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Statistics South Africa
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Press release

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GDP increased by 0,6% in the second quarter of 2023¹

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) increased by 0,6% in the second quarter of 2023.

The manufacturing industry increased by 2,2% in the second quarter, contributing 0,3 of a percentage point to GDP growth. Nine of the ten manufacturing divisions reported positive growth rates in the second quarter. The petroleum, chemical products, rubber and plastic products division made the largest contribution to the increase in the second quarter. The basic iron and steel, non-ferrous metal products, metal products and machinery division also made a significant contribution to the growth in this industry.

The finance, real estate and business services industry increased by 0,7% in the second quarter, contributing 0,2 of a percentage point to GDP growth. Increased economic activities were reported for financial intermediation, insurance and real estate activities.

The agriculture, forestry and fishing industry increased by 4,2% in the second quarter, contributing 0,1 of a percentage point to GDP growth. This was primarily due to increased economic activities reported for field crops and horticulture products.

The personal services industry increased by 0,7% in the second quarter, contributing 0,1 of a percentage point to GDP growth. Increased economic activities were reported for health and education.

The mining and quarrying industry increased by 1,3% in the second quarter, contributed 0,1 of a percentage point to GDP growth. Increased economic activities were reported for platinum group metals (PGMs), gold, other metallic minerals and coal.

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 0,6% in the second quarter of 2023.

Household final consumption expenditure (HFCE) decreased by 0,3% in the second quarter, contributing -0,2 of a percentage point to total growth. Decreases were reported for non-durable, durable and semi-durable goods.

The main negative contributors to the growth in HFCE were expenditures on food and non-alcoholic beverages (-1,2% and contributing -0,2 of a percentage point), furnishings, household equipment and maintenance (-2,1% and contributing -0,1 of a percentage point), 'other' category (-0,9% and contributing -0,1 of a percentage point), housing, water, electricity, gas and other fuels (-0,5% and contributing -0,1 of a percentage point), recreation and culture (-0,9% and contributing -0,1 of a percentage point) and clothing and footwear (-1,0% and contributing -0,1 of a percentage point).

Expenditures on restaurants and hotels, transport, health and education contributed positively to growth in HFCE in the second quarter.

Final consumption expenditure by general government increased by 1,7% in the second quarter, mainly driven by increases in goods and services and compensation of employees.

Total gross fixed capital formation increased by 3,9% in the second quarter. The positive contributors to the increase were machinery and other equipment (11,0% and contributing 4,4 percentage points) and construction works (0,3% and contributing 0,1 of a percentage point).

There was a R58,9 billion build-up of inventories in the second quarter of 2023 (seasonally adjusted and annualised value). Large increases in three industries, namely manufacturing, trade, catering and accommodation and mining and quarrying, contributed to the inventory build-up.

Net exports contributed negatively to growth in expenditure on GDP in the second quarter. Exports of goods and services increased by 0,9%, largely influenced by increased trade in chemical products; prepared foodstuffs, beverages and tobacco; vehicles and transport equipment; mineral products; and machinery and electrical equipment.

Imports of goods and services increased by 3,3%, largely influenced by increased trade in machinery and electrical equipment; vegetable products; artificial resins and plastics; base metals and articles of base metals; and animal and vegetable fats and oil.

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²The 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.