

# FreeFACTS

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## Economic growth figures not enough to escape malaise

**South Africa's economy continues to remain moribund. Economic growth is simply not high enough to sustainably make a dent in the numbers of people who are unemployed and the number of people who live in poverty.**

This edition of *FreeFACTS* shows the recent historical trend for economic growth and shows how stagnant this indicator has been over the past ten years.

The South African economy needs to grow at an average of at least 5% (if not more) to see a sustained decline in poverty. However, the last time the country's economy grew by more than 5% was in 2007, nearly two decades ago.

This was the third successive year in which the South African economy had grown by more than 5% and the results were clear – the number of people who employed was increasing, while the number of people living in poverty was on the decline. However, in 2008 the governing ANC 'recalled' President Thabo Mbeki, under whose administration South Africa had seen these relatively robust economic growth numbers. Under his successor, Jacob Zuma, the government abandoned Mbeki's relative orthodox economic policies. The consequences were predictable, with economic growth slowing.

On a per capita basis South Africans in 2021 were poorer than they had been in 2007.

This lack of economic growth has many, serious consequences. Companies do not grow as quickly, meaning they employ fewer people, with all the consequences higher rates of joblessness has. They also do not invest in assets or other projects, again with serious knock-on effects. In addition, fewer taxes are paid when an economy is not growing. This again has serious knock-on effects, as the government will not be able to invest in vital infrastructure, ranging from roads to schools and clinics. It also won't be able to pay for other important posts, such as police, nurses, and teachers.

An economy that does not grow has serious consequences for citizens. Unfortunately, the South African government seems to have little interest in igniting economic growth. This will have dire consequences for South Africans.

— **Marius Roodt**

## JOIN US

The IRR is an advocacy group that fights for your right to make decisions about your life, family and business, free from unnecessary government, political, and bureaucratic interference. FreeFACTS publishes evidence that communities are better off when individuals are free to make decisions about how they want to live, be educated, work, access healthcare, think, speak, own property, and protect their communities. If you agree with the issues we stand for, welcome to the team. There are millions of people just like you who are tired of South African politicians, activists, and commentators attempting to rein in your freedom to decide. Take control and make sure your voice is heard by becoming a friend of the IRR.

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## Economy

Major indicators, 1970-2021		
Year	Real GDP growth <sup>a,b</sup>	GDP per head <sup>b</sup> R
1970	5,2%	64 906
1971	4,3%	66 033
1972	1,7%	65 513
1973	4,6%	66 880
1974	6,1%	69 340
1975	1,7%	68 935
1976	2,2%	68 893
1977	-0,1%	67 206
1978	3,0%	67 570
1979	3,8%	68 530
1980	6,6%	71 428
1981	5,4%	73 509
1982	-0,4%	71 555
1983	-1,8%	68 649
1984	5,1%	70 547
1985	-1,2%	68 171
1986	0,0%	66 705
1987	2,1%	66 662
1988	4,2%	68 020
1989	2,4%	68 198
1990	-0,3%	66 572
1991	-1,0%	64 532
1992	-2,1%	61 848
1993	1,2%	61 314
1994	3,2%	61 965
1995	3,1%	62 560

Major indicators, 1970-2021		
Year	Real GDP growth <sup>a,b</sup>	GDP per head <sup>b</sup> R
1996	4,3%	63 894
1997	2,6%	64 193
1998	0,5%	63 171
1999	2,4%	63 350
2000	4,2%	64 696
2001	2,7%	64 984
2002	3,7%	65 118
2003	2,9%	66 121
2004	4,6%	68 391
2005	5,3%	71 186
2006	5,6%	74 292
2007	5,4%	77 299
2008	3,2%	78 709
2009	-1,5%	76 407
2010	3,0%	77 568
2011	3,2%	78 811
2012	2,4%	79 464
2013	2,5%	80 191
2014	1,4%	80 077
2015	1,3%	79 917
2016	0,7%	79 264
2017	1,2%	78 988
2018	1,5%	78 990
2019	0,3%	78 068
2020	-6,4%	72 142
2021	4,9%	74 907

