

## Contents

- Highlights
- Core indicators
- GDP growth
- Business environment
- Household consumption
- International trade
- Financial markets
- Money and prices
- Labour
- Government

*Note: Shaded area in graphs denotes the downward phase of the business cycle.*

Compiled by Nicolaas vd Wath  
Email: [wnwath@sun.ac.za](mailto:wnwath@sun.ac.za)  
Phone: 021 808 9779

## Highlights

### MINING AND MANUFACTURING CONTRACT IN DECEMBER

During December, **manufacturing** production fell by 2.4% on a seasonally adjusted (sa) basis. During the fourth quarter, production declined by 0.8% (sa), with six of the ten subsectors contracting. The largest negative contributions were reported for the metal and machinery division, followed by the motor vehicles and other transport equipment division. Meanwhile, **mining** output declined by 3.9% during December 2024, contributing to a contraction of 0.3% during the fourth quarter. Among the various minerals, the largest declines were registered for manganese and iron ore. PGMs and coal production both expanded during the quarter.

### JOB COUNT IMPROVES IN THE FOURTH QUARTER

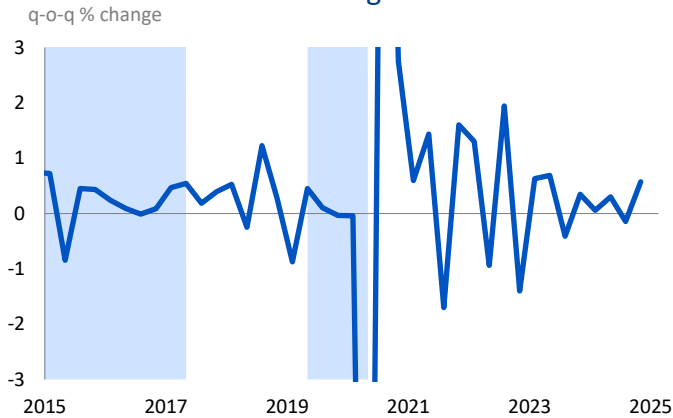
The official unemployment rate declined by 0.2% pts to 31.9% from the third to the fourth quarter of 2024. Total employment rose by 132 000 jobs, with most of these in the formal sector (90 000). Among the key industries, finance saw the largest jump in employment (+232 000), followed by manufacturing (+41 000). Conversely, community and social services recorded the largest number of job losses (-63 000). The second consecutive quarter of improvement in the unemployment rate is a welcome indication of slightly better labour market conditions during the second half of 2024. However, the expanded unemployment rate (which includes discouraged workers) remained steady at 41.6%. Additionally, the number of discouraged job seekers rose further in the fourth quarter, continuing a concerning trend since the pandemic.

### GDP EXPANDS IN THE FOURTH QUARTER ON AGRICULTURE

Gross domestic product expanded by 0.6% (sa) during the fourth quarter of 2024. On the production side, most of this growth was due to a significant recovery of 17.2% (sa) in the agricultural sector, following on a severe contraction during the third quarter (-19.7%). Besides agriculture, the trade and accommodation sector expanded by 1.4% and the business services sector by 1.1%. The other seven key sectors all contracted during the fourth quarter, of which the electricity and water sector contracted the most at -1.4%. The contraction in the manufacturing sector was mostly due to lower output in metals and machinery production. The contraction in government services was due to lower employment at both the national and provincial government level. From the demand side, growth was mostly due to higher household consumption expenditure, while government spending and fixed investment both subtracted from total GDP growth. An expansion in exports was neutralised by a similar increase in imports.

