

## QoQ GDP GROWTH RATE

**SOUTH AFRICA**

**1,2%**

**EASTERN CAPE**

**1,0%**

## KEY FINDINGS

Global economic performance is projected to grow by

**4.4%**

in 2022

The South African economy is forecasted to grow by

**1.9%**

by end of 2022 by the IMF.

According to STATS SA, NATIONAL REAL GROSS DOMESTIC PRODUCT (GDP) GREW at an annualised rate of 1.2% in the fourth quarter of 2021.

The EASTERN CAPE ECONOMY expanded by 1.0%. The largest positive contributors to GDP growth were the AGRICULTURE, PERSONAL SERVICES, AND MANUFACTURING INDUSTRIES.

The EASTERN CAPE GDP (at market prices) INCREASED from R339.6 billion in 2021Q3 to R343.0 BILLION in 2021Q4.

PROVINCIAL TOTAL GROSS VALUE ADDED (GVA) at basic prices amounted to R309.8 BILLION in 2021Q4.

# GLOBAL ECONOMIC OUTLOOK

According to the IMF World Economic Outlook, January 2022 Update, global growth of 5.9% in 2021 is expected to slow to 4.4% in 2022. This forecast of January 2022 is a 0.5 of a percentage point downward revision from the October WEO. Global growth is expected to be sluggish to 3.8% in 2023. The forecast incorporates effects on adverse health outcomes declining to low levels in most countries by the end of 2022. It is also due to mobility and border closure and other health impacts of the Omicron variant.

Table 1

| Region/ Country                                 | 2020 | Estimate | Projections |      | Difference from October 2021 WEO Projections |      |
|---|------|----------|-------------|------|--|------|
|   |      | 2021     | 2022        | 2023 | 2022   | 2023 |
| <b>World Output</b>                             | -3,1 | 5,9      | 4,4         | 3,8  | -0,5   | 0,2  |
| <b>Advanced Economies</b>                       | -4,5 | 5,0      | 3,9         | 2,6  | -0,6   | 0,4  |
| United States                                   | -3,4 | 5,6      | 4,0         | 2,6  | -1,2   | 0,4  |
| Euro Area                                       | -6,4 | 5,2      | 3,9         | 2,5  | -0,4   | 0,5  |
| Japan   | -4,5 | 1,6      | 3,3         | 1,8  | 0,1  | 0,4  |
| United Kingdom                                  | -9,4 | 7,2      | 4,7         | 2,3  | -0,3   | 0,4  |
| <b>Emerging Market and Developing Economies</b> | -2,0 | 6,5      | 4,8         | 4,7  | -0,3   | 0,1  |
| Emerging and Developing Asia                    | -0,9 | 7,2      | 5,9         | 5,8  | -0,4   | 0,1  |
| China   | 2,3  | 8,1      | 4,8         | 5,2  | -0,8   | -0,1 |
| India 4/  | -7,3 | 9,0      | 9,0         | 7,1  | 0,5  | 0,5  |
| Russia  | -2,7 | 4,5      | 2,8         | 2,1  | -0,1   | 0,1  |
| Brazil  | -3,9 | 4,7      | 0,3         | 1,6  | -1,2   | -0,4 |
| Sub-Saharan Africa                              | -1,7 | 4,0      | 3,7         | 4,0  | -0,1   | -0,1 |
| Nigeria   | -1,8 | 3,0      | 2,7         | 2,7  | 0,0  | 0,1  |
| South Africa                                    | -6,4 | 4,6      | 1,9         | 1,4  | -0,3   | 0,0  |