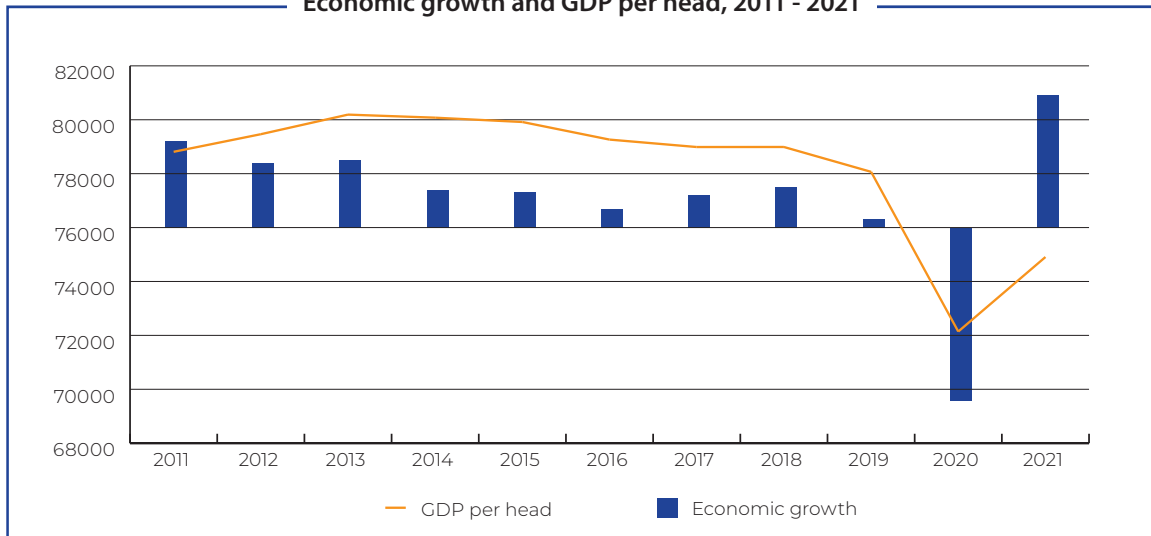
Source: South African Reserve Bank (SARB), [www.resbank.co.za](http://www.resbank.co.za), time series data, accessed 3 July 2022; Stats SA, *Consumer Price Index August 2022*, Statistical release P0141, 21 September 2022, p5

*a* GDP = Gross Domestic Product. At market prices.

*b* At constant 2015 prices.

# Economy

Economic growth and GDP per head, 2011 - 2021



	Economic growth	GDP per head
2011	3,2%	78 811
2012	2,4%	79 464
2013	2,5%	80 191
2014	1,4%	80 077
2015	1,3%	79 917
2016	0,7%	79 264
2017	1,2%	78 988
2018	1,5%	78 990
2019	0,3%	78 068
2020	-6,4%	72 142
2021	4,9%	74 907

## Economy

Gross domestic product (GDP)<sup>a</sup> and trends<sup>b</sup>, 2001-2021

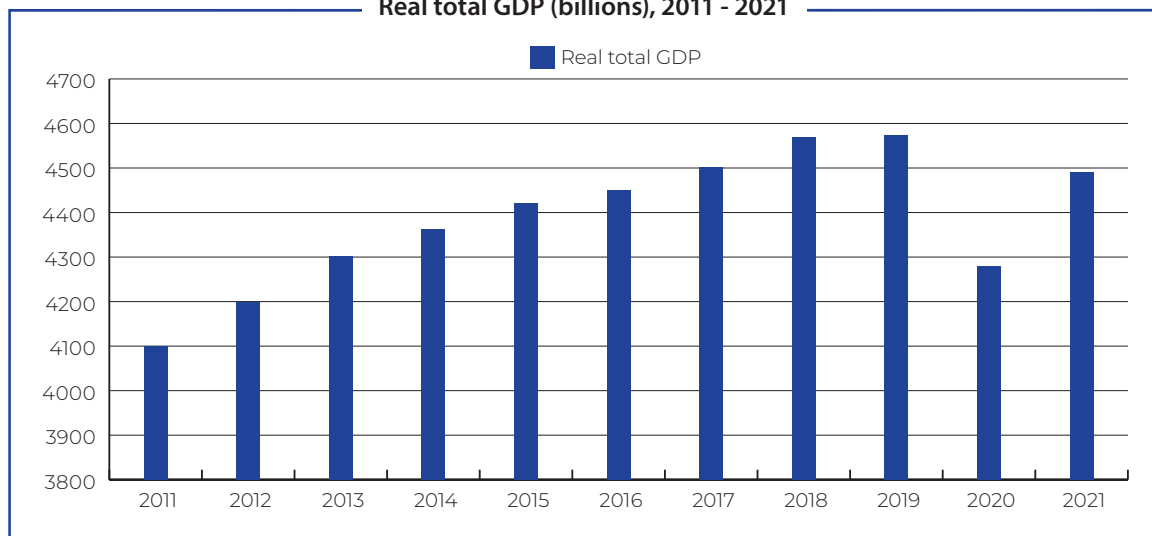
Year	Real total GDP Rbn	Year-on-year change
2001	2 903	2,7%
2002	3 010	3,7%
2003	3 099	2,9%
2004	3 240	4,6%
2005	3 411	5,3%
2006	3 603	5,6%
2007	3 796	5,4%
2008	3 917	3,2%
2009	3 857	-1,5%
2010	3 974	3,0%
2011	4 100	3,2%
2012	4 198	2,4%
2013	4 302	2,5%
2014	4 363	1,4%
2015	4 421	1,3%
2016	4 450	0,7%
2017	4 502	1,2%
2018	4 569	1,5%
2019	4 574	0,1%
2020	4 280	-6,4%
2021	4 490	4,9%

