

QoQ GDP GROWTH RATE

**SOUTH
AFRICA**
-0.1%

**EASTERN
CAPE**
-0.3%

KEY FINDINGS FOR THE FIRST QUARTER OF 2024

Global economic performance is projected to grow by

3.1%
in 2024

The South African economy is forecasted by the IMF to grow by

0.9%
in 2024

The Eastern Cape GDP (at market prices) decreased to

R366.9 bil
in 2024Q1

According to Stats SA, the national real gross domestic product (GDP) contracted by

0.1%
in 2024Q1

The Eastern Cape economy is in recession after contracting for the **third consecutive quarter**.

The largest contributors to the decline in GDP growth were construction, manufacturing and mining industries.

in 2024Q1

GLOBAL ECONOMIC OUTLOOK

APRIL 2024 PROJECTIONS

According to the IMF April World Economic Outlook (WEO) update, global growth is estimated to be 3.2% in 2024 and will remain the same in 2025. This is an upward revision of 0.1 of a percentage point for 2024 from the January WEO update. According to the IMF, the global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability.

Advanced economies are projected to grow by 1.7% in 2024 and 1.8% in 2025, a 0.2 of a percentage point upward revision for 2024.

Sub-Saharan Africa's growth is estimated to be 3.8% in 2024, increasing to 4.0% in 2025.

For Africa's two biggest economies, Nigeria and South Africa, growth is projected at 3.3% and 0.9% in 2024, respectively. South Africa's 2024 economic growth rate is lower by 0.1 of a percentage point from the January 2024 Update. However, economic growth is estimated to peak at 1.3% in 2025.

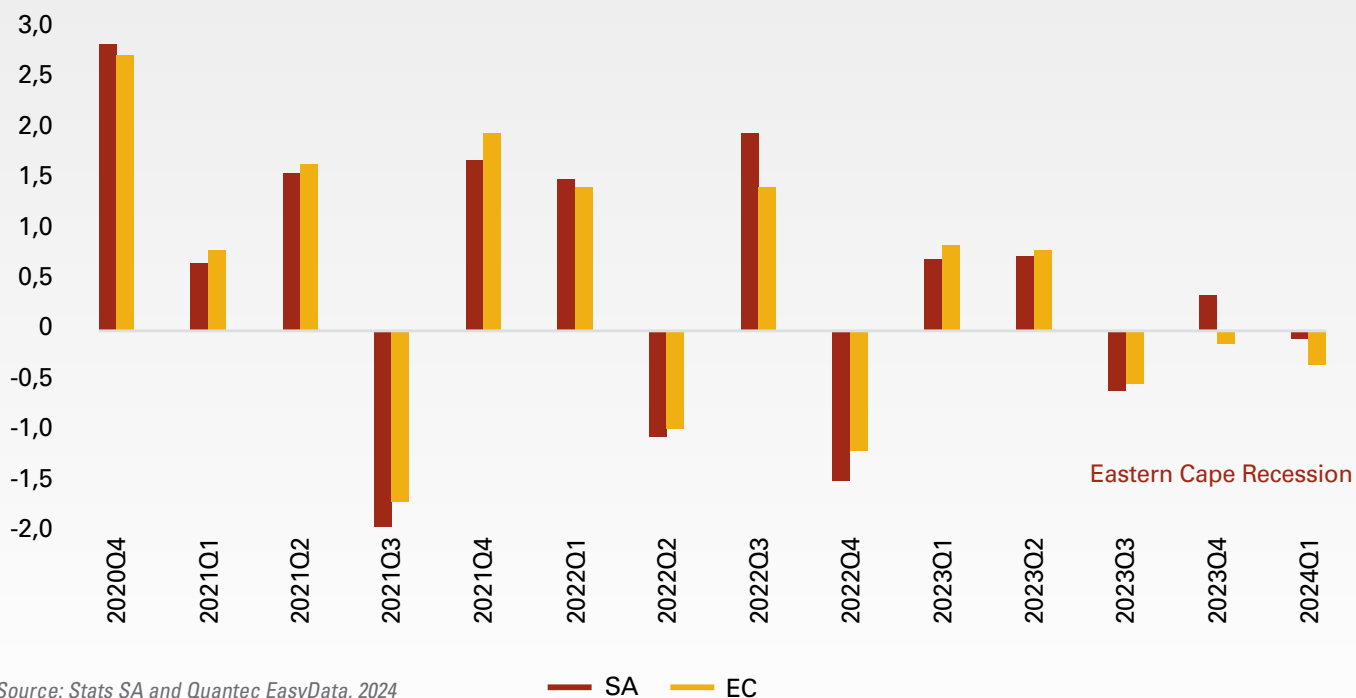
Table 1: Overview of the global economic outlook, April 2024 Projections

