

QoQ GDP GROWTH RATE

**SOUTH
AFRICA**
0.4%

**EASTERN
CAPE**
0.1%

KEY FINDINGS FOR THE SECOND QUARTER OF 2024

Global economic performance is projected to grow by

3.2%
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) increased to

R368.5 bil
in 2024Q2

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

0.4%
in 2024Q2

The Eastern Cape economy is out of recession after expanding by 0.1% in the second quarter.

The largest contributors to GDP growth were electricity, manufacturing and trade industries.

in 2024Q2

GLOBAL ECONOMIC OUTLOOK

JULY 2024 PROJECTIONS

According to the IMF July World Economic Outlook (WEO) update, global growth was estimated to be 3.2% in 2024 and increase by 0.1 of a percentage point to 3.3% in 2025. According to the IMF, projections are based on upward revisions to commodity prices, including a rise in nonfuel prices by 5% in 2024. Energy commodity prices are expected to fall by about 4.6 percent in 2024, less than projected in the April WEO update.

Advanced economies are projected to grow by 1.7% in 2024 and 1.8% in 2025, there are no changes in estimates for both years. In the United States, growth is revised downward to 2.6 percent in 2024 (0.1 of a percentage downward revision) and slow to 1.9% in 2025.

Sub-Saharan Africa's growth is estimated to be 3.7% in 2024, increasing to 4.1% in 2025.

For Africa's two biggest economies, Nigeria and South Africa, growth is projected at 3.1% and 0.9% in 2024, respectively. The IMF has kept projections for the South African economy unchanged for 2024 and 2025 from the April WOE update.

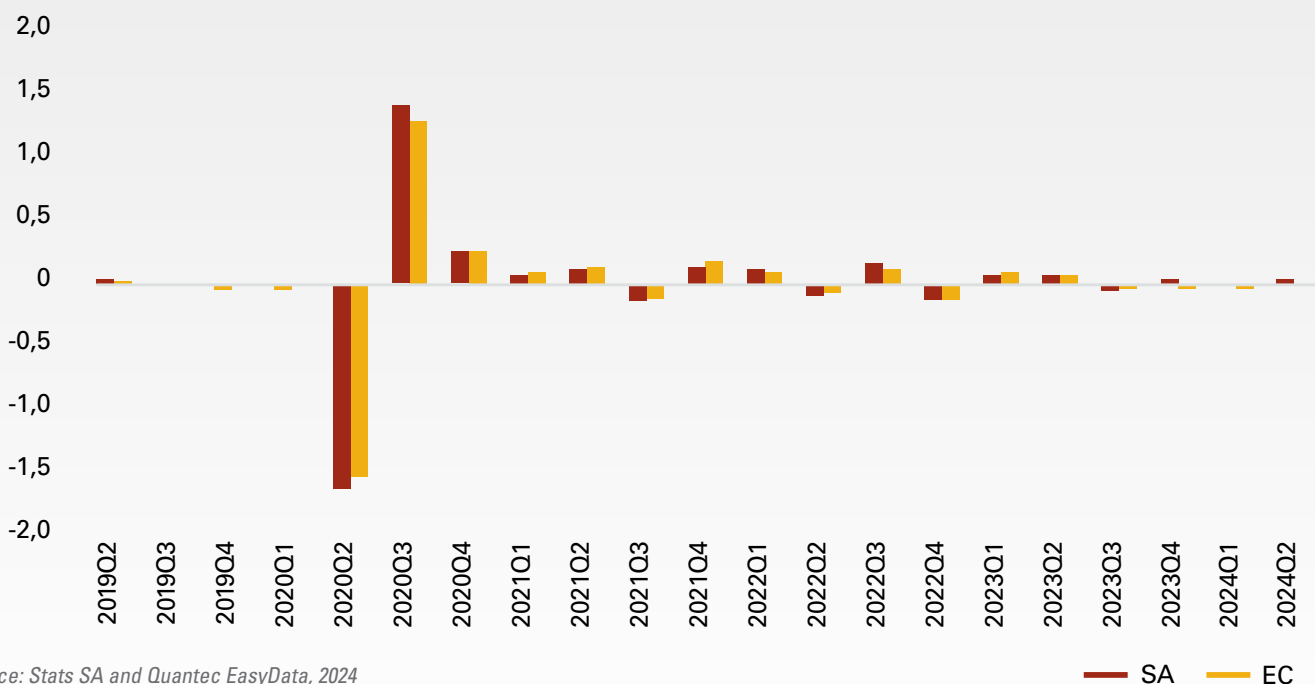
Table 1: Overview of the global economic outlook, July 2024 Projections

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

Source: IMF World Economic Outlook, July 2024 Update

RSA & EC REAL GDP GROWTH RATES

(seasonally adjusted and annualised): 2019Q2 – 2024Q2



Source: Stats SA and Quantec EasyData, 2024

Figure 1: RSA and EC Real GDP growth rates (seasonally adjusted and annualised): 2019Q2 – 2024Q2

The South African economy expanded by 0.4% in the second quarter of 2024, following a 0.0% growth in the first quarter of 2024. According to Stats SA, real GDP reached its highest quarterly level in 2024Q2. However, GDP growth is lower than the projected IMF rate of 0.9% for 2024.

