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Economic headlines

Inflation the lowest in over eight years



This graph showing how inflation has shifted since 1950 might surprise you (click [here](#) to read more).

SA's tourism trade balance edges lower



South Africa is earning less money from foreign visitors (click [here](#) to read more).

Working capital: how do businesses fare?



Businesses have the ability to quickly settle short-term debt, but some are better off than others (click [here](#) to read more).

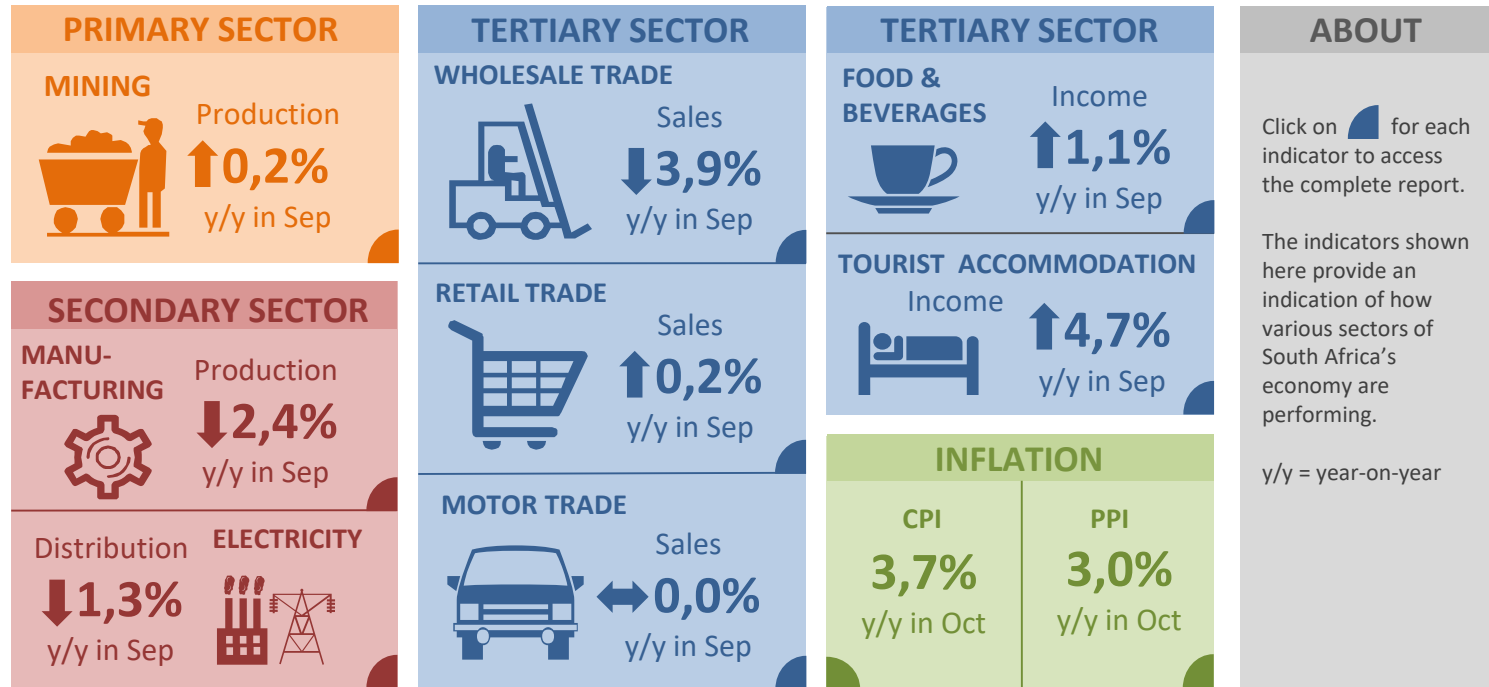
Improvement on social challenges



A recent report reveals improvements in education and some basic services (click [here](#) to read more).

Click [here](#) to browse more headlines.

Monthly economic indicators



Feature article

GDP contracts by 0,6% in the third quarter

After rebounding by a revised 3,2% in the second quarter of 2019, activity in the South African economy slipped slightly in the third quarter. Mining, manufacturing and transport were the biggest drags on growth in gross domestic product (GDP).

Mining was down by 6,1%, driven largely by a fall in the production of platinum group metals, coal and iron ore.

Manufacturing fell by 3,9%, mainly due to decreases in the manufacturing of basic iron, steel, and machinery products, as well as products related to the petroleum, chemicals and plastics division.

