



The Structure of the South African Economy: Production and Employment Trends

**Presentation by Mr TT Mboweni,
Governor of the South African
Reserve Bank**

Eastern Cape, 7 August 2007



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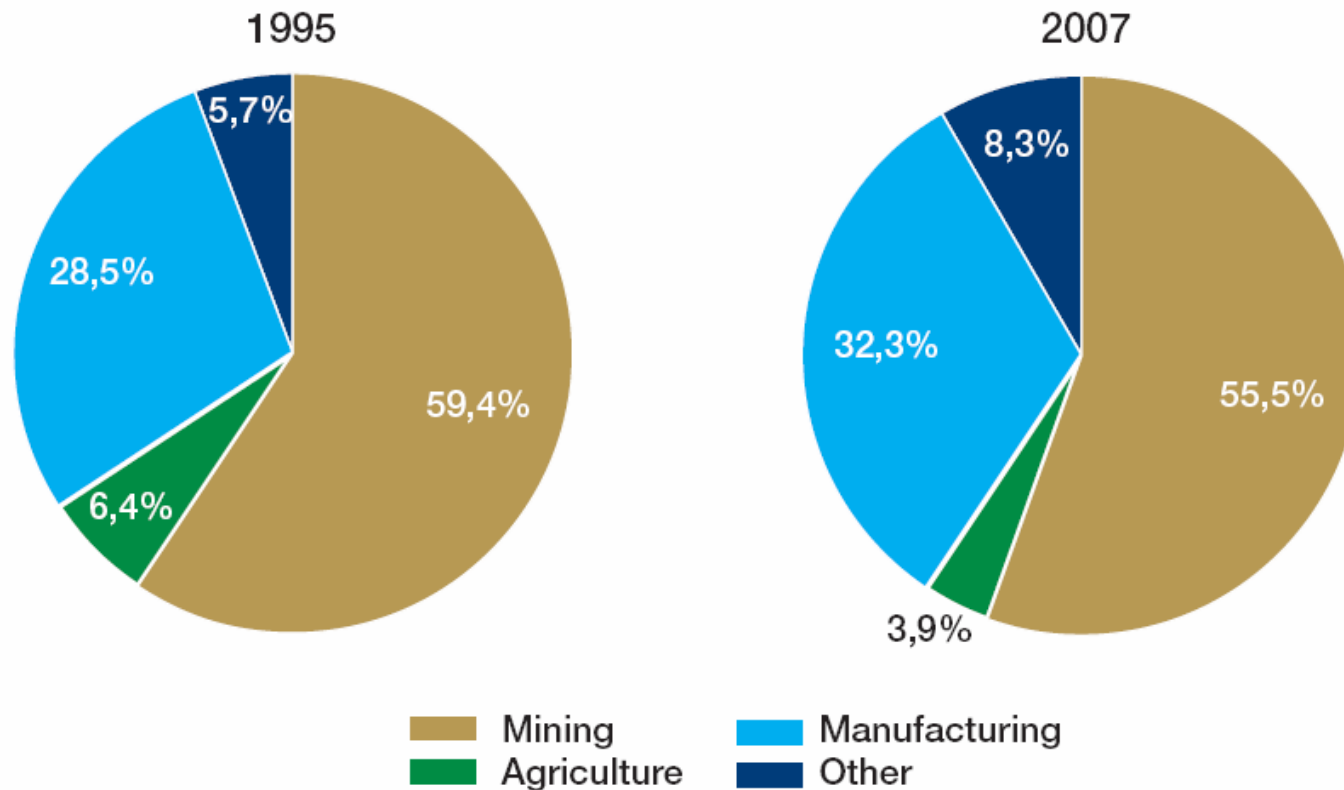
Relative size of industry in real gross domestic product: Manufacturing overtaken by Finance and Real Estate

Industry	Per cent		
	1996	2000	2006
Agriculture, forestry fishing	3.1	3.0	2.2
Mining	7.6	6.9	5.9
Manufacturing	17.0	17.3	16.4
Electricity gas and water	2.7	2.5	2.2
Construction	2.5	2.3	3.0
Trade	12.4	13.3	14.0
Transport storage and communication	7.5	8.8	9.8
Finance, real estate and business services	16.0	16.9	19.7
General Government services	16.2	14.4	12.7
Personal services	5.3	5.6	5.3
Gross value added at basic prices	90.2	90.9	91.0
Taxes less subsidies on products	9.8	9.1	9.0
GDP at market prices	100.0	100.0	100.0



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Composition of merchandise exports: mining remains the main contributor to exports