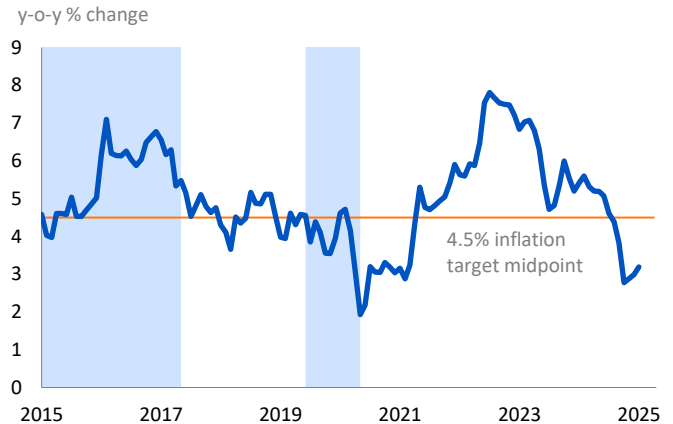
# Core indicators

## Real GDP growth



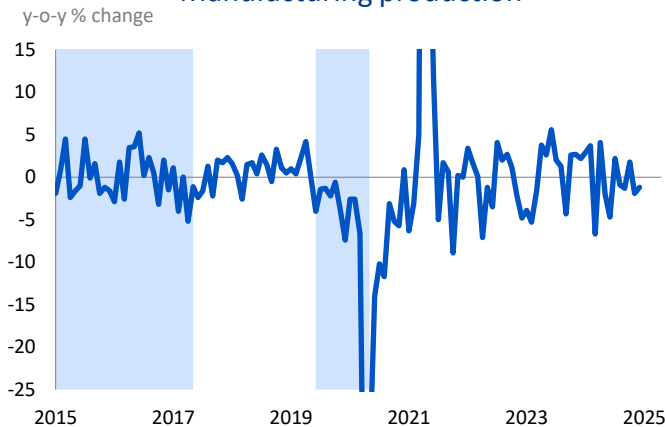
Source: Stats SA

## CPI inflation



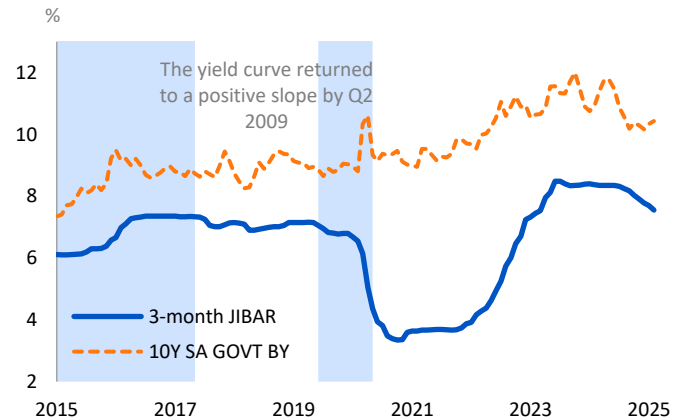
Source: Stats SA

## Manufacturing production



Source: Stats SA

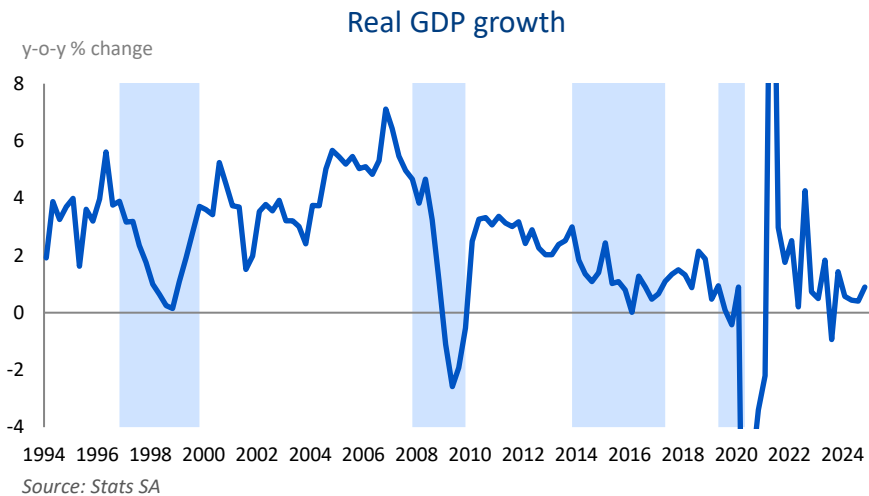
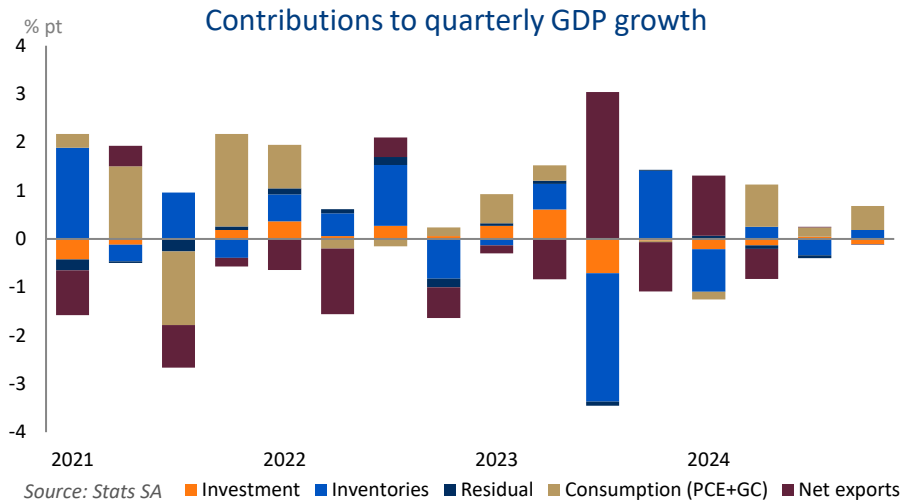
## Interest rates



