

Press statement

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GDP in the third quarter of 2018 increased by 2,2%

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) increased by 2,2% in the third quarter of 2018.¹

The manufacturing industry expanded by 7,5% in the third quarter. The divisions that made the largest contributions to the increase were basic iron and steel, metal products and machinery; wood, paper and publishing; petroleum, chemical products, rubber and plastic products; and motor vehicles, parts and accessories and other transport equipment.

Finance, real estate and business services increased by 2,3% in the third quarter. Increased economic activity was reported for financial intermediation, insurance, auxiliary activities, real estate activities and business services.

The transport, storage and communication industry increased by 5,7%, as a result of increases in land transport, air transport, transport support services and communications.

The trade, catering and accommodation industry increased by 3,2%. Increased economic activity was reported in wholesale trade, retail trade and food and beverages.

In contrast, mining decreased by 8,8% and contributed -0,7 of a percentage point to GDP growth, and construction decreased by 2,7% and contributed -0,1 of a percentage point. Electricity, gas and water decreased by 0,9%.

The unadjusted real GDP at market prices for the first nine months of 2018 increased by 0,8% compared with the first nine months of 2017.

Expenditure on GDP²

Expenditure on real gross domestic product grew by 2,3% in the third quarter of 2018.

Household final consumption expenditure increased by 1,6% in the third quarter, contributing 1,0 percentage point to total growth. The main contributors to growth in HFCE were expenditures on food and non-alcoholic beverages (5,3% and contributing 1,0 percentage point), furnishings, household equipment and maintenance

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.

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.

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(6,6% and contributing 0,5 of a percentage point), clothing (5,0% and contributing 0,3 of a percentage point) and alcoholic beverages and tobacco (7,3% and contributing 0,3 of a percentage point).

Final consumption expenditure by general government increased by 2,2%. Increases in spending on goods and services and compensation of employees were reported in the third quarter.

Gross fixed capital formation decreased by 5,1%. The main contributors to the decline were activities associated with construction works, transport equipment, non-residential buildings and transfer costs.

There was a R12,7 billion buildup of inventories in the third quarter of 2018. Large increases were reported in manufacturing and trade.

Net exports contributed negatively to growth in expenditure on GDP. Exports of goods and services were up 24,2%, largely influenced by increasing trade in vehicles and transport equipment, base metals, vegetable products and precious metals.

Imports of goods and services increased by 26,7%, driven largely by an increase in imports of machinery and electrical equipment, vehicles and transport equipment, chemical products and mineral products.

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