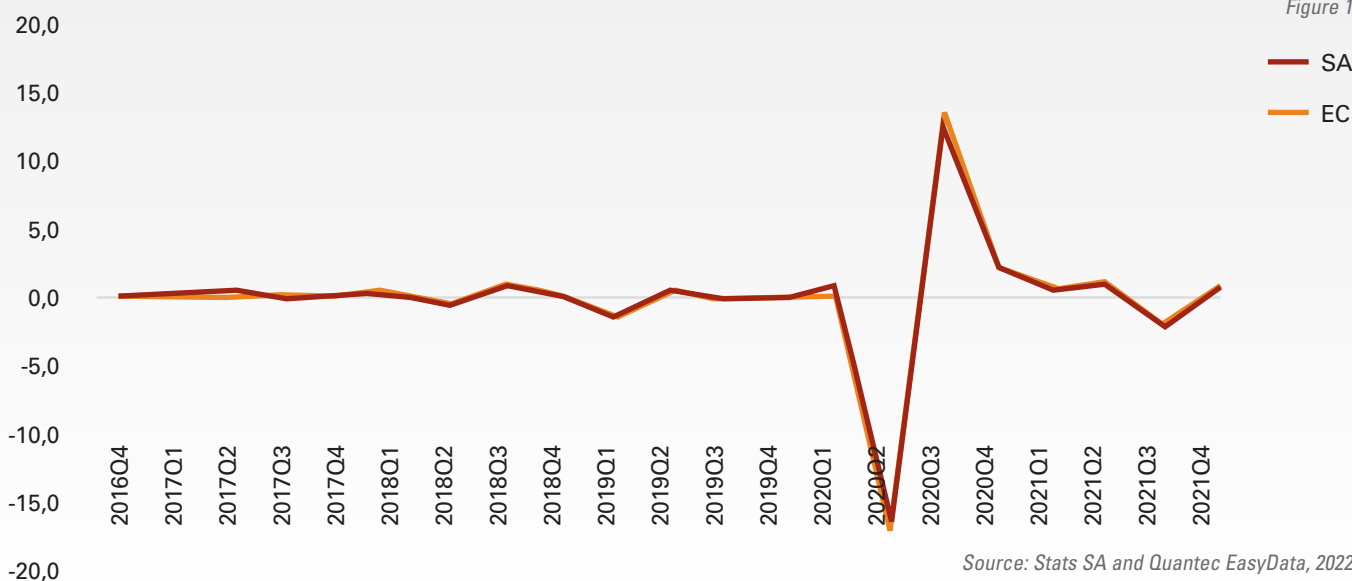
Source: IMF World Economic Outlook, January 2022 Update

Across advanced economies, output is projected to increase to 3.9% (0.6 of a percentage point downward revision) in 2022, thereafter declining to 2.6% in 2023 (0.4 of a percentage point upward revision).

Sub-Saharan African economic growth is projected at 3.7 % in 2022 and 4.0% in 2023 (0.1 of a percentage point downward revision in both 2022 and 2023) from the October WOE updated. For Africa's two biggest economies, growth is expected to increase by 2.7% and 1.9% in 2022 for Nigeria and South Africa, respectively. Economic growth for South Africa has been revised down by 0.3 of a percentage for 2022, owing to weak economic performance in the second half of 2021 as well as a weaker outlook for investment as business sentiment remains subdued".

## RSA & EC REAL GDP GROWTH RATES

(seasonally adjusted and annualised): 2016Q3 - 2021Q4



Source: Stats SA and Quantec EasyData, 2022

Figure one shows that in 2021Q4, South African economy increased at a rate of 1.2%, following a decrease of 1.7% in the third quarter of 2021. On a year-on-year basis, national GDP decreased by 1.4 percentage point from 2.5% in 2020Q4.

Looking at the Stats SA quarterly GDP statistical report in detail, the largest

negative contributors to output growth in the fourth quarter were the personal service industry (increased by 2.7% and contributed 0.4 of a percentage point to GDP), agriculture industry (increased by 12.2% and contributed 0.3 of a percentage point to GDP) and trade industry (increased by 2.9% and contributed 0.3 of a percentage point to GDP).

Following the national trend, the Eastern Cape economy increased at a rate of 1.0% in 2021Q4. The positive contributors to provincial GDP growth in the fourth quarter of 2021 were agriculture, manufacturing, personal services, trade, and transport.