Source: DataStream

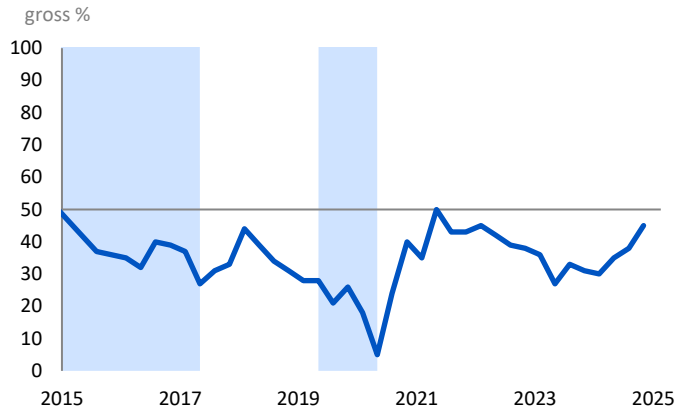
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# GDP growth



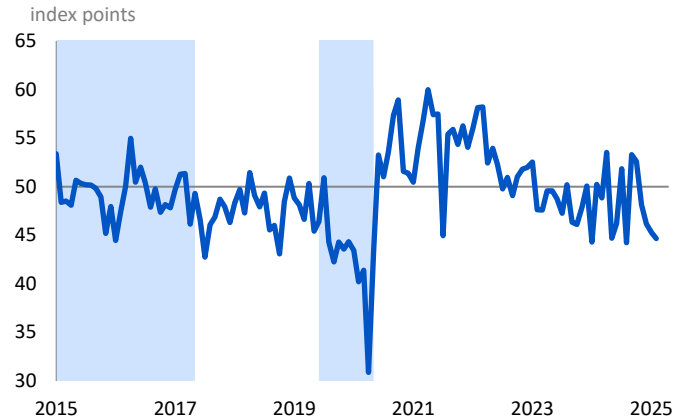
# Business environment

## RMB/BER Business Confidence Index



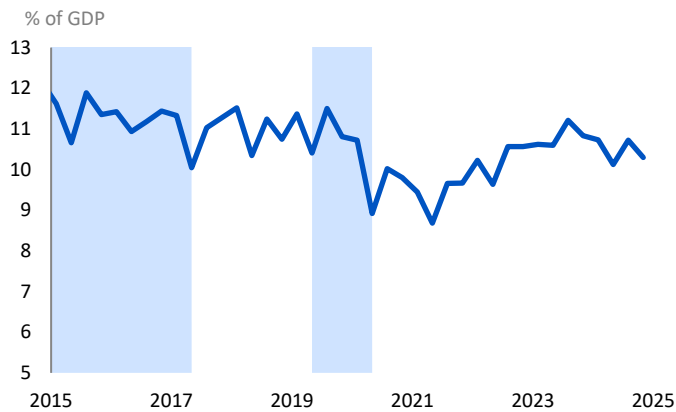
Source: BER

## Absa Purchasing Managers' Index



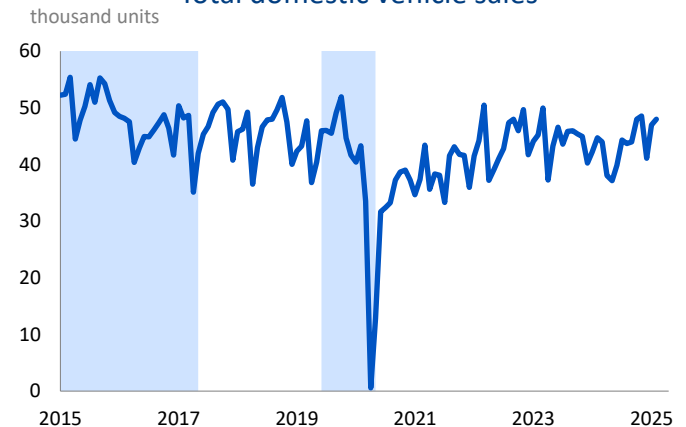
Source: BER

## Private fixed investment



Source: SARB, Stats SA

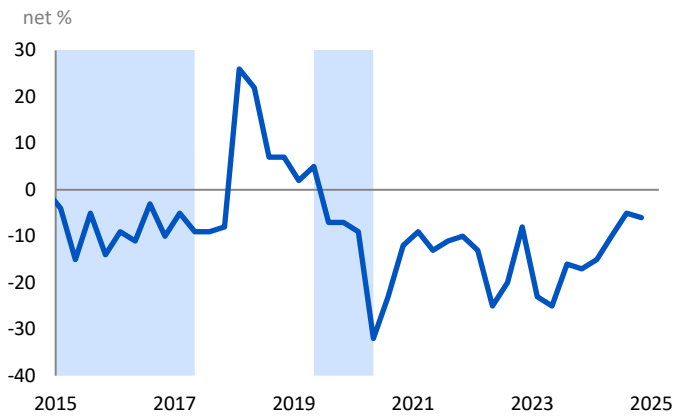
