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GDP increased by 0,4% in the first quarter of 2023¹

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) increased by 0,4% in the first quarter of 2023.

The manufacturing industry increased by 1,5% in the first quarter, contributing 0,2 of a percentage point to GDP growth. Four of the ten manufacturing divisions reported positive growth rates in the first quarter. The food and beverages division made the largest contribution to the increase in the first quarter. The petroleum, chemical products, rubber and plastic products division also made a significant contribution to the growth in this industry.

The finance, real estate and business services industry increased by 0,6% in the first quarter, contributing 0,2 of a percentage point to GDP growth. Increased economic activities were reported for financial intermediation, insurance and pension funding, real estate and business services.

The personal services industry increased by 0,8% in the first quarter, contributing 0,1 of a percentage point to GDP growth. Increased economic activity was reported for community services.

The transport, storage and communication industry increased by 1,1%, contributing 0,1 of a percentage point to GDP growth. Increased economic activities were reported for land transport, air transport, transport support services and communication services.

The trade, catering and accommodation industry increased by 0,7% in the first quarter, contributing 0,1 of a percentage point to GDP growth. Increased economic activities were reported for wholesale trade, retail trade and catering and accommodation.

¹ Unless otherwise specified, growth rates are quarter-on-quarter and seasonally adjusted. All growth rates are calculated on the basis of series at constant prices. The GDP estimates are preliminary and may be revised.

Expenditure on GDP²

Expenditure on real GDP increased by 0,4% in the first quarter of 2023.

Household final consumption expenditure (HFCE) increased by 0,4% in the first quarter, contributing 0,3 of a percentage point to total growth. Increases were reported for semi-durable and non-durable goods.

The main positive contributors to the increase in HFCE were expenditures on restaurants and hotels (6,9% and contributing 0,3 of a percentage point), health (2,6% and contributing 0,2 of a percentage point), food and non-alcoholic beverages (1,0% and contributing 0,1 of a percentage point), transport (0,9% and contributing 0,1 of a percentage point) and clothing and footwear (2,3% and contributing 0,1 of a percentage point).

Expenditure on the 'other' category³ contributed negatively to growth in HFCE in the first quarter.

Final consumption expenditure by general government increased by 1,2% in the first quarter, mainly driven by increases in goods and services and compensation of employees.

Total gross fixed capital formation increased by 1,4% in the first quarter. The main positive contributors to the increase were other assets (10,3% and contributing 1,0 percentage point), machinery and other equipment (1,3% and contributing 0,5 of a percentage point), non-residential buildings (4,6% and contributing 0,2 of a percentage point) and residential buildings (1,5% and contributing 0,2 of a percentage point).

There was a R35 billion build-up of inventories in the first quarter of 2023 (seasonally adjusted and annualised value). Large increases in three industries, namely mining and quarrying, trade, catering and accommodation and personal services, contributed to the inventory build-up.

Net exports contributed negatively to growth in expenditure on GDP in the first quarter. Exports of goods and services increased by 4,1%, largely influenced by increased trade in base metals and articles of base metals; vegetable products; prepared foodstuffs, beverages and tobacco; and machinery and electrical equipment.

Imports of goods and services increased by 4,4%, largely influenced by increased trade in machinery and equipment; chemical products; vehicles and transport equipment; and prepared foodstuffs, beverages and tobacco.

Important note: The revised 2018, 2019 and preliminary 2020 supply and use tables (SUTs) are available in a Microsoft Excel workbook, downloadable from Stats SA's website (www.statssa.gov.za).

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 31 on the Stats SA website.

³ Given the sources used to estimate HFCE, spending by non-residents in South Africa needs to be deducted from HFCE. Hence, an increase in non-residents' expenditure decreases the 'other' component of HFCE and makes a negative contribution to the HFCE growth rate.

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