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# Beyond GDP in South Africa: towards a real-time barometer of economic activity

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**This note is a summary of a recent UNU-Wider working paper, available** here**.**[2]

Gross domestic product (GDP), as a measure of market value added, compresses a complicated economy into a single, comparable number. This is why GDP became the anchor of modern economic management. It gives treasuries a common language for budgets, central banks a yardstick for the business cycle, and investors a headline indicator that can be tracked from one quarter to the next.

In South Africa, where "what is really happening in the economy" is often contested terrain, the authority of GDP is hard to escape. There is good reason for this. The national accounts were designed to be pragmatic: they measure market production using prices and transactions that can be observed and compared across time and countries. The point was to build a coherent system in which production, income and expenditure can be reconciled, so that policy is anchored in something tangible. This remains indispensable for public and private planning – and for policy making.

## WHY THE ANCHOR IS SLIPPING

**Yet in recent years, the authority of GDP has been undermined by two developments.** The first is conceptual. GDP does not fully capture well-being: it does not measure unpaid household production, ignores distribution, and does not subtract environmental depletion, an increasingly important consideration given climate change. These gaps are enough to justify a wider view of progress alongside GDP.

**The second problem is practical.** Measurement itself is getting harder. Services and intangible assets are difficult to observe and price in real time. Digital platforms generate large consumer benefits at a monetary price of zero. Global value chains complicate the location of where value is recorded. In middle-income settings, including South Africa,

[1] We would like to acknowledge Simóne Shirley for valuable technical assistance.

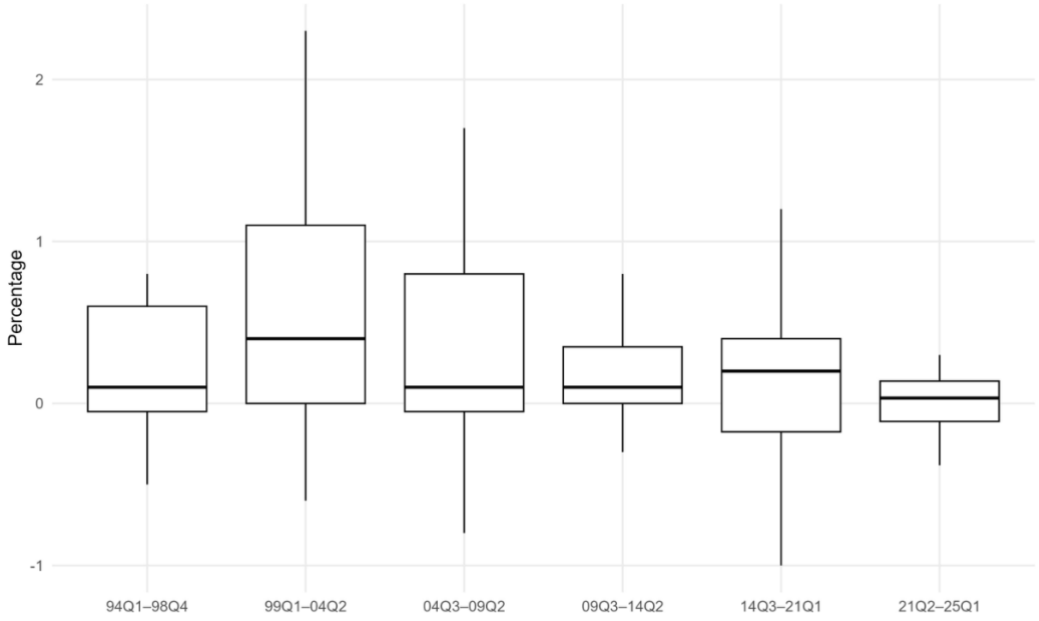
[2] Fourie, H., Fourie, J. (2026) Beyond GDP: the case of real-time barometer of economic activity in South Africa. WIDER Working Paper 2026/1. Helsinki: UNU-WIDER. https://doi.org/10.35188/UNU-WIDER/2026/676-6

these challenges are amplified by informality and by the capacity constraints of statistical agencies, which are expected to deliver faster and more detailed statistics under tight budgets.

**South Africa's recent experience confirms that these measurement challenges are real.** Confidence in core statistics has been dented by the widely discussed problems with the 2022 population census. This matters because census data underpins per-capita estimates and benchmark survey systems. At the same time, the economy has been hit by repeated shocks that would test most measurement systems, from the pandemic to extraordinary load-shedding and infrastructure failures. When published GDP moves in ways that seem disconnected from visible constraints, confidence in the country's national accounts is eroded even if they are technically defensible.