## Total domestic vehicle sales



Source: Naamsa

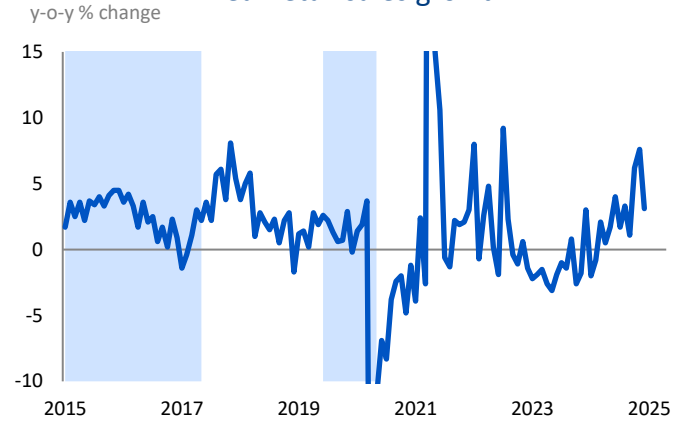
# Household consumption

## FNB/BER Consumer Confidence Index



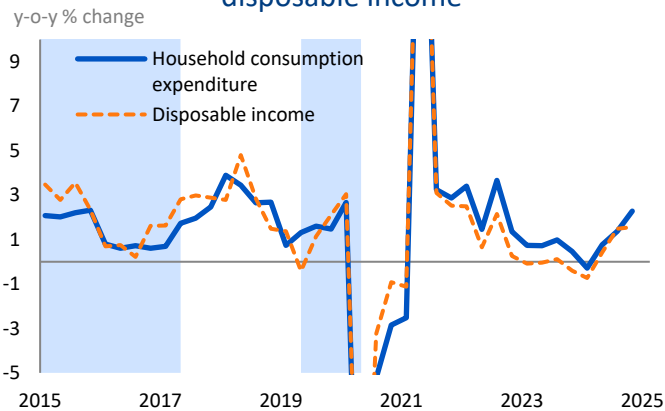
Source: BER

## Real retail sales growth



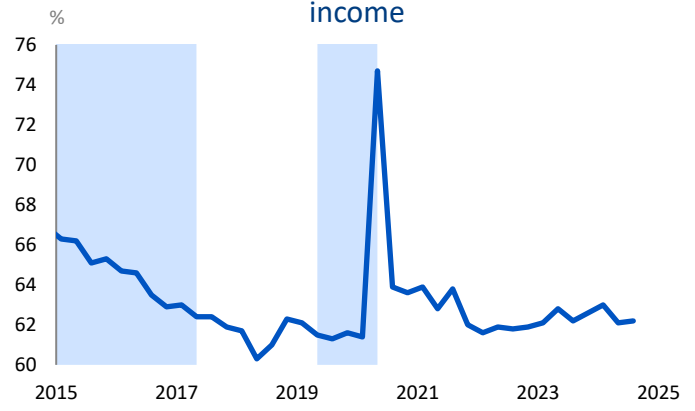
Source: Stats SA

## Household consumption and real disposable income



Source: SARB, Stats SA

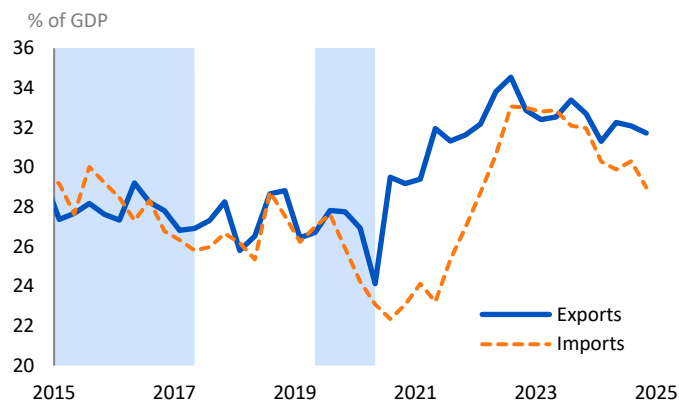
## Ratio of household debt to disposable income