Source: SARB, time series data, [www.resbank.co.za](http://www.resbank.co.za), accessed 28 November 2022

<sup>a</sup> The gross domestic product (GDP) is the total value of all 'final' goods and services, that were produced within the borders of the country, during a year.

<sup>b</sup> At constant 2015 prices.

Real total GDP (billions), 2011 - 2021



## Economy

Key indicators and forecasts, 2019-25							
Real growth:	2019	2020	2021	2022	2023	2024	2025
	—Actual—			Estimate	—Forecast—		
Final household consumption	1,2%	-5,9%	5,6%	2,9%	1,6%	1,7%	1,8%
Final government consumption	2,1%	0,8%	0,6%	0,8%	-1,8%	-1,0%	0,2%
Exports of goods and services	-3,4%	-11,9%	10,0%	7,4%	1,9%	2,8%	2,9%
Imports of goods and services	0,4%	-17,4%	9,5%	13,8%	1,0%	2,3%	2,9%
Real GDP growth	0,3%	-6,3%	4,9%	1,9%	1,4%	1,7%	1,8%
GDP at current prices (Rbn)	5 614	5 557	6 192	6 572	6 956	7 406	7 884
Headline inflation (CPI)	4,1%	3,3%	4,5%	6,7%	5,1%	4,6%	4,6%
Current account balance (as a proportion of GDP)	-2,6%	2,0%	3,7%	0,2%	-0,9%	-1,1%	-1,2%

Source: National Treasury, *Medium Term Budget Policy Statement (MTBPS) 2022*, 26 October 2022, Table 2.2, p16

Relative size of formal and non-observed economies <sup>a</sup> , 2013-19							
Sector	2013	2014	2015	2016	2017	2018	2019
Formal	92,1%	92,1%	92,0%	91,9%	92,0%	91,9%	91,8%
Informal	4,9%	5,0%	5,0%	5,1%	5,1%	5,2%	5,2%
Own final use	2,4%	2,4%	2,5%	2,4%	2,5%	2,5%	2,5%
Other non-observed	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

Source: Stats SA, email communication 31 October 2022

<sup>a</sup> The production boundary (the range of goods and services included in the estimates of value added) divided according to the formal and non-observed economies. The non-observed economy is the extent of the economic activity missing from statistical data collections and from administrative sources.

Provincial GDP and GDP growth trends, 1995-2019									
Province	GDP 2019 Rbn <sup>a</sup>	—Provincial GDP contribution to the economy of South Africa—				Real growth rate <sup>b</sup>			
		1995	2005	2015	2019	1996	2005	2015	2019
Eastern Cape	236,2	8,2%	7,7%	7,8%	7,6%	3,5%	5,0%	0,8%	0,0%
Free State	161,1	5,6%	5,2%	5,0%	5,0%	4,6%	4,2%	-0,3%	-0,4%
Gauteng	1 104,7	34,2%	34,4%	34,1%	34,5%	2,6%	5,5%	1,2%	0,6%
KwaZulu-Natal	504,9	16,7%	16,5%	16,1%	15,9%	5,6%	5,7%	0,9%	0,1%
Limpopo	225,4	5,6%	6,6%	7,1%	7,4%	0,8%	4,0%	1,8%	-0,2%
Mpumalanga	226,7	6,8%	6,6%	7,5%	7,5%	6,2%	4,4%	-0,2%	-0,4%
North West	184,3	6,2%	6,5%	6,5%	6,5%	5,2%	4,5%	4,4%	-0,5%
Northern Cape	68,4	2,3%	2,1%	2,1%	2,0%	2,9%	3,3%	1,1%	-0,6%
Western Cape	437,5	14,4%	14,5%	13,6%	13,6%	3,6%	6,0%	1,4%	0,4%
<b>South Africa</b>	<b>3 149,3</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>4,3%</b>	<b>5,3%</b>	<b>1,2%</b>	<b>0,2%</b>