# PROVINCIAL REAL GDP GROWTH RATES

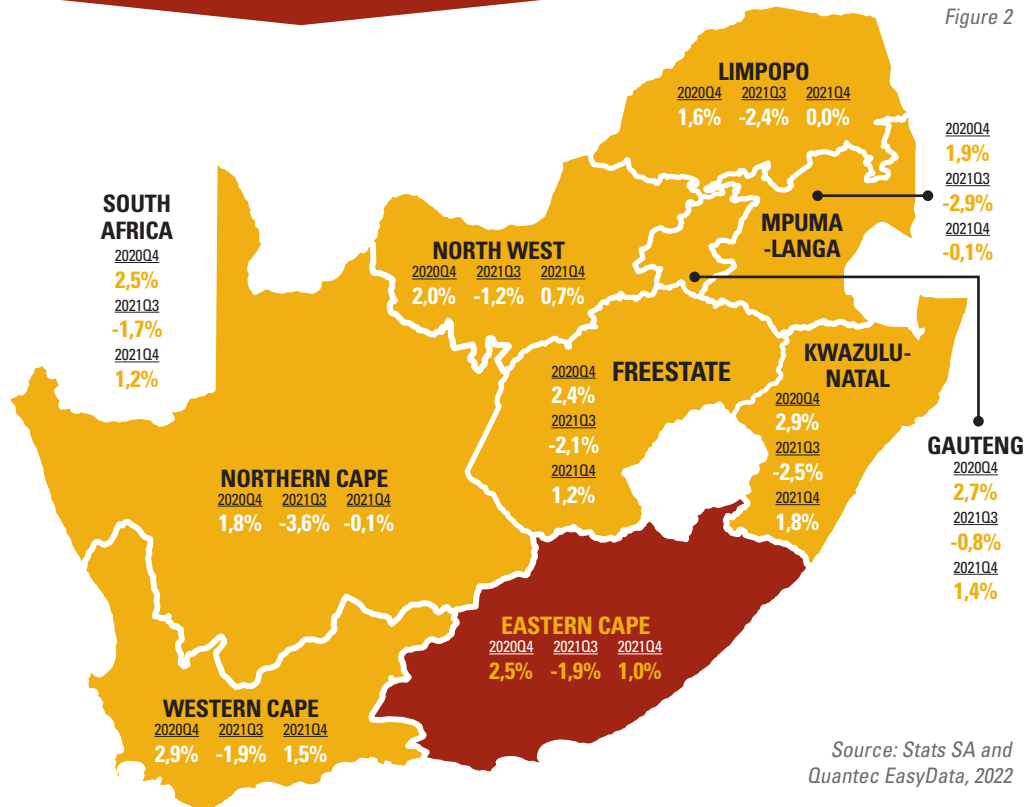
(Seasonally adjusted and annualised):  
2020Q4, 2021Q3 and 2021Q4

Figure 2

The figure 2 provides a comparison of provincial economic growth rates for 2020Q4, 2021Q3 and 2021Q4.

The following observations are drawn from the figure:

- On a QoQ basis, the largest GDP growth rates (above the national level of 1.2%) were recorded in were recorded in KwaZulu-Natal (1.8%), Western Cape (1.5%) and Gauteng (1.4%).
- On a QoQ basis, GDP grew significantly in KwaZulu-Natal (up by 4.4 percentage points), Northern Cape (up by 3.5 percentage points), Western Cape (up by 3.4 percentage points and Free State (up by 3.3 percentage points).
- On YoY basis, economies in all nine provinces expanded. The largest growth rates were recorded in Limpopo (up by 1.6 percentage points), Mpumalanga and Northern Cape (both up by 1.9 percentage points).



