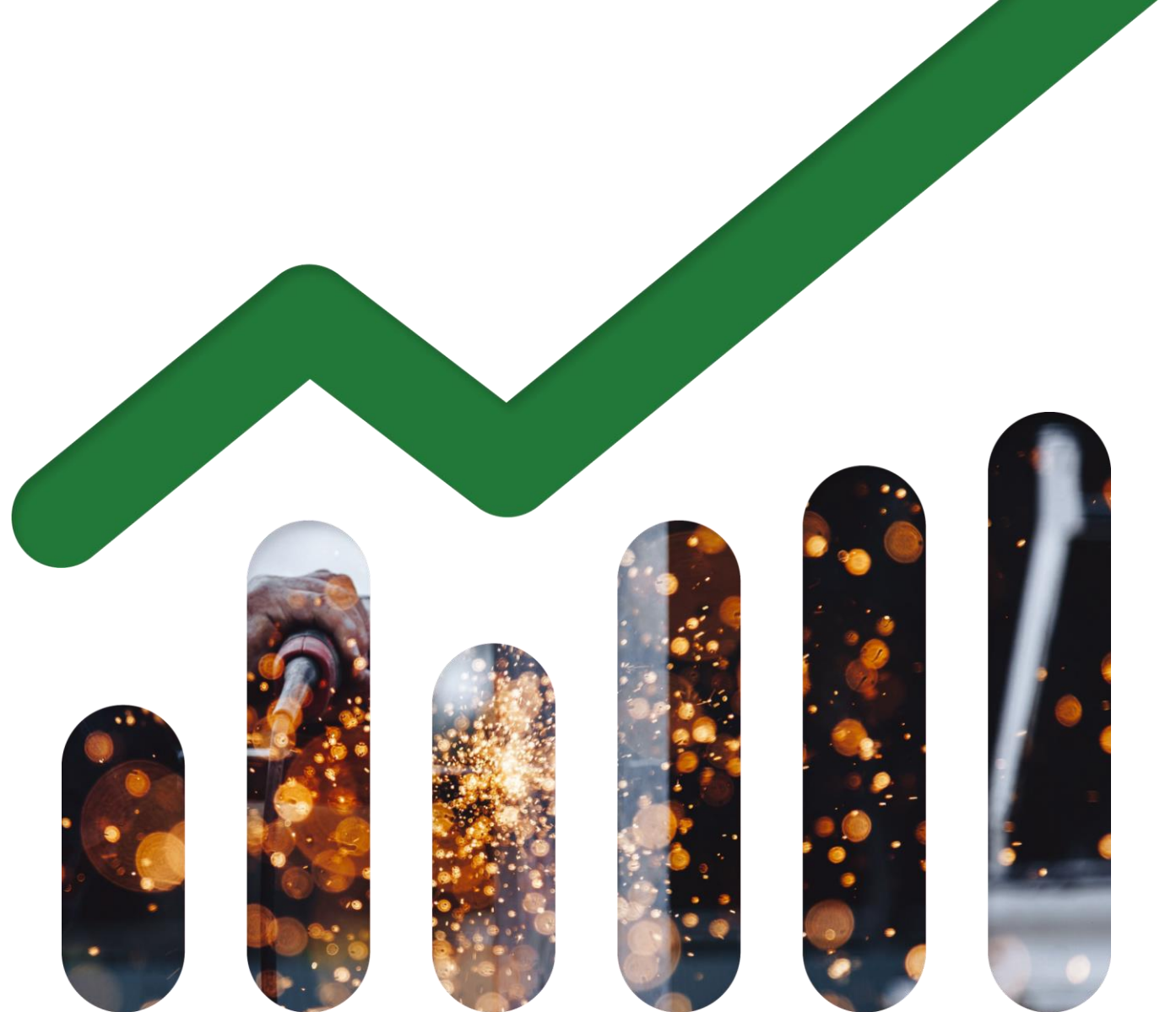




**National Economic  
Development and  
Labour Council**

## **Economic and Employment Trends in South Africa**

May 2024 | Issue 14





The Month in Review

3



Section A: Macro Data Trends and Analysis

4



Section B: Sector Analysis

10



Section C: Recent Research of Interest

11

## Overview of current economic and employment trends

SARS collected R1.741 trillion in net revenues for the 2023/24 financial year, exceeding the revised estimate by nearly R10 billion (0.5%). This was driven by higher-than-expected Corporate Income Tax (CIT) and Value-added Tax (VAT) collections ([Slide 8](#)).

Growth in BankServ Africa's banking activity index (BETI) averaged 0.6 percent yearly in 2024Q1, suggesting that consumer and corporate activity has been growing very slowly ([Slide 4](#)).

According to Statistics SA's first [migration profile report](#), in 2022 most migrant workers were employed in private households (18.4%) and construction (17.2%), while South Africans were mostly employed in electricity, gas and water supply (96.7%), followed by communities, social and personal services (96.4%) ([Slide 5](#)).

Concerning residential property prices, since December 2022 residential rentals have been growing faster than residential house prices ([Slide 6](#)).

Portfolio capital inflows have historically funded South Africa's persistent current account deficit. However, since 2020, there have been large outflows of portfolio capital ([Slide 7](#)).

