

# GDP Revisions

ECONOMICS | SOUTH AFRICA

## Stats SA changes the level and composition of the GDP estimates

The revisions are international best practice, which requires periodic reviews and updates to include new sources of information, updates to the methodology, refinements of the classification of different types of economic activity and the revision of the base year for the calculation of real or inflation-adjusted GDP estimates to 2015 from 2010.

The revised estimates of GDP at current prices reflect upward revisions of between 9.1% and 11% over 2011 to 2020 (Table 1). The estimate for 2020 GDP is now R5.52 trillion, 11% larger than the earlier estimate of R4.97 trillion.

The real estimates now show that the economy shrunk by 6.4% in 2020, still dismal, but 0.6 percentage points better than the 7% contraction previously reported.

There were significant changes to the sectoral composition of GDP (Table 2). Education and health services, previously included under 'general government services', have been moved to personal services. The reclassification reduces the contribution of 'general government services' to 8.3% of 2020's nominal GDP from 17.3% previously. Similarly, the contribution of personal services jumps to 15.6% of 2020's nominal GDP from a relatively tiny 5.3%. There were also significant upward revisions to the size of 'finance, real estate and business services' due to the inclusion of 'other' business services not previously surveyed. These changes increased the contribution of this group of industries to 22% of 2020's nominal GDP from 17.7% previously.

The only significant adjustment to the expenditure breakdown on GDP was household consumption expenditure (HCE). Stats SA upped nominal HCE by 16.3% in 2015 and by 15.4% in 2020. The change reflected upward revisions to spending on recreation and culture, restaurants and hotels and miscellaneous goods and services, which offset downward revisions to spending on food and beverages.

Unfortunately, Stats SA did not release the revised estimates for the first quarter of 2021. These will be published along with the second-quarter estimates on 7 September. This introduces even greater uncertainty to our 2021 GDP forecasts, which will now be calculated off a higher base.

**TABLE 1: COMPARISON OF PREVIOUS & REVISED GDP ESTIMATE**

	Level: GDP @ current prices				Real GDP growth (annual % change)		
	Revised	Previous	Difference		Revised	Previous	Difference
	R bn	R bn	R bn	%	%	%	ppts
2011	3327	3024	303	10.0	3.2	3.3	-0.1
2012	3566	3254	313	9.6	2.4	2.2	0.2
2013	3869	3540	329	9.3	2.5	2.5	0.0
2014	4134	3805	329	8.6	1.4	1.8	-0.4
2015	4421	4050	371	9.2	1.3	1.2	0.1
2016	4760	4359	400	9.2	0.7	0.4	0.3
2017	5078	4654	425	9.1	1.2	1.4	-0.3
2018	5358	4874	484	9.9	1.5	0.8	0.7
2019	5605	5078	527	10.4	0.1	0.2	0.0
2020	5521	4973	548	11.0	-6.4	-7.0	0.6

Source: Stats SA

TABLE 2: MAJOR CHANGES TO THE INDUSTRY BEAKDOWN OF GDP

	General government services				Personal Services				Finance, real estate & business services			
	Revised	Previous	Diff	% of GDP	Revised	Previous	Diff	% of GDP	Revised	Previous	Diff	% of GDP
	R'bn	R'bn	%	Revised	R'bn	R'bn	%	Revised	R'bn	R'bn	%	Revised
2011	236.8	448.8	-47.2	7.1	494.2	163.9	201.5	14.9	731.8	566.1	29.3	22.0
2012	257.3	485.2	-47.0	7.2	533.5	176.2	202.7	15.0	763.1	605.7	26.0	21.4
2013	286.1	534.5	-46.5	7.4	569.2	185.7	206.5	14.7	812.4	644.9	26.0	21.0
2014	316.3	585.1	-45.9	7.7	602.8	196.4	207.0	14.6	861.2	685.3	25.7	20.8
2015	344.5	627.6	-45.1	7.8	651.6	212.7	206.4	14.7	921.9	730.7	26.2	20.9
2016	375.7	683.6	-45.0	7.9	703.5	223.5	214.8	14.8	992.3	777.7	27.6	20.8
2017	401.8	734.1	-45.3	7.9	767.3	243.1	215.7	15.1	1068.2	826.8	29.2	21.0
2018	426.9	785.4	-45.6	8.0	804.9	255.9	214.5	15.0	1131.3	854.4	32.4	21.1
2019	448.5	822.1	-45.4	8.0	843.7	269.0	213.6	15.1	1195.6	889.3	34.4	21.3
2020	458.6	859.2	-46.6	8.3	862.2	266.1	224.1	15.6	1216.0	879.5	38.3	22.0

Source: Stats SA

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