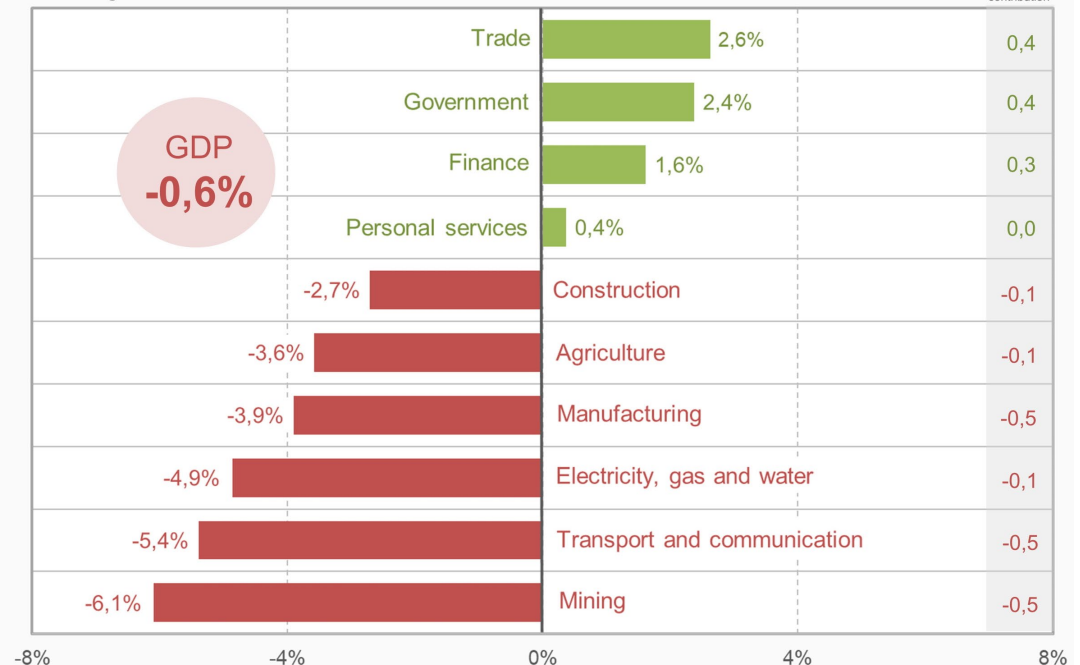
The transport, storage and communication industry also found itself on the back foot, falling by 5,4%. This is the biggest quarter-on-quarter fall for the industry since 1993. A slowdown in activity related to freight and passenger transport dampened growth in the third quarter.

Click [here](#) to read more.

How did South African industries perform in the third quarter of 2019?

Industry growth in the third quarter of 2019, compared with the second quarter of 2019

Percentage contribution



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Infographic of the month

This is what government spends money on

The South African government spent R1,71 trillion in 2017/18, 7,3% more than it did in 2016/17.

The biggest expenditure items in 2017/18 were general public services (25% of total spending), education (19%), social protection (14%) and health (12%).

A closer look reveals a couple of interesting facts. Debt payments on interest increased in 2017/18, pushing the total to R163 billion. This is more than what government spends on other functions such as housing (R71 billion) or hospitals (R114 billion).

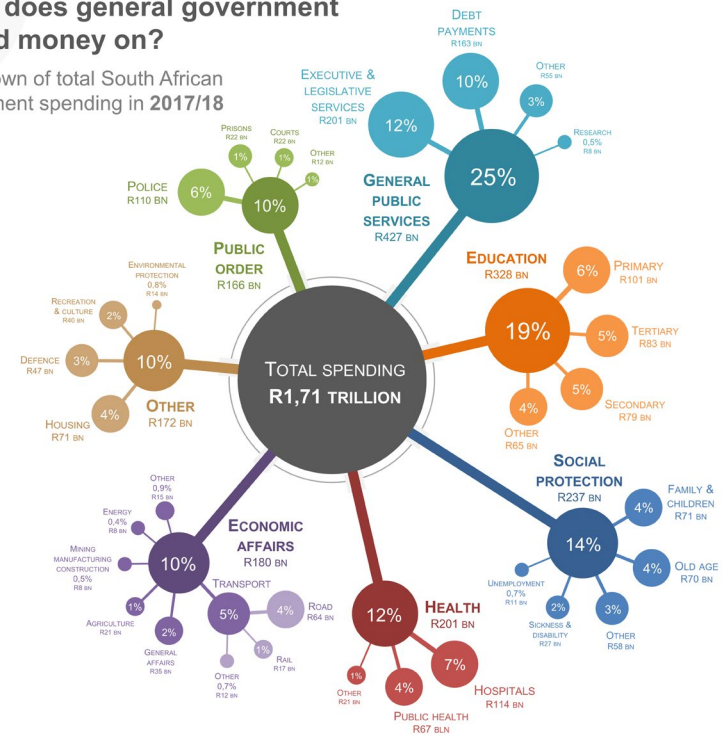
Another notable fact is that government spends more on the police than it does on primary education.