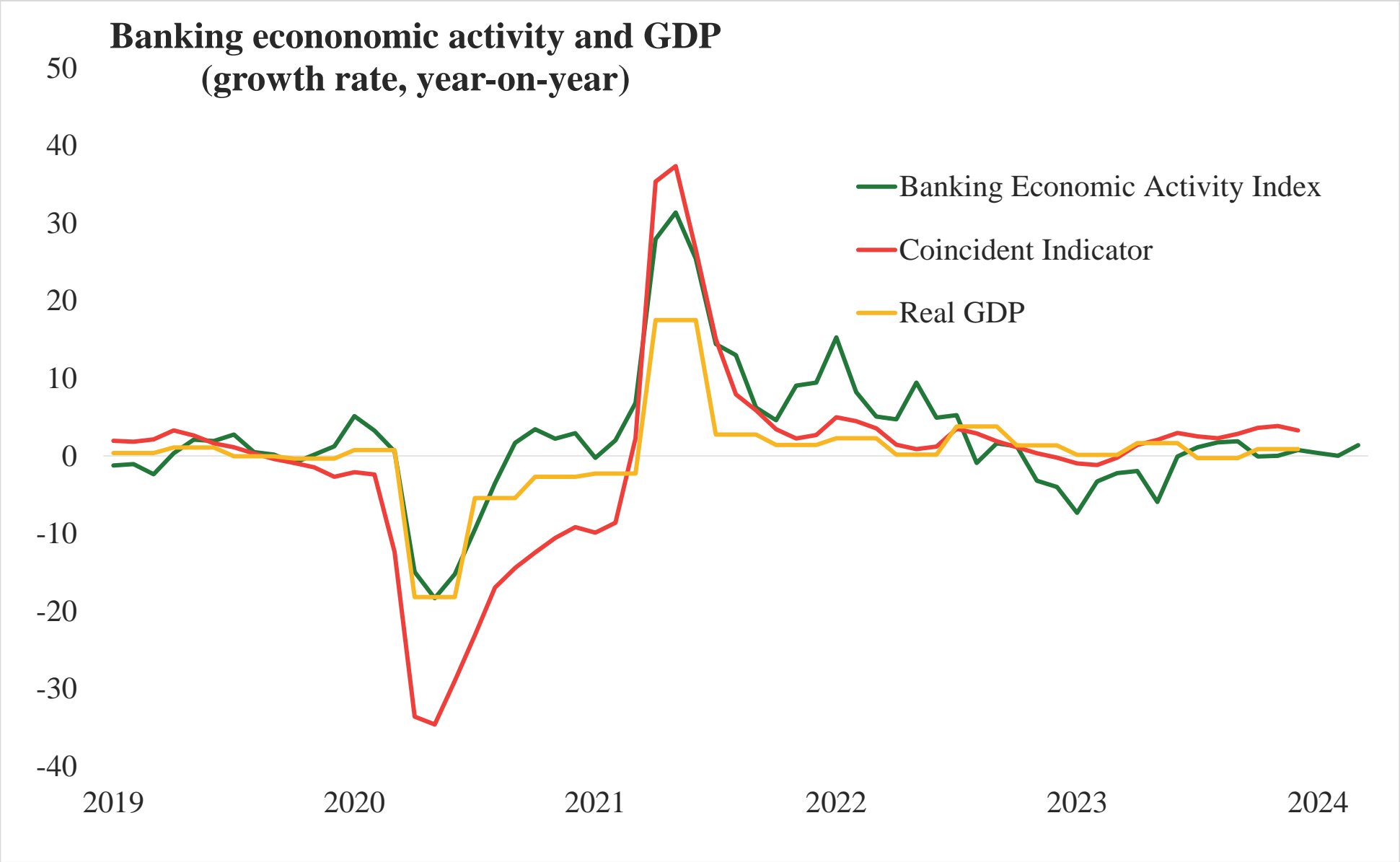
Based on Business Unity South Africa's Cargo Movement Report dated 5 April 2024, over the last year, OR Tambo experienced its busiest period in March 2024, handling 17 million kgs of incoming cargo. The highest volumes of outgoing cargo were recorded in October 2023 and March 2024 ([Slide 9](#)).

For industries, Statistics SA estimates suggest a decline in profitability across industries. A potential reason for this decline could be attributed to the cost pressures experienced by firms ([Slide 10](#)).

In terms of South Africa's water management audit results, the Blue Drop audit found that almost 30% of water systems audited are in a critical state, compared to 17% in 2014. Provinces deemed to have critically poor performance are the Free State, North West, and Northern Cape, whereas the Western Cape and KwaZulu Natal achieved the highest scores ([Slide 11](#)).

## Gross Domestic Product

Growth in BankServ Africa’s banking activity index (BETI) averaged 0.6 percent year on year in 2024Q1, suggesting that consumer and corporate activity has been growing very slowly. After being highly correlated with GDP during the COVID-19 pandemic and middle part of 2021, the correlation between the BETI and GDP weakened.

