

## QoQ GDP GROWTH RATE

**SOUTH AFRICA**

**1,9%**

**EASTERN CAPE**

**2,0%**

## KEY FINDINGS

Global economic performance is projected to grow by

**3.6%**

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 1.9% in the first quarter of 2022.

The EASTERN CAPE ECONOMY expanded by 2.0%. The largest positive contributors to GDP growth were the MANUFACTURING, TRADE AND ELECTRICITY INDUSTRIES.

The EASTERN CAPE GDP (at market prices) INCREASED from R343.0 billion in 2021Q4 to R362.3 BILLION in 2022Q1.

PROVINCIAL TOTAL GROSS VALUE ADDED (GVA) at basic prices amounted to R328.6 BILLION in 2022Q1.

# GLOBAL ECONOMIC OUTLOOK

## APRIL 2022 PROJECTIONS

According to the IMF April World Economic Outlook (WEO) update, global growth is forecasted at 3.6% in 2022 and 2023. This is a downward revision of 0.8 of a percentage point for 2022 projection from the January WEO update. The forecast incorporates effects on adverse health outcomes and the outlook has deteriorated, largely because of Russia's invasion of Ukraine.

Across advanced economies, output is projected to decline to decline to 3.3% (0.6 of a percentage point downward revision) in 2022, thereafter moderating to 2.4% in 2023 (0.2 of a percentage point downward revision).

Sub-Saharan African economic growth is projected at 3.8% for 2022 and 4.0% in 2023. The 2022 estimate was revised upwards by 0.1 of a percentage point from the January WEO updated. For Africa's two biggest economies, growth is expected to reach by 3.4% and 1.9% in 2022 for Nigeria and South Africa, respectively. Economic growth for South Africa has remained unchanged from both the January and April WEO updates. However, for Nigerian, growth has been revised upwards by 0.7 of a percentage for 2022 and 0.4 of a percentage for 2023. Amongst other things, the WEO has noted that high food prices will hurt consumers' purchasing power, especially low-income households, and weigh on domestic demand.