Region/ Country	Projections			Difference from January 2024 WEO Update	
	2023	2024	2025	2024	2025
World Output	3,2	3,2	3,2	0,1	0,0
Advanced economies	1,6	1,7	1,8	0,2	0,0
United States	2,5	2,7	1,9	0,6	0,2
Euro area	0,4	0,8	1,5	-0,1	-0,2
Japan	1,9	0,9	1,0	0,0	0,2
United Kingdom	0,1	0,5	1,5	-0,1	-0,1
Emerging markets and developing economies	4,3	4,2	4,2	0,1	0,0
Brazil	2,9	2,2	2,1	0,5	0,2
Russia	3,6	3,2	1,8	0,6	0,7
India	7,8	6,8	6,5	0,3	0,0
China	5,2	4,6	4,1	0,0	0,0
Sub-Saharan Africa	3,4	3,8	4,0	0,0	-0,1
Nigeria	2,9	3,3	3,0	0,3	-0,1
South Africa	0,6	0,9	1,2	-0,1	-0,1

Source: IMF World Economic Outlook, April 2024 Update

RSA & EC REAL GDP GROWTH RATES

(seasonally adjusted and annualised): 2020Q4 – 2024Q1



Source: Stats SA and Quantec EasyData, 2024

Figure 1: RSA and EC Real GDP growth rates (seasonally adjusted and annualised): 2019Q1 – 2024Q1

The South African economy contracted by 0.1% in 2024Q1, following an expansion of 0.3% in the previous quarter. Growth is lower than the projected IMF rate of 0.9% for 2024. On a year-on-year basis, national GDP decreased by 0.7 of a percentage point from 0.6% in 2023Q1.

Looking at the Stats SA quarterly GDP statistical report in detail, six industries contracted in the first quarter. The agriculture, forestry and fishing industry grew by 13.5%, while trade, personal services, and finance industries all grew by 0.1% in the same quarter. According to Stats SA, the growth in agricultural industries was due to increased activities reported for horticulture products.

The main negative contributors to the decline in GDP growth in 2024Q1 were:

- The construction industry decreased by 3.1% and contributed -0.1 of a percentage point to the negative GDP growth.
- The mining industry decreased by 2.3% and contributed -0.1 of a percentage point to the negative GDP growth.
- The manufacturing industry decreased by 1.4% and contributed -0.2 of a percentage point to the negative GDP growth.

The Eastern Cape economy contracted for the third consecutive quarter, entering into a recession in the first quarter of 2024. The provincial economy declined by 0.3% in 2024Q1, following a 0.1% and 0.3% contraction in 2023Q4 and 2023Q3 respectively. The only positive contributors to provincial GDP growth in the first quarter were agriculture and electricity industries.