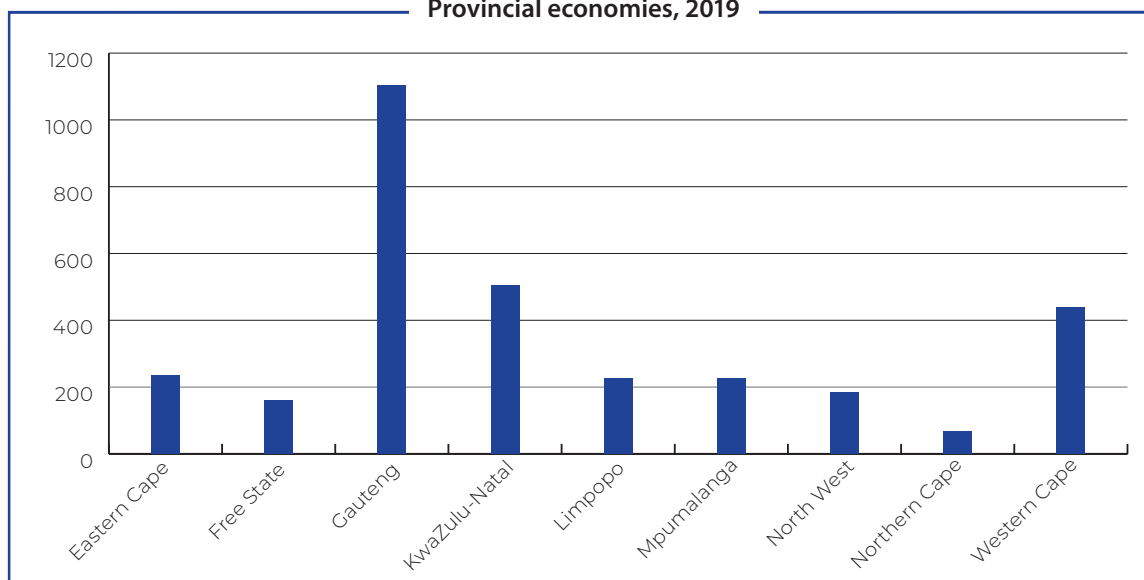
Source: Stats SA, [www.statssa.gov.za](http://www.statssa.gov.za), *GDP annual and regional tables 2019*, accessed 20 April 2021

<sup>a</sup> At constant 2010 prices.

<sup>b</sup> The percentage change from the previous year.

## Economy

Provincial economies, 2019



GDP per head by province, 1996-2019

Province	—GDP per head R <sup>a</sup> —						Change in GDP per head 2018-19
	1996	2001	2008	2017	2018	2019	
Eastern Cape	23 762	25 637	31 634	36 126	35 140	35 195	0,2%
Free State	44 372	42 465	53 257	56 536	55 777	55 783	0,0%
Gauteng	73 341	70 073	81 521	76 072	74 378	72 791	-2,1%
KwaZulu-Natal	32 910	33 004	42 337	45 227	44 843	44 725	-0,3%
Limpopo	28 771	31 797	37 922	38 869	39 144	37 679	-3,7%
Mpumalanga	46 897	47 964	51 964	58 243	50 143	49 375	-1,5%
North West	52 549	48 924	53 817	41 444	46 666	45 775	-1,9%
Northern Cape	45 378	50 313	53 712	56 433	54 645	54 152	-0,9%
Western Cape	57 748	57 921	67 286	66 427	64 587	63 922	-1,0%
<b>South Africa</b>	<b>44 193</b>	<b>45 075</b>	<b>54 322</b>	<b>55 930</b>	<b>55 595</b>	<b>54 906</b>	<b>-1,2%</b>

Source: Stats SA, www.statssa.gov.za, GDP annual and regional tables 2019, accessed 20 April 2021; IRR calculations  
<sup>a</sup> At constant 2010 prices.

# Economy

