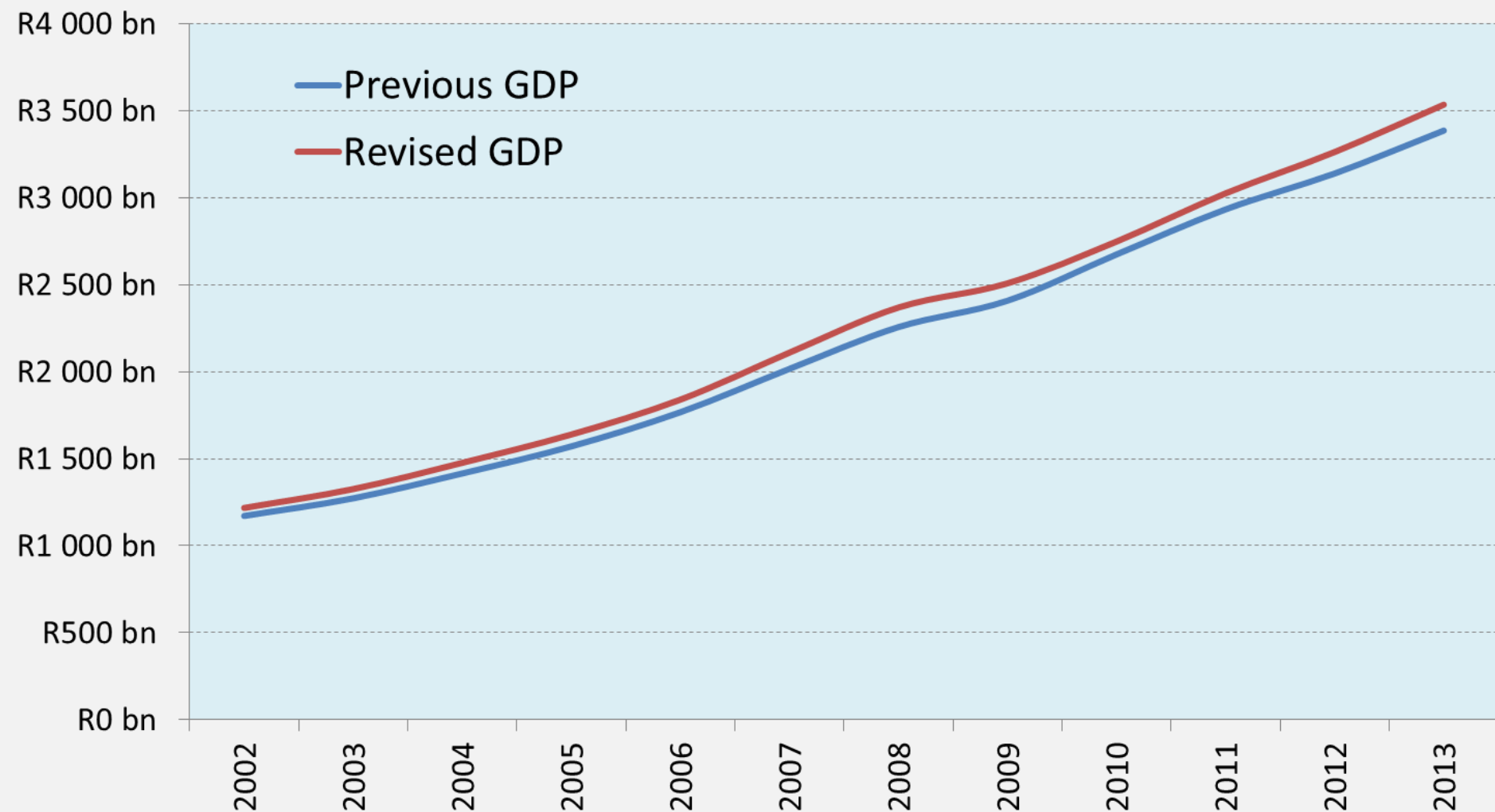
Real annual economic growth rate: 1994 - 2013