**Revisions provide one window into where the accounts are robust and where they are brittle.** GDP is released near-time, because policymakers need a prompt signal, and then revised as more complete information arrives. Using the public archive of Statistics South Africa, we compare the first estimate for each quarter with the latest available estimate at the same constant price. We find that, at the headline level, revisions on average are typically modest. In addition, revisions since 2010 seem to have been smaller than those prior to 2010. Figure 1 summarises the distribution of these differentials over time.

**Figure 1: GDP differentials over time (first estimate versus latest estimate)**



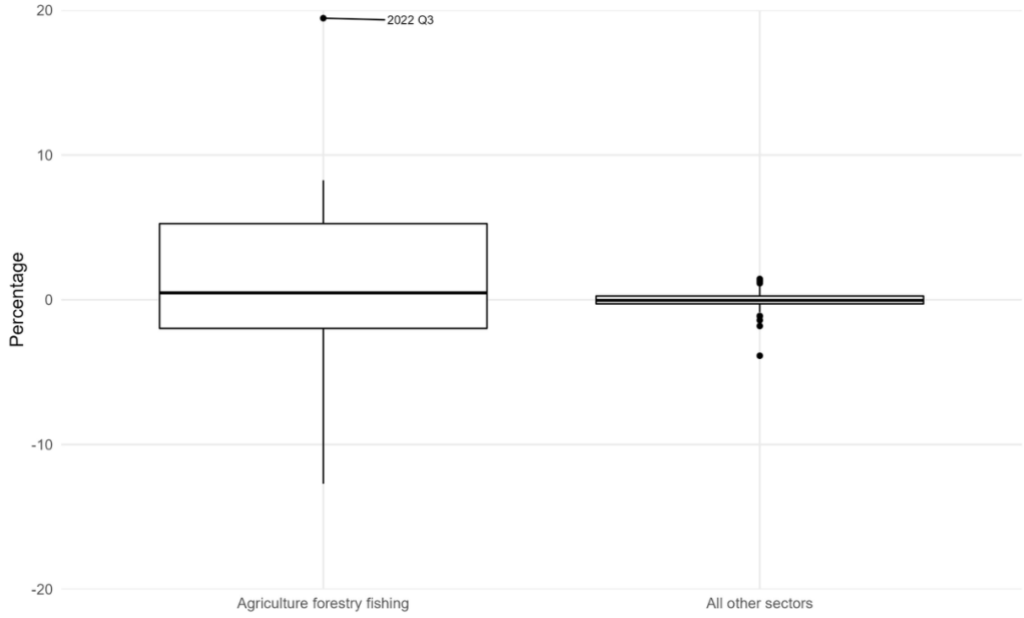

*Source: Authors' calculations based on Statistics South Africa (2025). Reproduced from the working paper (Figure 1, p. 12).*

Statistics South Africa's own revision analysis for recent years shows that the average revision to quarter-on-quarter GDP growth has been small, which is reassuring at first glance. Dig deeper, however, and the pronounced reduction in the variation of revisions could also be a sign of trouble. The last decade included events such as lockdowns, severe load-shedding, floods and unrest, which were large and nonlinear. A system that continues to produce stable first estimates through such disruptions may have improved its early estimation methods, but it may also be relying on a thinner set of late-arriving

benchmarks. If the channels through which corrections normally arrive weaken (annual surveys are delayed, administrative feeds are restricted, or population benchmarks are contested), “stability” can mask a gradual loss of information and a reduced ability to correct early estimates. That ambiguity is exactly why a complementary real-time barometer, as proposed below, is useful.

**This revision risk is also not evenly spread across the economy.** Agriculture accounts for a small share of GDP, yet it is unusually volatile and prone to large revisions. Figure 2 contrasts agriculture with all other sectors in recent years, and the gap is stark. The reason is not mysterious. Agricultural value added must be assembled from many outputs and inputs, and inflation-adjusted growth depends on deflators that are difficult to construct at a quarterly frequency and with consistent coverage. When prices and quantities arrive late, early estimates can swing sharply and then be corrected.

**Figure 2: Agriculture versus all other sectors: distribution of revisions, 2021Q2–2025Q1**




*Source: Authors’ calculations based on Statistics South Africa (2025). Reproduced from the working paper (Figure 3, p. 15).*

The above also has relevance for Statistics South Africa’s periodic rebasing of GDP. The last rebasing exercise, which updated the base year to 2015 and resulted in an 11% upward revision in the estimated size of South Africa’s economy, took place in 2021. The next rebasing exercise is scheduled for later this year.