Annual real GDP growth: Construction accelerates while mining disappoints despite high commodity prices

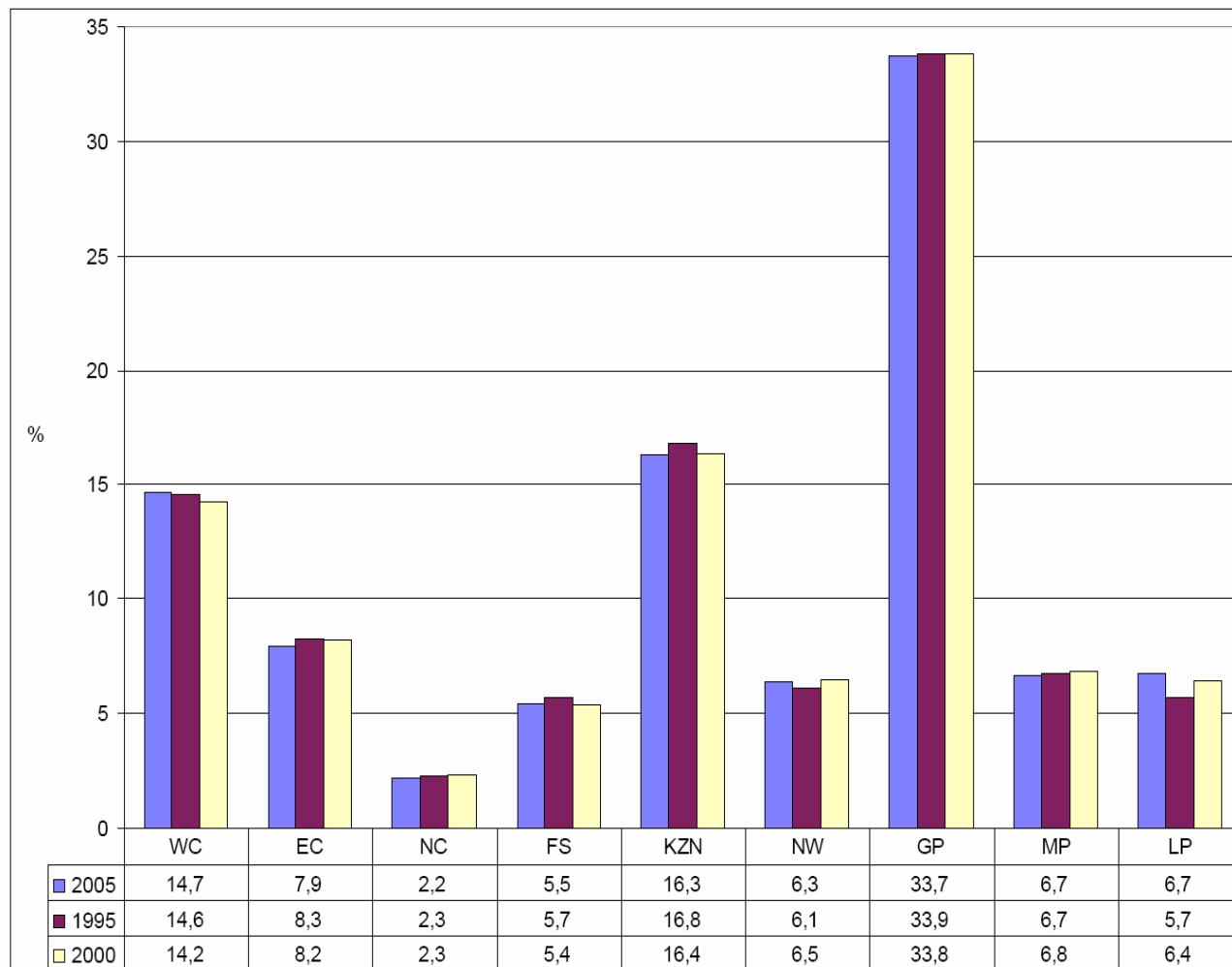
Industry	Per cent					
	2001	2002	2003	2004	2005	2006
Agriculture, forestry fishing	-3.3	6.5	-2.1	1.4	4.1	-13.1
Mining	-0.1	1.0	4.0	1.3	2.4	-0.7
Manufacturing	3.2	2.8	-1.4	4.7	5.0	4.8
Electricity gas and water	-3.7	3.5	1.9	3.0	2.6	3.1
Construction	4.9	5.8	6.9	11.1	11.9	13.7
Trade	1.9	2.3	6.5	5.9	6.5	6.7
Transport storage and communication	5.9	9.0	5.9	4.7	5.5	5.4
Finance, real estate and business services	8.2	6.3	4.1	7.9	5.5	8.2
General Government services	-0.9	0.7	2.4	2.4	3.5	3.1
Personal services	2.2	2.5	4.1	2.0	5.3	3.7
GDP at market prices	2.7	3.7	3.1	4.8	5.1	5.0