Source: SARB

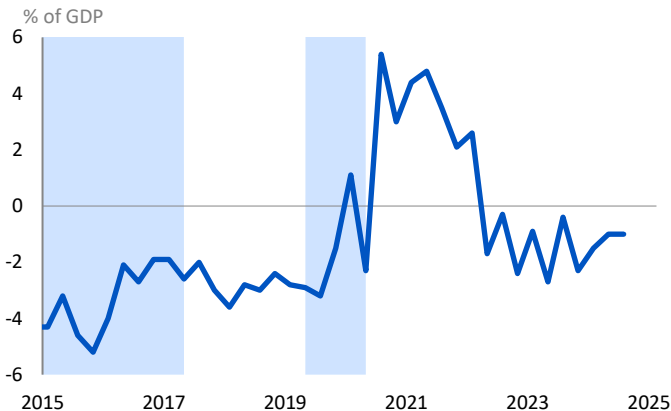
# International trade

## Imports and exports



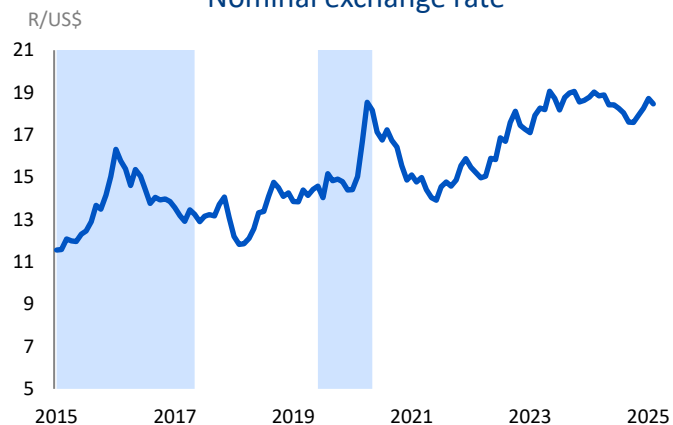
Source: SARB

## Current account balance



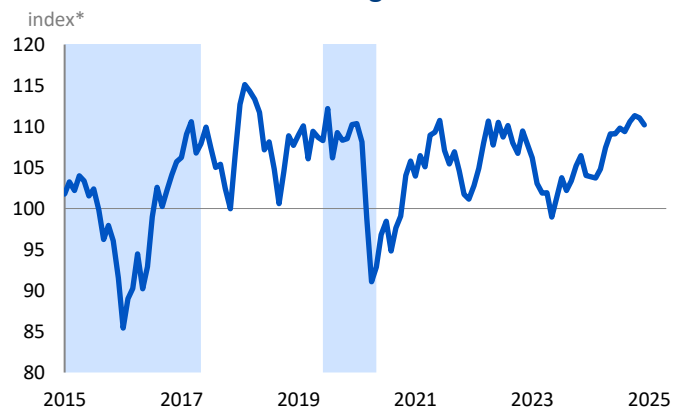
Source: SARB

## Nominal exchange rate



Source: DataStream

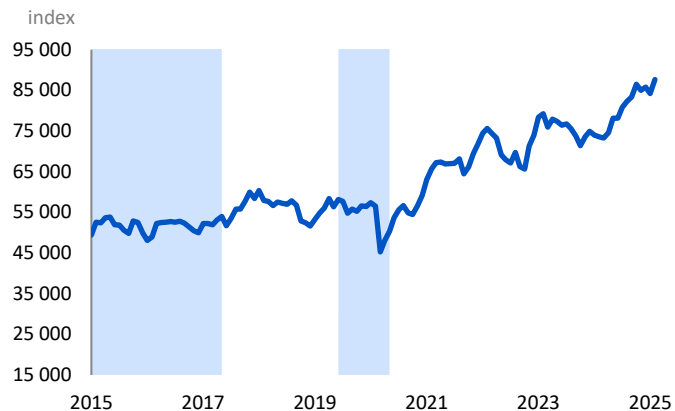
## Real effective exchange rate of the Rand