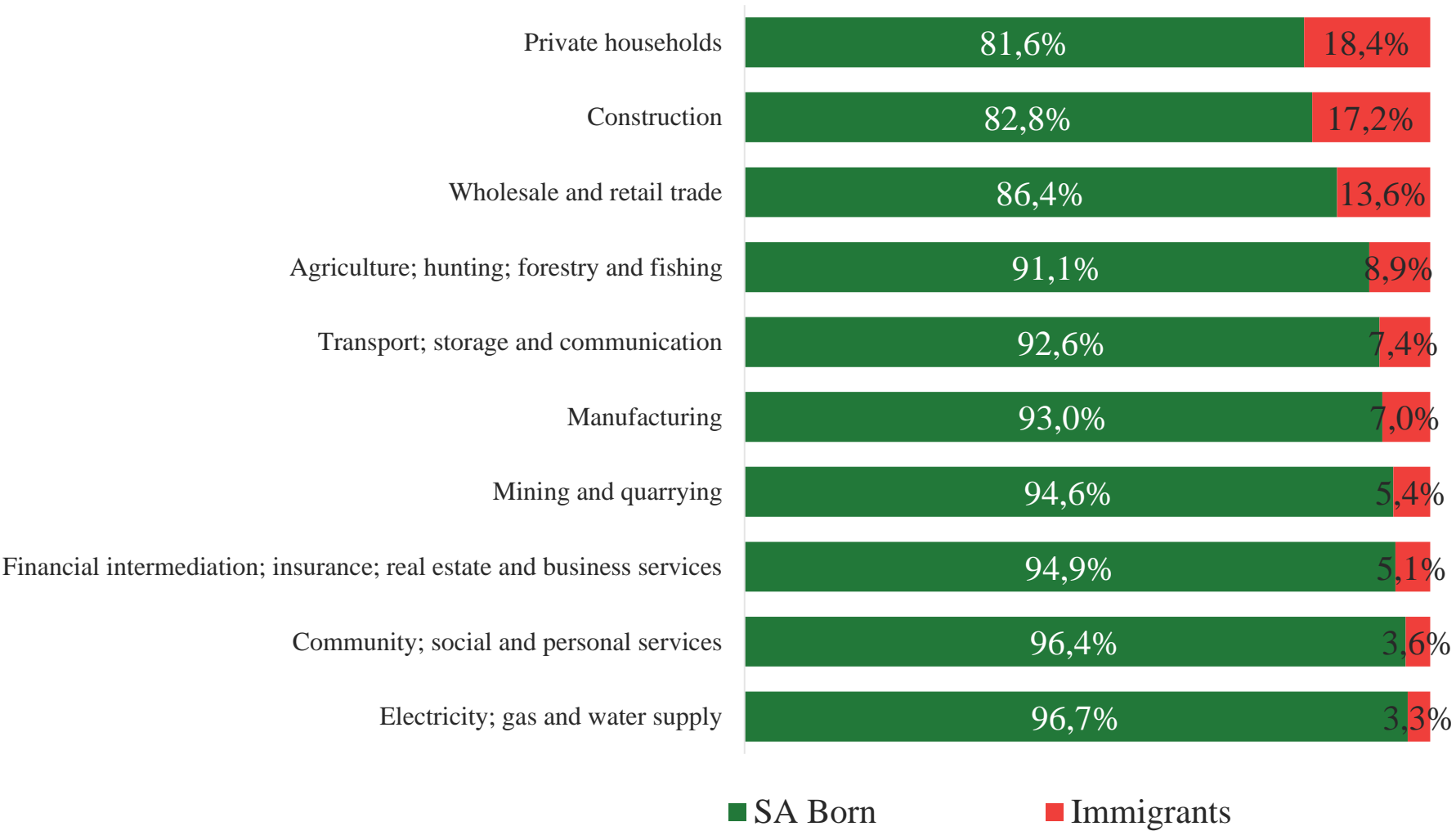


Source: Bankserv Africa, EconData, SARB.

Employment

According to Statistics SA in 2022, most migrant workers were employed in private households (18.4%) and construction (17.2%), while South Africans were mostly employed in electricity, gas and water supply (96.7%), followed by communities, social and personal services (96.4%).

