

# Farming boosts SA's fourth-quarter GDP growth

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South Africa's economy expanded in the final quarter of last year driven by a recovery in agriculture and manufacturing, data showed on Tuesday, a boost for President Cyril Ramaphosa who is battling to ignite growth.



Workers collect rooibos tea seedlings for replanting at a farm near Vanrhynsdorp, South Africa, June 30, 2021. REUTERS/Mike Hutchings

The economy has struggled to gain traction despite promises of sweeping reforms made by Ramaphosa after he took office in 2018, with persistent electricity cuts choking growth, among other woes.

Statistics South Africa said gross domestic product (GDP) grew by 1.2% quarter on quarter in the last three months of 2021 following a contraction of 1.7% in the third quarter.

The economy grew by 4.9% in the 2021 calendar year after contracting by 6.4% in 2020, the statistics agency said.

Agriculture expanded by 12.2% quarter on quarter, manufacturing by 2.8% and retail trade sales by 2.9%. But mining

contracted by 3.1%, construction by 2.2% and finance by 0.8%.

The agency said agriculture recovered after contracting by 20.6% in the third quarter, mainly due to increased production of animal products. Manufacturing also recovered in the fourth quarter, after falling by 4.2% in the third quarter of 2021.

The Covid-19 pandemic disrupted President Ramaphosa's efforts and pressure has built for his government to take corrective action after the unemployment rate hit a record high of nearly 35% last year.

The finance ministry expects economic growth of 2.1% this year, a rate officials and economists have said is far below the level required to make a meaningful dent in unemployment and poverty.

In year-on-year terms, the economy grew 1.7% in the fourth quarter, in line with a consensus forecast. Expenditure on GDP rose 1.3% quarter on quarter.

## ABOUT THE AUTHOR

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