Real annual economic growth rate: 2006 - 2013

	2006	2007	2008	2009	2010	2011	2012	2013
Previous annual percentage growth in GDP (2005 prices)	5,6	5,5	3,6	-1,5	3,1	3,6	2,5	1,9
Revised annual percentage growth in GDP (2010 prices)	5,6	5,4	3,2	-1,5	3,0	3,2	2,2	2,2

Nominal GDP levels: 2002 - 2013



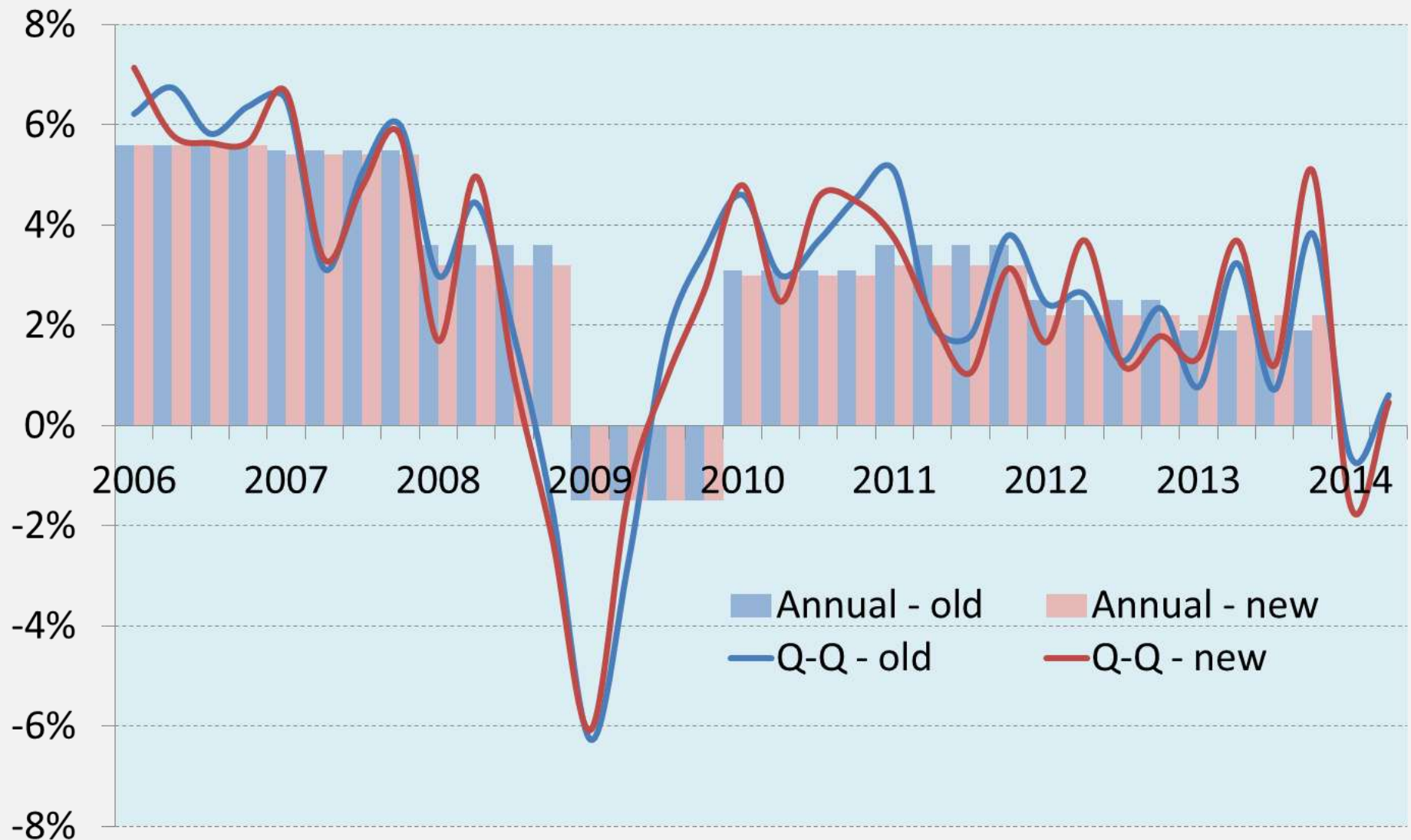
Nominal GDP levels: 2006 - 2013

	2006	2007	2008	2009	2010	2011	2012	2013
Previous GDP (Rand billion)	1 767	2 016	2 256	2 408	2 674	2 933	3 139	3 385
Revised GDP (Rand billion)	1 839	2 110	2 369	2 508	2 748	3 025	3 263	3 534
Difference (Rand billion)	72	94	113	100	74	92	124	149
Difference (percentage)	4,1	4,7	5,0	4,1	2,8	3,1	3,9	4,4