Source: SARB \*higher values denote a stronger rand

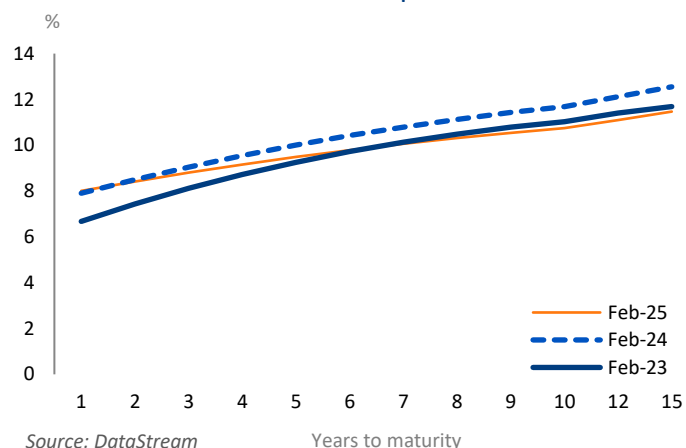
# Financial markets

## JSE all share index



Source: DataStream

## Yield curve comparisons



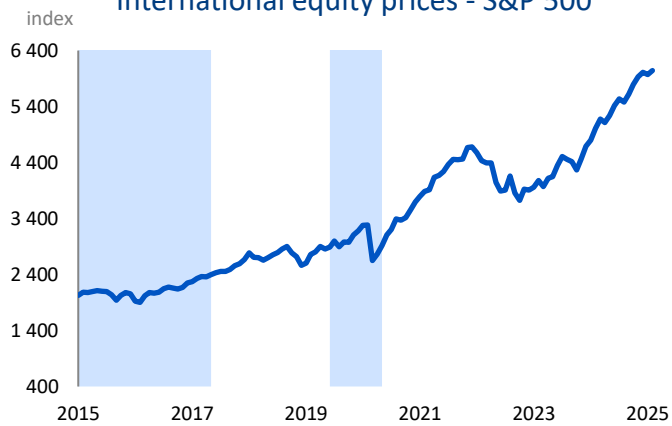
Source: DataStream

## Economist all commodities index



Source: Economist

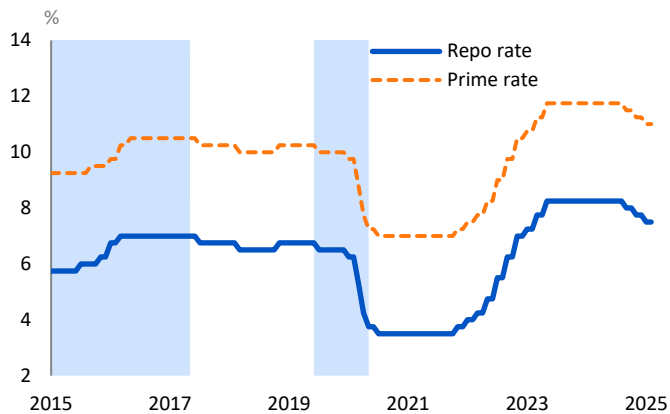
## International equity prices - S&P 500