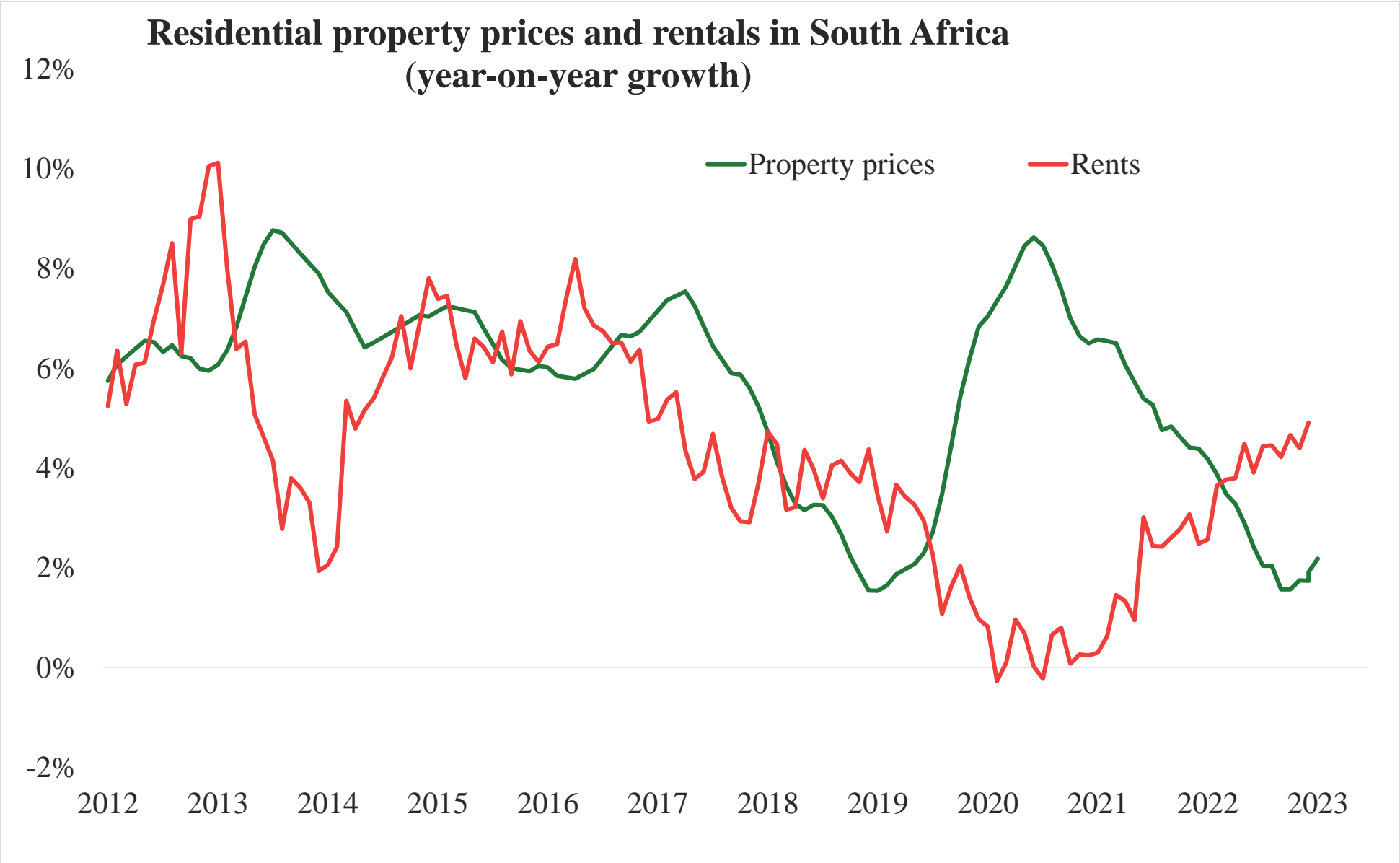
Percentage distribution of the employed by industry and migratory status, 2022



Source: Migration Profile Report for South Africa: A Country Profile 2023, Statistics South Africa

# Households

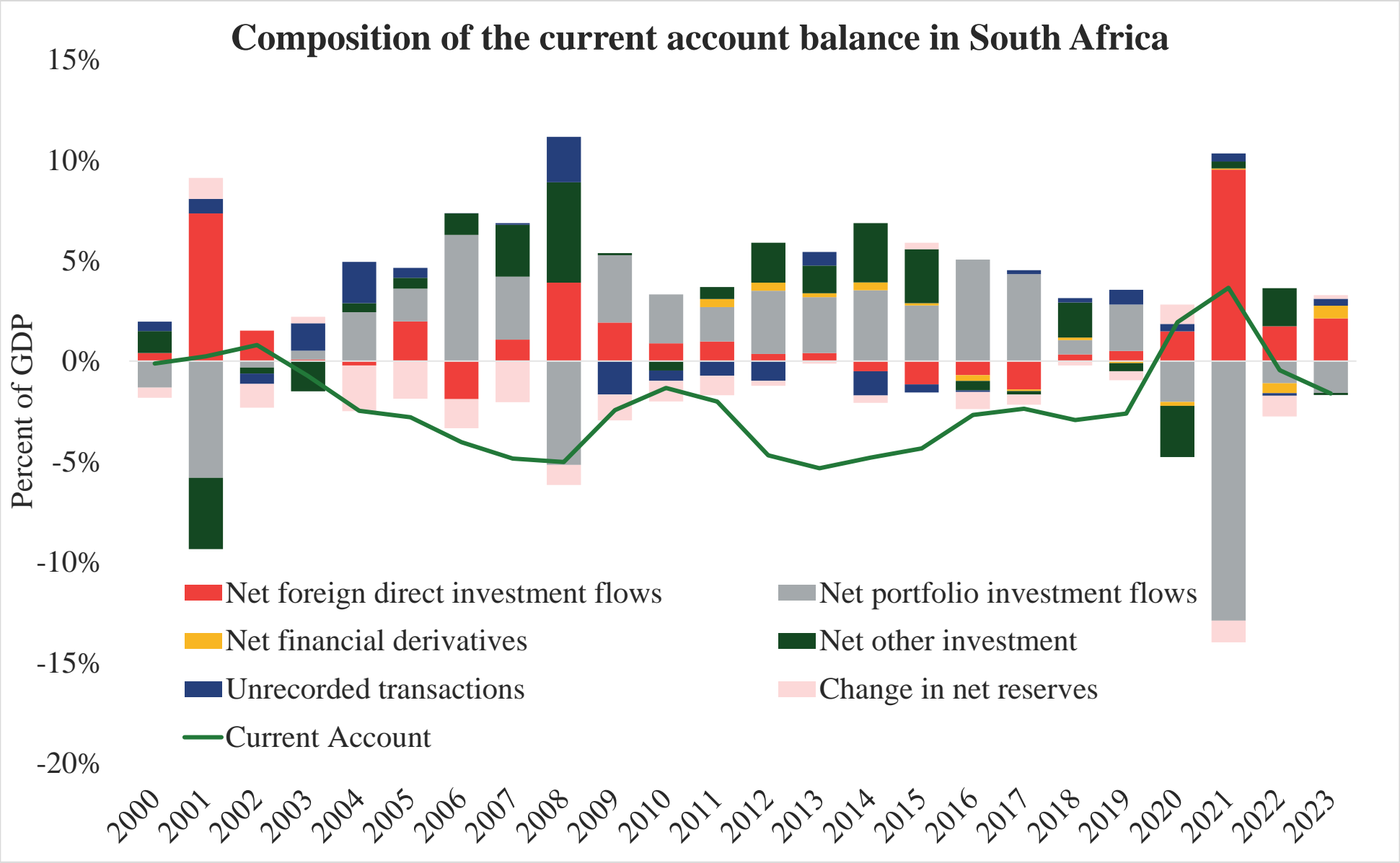
Since December 2022, residential rentals have been growing faster than residential house prices.