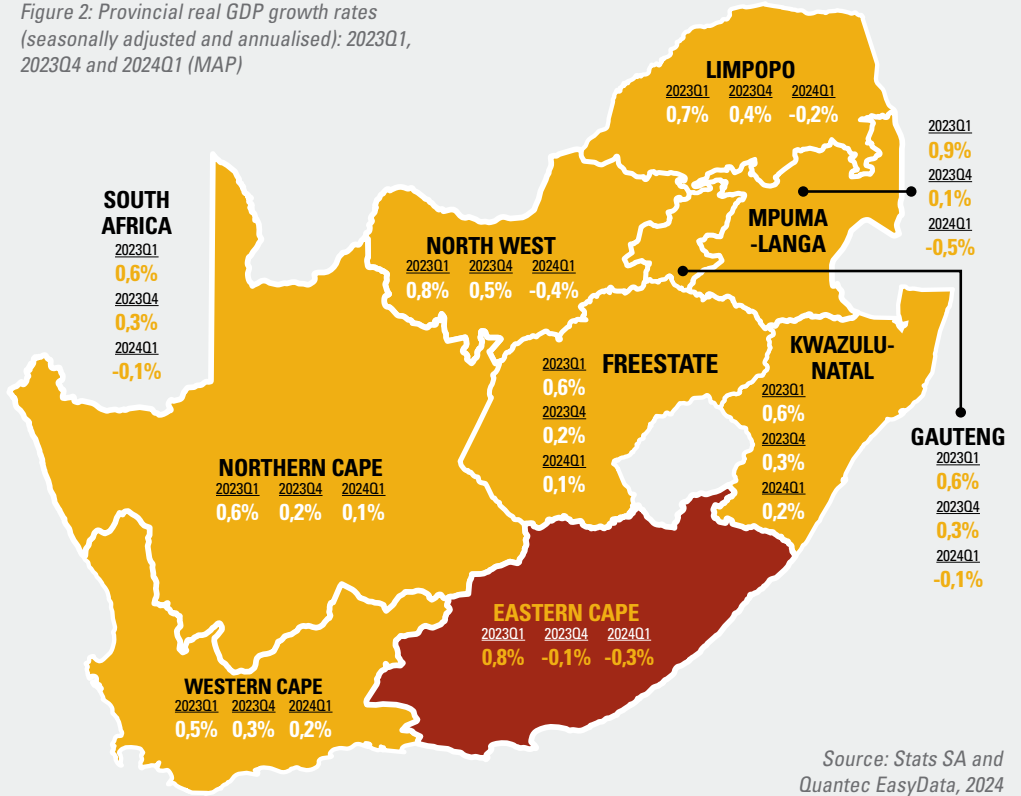
PROVINCIAL REAL GDP GROWTH RATES

Figure 2 compares provincial economic growth rates for 2023Q1, 2023Q4, and 2024Q1.

Figure 2: Provincial real GDP growth rates (seasonally adjusted and annualised): 2023Q1, 2023Q4 and 2024Q1 (MAP)

The following observations are drawn from the figure:

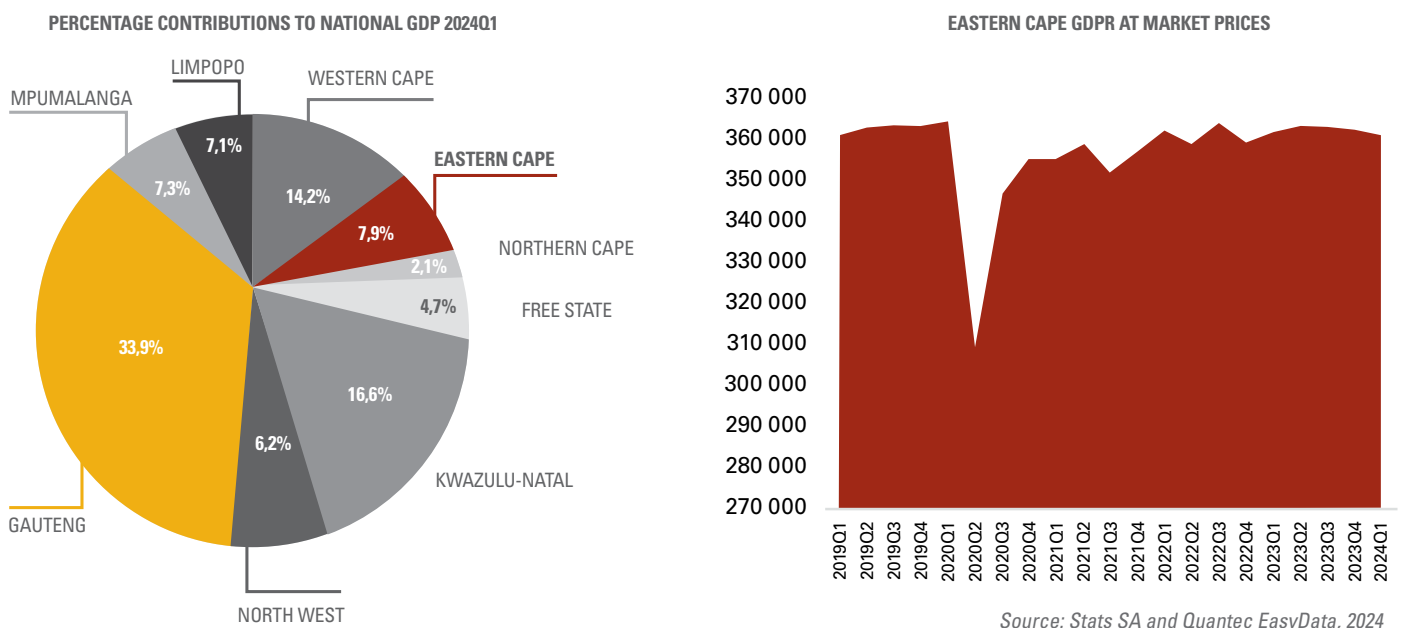
- As national GDP contracted in the first quarter, four out of nine provinces recorded positive growth: Western Cape and KwaZulu Natal (both up by 0.2%) and Northern Cape and Free State (both up by 0.1%). The Mpumalanga province contracted by 0.5%, followed by North West (down 0.4%) and Eastern Cape (down by 0.3) during the same period.
- On a YoY basis, GDP growth rates declined in all provinces. The largest decreases in GDP growth rates were recorded in Mpumalanga (down by 1.4 percentage points from 0.9%), North West (down by 1.2 percentage points from 0.4%), and Eastern Cape (down by 1.1 percentage points from 0.8%).



Source: Stats SA and Quantec EasyData, 2024

EASTERN CAPE GDP

Figure 3: GDP: Seasonally adjusted at constant 2015 prices (% share and R million)