Looking at the Stats SA quarterly GDP statistical report in detail, seven industries grew in the second quarter of 2024, namely: Finance; manufacturing; trade and electricity, gas & water were the largest positive contributors to growth in GDP.

- The finance industry increased by 1.3% and contributed 0.3 of a percentage point to the GDP growth.
- The trade industry increased by 1.2% and contributed 0.1 of a percentage point.

- The manufacturing industry increased by 1.1% and contributed 0.1 of a percentage point.
- The transport industry was the main negative contributor, decreasing by 2.2% and contributing -0.2 of a percentage point.

The transport, agriculture and transport declined by 2.2%, 2.1% and 0.8%, respectively. According to Stats SA, the decline in the transport sector was due to land transport and transport support services decline.

The Eastern Cape economy has recovered from the recession after recording a 0.1% GDP growth in the second quarter of 2024, following a contraction from three previous quarters. The largest positive contributors to provincial GDP growth in the second quarter of 2024 were electricity, manufacturing, and trade industries.

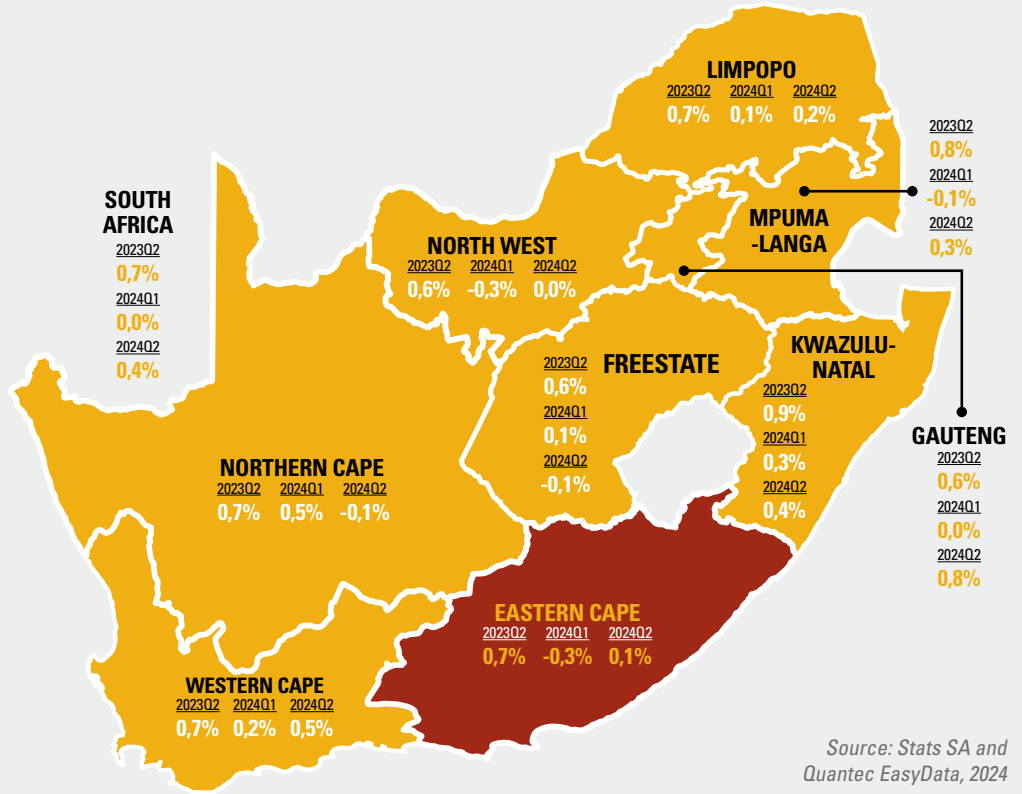
PROVINCIAL REAL GDP GROWTH RATES

Figure 2 compares provincial economic growth rates for 2023Q2, 2024Q1, and 2024Q2.