Source: PayProp, Statistics South Africa [D0160](#)

Investment

South Africa’s persistent current account deficit has historically been funded by portfolio capital inflows. However, since 2020, there have been large outflows of portfolio capital.

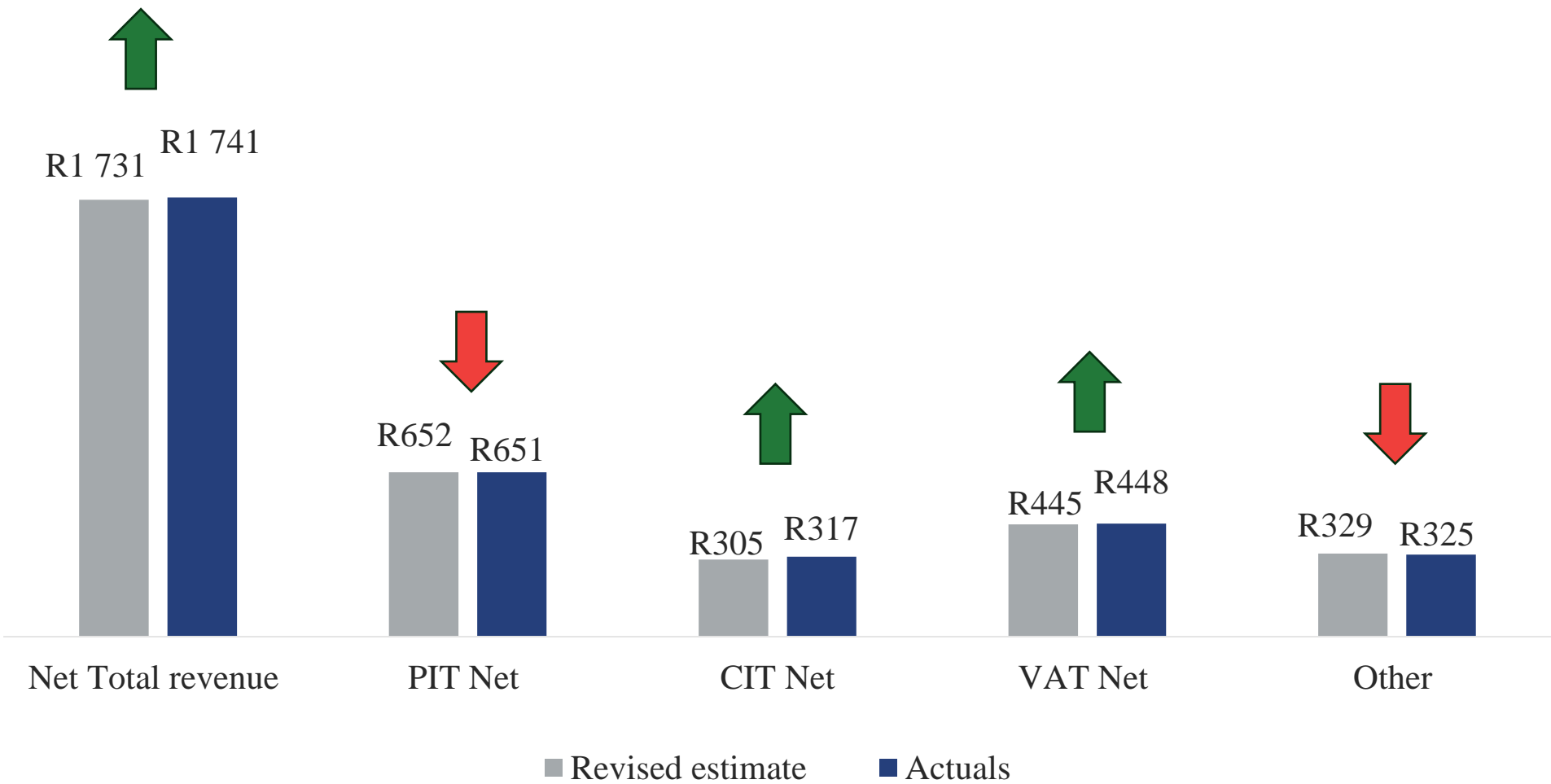


Source: SARB Quarterly Bulletin

Government

SARS collected R1.741 trillion in net revenues for the 2023/24 financial year, exceeding the revised estimate by nearly R10 billion (0.5%). This was driven by higher-than-expected Corporate Income Tax (CIT) and Value-added Tax (VAT) collections, which exceeded estimates by R11.7 billion (3.8%) and R2.5 billion (0.6%), respectively.

2023/24 Net revenue performance, R billion

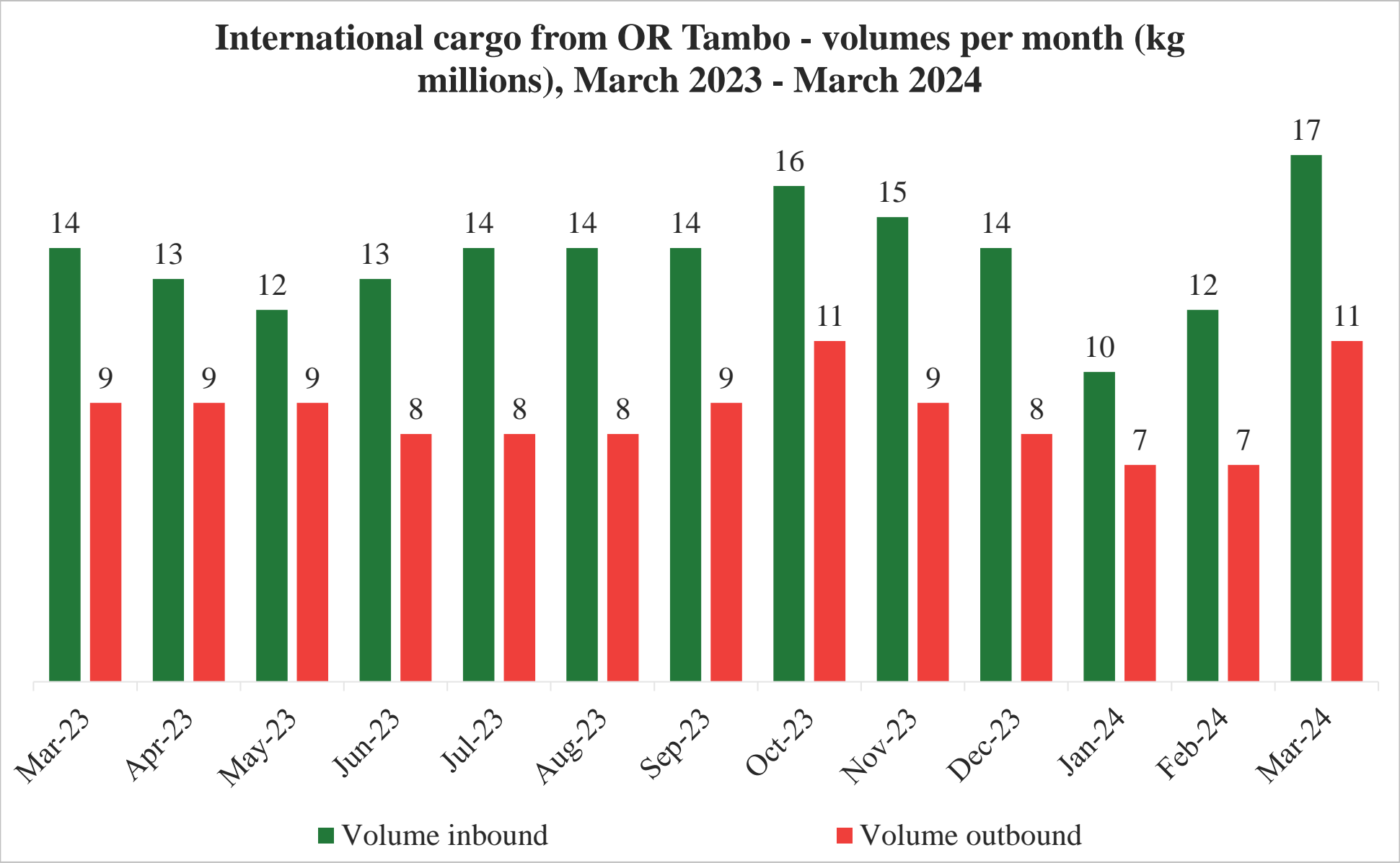


Source: SARS, <https://www.sars.gov.za/wp-content/uploads/Docs/MediaReleases/2024/SARS-FYE-Presentation-1.pdf>



International Trade

According to Business Unity South Africa, in the last year, OR Tambo experienced its busiest month in March 2024, handling 17 million kgs of incoming cargo. The highest volumes of outgoing cargo were recorded in October 2023 and March 2024.