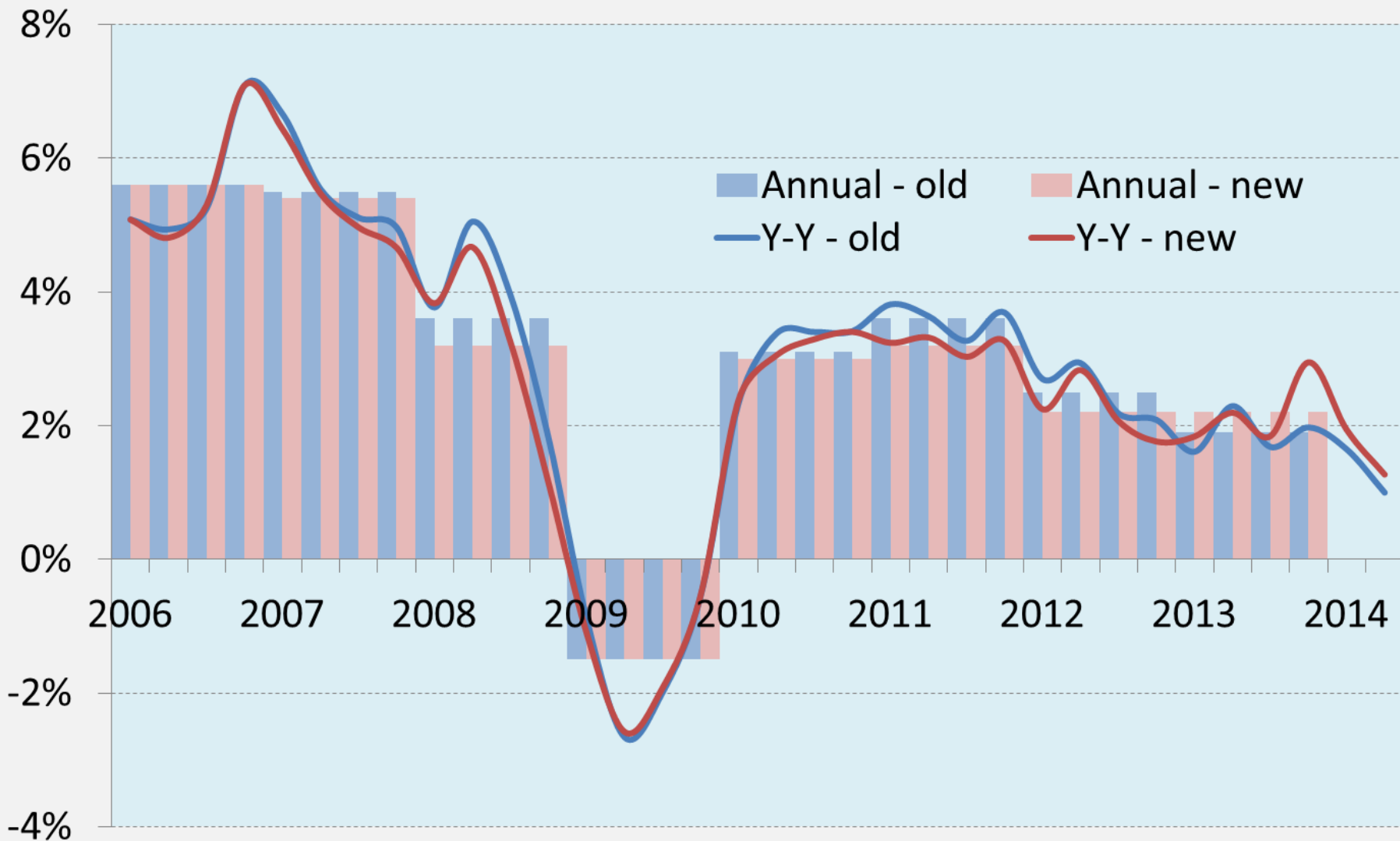
Base year 2010

- In the base year of 2010, the revised GDP was **2,8%** higher than the previous GDP
- The implementation of the 2008 SNA attributed **1,2%** of this level change

