

GDP growth

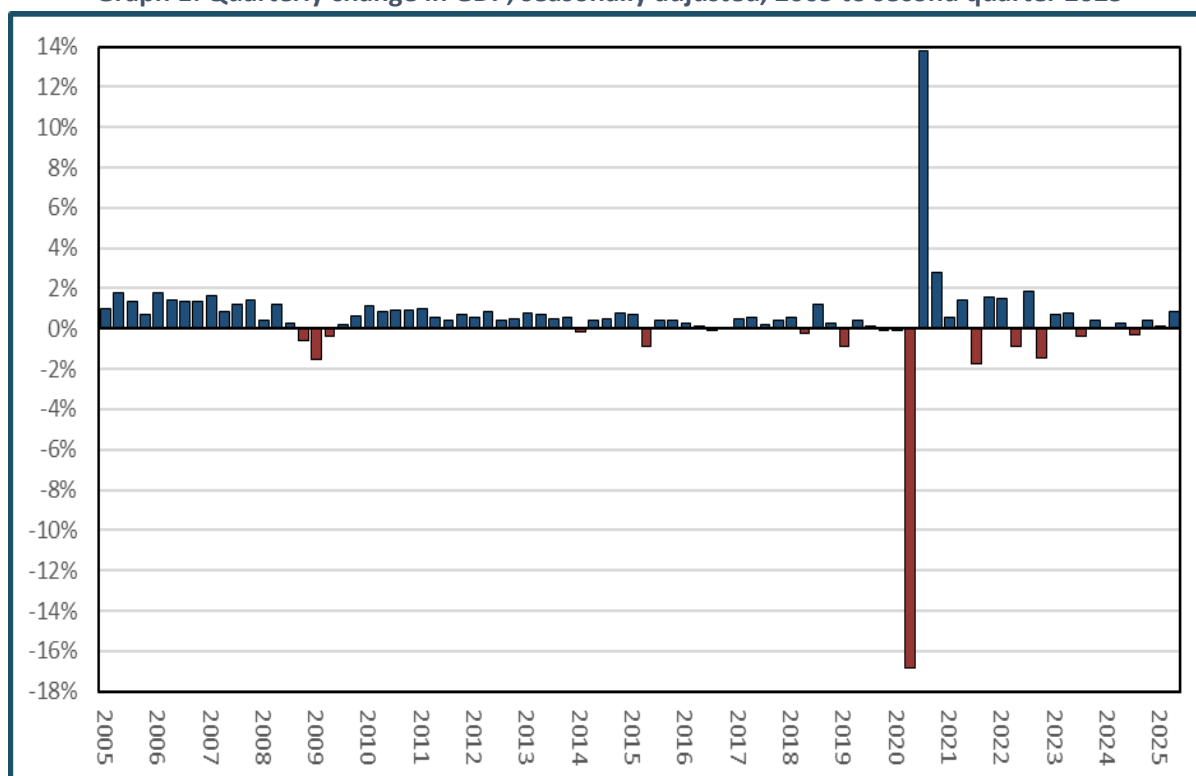
The GDP climbed 0.8% in the second quarter of 2025, mostly due to a recovery in mining, manufacturing and retail. It was the strongest quarterly GDP growth since 2022. Still, value added in mining and manufacturing was well below their pre-pandemic levels in 2019.

The GDP expanded 0.8% from the first to the second quarter of 2025. That was the fastest quarterly growth rate since the third quarter of 2022. Slow growth in the previous quarters, however, meant that the economy was only 1.1% larger than a year earlier. (Graph 1) For the third year in a row, GDP growth was slower than population growth.