Source: Statistics South Africa



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Provincial share of GDP: 1995, 2000 and 2005. No significant changes over time



Source: Statistics South Africa



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GDP growth by region: Western Cape grew fastest in 2004 and 2005

Percentage change, constant 2000 prices

	2001	2002	2003	2004	2005
Western cape	3,7	4,3	3,5	6,1	5,7
Eastern Cape	2,7	1,7	2,6	4,2	4,8
Northern Cape	-1,7	1,4	3,7	2,7	3,9
Free State	-1,1	3,9	2,3	4,1	4,2
Kwazulu-Natal	4,4	2,6	2,9	4,7	5,3
North West	0,9	1,7	4,5	3,6	5,1
Gauteng	2,3	5,0	3,2	5,5	5,4
Mpumalanga	1,3	2,5	2,7	4,1	4,3
Limpopo	6,8	4,4	2,7	3,3	4,1
Country Average	2,7	3,7	3,1	4,8	5,1

Source: Statistics South Africa



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Gross Domestic product by region: Eastern Cape

Current prices - percentage contributions

Industry	1995	2000	2005
Primary Industries	3,2	2,4	1,9
Agriculture, forestry and fishing	3,1	2,3	1,7
Mining and quarrying	0,1	0,1	0,2
Secondary Industries	21,9	19,9	19,4
Manufacturing	18,2	16,8	16,7
Electricity and water	1,9	1,5	1,1
Construction	1,9	1,6	1,5
Tertiary industries	66,0	68,6	67,7
Wholesale & retail trade; hotels & restaurants	15,0	15,0	11,8
Transport and communication	7,8	8,0	7,9
Finance, real estate and business services	15,7	16,4	19,8
Community, social and other personal services	8,0	9,0	9,0
General government services	19,5	20,2	19,1
All industries at basic prices	91,2	90,9	88,9
Taxes less subsidies on products	8,8	9,1	11,1
GDPR at market prices	100,0	100,0	100,0

Source: Statistics South Africa



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Growth in Eastern Cape GDP: construction booming

percentage changes

Industry	2001	2002	2003	2004	2005
Primary Industries	23,3	-10,7	-3,8	1,2	5,0
Agriculture, forestry and fishing	24,2	-11,2	-4,3	1,2	5,2
Mining and quarrying	7,3	0,7	5,1	1,0	1,6
Secondary Industries	6,1	-1,2	1,1	4,1	4,8
Manufacturing	5,6	1,7	-2,2	3,7	4,2
Electricity and water	-1,5	-22,2	11,4	2,2	2,3
Construction	17,6	-11,8	30,0	8,8	10,1
Tertiary industries	1,0	3,4	3,2	4,3	4,7
Wholesale & retail trade; hotels & restaurants	-6,0	2,1	4,4	4,8	5,2
Transport and communication	4,7	10,9	1,6	2,8	4,3
Finance, real estate, business services	9,5	3,6	5,3	7,9	5,4
Community, social and other personal services	2,1	2,5	4,0	1,8	4,9
General government services	-2,6	1,2	0,8	2,2	3,9
GDP at market prices	2,7	1,7	2,6	4,2	4,8

Source: Statistics South Africa



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Unemployment rate (Labour Force Survey): a declining trend

	Sep'01	Sep'02	Sep'03	Sep'04	Sep'05	Sep'06
	Percent					
Unemployment rate						
Male	25,8	25,9	24,7	23,1	22,6	21,2
Female	33,8	35,9	32,0	30,2	31,7	30,7
Average	29,4	30,4	28,0	26,2	26,7	25,5