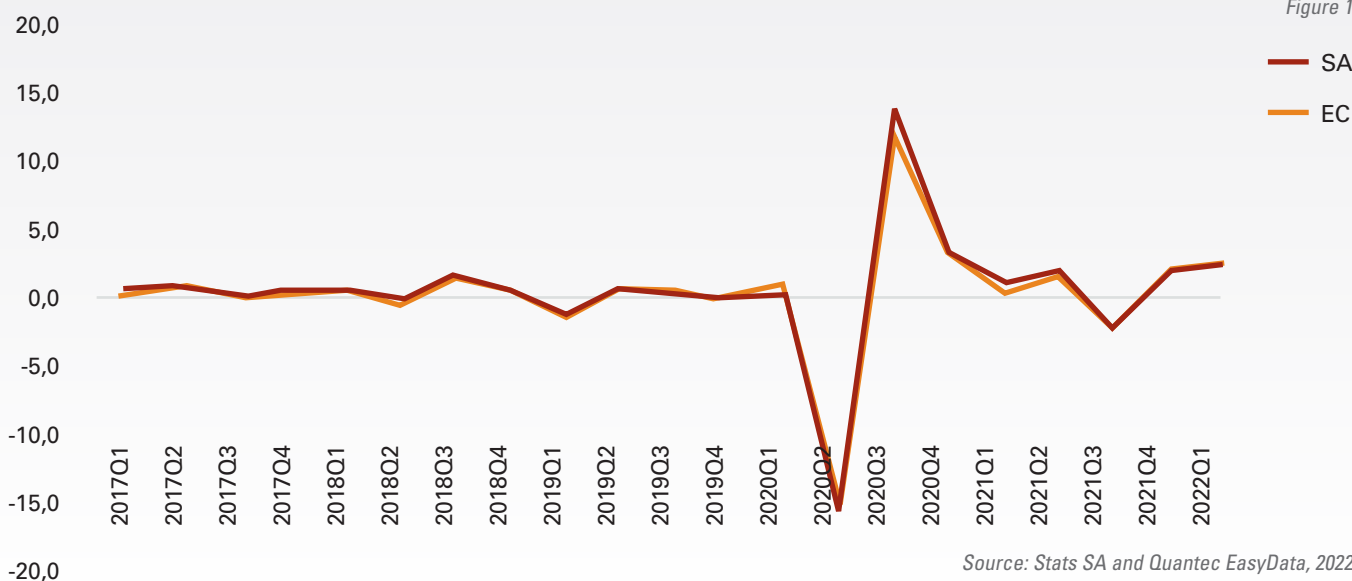
Table 1

Region/ Country	2021	Projections		Difference from January 2022 WEO Projections	
		2022	2023	2022	2023
<b>World Output</b>	<b>6.1</b>	<b>3.6</b>	<b>3.6</b>	<b>-0.8</b>	<b>-0.2</b>
<b>Advanced Economies</b>	<b>5.2</b>	<b>3.3</b>	<b>2.4</b>	<b>-0.6</b>	<b>-0.2</b>
United States	5.7	3.7	2.3	-0.3	-0.3
Euro Area	5.3	2.8	2.3	-1.1	-0.2
Japan	1.6	2.4	2.3	-0.9	0.5
United Kingdom	7.4	3.7	1.2	-1.0	-1.1
<b>Emerging Market and Developing Economies</b>	<b>6.8</b>	<b>3.8</b>	<b>4.4</b>	<b>-1.0</b>	<b>-0.3</b>
Emerging and Developing Asia	7.3	5.4	5.6	-0.5	-0.2
China	8.1	4.4	5.1	-0.4	-0.1
India	8.9	8.2	6.9	-0.8	-0.2
Russia	4.7	-8.5	-2.3	-11.3	-4.4
Brazil	4.6	0.8	1.4	0.5	-0.2
Sub-Saharan Africa	4.5	3.8	4.0	0.1	0.0
Nigeria	3.6	3.4	3.1	0.7	0.4
South Africa	4.9	1.9	1.4	0.0	0.0

Source: IMF World Economic Outlook, April 2022 Update

# RSA & EC REAL GDP GROWTH RATES

(seasonally adjusted and annualised): 2017Q1 - 2022Q1



The South African economy expanded by an annualised rate of 1.9% in 2022Q1 followed by 1.4% in 2022Q1. On a year-on-year basis, national GDP increased by 1.1 percentage points from 0.8% in 2021Q1.

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

contributors to national output growth in the first quarter were the manufacturing industry (increased by 4.9% and contributed 0.6 of a percentage point to GDP), trade industry (increased by 3.1% and contributed 0.4 of a percentage point to GDP) and finance industry (increased by 1.7% and contributed 0.4 of a percentage point to GDP).

Following the national trend, the Eastern Cape economy increased at a rate of 2.0% in 2022Q1. However, the positive contributors to provincial growth in GDP in the first quarter were manufacturing, personal services, trade, and electricity industries.