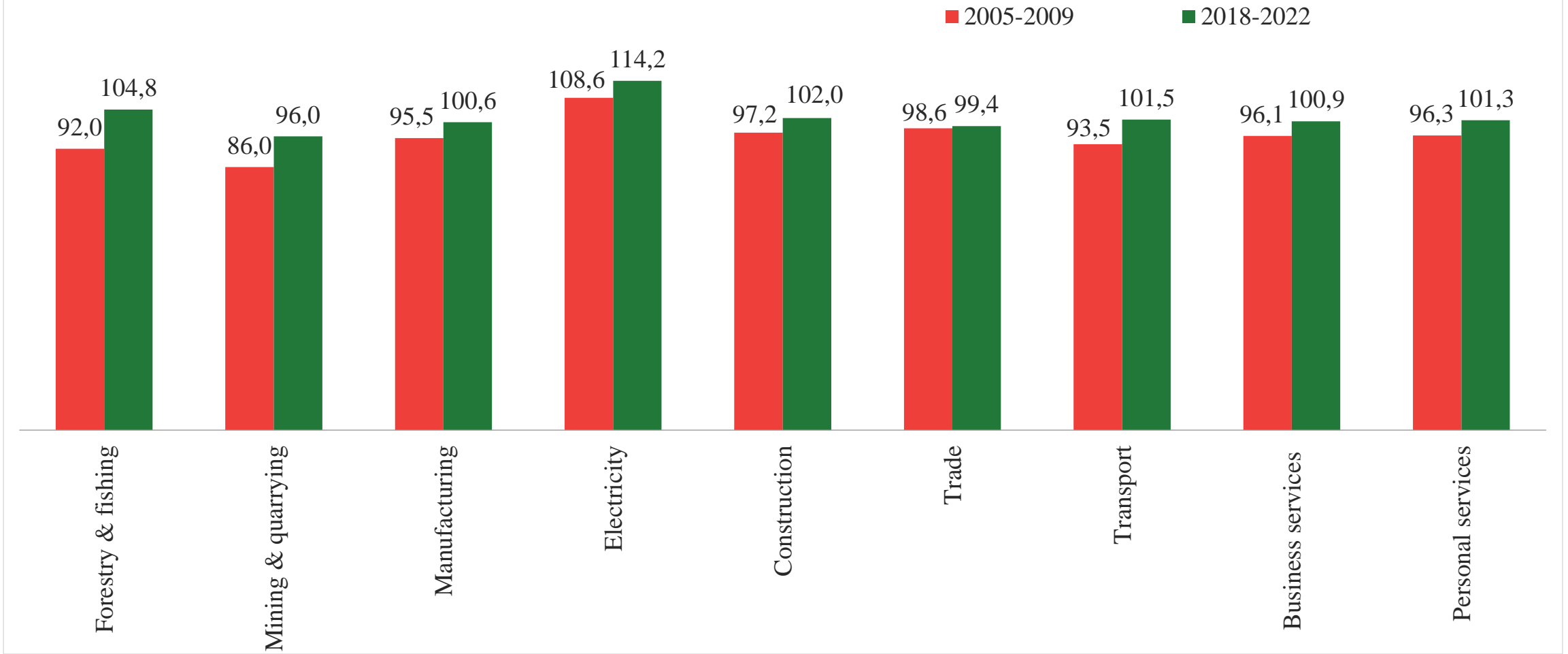


Source: Business Unity South Africa. Cargo Movement Report. 5 April 2024.

## Industry margins

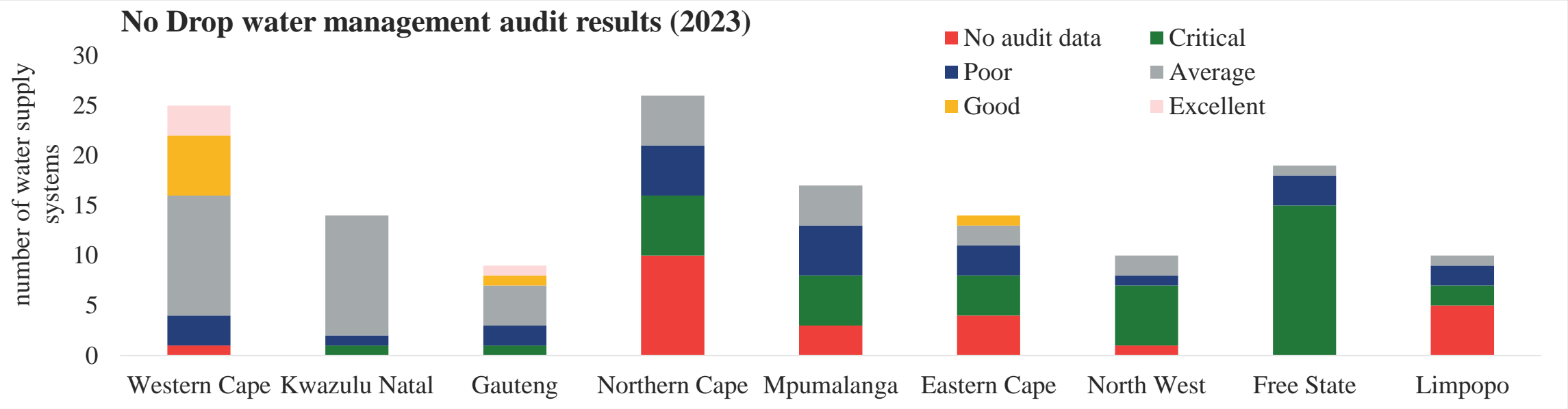
Statistics SA estimates suggest a decline in profitability across South African industries. A potential reason for this decline could be attributed to the cost pressures experienced by firms. Evidence from expenditure-to-turnover ratios supports this notion.

