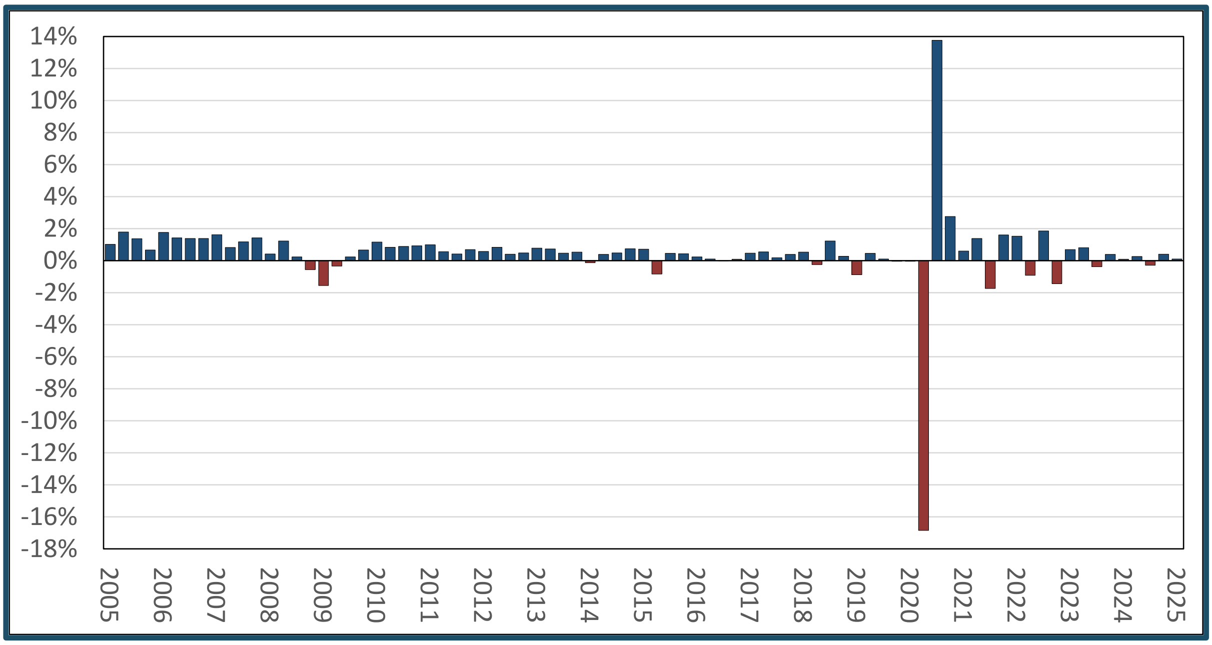
## GDP

*The GDP barely grew from the fourth quarter of 2024 to the first quarter of 2025. It inched up at an annual rate of only 0.1% in annualised terms, with actual growth for the quarter at a barely perceivable 0.025%. The figures for the quarterly change are seasonally adjusted. (Graph 1)*

Most sectors actually shrank, with a 0.3% contraction in annualised terms in non-agricultural GDP in the first quarter of 2025. From this perspective, the economy eked out any expansion at all only because of extraordinary growth reported for the relatively small agricultural sector. In early 2025, agriculture contributed only 2.8% of the GDP. Its value added reportedly jumped at an annual rate of some 16% in the first quarter of 2025, with actual growth at 3.4%.