Figure 2: Provincial real GDP growth rates (seasonally adjusted and annualised): 2023Q2, 2024Q1 and 2024Q2 (MAP)

The following observations are drawn from the figure:

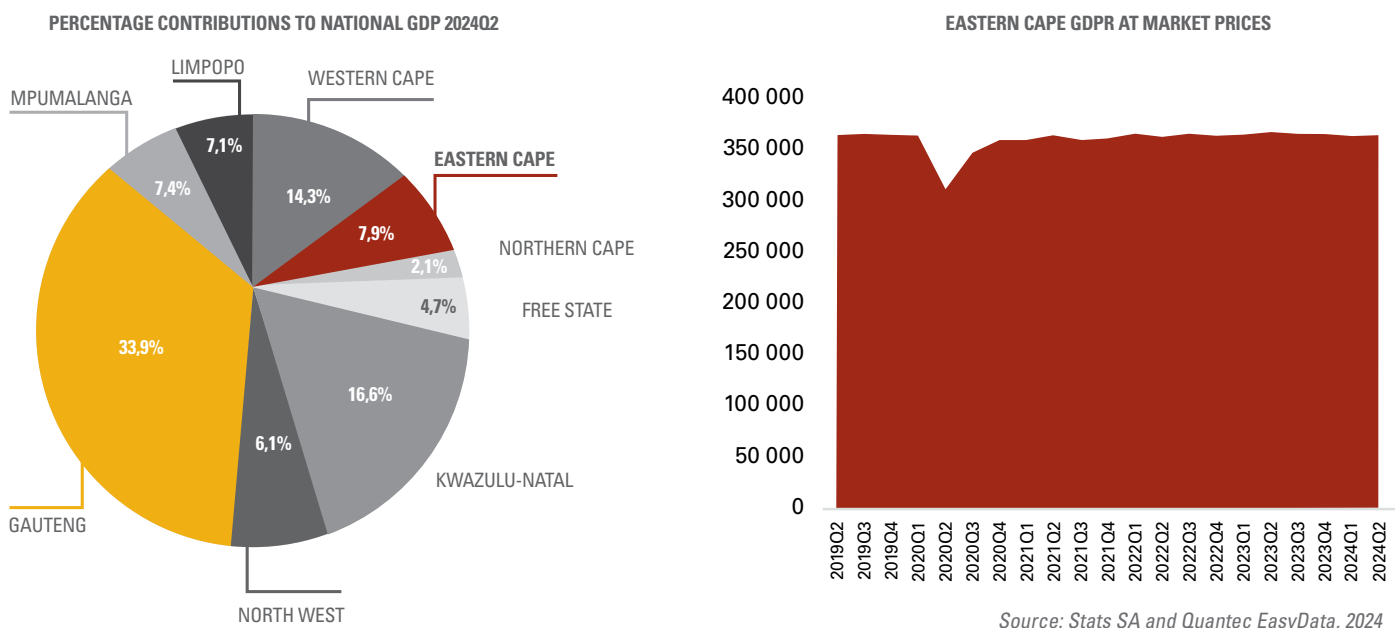
- At provincial level, only two provinces recorded negative growth: Free State and Northern Cape, both down by 0.1%. The largest GDP increases were recorded in Gauteng (up by 0.8%), Western Cape (up by 0.5%) and KwaZulu-Natal (up by 0.4%) during the same period.
- On a YoY basis, GDP growth rates declined in all provinces apart from Gauteng province. The largest decreases in GDP growth rates were recorded in Northern Cape (down by 0.8 of a percentage point), Free State (down by 0.7 of a percentage point), North West and Eastern Cape (both down by 0.6 of a percentage point).