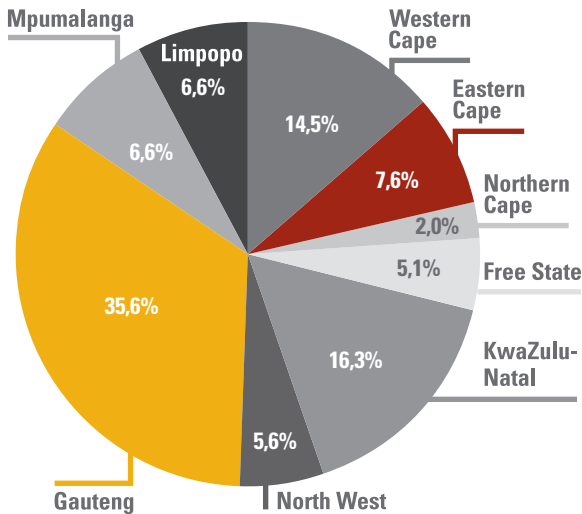
Source: Stats SA and Quantec EasyData, 2022

## GDP

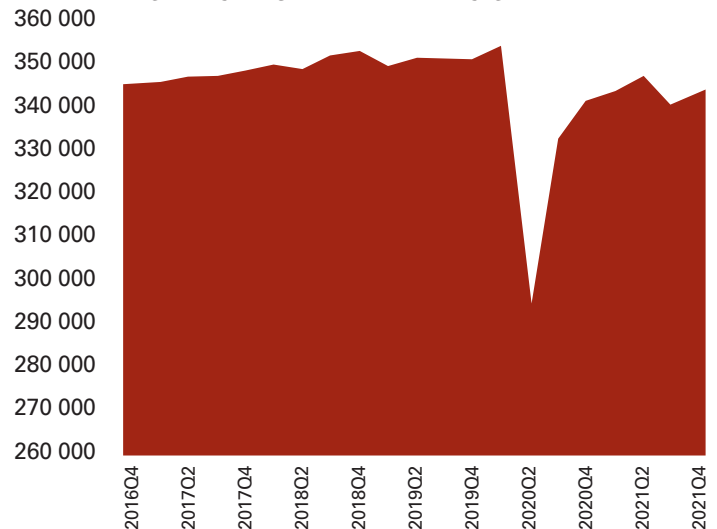
Seasonally adjusted at constant 2015 prices  
(% share and R million)

Figure 3

PERCENTAGE CONTRIBUTIONS TO NATIONAL GDP 2021Q4



EASTERN CAPE GDP AT MARKET PRICES



Source: Stats SA and Quantec EasyData, 2022

In rand values, Figure 3 shows how the Eastern Cape GDP (at market prices) increased from R339.6 billion in 2021Q3 to R343.0 billion in 2021Q4. However, compared with other provinces, the Eastern Cape contributed 7.6% to the total national GDP. The largest contributors to national GDP in the fourth quarter of 2021 were Gauteng (35.6%), KwaZulu-Natal (16.3%) and Western Cape (14.5%).