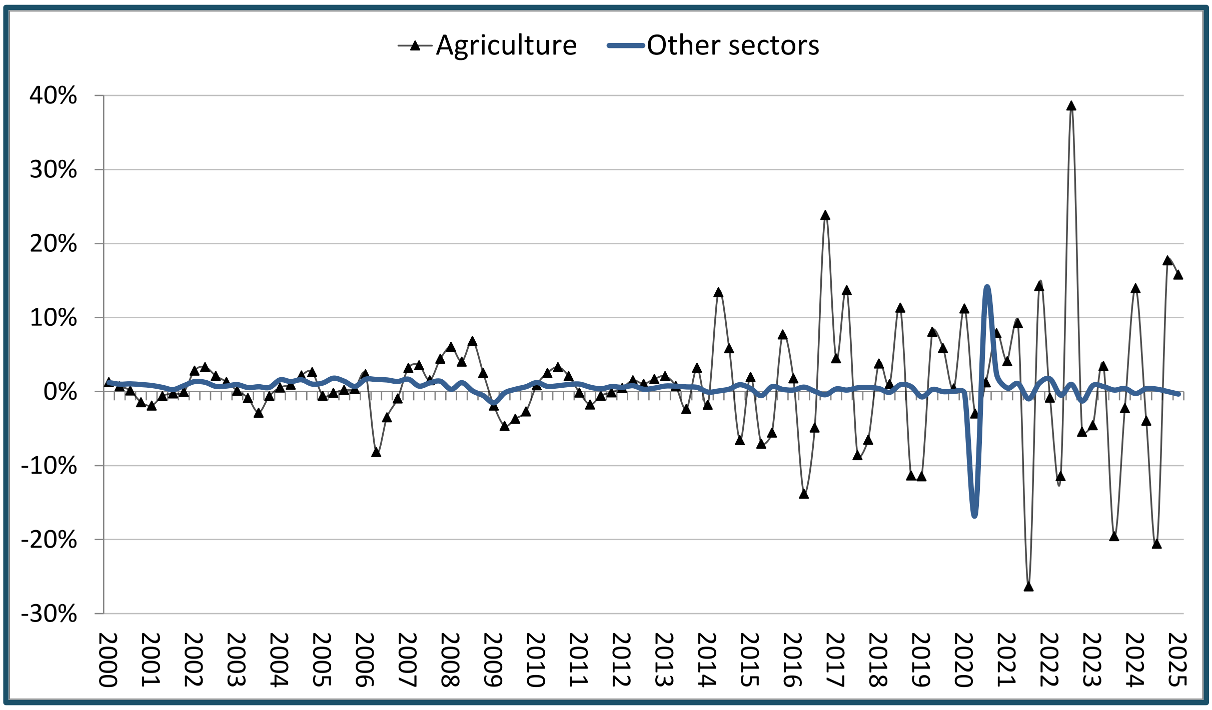
This finding continues the explosion in volatility reported for agricultural value add since 2016. (Graph 2) The rest of the economy has remained stable, and sluggish. In the 56 quarters from 2000 to 2016, growth reported for agriculture alone never sufficed to move the overall economic trend from negative to positive. In the 45 quarters from 2016 to March 2025, that switch occurred eight times.

**Graph 1. Quarterly change in GDP, seasonally adjusted, 2005 to first quarter 2025**




*Source: Calculated from Statistics South Africa. GDP quarterly figures, seasonally adjusted. GDP P0441 – 2025Q1. Excel spreadsheet.*

**Graph 2. Quarterly seasonally adjusted and annualised growth in agriculture and the rest of the economy, 2000 to first quarter 2025**