Revisions: GDP Q/Q % Growth



Revisions: GDP Y/Y % Growth



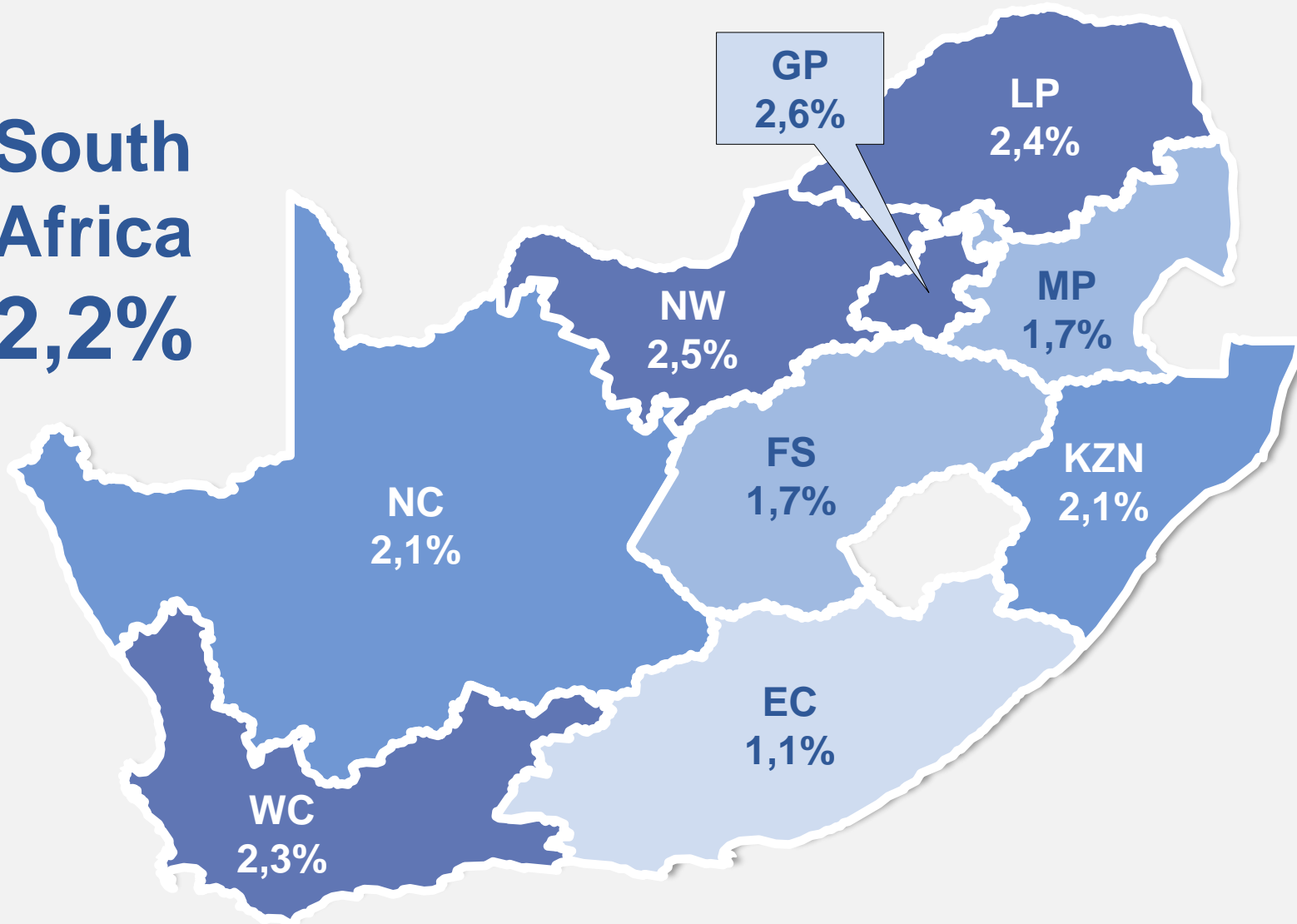
GDP per region

An exploration of provincial growth rates

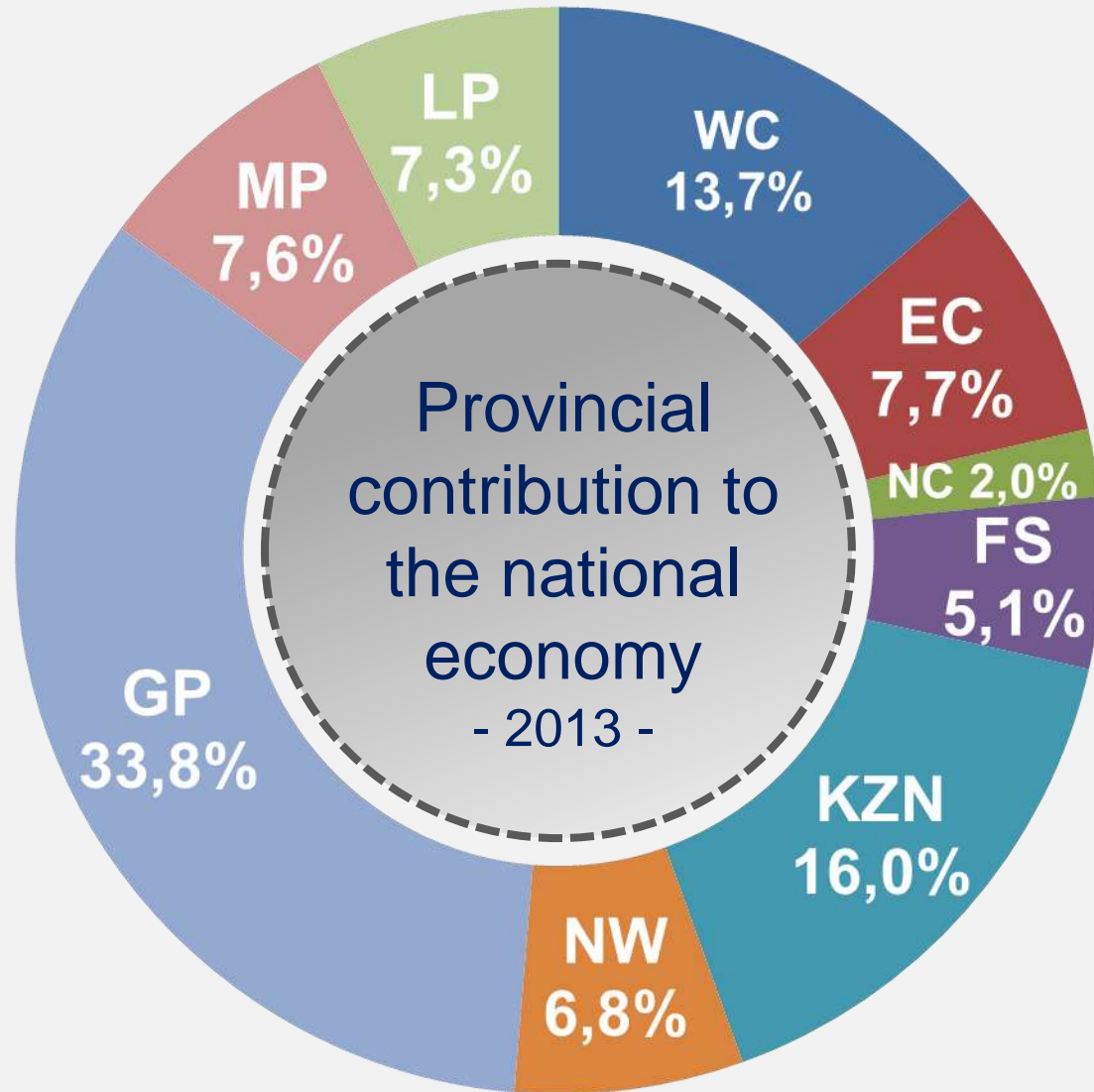


Which provincial economies grew the most in 2013?

**South
Africa
2,2%**



How much did the provinces contribute to the national economy?



Provincial distribution of economic activity: 2013

Industry	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	SA
Agriculture, forestry and fishing	22,3	5,5	6,4	9,9	26,2	6,8	6,1	9,3	7,6	100
Mining and quarrying	0,4	0,2	5,9	7,6	3,3	26,1	11,5	21,5	23,5	100
Manufacturing	15,9	7,2	0,5	4,1	21,4	2,7	39,3	7,4	1,4	100
Electricity and water	10,2	4,7	2,2	5,1	17,2	6,2	30,2	15,3	8,9	100