Source: Statistics South Africa

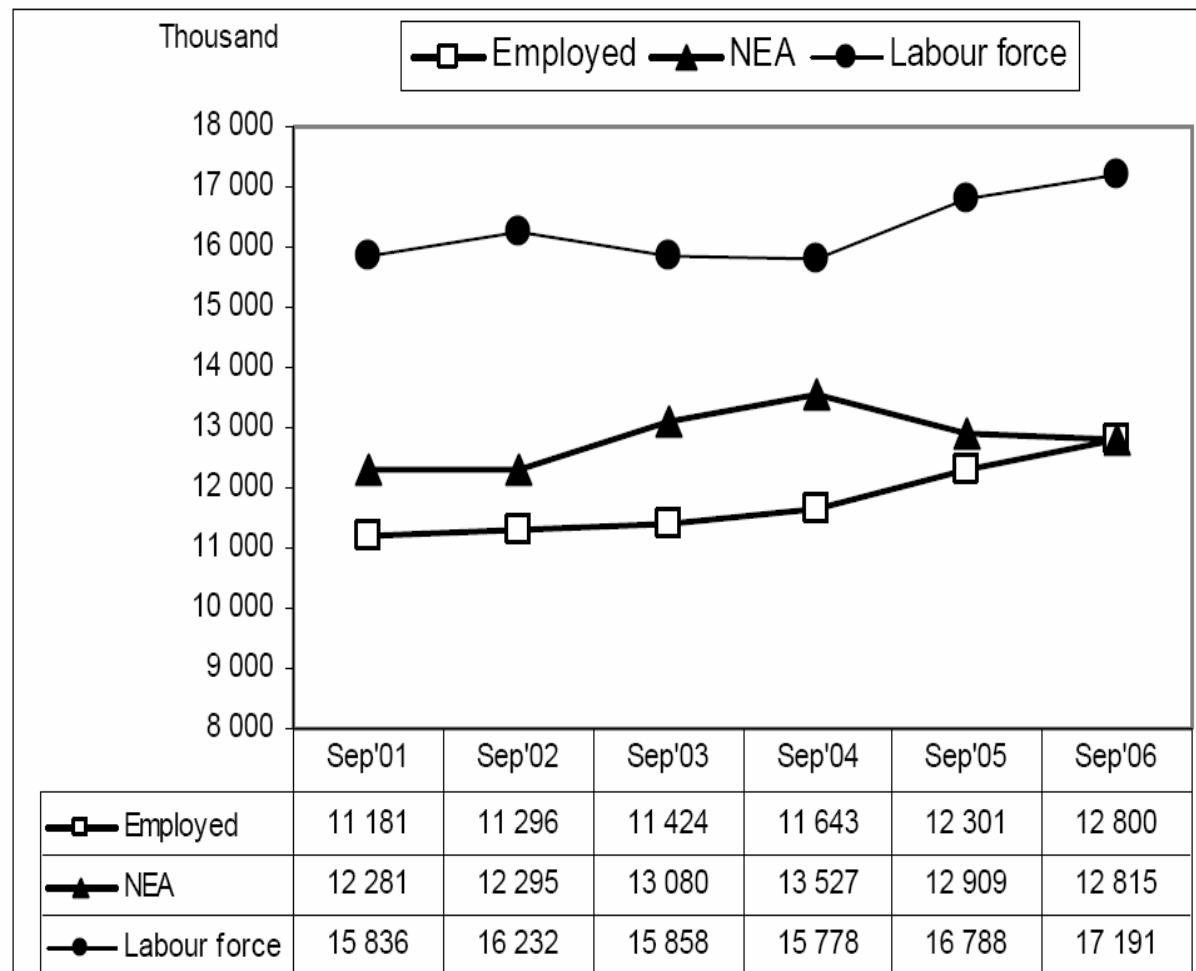
Unemployment rate by province, September 2001 to September 2006

Province	Sep'01	Sep'02	Sep'03	Sep'04	Sep'05	Sep'06
Percent						
Western Cape	17,7	19,6	19,5	18,6	18,9	15,0
Eastern Cape	31,4	32,7	31,7	29,6	29,9	32,0
Northern Cape	25,0	24,9	26,4	24,5	24,7	28,7
Free State	27,0	29,1	28,0	28,6	30,2	26,5
KwaZulu,Natal	33,8	35,0	31,6	28,7	32,8	26,6
North West	28,6	30,6	28,4	28,0	27,4	29,7
Gauteng	30,4	30,5	27,6	25,7	22,8	23,2
Mpumalanga	29,2	30,1	25,3	24,8	26,9	28,0
Limpopo	34,6	34,1	31,1	27,8	30,1	32,0
RSA Average	29,4	30,4	28,0	26,2	26,7	25,5

Source: Statistics South Africa



Employment (LFS): Rising employment trend



NEA = not economically active (not in the labour force)

Source: Statistics South Africa



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Distribution of employment by industry (percent): Mining down, trade and construction up