Source: Stats SA and Quantec EasyData, 2024

EASTERN CAPE GDP

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

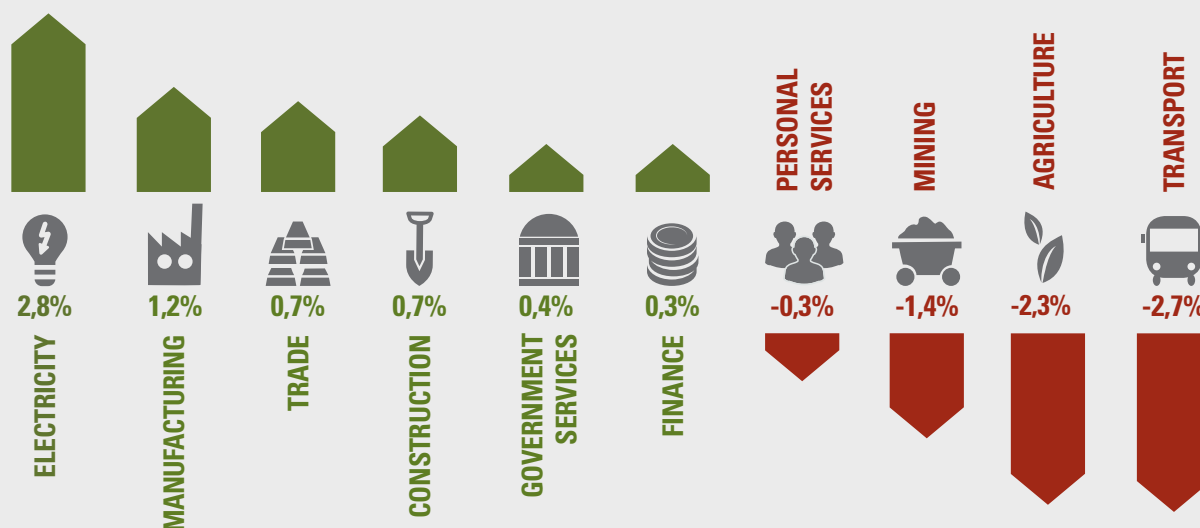


Source: Stats SA and Quantec EasyData, 2024

In rand values, Figure 3 shows that the Eastern Cape GDP (at market prices) increased from R368.1 billion in 2024Q1 to R368.5 billion in 2024Q2. Compared with other provinces, the Eastern Cape contributed 7.9% towards national GDP. The largest contributors to national GDP growth in the second quarter of 2024 were Gauteng (33.9%), KwaZulu-Natal (16.6%), and Western Cape (14.3%).

GROSS VALUE ADDED (GVA)

Figure 4: QoQ changes (%) in Sector Gross value added (seasonally adjusted and annualised), 2024Q2



Source: Stats SA and Quantec EasyData, 2024

The provincial economy expanded in the second quarter of 2024, with six industries recording positive growth. The three largest contributors to the positive growth in GDP in the second quarter were electricity (up by 2.8%), manufacturing (up by 1.2%) and trade (up by 0.7%). The transport and agriculture industries contracted by 2.7% and 2.3% respectively during the same period. Government services, the biggest employer in the province, grew by 0.4% in 2024Q2.

GVA SECTOR DISTRIBUTION (%)

Table 2: Eastern Cape GVA by industry (seasonally adjusted and annualised quarterly), 2023Q2, 2024Q1 – 2024Q2

The Eastern Cape's total gross value added (GVA) at basic prices amounted to R332.5 billion in 2024Q2. The tertiary sector remained the principal contributing sector, accounting for 81.7% of provincial GVA. The secondary sector and primary sector accounted for 16.3% and 2.1%, respectively. In rand values, in 2024Q2, the tertiary, secondary, and primary sectors' GVA amounted to R271.5 billion, R54.0 billion, and R6.9 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 2024Q2. This was followed by finance, trade, and manufacturing sectors, accounting for 19.6%, 15.3% and 12.4%, respectively.

	2023Q2		2024Q1		2024Q2	
	R million	Share %	R million	Share %	R million	Share %
Agriculture	7 292	2,2	6 467	1,9	6 321	1,9
Mining	619	0,2	615	0,2	606	0,2
PRIMARY SECTOR	7 911	2,4	7 082	2,1	6 927	2,1
Manufacturing	41 889	12,6	40 713	12,3	41 218	12,4
Electricity	4 420	1,3	4 496	1,4	4 622	1,4
Construction	8 815	2,7	8 147	2,5	8 202	2,5
SECONDARY SECTOR	55 124	16,6	53 355	16,1	54 042	16,3
Trade	52 228	15,8	50 455	15,2	50 825	15,3
Transport	21 694	6,5	22 210	6,7	21 617	6,5
Finance	64 802	19,5	65 046	19,6	65 254	19,6
Personal services	95 548	28,8	96 338	29,0	96 032	28,9
Government services	37 759	11,4	37 612	11,3	37 758	11,4
TERTIARY SECTOR	272 030	82,1	271 661	81,8	271 485	81,7
All industries at basic prices	331 474	100,0	332 098	100,0	332 454	100,0

Source: Stats SA and Quantec EasyData, 2024

On a QoQ basis, GVA increased significantly in the following sectors: manufacturing (up by R506 million), trade (up by R370 million), and finance (up by R208 million). The government services sector grew by R146 million QoQ from R37.6 billion in 2024Q1 to R37.8 billion in 2024Q2. Lastly, the GVA of the transport sector declined by R594 million QoQ, and on a YoY basis, declined by R77 million.

EMPLOYMENT & GROSS VALUE ADDED (GVA)

GROWTH BY SECTOR 2021Q2 – 2024Q2 (QOQ % CHANGE)