# GROSS VALUE ADDED

(Seasonally adjusted and annualised)  
2021Q4

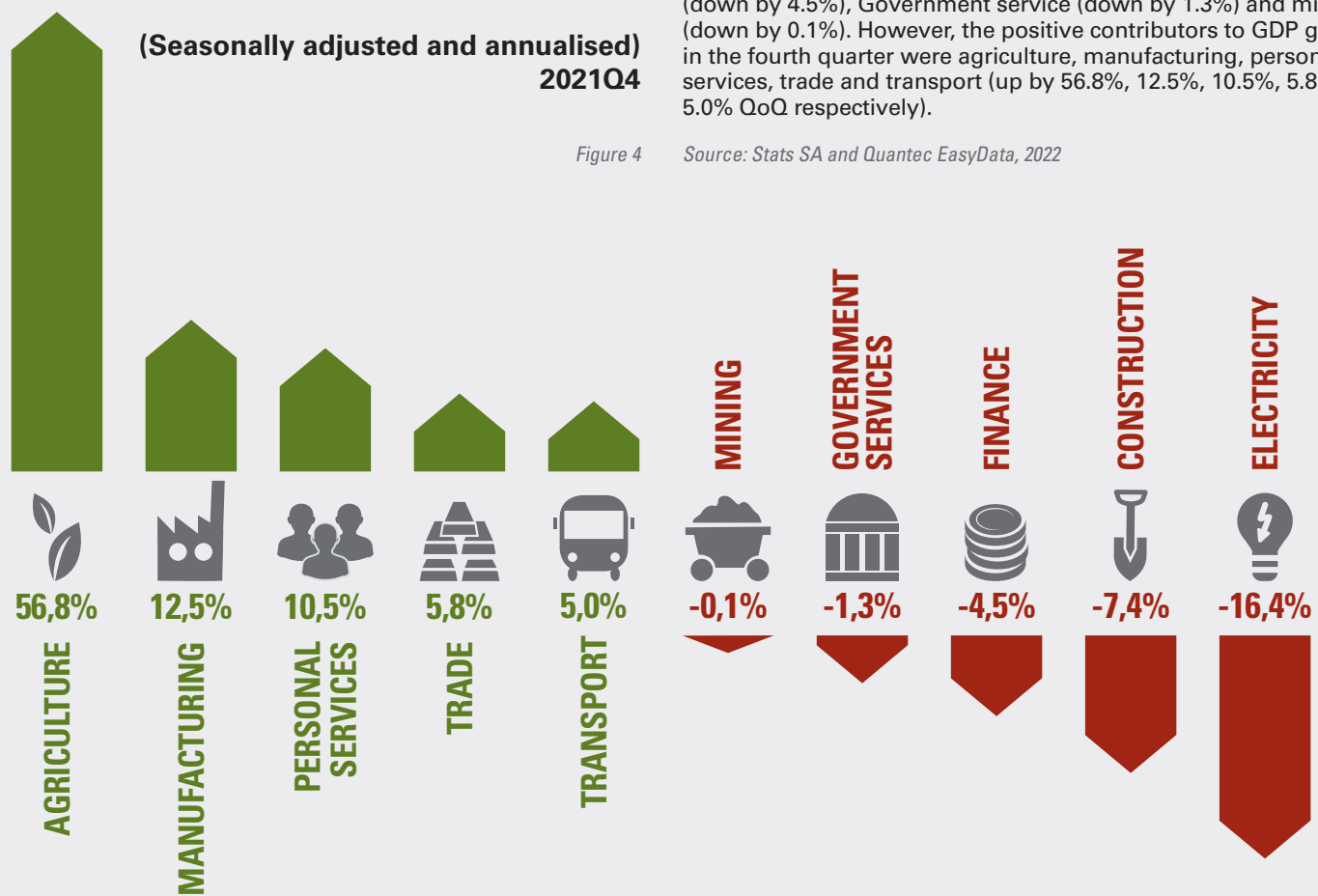


Figure 4

Source: Stats SA and Quantec EasyData, 2022

## EASTERN CAPE GVA BY INDUSTRY

(Seasonally adjusted and annualised quarterly): 2020Q4, 2021Q3 - 2021Q4

Table 2

The Eastern Cape's total gross value added (GVA) at basic prices amounted to R309.8 billion in 2021Q4. The tertiary sector remained the principal contributing sector, accounting for 81.6% of the provincial GVA. The secondary sector and primary sector accounted for 16.5% and 1.9% respectively. In rand values, in 2021Q4, the tertiary, secondary and primary sectors' GVA amounted respectively to R252.7 billion, R51.2 billion, and R5.8 billion.

In terms of individual sectors, the finance (Finance, real estate, and business services) sector was the largest contributor to the provincial GVA, accounting for 22.7% of the total GVA in 2021Q4. This was followed by personal services and trade accounting for 22.6% and 16.4% respectively. On a YoY basis, the manufacturing industry's contribution towards GVA declined by 0.4 of a percentage point.

On a QoQ basis, total GVA contracted significantly in the following sectors: finance (down by R813 million), electricity (down by R178 million), construction (down by R161 million) and government services (down by R127 million). It increased in the following sectors: personal services (up by R1.7 billion) and trade (up by R709 million). However, on a YoY basis, GVA contracted mainly in the trade sector (down by R1.0 billion).

