



## 2Q20 SA GDP by sector

Due to the strict lockdown restrictions, the 2Q20 gross domestic product (GDP) contracted by a record 51% on a quarter-on-quarter (q/q) seasonally adjusted and annualised rate (saar), extending SA's technical recession to four consecutive quarters of negative economic growth.

As a result of an increase in the production of animal products, field crops and horticulture, agriculture was the only sector to record positive growth, climbing 15.1%. However, the primary sector still contracted as mining plunged 73.1% chiefly as a result of a decline in platinum group metals, gold and iron ore production.

The manufacturing sector contracted by 74.9% with all ten divisions declining over the period. Similarly, the construction sector fell by 76.6%. Unsurprisingly, an abrupt halt in general economic activity led to the utilities sector declining by 36.4%.

As there were marked downturns in activity for wholesale, retail and vehicle trade, as well as catering and accommodation, the trade sector fell by 67.6%. Likewise, the transport sector declined by 67.9%. Finance, real estate and business services contracted by 28.9% due to a slump in insurance and pension funding, financial intermediation and other business services. The government sector registered a slight decline of 0.6% due to employee attrition.

While we anticipate the second half of the year to record positive sequential growth, due to the low base in 2Q20, we still affirm our view that economic growth will decline by 8% year-on-year in 2020. While we are encouraged by the infrastructure drive as part of the broader post-Covid-19 economic recovery plan, this remains an upside risk to our longer-term growth outlook.



The economy contracted by 51% q/q (saar) in 2Q20

### The Primary Sector



Agriculture **15.1%**

Mining **-73.1%**

### The Secondary Sector

Manufacturing **-74.9%**

Utilities **-36.4%**

Construction **-76.6%**



### The Tertiary Sector



Trade **-67.6%**

Transport, storage, communications **-67.9%**

Finance, real-estate, business services **-28.9%**

Government **-0.6%**

Personal services **-32.5%**