The rebound in the second quarter of 2025 was driven by goods production. Mining value added jumped by 3.7% for the quarter, recovering to the same level as a year earlier. Manufacturing grew by 1.8%, which left it down 1.2% on a year earlier. Construction was flat, which means its contribution to the GDP was 2.9% lower than in the second quarter of 2024. (Graph 2)

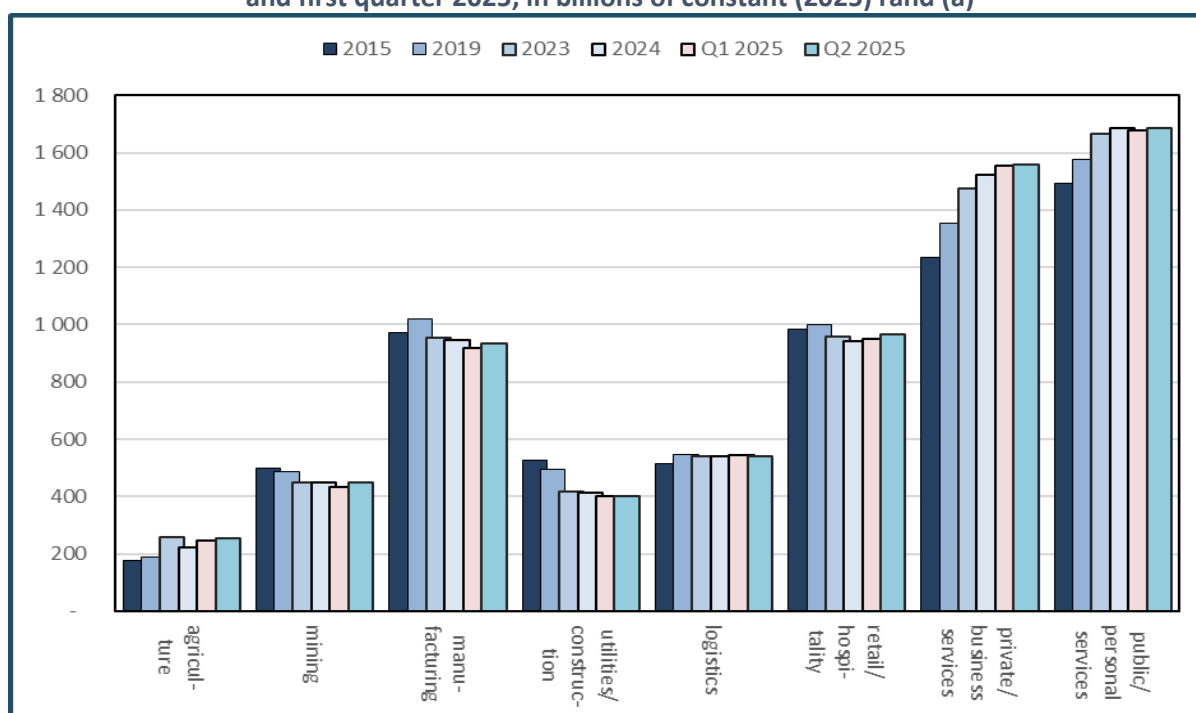
In expenditure terms, growth in the second quarter of 2025 resulted from a jump in household and government consumption, which offset the on-going fall in investment. Government consumption climbed for the first quarter in a year, but was still 1.3% below the second quarter of 2024. Investment was 3% lower.

Graph 1: Quarterly change in GDP, seasonally adjusted, 2005 to second quarter 2025



Source: Calculated from Statistics South Africa. GDP quarterly figures, seasonally adjusted.
GDP P0441 – 2025Q2. Excel spreadsheet.