Costs to turnover ratio across industries in South Africa



Source: Statistics South Africa ([Annual Financial Statistics](#)).

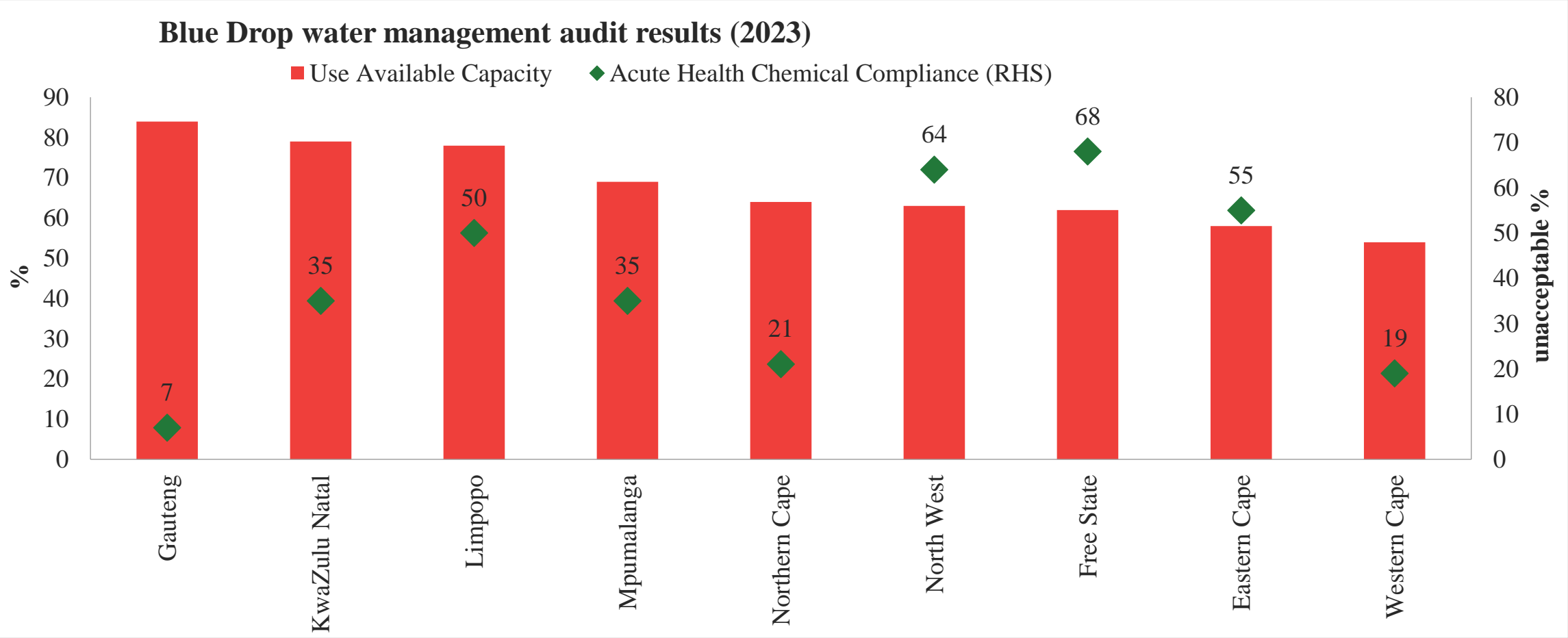
Provincial water management audit outcomes



Source: No Drop Report (2023). Department of Water and Sanitation.

- The Blue Drop audit for South Africa found that almost 30% of water systems audited are in a critical state, compared to 17% in 2014.
- Over half of Water Services Authorities in South Africa either failed to respond to the 2023 No Drop audit or achieved poor or critical scores.
- Compliance was lowest in the Northern Cape, with almost 40% of Water Services Authorities not submitting audit data. Provinces with high percentages of Water Services Authorities deemed to have critically poor performance are the Free State, North West, and Northern Cape.
- The best achievement scores were achieved by the Western Cape and KwaZulu-Natal, with over 80% of their water supply systems achieving scores above 50% in the 2023 No Drop audit.

Provincial water management audit outcomes



Source: Blue Drop Report (2023). Department of Water and Sanitation.

- According to the Blue Drop audit, Gauteng water management achieved the highest capacity availability and the lowest acute health compliance problems.
- The Free State recorded the highest number of unacceptable acute health compliance audit outcomes, whereas the Western Cape received the lowest availability score.

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## Purpose of this Report

This report has been prepared in support of the NEDLAC Social Partners' Economic Recovery Action Plan. The report provides a snapshot of key macro-economic and employment trends based on official statistics and other relevant sources of data.

## Disclaimer

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