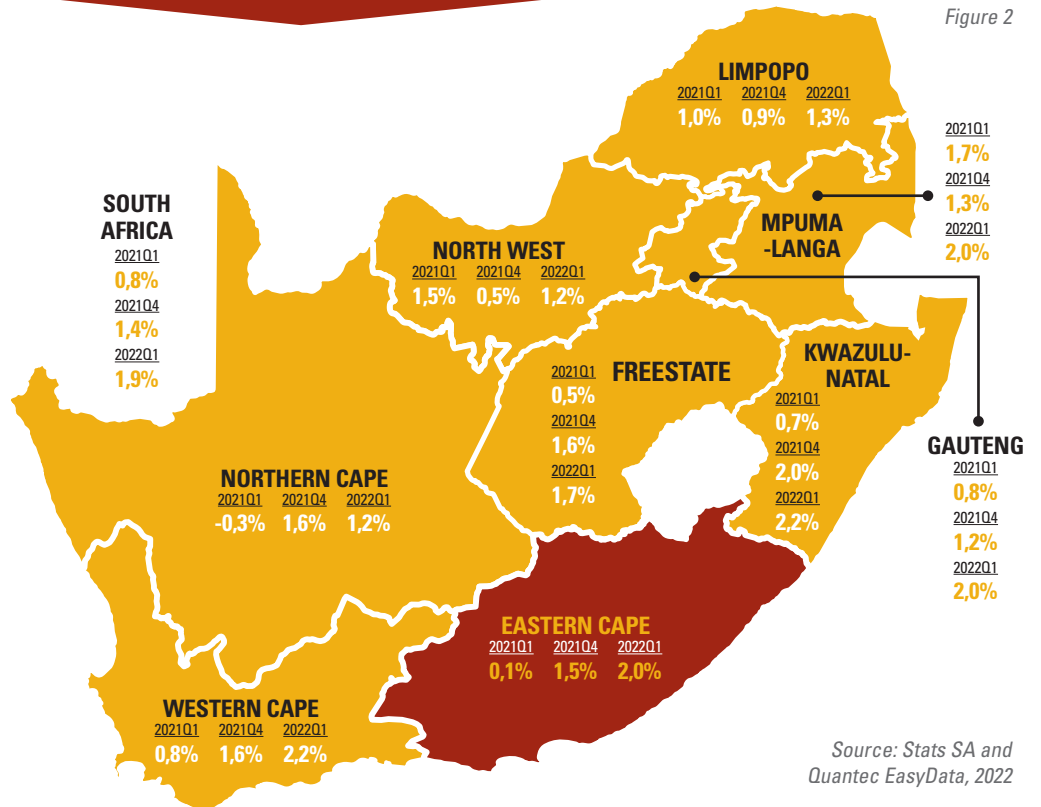
# PROVINCIAL REAL GDP GROWTH RATES

(seasonally adjusted and annualised):  
2021Q1, 2021Q4 and 2022Q1

Figure 2 gives a comparison of provincial economic growth rates for 2021Q1, 2021Q4 and 2022Q1.

The following observations are drawn from the figure:

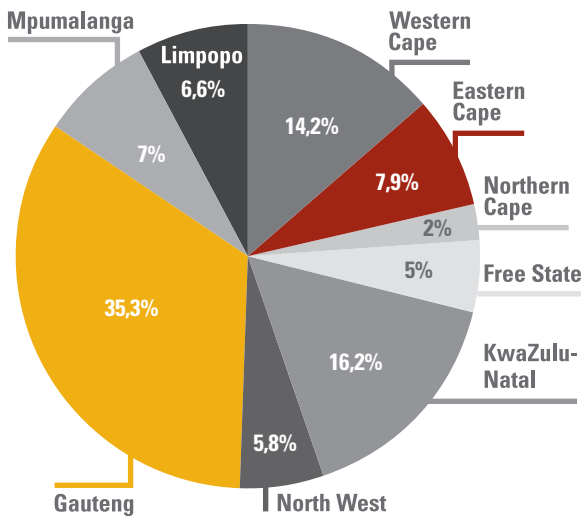
- On a QoQ basis, the following provincial economies recorded GDP growth rates above the national level (1.9%): KwaZulu-Natal (2.2%), Western Cape (2.2%), Gauteng (2.0%), Mpumalanga (2.0%) and Eastern Cape (2.0%).
- In terms of growth, on a QoQ basis, GDP grew significantly in Gauteng (up by 0.8 of a percentage point), Mpumalanga (up by 0.7 of a percentage points), and North West (up by 0.7 of a percentage point).
- On a YoY basis, all nine provinces had economic expansion. The largest positive growth rates were recorded in Eastern Cape (up by 1.9 percentage points), KwaZulu-Natal (up by 1.2 percentage points) and Western Cape (up by 1.4 percentage points).