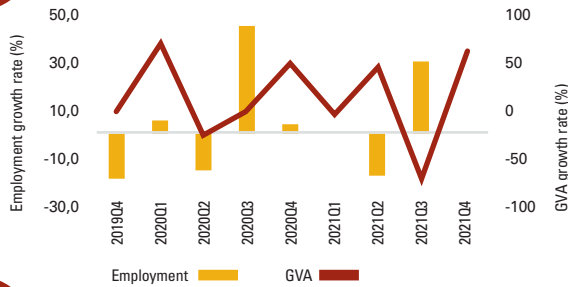
| INDUSTRY                              | 2020Q4         |              | 2021Q3         |              | 2021Q4         |              |
|---------------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|
|                                       | R million      | Share %      | R million      | Share %      | R million      | Share %      |
| Agriculture                           | 5 076          | 1,7          | 4 640          | 1,5          | 5 193          | 1,7          |
| Mining                                | 542            | 0,2          | 611            | 0,2          | 610            | 0,2          |
| <b>PRIMARY SECTOR</b>                 | <b>5 618</b>   | <b>1,8</b>   | <b>5 251</b>   | <b>1,7</b>   | <b>5 803</b>   | <b>1,9</b>   |
| Manufacturing                         | 39 914         | 13,0         | 37 958         | 12,4         | 39 090         | 12,6         |
| Electricity                           | 4 094          | 1,3          | 4 053          | 1,3          | 3 875          | 1,3          |
| Construction                          | 8 495          | 2,8          | 8 431          | 2,7          | 8 270          | 2,7          |
| <b>SECONDARY SECTOR</b>               | <b>52 503</b>  | <b>17,1</b>  | <b>50 442</b>  | <b>16,4</b>  | <b>51 235</b>  | <b>16,5</b>  |
| Trade                                 | 51 757         | 16,8         | 50 012         | 16,3         | 50 721         | 16,4         |
| Transport                             | 23 406         | 7,6          | 23 817         | 7,8          | 24 108         | 7,8          |
| Finance                               | 70 459         | 22,9         | 71 047         | 23,2         | 70 234         | 22,7         |
| Personal services                     | 65 975         | 21,4         | 68 211         | 22,2         | 69 938         | 22,6         |
| Government services                   | 37 908         | 12,3         | 37 895         | 12,4         | 37 769         | 12,2         |
| <b>TERTIARY SECTOR</b>                | <b>249 504</b> | <b>81,1</b>  | <b>250 983</b> | <b>81,8</b>  | <b>252 770</b> | <b>81,6</b>  |
| <b>All industries at basic prices</b> | <b>307 624</b> | <b>100,0</b> | <b>306 676</b> | <b>100,0</b> | <b>309 808</b> | <b>100,0</b> |
| Taxes less subsidies on products      | 32 774         | -            | 32 950         | -            | 33 240         | -            |
| <b>GDPR at market prices</b>          | <b>340 399</b> | -            | <b>339 626</b> | -            | <b>343 048</b> | -            |

Source: Stats SA and Quantec EasyData, 2022

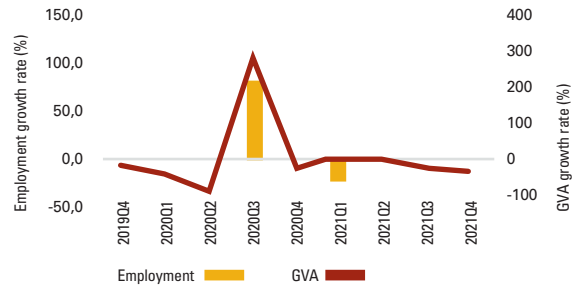
# GROSS VALUE ADDED (GVA) BY SECTOR 2019Q4 - 2021Q4