Construction	20,2	9,1	1,5	3,6	18,3	4,1	31,2	6,2	6,0	100
Wholesale, retail and motor trade and catering and accomodation	15,6	10,8	1,5	5,1	16,7	5,3	29,7	7,9	7,6	100
Transport, storage and communication	14,7	7,3	2,4	5,1	21,9	4,2	35,3	5,2	3,9	100
Finance, real estate and business services	18,5	7,2	1,0	3,8	13,7	4,3	43,0	3,9	4,7	100
General government services	8,9	10,3	2,1	5,1	14,8	5,0	39,9	5,4	8,5	100
Personal services	15,9	9,7	1,8	6,9	16,9	8,8	29,7	5,0	5,3	100

Distribution of economic activity by province: 2013

Industry	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo
Agriculture, forestry and fishing	3,4	1,5	6,6	4,0	3,4	2,1	0,4	2,5	2,2
Mining and quarrying	0,2	0,3	23,4	12,0	1,7	31,1	2,7	22,7	26,0
Manufacturing	13,7	11,0	3,2	9,6	15,9	4,7	13,8	11,6	2,3
Electricity and water	2,5	2,0	3,7	3,3	3,6	3,0	3,0	6,6	4,1
Construction	5,3	4,2	2,6	2,5	4,1	2,2	3,3	2,9	3,0
Wholesale, retail and motor trade; catering and accomodation	15,1	18,6	10,2	13,2	13,9	10,4	11,7	13,7	13,9
Transport, storage and communication	9,6	8,5	10,9	9,0	12,3	5,6	9,4	6,1	4,8
Finance, real estate and business services	24,5	16,9	8,6	13,4	15,6	11,5	23,2	9,4	11,7
Personal services	6,1	6,6	4,7	7,1	5,6	6,9	4,6	3,5	3,8
General government services	9,7	20,1	15,4	15,1	14,0	11,1	17,8	10,6	17,6
All industries at basic prices	90,0	89,7	89,5	89,5	90,1	88,7	89,9	89,6	89,5
GDP at market prices	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Thank You