	Sep'01	Sep'02	Sep'03	Sep'04	Sep'05	Sep'06
	Percent					
Agriculture	10,5	12,6	10,6	9,1	7,5	8,5
Mining	5,0	5,0	4,8	3,5	3,3	3,1
Manufacturing	14,5	14,5	13,6	14,7	13,9	13,6
Utilities	0,8	0,7	0,8	0,9	0,8	0,9
Construction	5,7	5,4	5,8	7,1	7,6	8,0
Trade	21,9	19,4	21,3	21,8	24,6	23,9
Transport	4,9	5,1	4,7	4,8	5,0	4,8
Finance	9,3	9,6	9,6	9,9	10,5	10,2
Community and social services	17,8	18,1	19,1	18,8	17,8	18,1
Private households*	9,2	9,1	9,4	9,2	8,7	8,7
Unspecified	0,4	0,6	0,3	0,2	0,2	0,3
Total	100,0	100,0	100,0	100,0	100,0	100,0

Source: Statistics South Africa



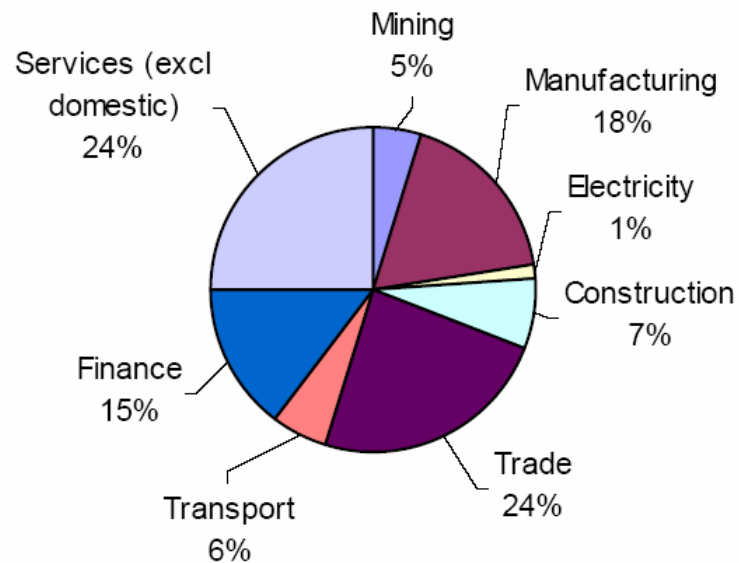
Employment shares by industry in the formal and informal sectors, September 2001 and September 2006

	Formal		Informal		Total*	
	Sep'01	Sep'06	Sep'01	Sep'06	Sep'01	Sep'06
	Percent					
Mining	7,8	4,7	0,1	0,1	5,5	3,4
Manufacturing	19,8	17,7	10,3	10,2	16,2	14,8
Utilities	1,3	1,4	0,1	0,1	0,9	1,0
Construction	4,8	6,9	14,0	17,8	6,3	8,7
Trade	20,4	23,6	50,2	44,6	24,5	26,1
Transport	6,1	5,6	5,3	5,9	5,5	5,2
Finance	13,5	14,6	4,0	3,6	10,3	11,2
Services	25,9	25,2	15,7	17,7	30,2	29,3
Unspecified	0,4	0,2	0,2	0,0	0,4	0,3
Total excl. agric	100,0	100,0	100,0	100,0	100,0	100,0

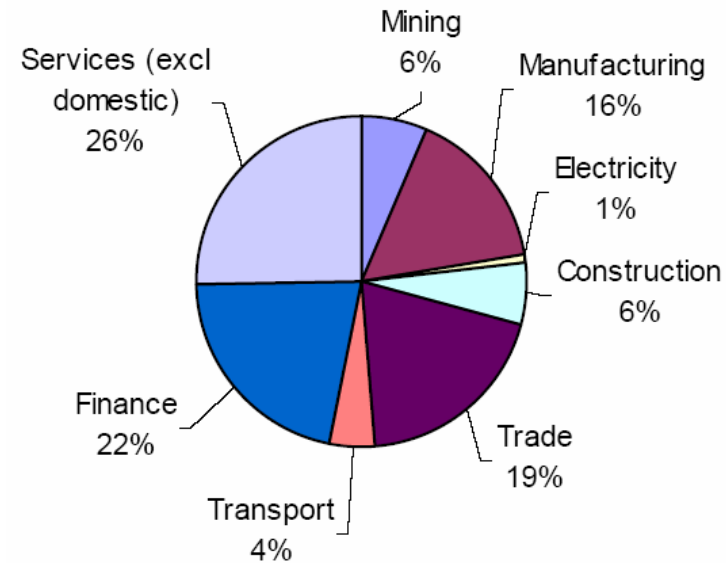
Source: Statistics South Africa

Distribution of employment figures: LFS and QES compared

LFS September 2006



QES September 2006



Source: Statistics South Africa



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