

Press statement

Embargo: Tuesday 7 March 2017, 11:30

GDP in the fourth quarter of 2016 contracted by 0,3%

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) growth rate was -0,3% in the fourth quarter of 2016.¹

The main contributors to the negative GDP growth rate were the mining and quarrying industry and the manufacturing industry. Mining and quarrying decreased by 11,5% in the fourth quarter. This was largely the result of lower production in coal, gold and 'other' metal ores (including platinum).

Manufacturing decreased by 3,1% largely as a result of lower production in the manufacturing of food and beverages, manufacturing of petroleum, chemical products, rubber and plastic products and manufacturing of motor vehicles, parts and accessories and other transport equipment.

The agriculture, forestry and fishing industry has been in decline for eight consecutive quarters.

The largest positive contributors were the trade, catering and accommodation industry and finance, real estate and business services, which increased by 2,1% and 1,6% respectively, and each contributed 0,3 of a percentage point to GDP growth.

Expenditure on GDP²

Expenditure on real gross domestic product fell by 0,1% in the fourth quarter of 2016.

Household final consumption expenditure increased by 2,2% in the fourth quarter, contributing 1,3 percentage points to total growth. The largest contributors to the growth rate of 2,2% were food and non-alcoholic beverages (up 2,4%), clothing and footwear (up 10,4%), and the 'other' category (up 5,9%).

Final consumption expenditure by general government increased by 0,3%.

Gross fixed capital formation increased by 1,7%. The largest contributor to the growth was construction works, which increased by 3,6% and contributed 1,2 percentage points to growth in GFCF.

There was a R16 billion drawdown of inventories in the fourth quarter (following an R11 billion build-up in the third quarter), which contributed -3,5 percentage points to total growth.

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.

Net exports contributed positively to growth in expenditure on GDP. Exports increased by 12,5%, mainly because of higher exports of precious metals and mineral products. Imports increased by 6,1%, mainly due to higher imports of machinery and equipment.

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