



stats sa

Department:
Statistics South Africa
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Press statement

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GDP increased at an annualised rate of 6,3%¹

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) increased at an annualised rate of 6,3% in the fourth quarter of 2020.

The manufacturing industry increased at a rate of 21,1% in the fourth quarter, contributing 2,4 percentage points to GDP growth. Nine of the ten manufacturing divisions reported positive growth rates in the fourth quarter. The four divisions with the largest contributions to the increase were food and beverages; motor vehicles, parts and accessories and other transport equipment; basic iron and steel, non-ferrous metal products, metal products and machinery; and wood and wood products, paper, publishing and printing.

The trade, catering and accommodation industry increased at a rate of 9,8%, contributing 1,3 percentage points to GDP growth. Increased economic activity was reported for retail trade, motor trade, catering and accommodation.

The transport, storage and communication industry increased at a rate of 6,7%, contributing 0,5 of a percentage point to GDP growth. Increased economic activity was reported for land and air transport and communication services.

The construction industry increased at a rate of 11,2% in the fourth quarter. Increased production was reported for residential buildings, non-residential buildings and construction works.

The personal services industry increased at a rate of 4,8% in the fourth quarter; increased economic activities were reported for community and other producers.

The agriculture, forestry and fishing industry increased at a rate of 5,9% in the fourth quarter. The increase was mainly due to increased production of animal products.

¹ Unless otherwise specified, growth rates are quarter-on-quarter, 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.

Expenditure on GDP²

Expenditure on real gross domestic product increased at an annualised rate of 6,5% in the fourth quarter of 2020.

Household final consumption expenditure increased at a rate of 7,5% in the fourth quarter, contributing 4,7 percentage points to total growth. The highest growth rates were seen in semi-durables and non-durables, but the largest contributors to growth were non-durables and services.

The main positive contributors to growth in HFCE were expenditures on restaurants and hotels (217,9% and contributing 1,8 percentage points), food and non-alcoholic beverages (6,6% and contributing 1,3 percentage points), recreation and culture (20,9% and contributing 1,0 percentage point), clothing and footwear (20,9% and contributing 0,9 of a percentage point), furnishings, household equipment and maintenance (10,3% and contributing 0,9 of a percentage point), and health (8,5% and contributing 0,6 of a percentage point).

Final consumption expenditure by general government increased at a rate of 1,1% in the fourth quarter. Increases in compensation of employees and spending on goods and services were reported in the fourth quarter.

Gross fixed capital formation increased at a rate of 12,1%. The main contributors to the increase were transport equipment, construction works, machinery and other equipment³ and residential buildings.

There was a R115,1 billion (annualised) drawdown of inventories in the fourth quarter of 2020. Large decreases in mining and trade contributed to the inventory drawdowns experienced in the fourth quarter of 2020.

Net exports contributed negatively to growth in expenditure on GDP in the fourth quarter. Exports of goods and services increased at a rate of 26,6%, largely influenced by increased trade in vehicles and other transport equipment; precious metals and stones; and base metals and articles of base metals.

Imports of goods and services increased at a rate of 52,4%, driven largely by increases in vehicles and transport equipment; base metals and articles of base metals; and machinery and electrical equipment.

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.

³ Machinery and other equipment includes computers and related equipment.

Key findings for the annual estimates of 2020

Annual real GDP decreased by 7,0% in 2020 following an increase of 0,2% in 2019

According to the latest preliminary indicators, real GDP decreased by 7,0% in 2020 following an increase of 0,2% in 2019.

The annual real GDP growth rate of -7,0% in 2020 was primarily led by decreases in manufacturing, which contributed -1,4 percentage points based on growth of -11,6%; trade, catering and accommodation, which contributed -1,3 percentage points based on growth of -9,1%; and transport, storage and communication, which contributed -1,3 percentage points based on growth of -14,8%.

The agriculture, forestry and fishing industry increased by 13,1% in 2020, and general government increased by 0,7% in 2020.

Expenditure on GDP in 2020

Expenditure on GDP decreased by 7,1% in 2020, following an increase of 0,1% in 2019.

Household final consumption expenditure decreased by 5,4% and contributed -3,4 percentage points.

The main negative contributors to growth of -5,4% in HFCE were expenditure on transport (-10,6% and contributing -1,5 percentage points), clothing and footwear (-21,0% and contributing -1,2 percentage points), restaurants and hotels (-41,8% and contributing -1,1 percentage points), and alcoholic beverages, tobacco and narcotics (-16,9% and contributing -0,8 of a percentage point).

Gross fixed capital formation decreased by 17,5%, contributing -3,4 percentage points to total growth, and changes in inventories contributed -2,6 percentage points to total growth.

Net exports contributed 2,1 percentage points to growth in expenditure on GDP.

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