Source: DataStream

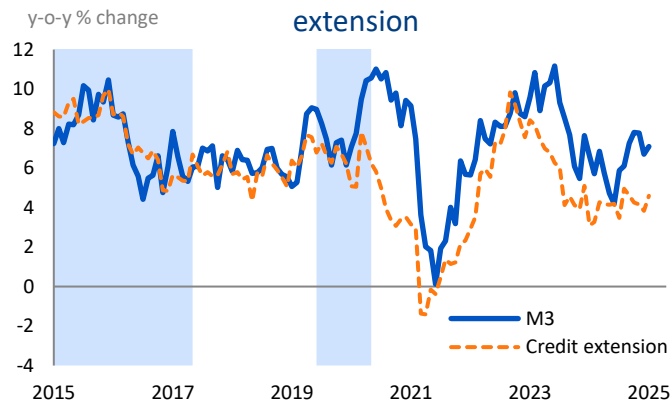
# Money and prices

## Repo and prime interest rate



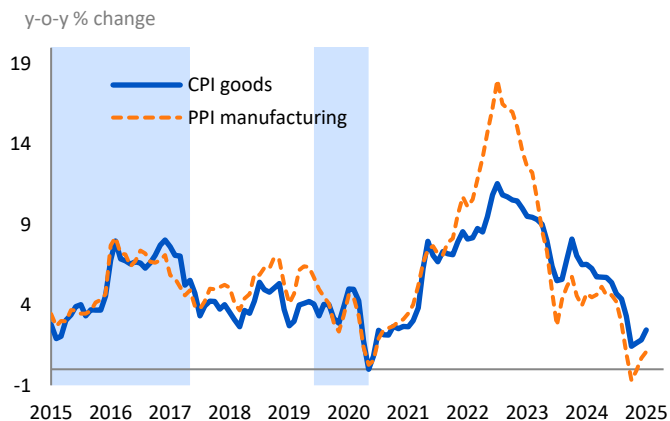
Source: SARB

## M3 monetary aggregates and credit extension



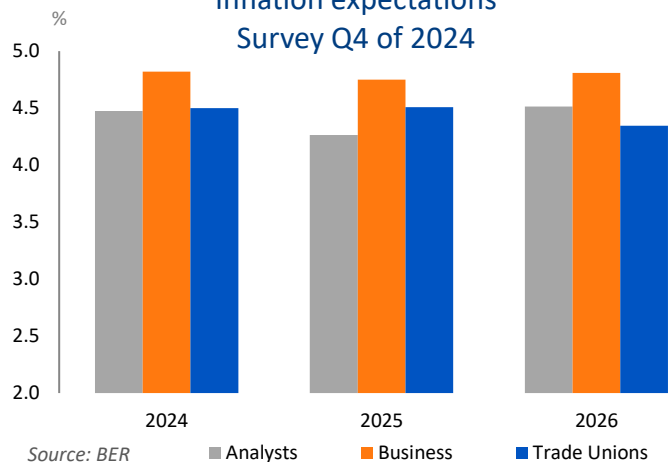
Source: SARB

## Consumer and producer prices



Source: Stats SA

## Inflation expectations Survey Q4 of 2024



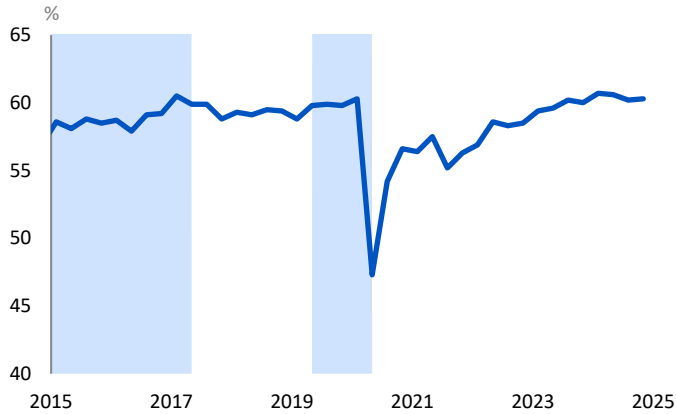
Source: BER

■ Analysts ■ Business ■ Trade Unions

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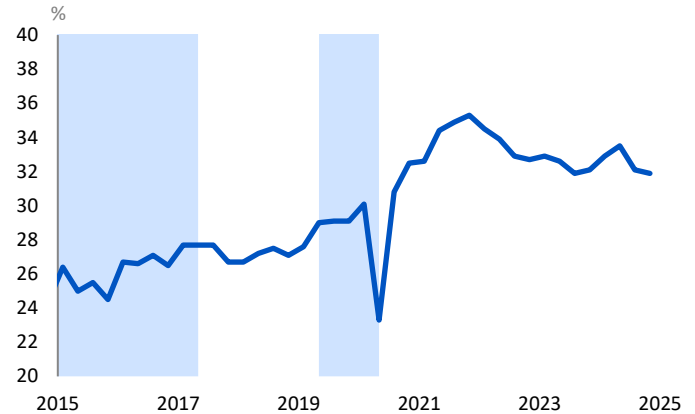
# Labour