Graph 2: Value added by sector, second quarter 2015, 2019, 2023, 2024 and 2025, and first quarter 2025, in billions of constant (2025) rand (a)

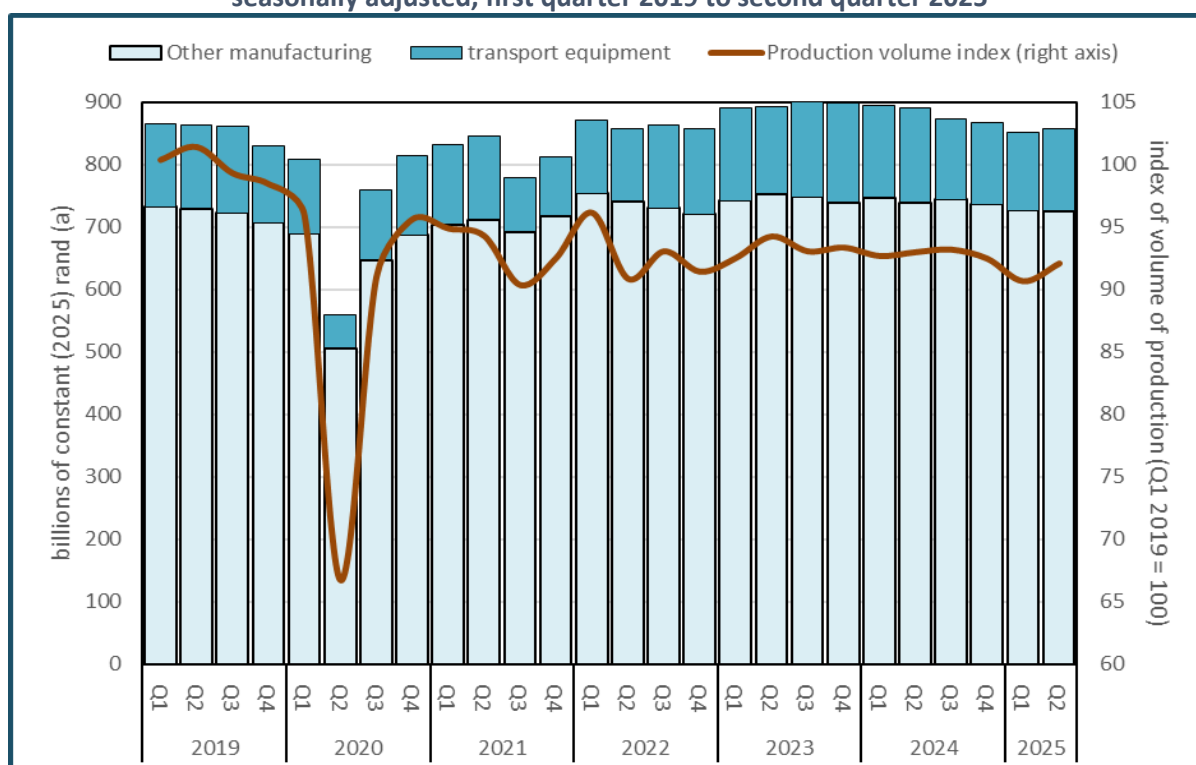


Note: (a) Reflated with implicit deflator per sector. Source: Calculated from Statistics South Africa. GDP quarterly figures. GDP P0441 – 2025Q2. Excel spreadsheet.

In constant rand terms, manufacturing sales have steadily declined since the six-and-a-half-year peak, of R900 billion, registered in the third quarter of 2023 (Graph 3). On a quarterly basis, in seasonally adjusted constant rand terms, total manufacturing grew by R5 billion or 0.6%. Auto sales grew R6 billion in the same period, but the rest of manufacturing saw sales fall by R1 billion. Still, compared to a year earlier, manufacturing sales were down R34 billion, from R891 billion at the end of the second quarter of 2024, to R857 billion at the end of the second quarter of 2025. Auto sales shrank R20 billion over the period, while other manufactures fell R14 billion. The production volumes index showed a sharp recovery over the past quarter, but remains lower than at any point since mid-2022.