## FROM CRITIQUE TO CONSTRUCTION: A REAL-TIME BAROMETER

If the only issue were that GDP is not a complete measure of well-being, the obvious response would be to publish a richer set of welfare and sustainability indicators alongside GDP. That solution remains important, but it does not solve the operational problem that policy is made continuously while GDP is reported quarterly and, in some sectors, with wide error bands.

**What South Africa lacks is a credible way to take the pulse of economic activity between existing, routine data releases, built from indicators that arrive faster, offer finer geographic detail, and have different error structures from the official accounts.**

The core proposal is, therefore, simple. **Keep GDP as the audited historical record, but complement it with a real-time barometer of economic activity**: a composite index updated weekly or monthly, calibrated against subsequent GDP releases, and explicit about uncertainty. This is not a rival "true GDP" measure, and it is not a nowcast that mimics GDP before the official release. Instead, it provides an independent cross-check of parts of GDP that are particularly revision prone.

**Building such a barometer is less about finding a magical dataset than about assembling a portfolio of signals and combining them transparently.** We propose three design principles. First, triangulation: each indicator is biased in its own way, but indicators that fail in different ways can be combined into something more reliable. Second, sectoral mapping: the barometer must be decomposable so users can see whether the weakness is concentrated in households, production, logistics, or agriculture. Third, deflation discipline: where real growth is sensitive to price indices, the barometer should strengthen price measurement and flag discrepancies early.

**A minimum viable South African barometer can start with inputs that are already feasible.** Electricity generation contains unusually rich information about short-run production constraints, and it is largely public. Aggregated electronic transactions (card and transfer volumes, ideally sourced from multiple providers) can capture spending shifts at short lags and are often split by merchant type and geography. Mobility and transport indicators can add context about commuting and logistics, while satellites can provide independent checks on spatial patterns and agricultural conditions.

Agriculture is one area where new tools could quickly add credibility. A practical agricultural module should start with quantities rather than nominal values. Satellite-based vegetation indices can track crop conditions and help infer yields. Combined with rainfall and temperature anomalies, planting-area maps and crop calendars, they can provide early signals about harvest outcomes. Administrative and industry feeds can complement this, including abattoir throughput and export inspection volumes.

Prices deserve equal attention. Web-scraped prices and retailer scanner data will not fully cover informal markets or services, but they can still generate high-frequency, granular measures for key goods and inputs. Used as diagnostics, they can warn when official deflators are likely to misstate real activity in a sector.

**Combining these inputs requires a model that learns from historical data and produces an estimate of current activity between releases.** Credibility depends on publishing the input series, the transformation rules, and a clear revision policy for the barometer itself. Given South Africa's frequent shocks, an ensemble approach is prudent, one that combines several model classes and reports uncertainty bands, rather than claims false precision from a single specification.

## GOVERNANCE IS THE HARD PART

**The binding constraint is governance.** Many of the most informative datasets are held by private firms and are commercially sensitive. The public, meanwhile, has legitimate concerns about privacy and surveillance. A workable solution, therefore, requires a trusted intermediary with a clear public mandate, strong technical capacity, and transparent rules. Statistics South Africa is the natural custodian, ideally in partnership with the Reserve Bank, National Treasury and universities that can provide methodological support and independent scrutiny.

One institutional model is a secure data trust. Participating firms provide aggregated, anonymised series under strict purpose limitation (statistical use only), with publication rules that prevent the disclosure of commercially sensitive information. The incentives must also be explicit: contributors need assurance that data sharing reduces duplicative reporting burdens and improves the information environment in which they operate.

**Implementation should be phased.** A first phase could build and publish an experimental barometer using public and readily shareable series such as electricity, selected transactions, mobility and satellite indicators, with full documentation and uncertainty bands. A second phase could deepen sectoral coverage, especially for agriculture and construction, and strengthen the price module. A third phase could institutionalise the barometer as a routine statistical product, with stable metadata standards and an evaluation programme that benchmarks performance against subsequent GDP vintages.

**GDP will remain indispensable. Yet in a country facing repeated disruptions, strained statistical capacity and a contested public sphere, a transparent real-time barometer would reduce informational delay and rebuild trust by making uncertainty visible rather than implicit, offering policymakers and businesses a clearer basis for decisions as conditions evolve. The point is not to abandon GDP, but to move beyond GDP by building a measurement architecture around it.**

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