### Labour force participation



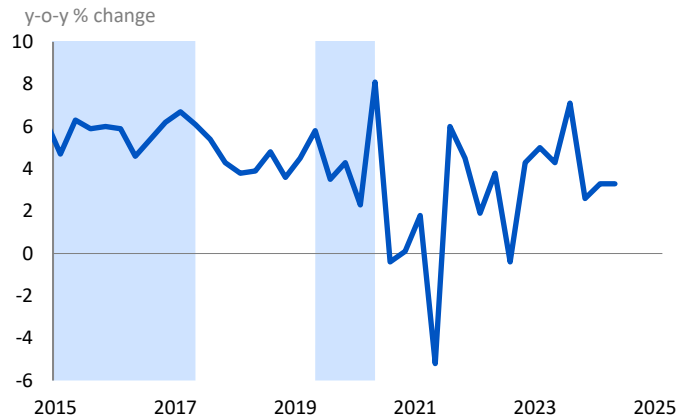
Source: Stats SA

### Unemployment rate



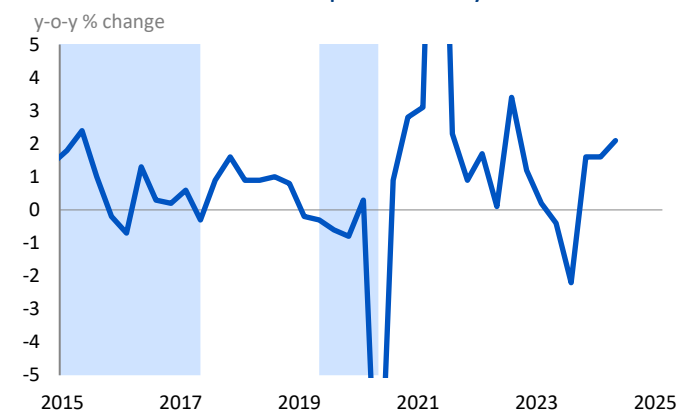
Source: Stats SA

### Unit labour cost



Source: SARB

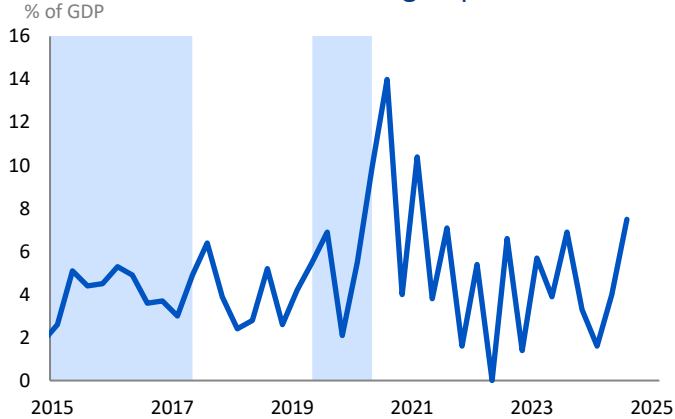
### Labour productivity



Source: SARB

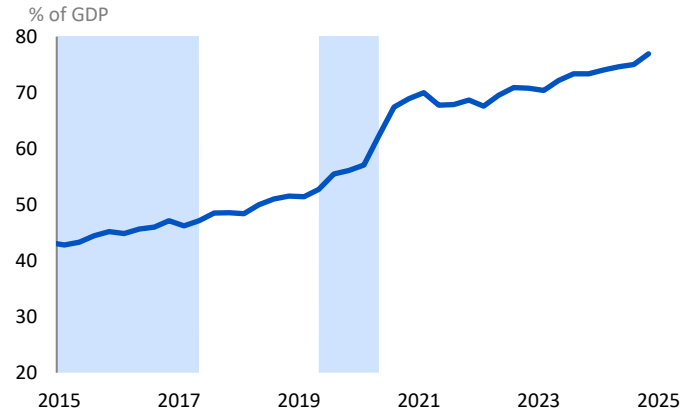
# Government

### Public sector borrowing requirement



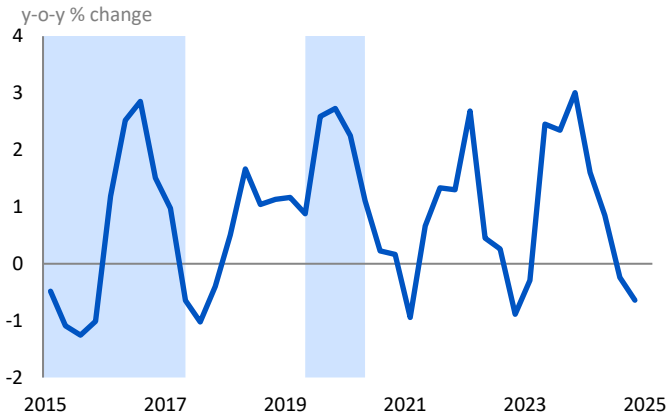
Source: SARB

### Gross government debt



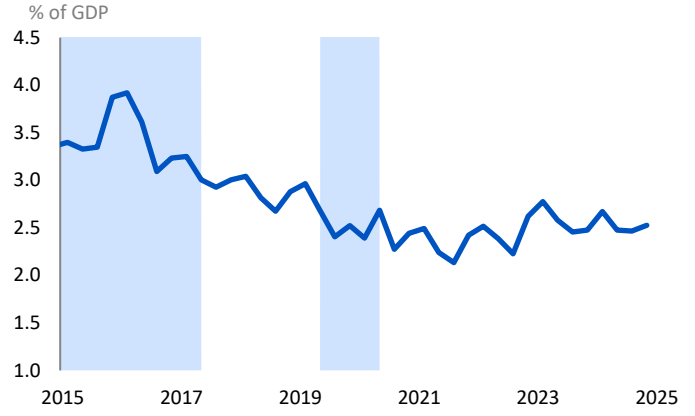
Source: SARB

### Real government consumption



Source: SARB, Stats SA

### Government fixed investment



Source: SARB, Stats SA

## CONTACT US

Nicolaas vd Wath

**Tel:** +27 (21) 808 9779

**Email:** [wnwath@sun.ac.za](mailto:wnwath@sun.ac.za)

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