## (QoQ % change)

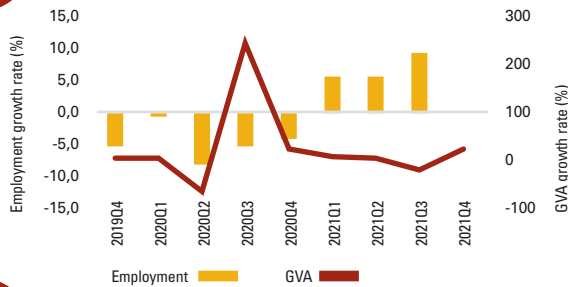
### AGRICULTURE



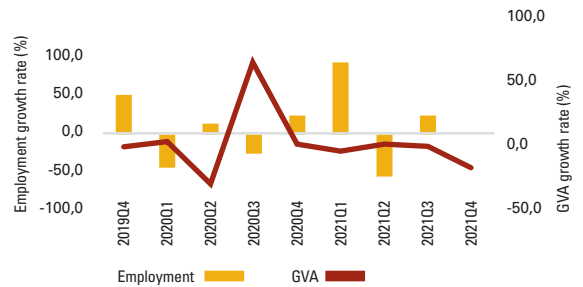
### MINING



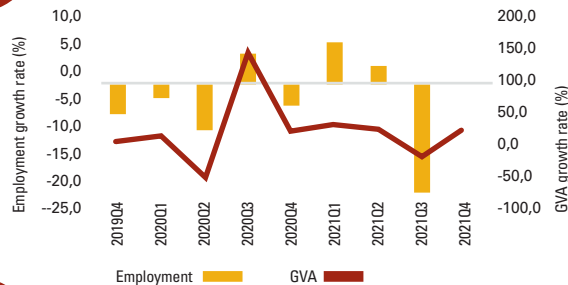
### MANUFACTURING



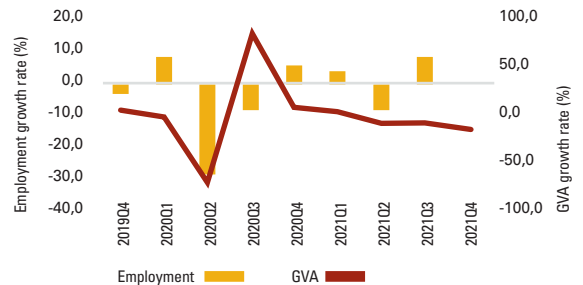
### ELECTRICITY



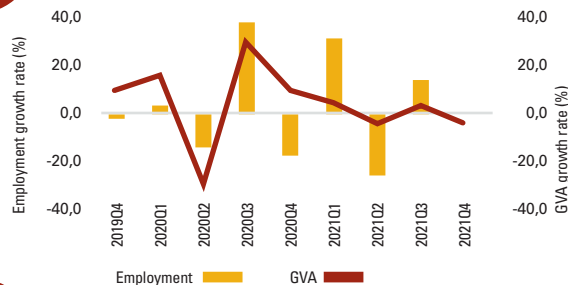
### TRADE



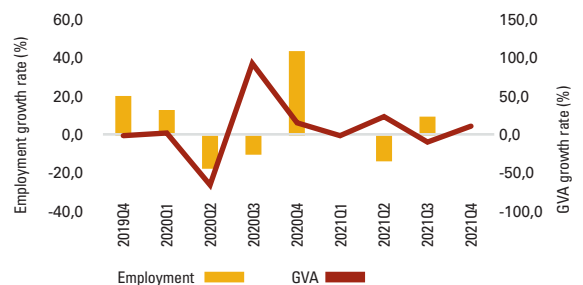
### CONSTRUCTION



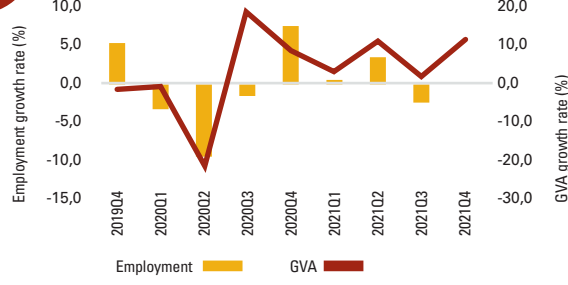
### FINANCE



### TRANSPORT



### PERSONAL SERVICES



### GOVERNMENT SERVICES