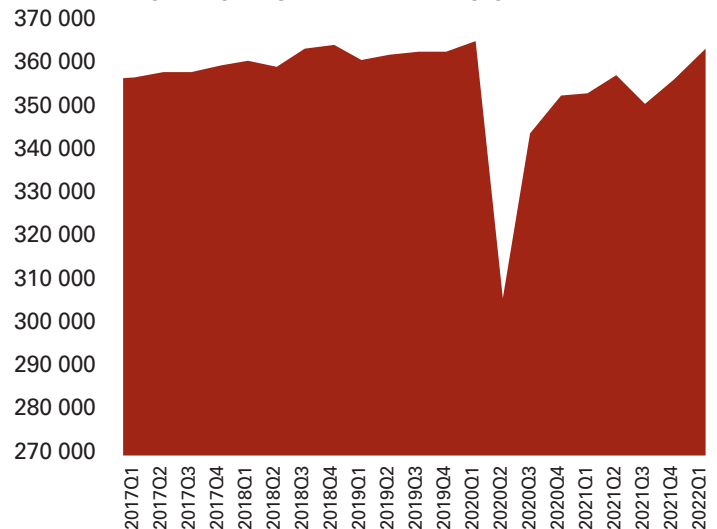
## GDP

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

PERCENTAGE CONTRIBUTIONS TO NATIONAL GDP 2022Q1



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 R343.0 billion in 2021Q4 to R362.3 BILLION in 2022Q1. However, compared with other provinces, the Eastern Cape contributed 7.9% to the total national GDP. The provincial economy is now back at pre-covid pandemic growth levels. The largest contributors to national growth in GDP in the first quarter of 2022 were Gauteng (35.3%), KwaZulu-Natal (16.2%) and Western Cape (14.2%).