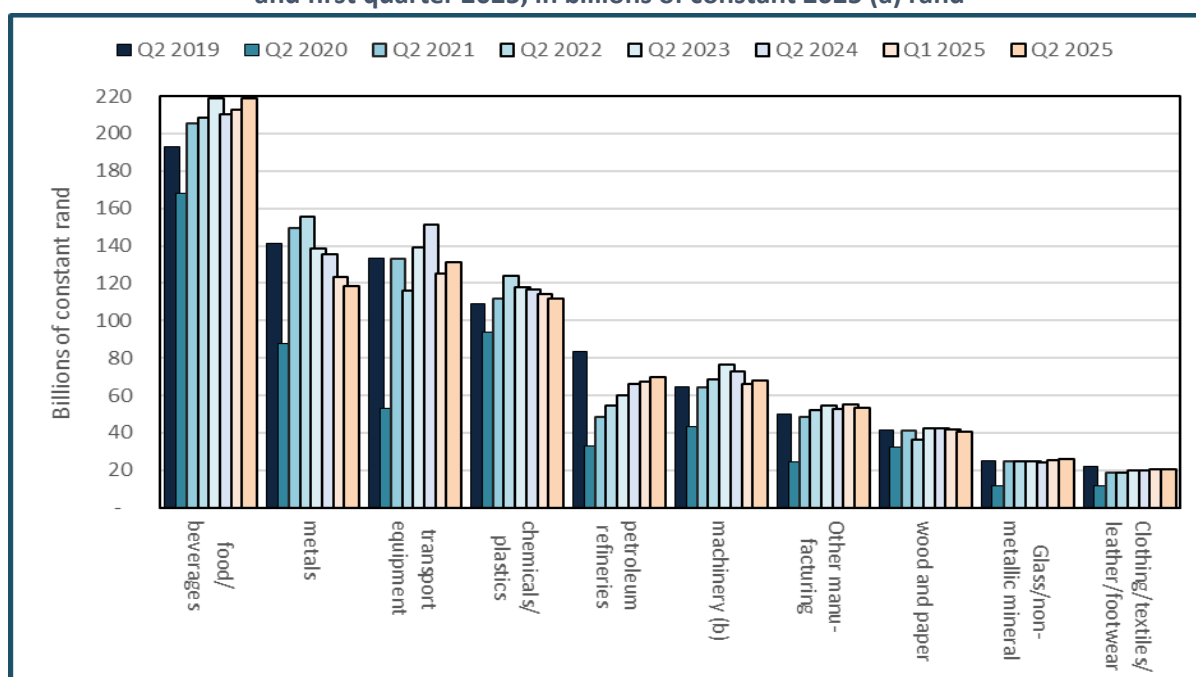
By manufacturing industry (Graph 4), most heavy industries declined on a yearly basis. The largest reductions were registered in transport equipment (-R20 billion), and metals (-R17 billion), while smaller yearly reductions were registered in chemicals, machinery, and wood and paper. Food and beverages saw the largest yearly increase, gaining R8.4 billion since the second quarter of last year. Compared to pre-pandemic levels, the manufacturing sector is R7 billion smaller in constant terms. Since the end of the second quarter of 2019, sales of metals and petroleum have registered the largest absolute and relative reductions. In percentage terms, sales in these industries have fallen 16% and 17%, respectively.

Graph 3: Quarterly manufacturing sales in billions of constant 2025 rand (a) and volume index, seasonally adjusted, first quarter 2019 to second quarter 2025



Note: Seasonally adjusted. (a) Sales in billions of constant rand reflatd using CPI rebased to Q2 2025. Monthly data summed for sales and averaged for index. *Source:* Calculated from Statistics South Africa. Manufacturing Production and Sales. Excel Spreadsheet. Downloaded from www.statssa.gov.za in August 2025.

Graph 1: Sales by manufacturing industry, 2019 to 2025, second quarter, and first quarter 2025, in billions of constant 2025 (a) rand



Note: Values are seasonally adjusted. (a) Reflatd using CPI rebased to Q2 2025. (b) Includes electrical machinery. *Source:* Calculated from statistics South Africa. Manufacturing Production and Sales. Excel Spreadsheet. Downloaded from www.statssa.gov.za in August 2025.