This is according to the latest *Financial statistics of consolidated general government* report that summarises a range of financial data for all 712 government institutions.

Click [here](#) to read more.

What does general government spend money on?

Breakdown of total South African government spending in 2017/18



Percentages have been rounded and may not sum to 100%

Source: Financial statistics of consolidated general government, 2017/2018 (Table C)

Provincial snapshot

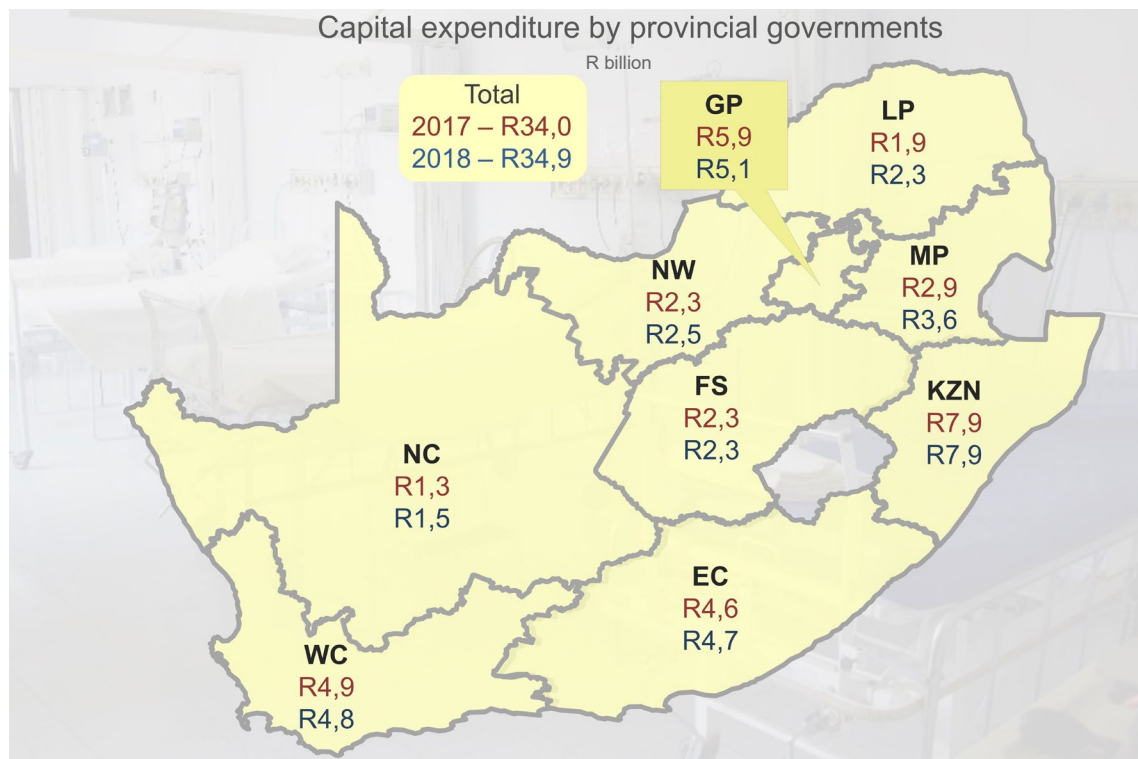
KwaZulu-Natal had the highest capex in 2018

Capital expenditure is money that institutions spend to buy, maintain or upgrade fixed assets such as buildings, vehicles, land and equipment. It is the brick-and-mortar type of investment that forms the backbone on which the economy functions.

Provincial governments spent R34,9 billion on fixed assets in 2018, with KwaZulu-Natal leading all provinces at R7,9 billion.

The KwaZulu-Natal Department of Transport spent R3,7 billion, mainly on the rehabilitation of bridges and other provincial roads. The KwaZulu-Natal Department of Education spent R2,0 billion on the renovation of buildings and construction of new schools.

Read more [here](#).



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