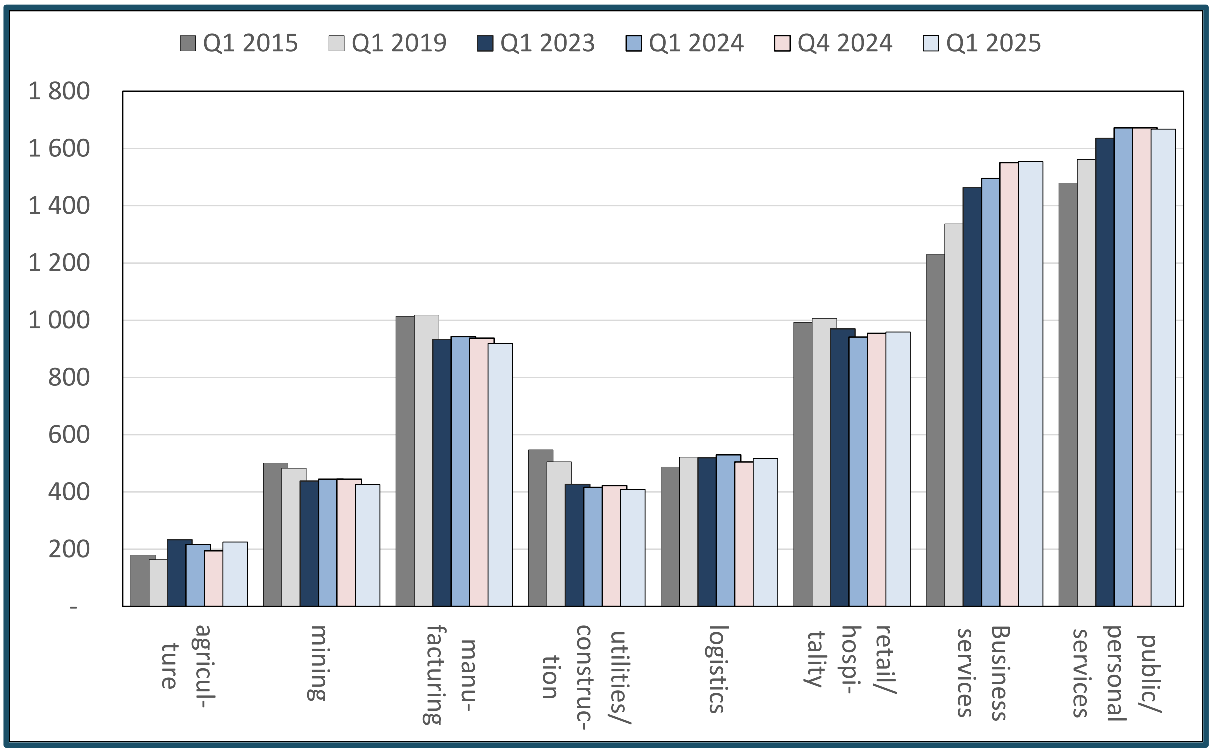

*Source: Calculated from Statistics South Africa. GDP quarterly figures, seasonally adjusted. GDP P0441 – 2024Q4. Excel spreadsheet.*

In year on year terms, the GDP growth rate was less affected by the jump in agricultural value added. The GDP expanded 0.5% from the first quarter of 2024 to the first quarter of 2025. Excluding agriculture, the figure was 0.4%. Both growth rates lagged well behind the population growth at around 1.4%, which means that GDP per person continued to decline.

South Africa's unusually high level of dependency on mining makes it particularly sensitive to the current stagnation in global mining prices outside of gold. In the early 2020s, mining alone contributed over 50% of South African exports, compared to 33% for other upper middle income countries excluding China. In the past year, prices of South Africa's main mining exports excluding gold fell, on average, by 10%. Gold, which now contributes 8% of total exports, saw a 30% price hike over the past year. The section on trade provides more detail.