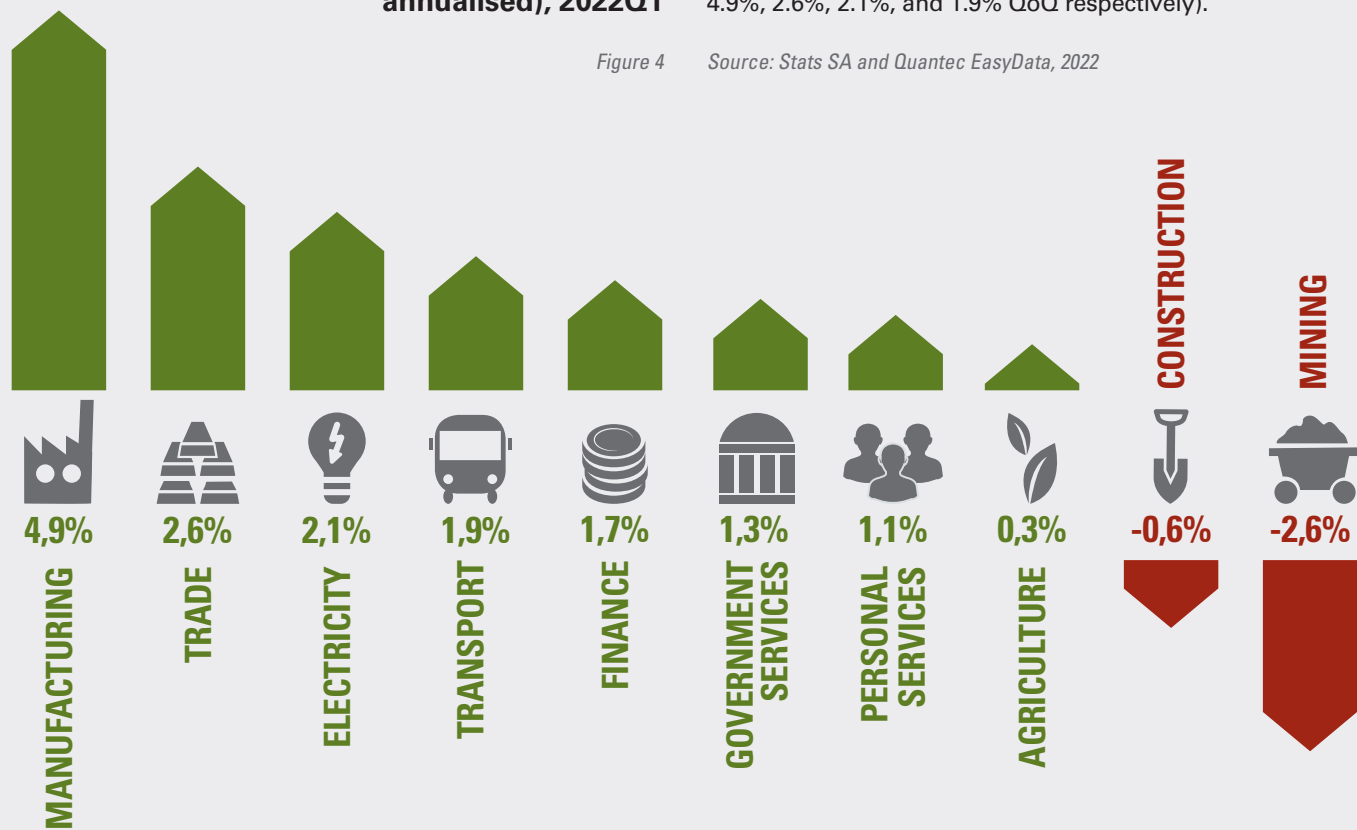
# GROSS VALUE ADDED

QoQ changes (%) in Sector Gross value added (seasonally adjusted and annualised), 2022Q1

Only two industries contracted in the first quarter of 2022, namely: mining (down by 2.6%) and construction (down by 0.6%). However, the largest positive contributors to growth in GDP in the first quarter were manufacturing, trade, electricity, and transport (up by 4.9%, 2.6%, 2.1%, and 1.9% QoQ respectively).

Figure 4

Source: Stats SA and Quantec EasyData, 2022



## EASTERN CAPE GVA BY INDUSTRY

(seasonally adjusted and annualised quarterly), 2021Q1, 2021Q4 - 2022Q1

Table 2

The Eastern Cape's total gross value added (GVA) at basic prices amounted to R328.6 billion in 2022Q1. The tertiary sector remained the principal contributing sector, accounting for 82.3% of the provincial GDP. The secondary sector and primary sector accounted for 15.7% and 2.0% respectively. In rand values, in 2022Q1, the tertiary, secondary and primary sectors' GVA amounted respectively to R270.3 billion, R51.6 billion, and R6.7 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 23.8% of the total GVA in 2022Q1. This was followed by personal services and trade accounting for 22.8% and 17.3% respectively. The personal services sector contributions towards GVA increased by 0.8 of a percentage point on a YoY basis.

On a QoQ basis, GVA grew significantly in the following sectors: manufacturing (up by 1.8 billion), trade (up by R1.4 billion), finance (up by R1.3 billion), personal services (up by R791 million) and government services (up by R486 million). The construction and mining industries contracted by R50 million and R11 million respectively in 2022Q1. However, on a year-on-year (YoY) basis, the construction sector's contribution towards provincial GVA declined by R514.9 million in 2022Q1.

INDUSTRY	2021Q1		2021Q4		2022Q1	
	R million	Share %	R million	Share %	R million	Share %
Agriculture	6 496	2,0	6 254	1,9	6 272	1,9
Mining	471	0,1	425	0,1	414	0,1
<b>PRIMARY SECTOR</b>	<b>6 967</b>	<b>2,2</b>	<b>6 679</b>	<b>2,1</b>	<b>6 686</b>	<b>2,0</b>
Manufacturing	37 659	11,8	36 187	11,2	37 966	11,6
Electricity	5 030	1,6	4 914	1,5	5 018	1,5
Construction	9 126	2,9	8 661	2,7	8 611	2,6
<b>SECONDARY SECTOR</b>	<b>51 815</b>	<b>16,2</b>	<b>49 762</b>	<b>15,4</b>	<b>51 594</b>	<b>15,7</b>
Trade	54 898	17,2	55 460	17,2	56 889	17,3
Transport	22 457	7,0	24 202	7,5	24 664	7,5
Finance	77 379	24,2	76 849	23,8	78 154	23,8
Personal services	70 202	22,0	73 992	23,0	74 783	22,8
Government services	35 492	11,1	35 360	11,0	35 829	10,9
<b>TERTIARY SECTOR</b>	<b>260 429</b>	<b>81,6</b>	<b>265 863</b>	<b>82,5</b>	<b>270 318</b>	<b>82,3</b>
<b>All industries at basic prices</b>	<b>319 211</b>	<b>100,0</b>	<b>322 304</b>	<b>100,0</b>	<b>328 598</b>	<b>100,0</b>

Source: Stats SA and Quantec EasyData, 2022

# EMPLOYMENT & GROSS VALUE ADDED (GVA) GROWTH BY SECTOR 2019Q1 - 2022Q1 (QoQ % change)