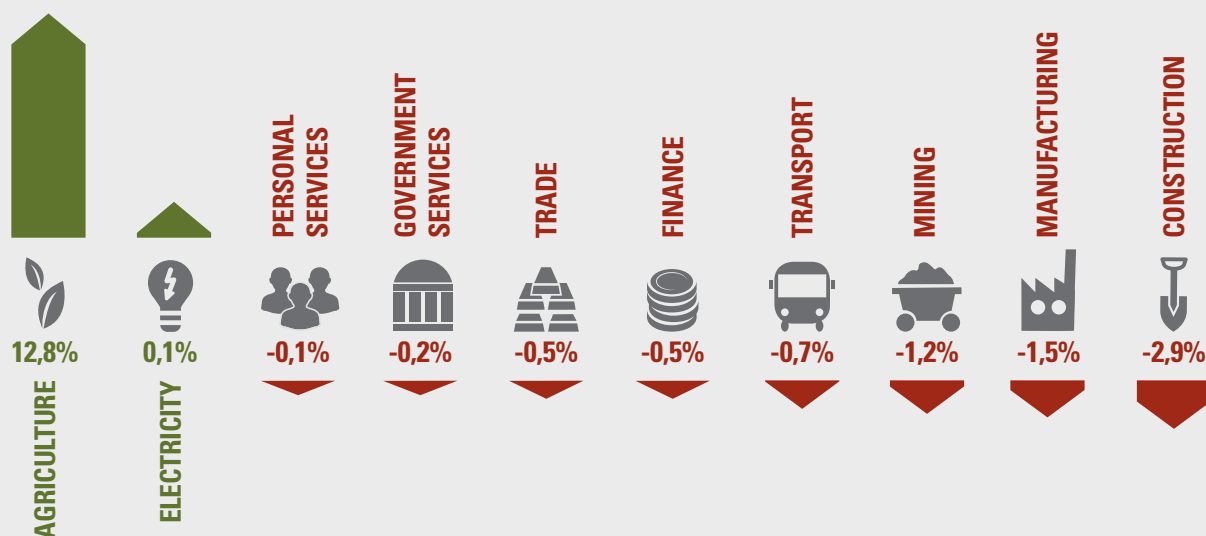


Source: Stats SA and Quantec EasyData, 2024

In rand values, Figure 3 shows how the Eastern Cape GDP (at market prices) decreased from R368.8 billion in 2023Q4 to R366.9 billion in 2024Q1. Compared with other provinces, the Eastern Cape contributed 7.9% towards national GDP. The largest contributors to national GDP growth in the first quarter of 2024 were Gauteng (33.9%), KwaZulu-Natal (16.6%), and Western Cape (14.2%).

GROSS VALUE ADDED (GVA)

Figure 4: QoQ changes (%) in Sector Gross value added (seasonally adjusted and annualised), 2024Q1



Source: Stats SA and Quantec EasyData, 2024

GVA SECTOR DISTRIBUTION (%)

Table 2: Eastern Cape GVA by industry (seasonally adjusted and annualised quarterly), 2023Q1, 2023Q4 – 2024Q1

	2023Q1		2023Q4		2024Q1	
	R million	Share %	R million	Share %	R million	Share %
Agriculture	7177	2,2	5 800	1,7	6 542	2,0
Mining	583	0,2	608	0,2	601	0,2
PRIMARY SECTOR	7 761	2,3	6 407	1,9	7 143	2,2
Manufacturing	41 367	12,5	41 859	12,6	41 242	12,5
Electricity	4 483	1,4	4 634	1,4	4 639	1,4
Construction	8 920	2,7	8 502	2,6	8 256	2,5
SECONDARY SECTOR	54 769	16,5	54 996	16,6	54 138	16,4
Trade	52 211	15,8	49 925	15,0	49 687	15,0
Transport	21 579	6,5	21 926	6,6	21 780	6,6
Finance	64 256	19,4	65 035	19,6	64 707	19,6
Personal services	93 288	28,1	95 866	28,9	95 758	28,9
Government services	37 610	11,3	37 817	11,4	37 751	11,4
TERTIARY SECTOR	268 944	81,1	270 571	81,5	269 683	81,5
All industries at basic prices	331 474	100,0	331 974	100,0	330 963	100,0

Source: Stats SA and Quantec EasyData, 2024

The Eastern Cape's total gross value added (GVA) at basic prices amounted to R331.0 billion in 2024Q1. The tertiary sector remained the principal contributing sector, accounting for 81.5% of provincial GVA. The secondary sector and primary sector accounted for 16.4% and 2.2%, respectively. In rand values, in 2024Q1, the tertiary, secondary, and primary sectors' GVA amounted to R269.7 billion, R54.1 billion, and R7.1 billion, respectively.

In terms of individual sectors, the personal services sector was the largest contributor to the provincial GVA, accounting for 28.9% of the total GVA in 2024Q1. This was followed by finance, trade, and manufacturing sectors, accounting for 19.6%, 15.0% and 12.5%, respectively.

On a QoQ basis, GVA declined significantly in the following sectors: manufacturing (down by R617 million), finance (down by R328 million) and construction (down by R246 million). The agriculture sector grew by R742 million QoQ from R5 800 billion in 2023Q4 to R6 542 billion in 2024Q1. Lastly, the electricity sector grew by R5 million QoQ from R4 634 billion in 2023Q4 to R4 639 billion in 2024Q1.

EMPLOYMENT & GROSS VALUE ADDED (GVA)

GROWTH BY SECTOR 2021Q1 – 2024Q1 (QOQ % CHANGE)