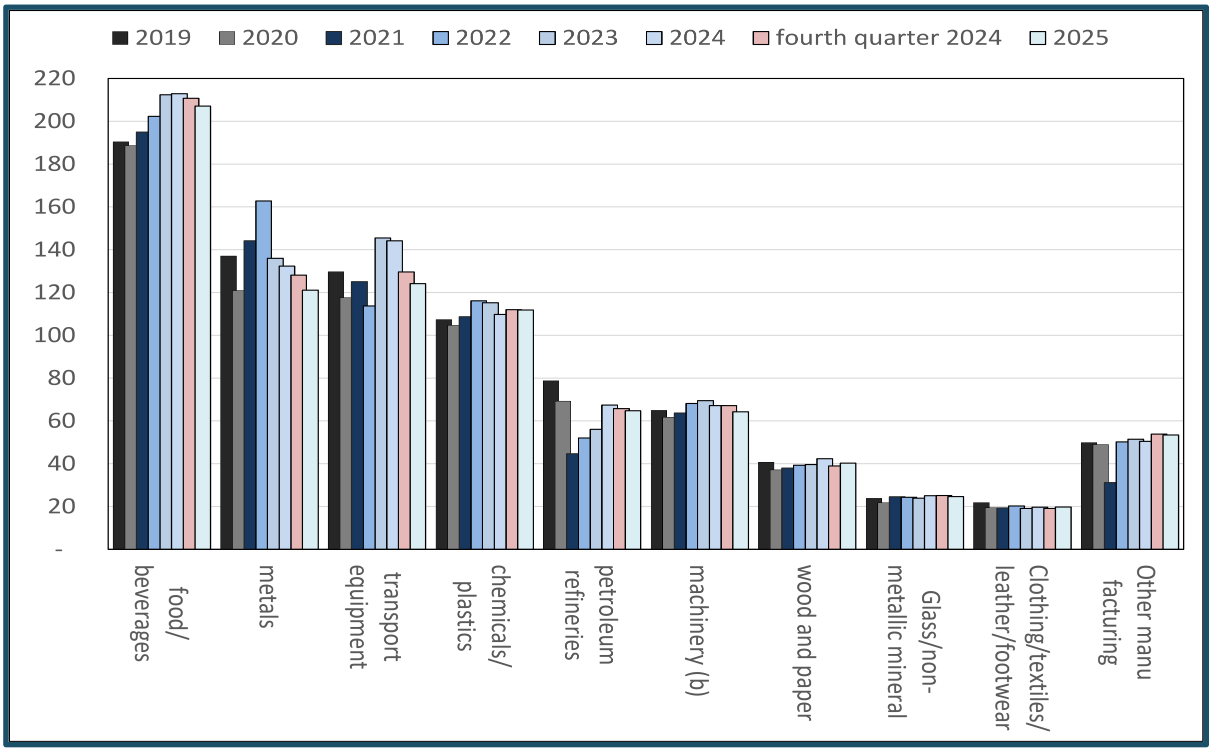
The weakness of the economy emerges graphically from sectoral growth rates outside of agriculture. Value added in mining dropped at an annual rate of 4% in the first quarter of 2025; manufacturing shrank by 2%; utilities and construction by 3%; and general government services by 0.2%. The only strong growth outside of agriculture was in logistics. Trade and business services both inched up by less than 0.5% in annualised terms. Only agriculture and public and private services have surpassed pre-pandemic levels. In the first quarter of 2025, value added in mining was 4% lower than in the first quarter of 2019. Manufacturing was down by 2%. (Graph 3)

**Graph 3. Value added by sector, first quarter 2015, 2019, 2023, 2024 and 2025, and fourth quarter 2024, in billions of constant (2025) rand (a)**




*Note: (a) Reflated with implicit deficits per sector. Source: Calculated from Statistics South Africa. GDP quarterly figures. GDP P0441 – 2025Q1. Excel spreadsheet.*

**Graph 4. First quarter sales by manufacturing industry from 2019 to 2025, and fourth quarter 2024, in billions of constant (2024) rand (a), seasonally adjusted**




*Note: (a) Reflated with CPI rebased to first quarter 2025. (b) Machinery includes electrical machinery. Source: Calculated from Statistics South Africa. Manufacturing: Production and Sales, December 2024. Accessed at www.statssa.gov.za in May 2025.*

The decline in manufacturing was spread over virtually every industry, according to sales figures. The only industries to show any sales growth in the past quarter were wood and paper; clothing and textiles; and downstream chemicals and plastics (Graph 4). Metal sales shrank by 6%, mostly due to falling prices and declining ferrochrome production. Auto and machinery sales each shrank 4%. Metals and transport equipment sales have dropped 10% in the past two years. Higher United States (US) tariffs on these products, initiated mostly at the end of the first quarter of 2025, are likely to hit them hard. Food processing sales dropped 3% in the year to the first quarter of 2025. The industry had largely driven manufacturing's recovery from the pandemic downturn in 2020, but its sales dropped steadily through 2024.