

Productivity Statistics 2015 Summary

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Executive summary

Gross Domestic Product (GDP) decelerated to 1.2 percent in 2015 from 1.6 percent in 2014. The Unemployment rate worsened slightly where the indicator increased to 24.5 in the fourth quarter of 2015 from 24.3 percent in the fourth quarter of 2014. The notable macroeconomic developments in 2015 include the improvement in terms of trade, abating inflation gains as well as the depreciation of rand exchange rate while the constraints in electricity supply continued. Real output, excluding General government services as well as community and personal services, remained unchanged in 2015. Strong growth in real output was realised in the Tertiary sector, the Secondary sector realised a mild positive output growth in same period while the Primary sector stagnated. Real output of Mining and quarrying and Finance, real estate and business services recorded strong positive growth while that of Agriculture, forestry and fishing as well as Electricity, gas and water recorded negative growth.

Labour productivity declined for the second successive year due to a sustained negative growth of the indicator in all the main economic sectors. Labour productivity of the Primary sector underperformed that of the Secondary and Tertiary sectors where growth of the indicator in majority of the main industries declined, particularly the Labour productivity in Agriculture, forestry and fishing while the opposite is true in Mining and quarrying. Capital productivity recorded a weak positive growth in 2015 on account of the declining growth of the Primary sector while the Secondary sector and Tertiary sector recorded a mild decline in the same period. Capital productivity of General government services as well as Community and personal services recorded a weak growth while that of Construction and Agriculture recorded a significantly strong positive growth. Multi factor productivity registered a mild decline in growth where the weak positive growth of the indicator in the Tertiary sector was offset by the sharp decline in the Secondary sector as well as that of the Primary sector.

Capital labour ratio declined mainly driven by the relatively strong positive growth of Labour input which outpaced the weak positive growth in Capital input. Compensation of employees recorded a weak positive growth in 2015 mainly supported by the significant acceleration in the Primary sector which outpaced that of the Secondary sector while it declined in the Tertiary sector. Unit labour cost increased somewhat significantly in 2015 where the costs in all the sectors recorded positive growth where the Secondary sector outpaced the Primary and Tertiary sectors. Unit labour cost declined notably in Construction while it recorded a relatively strong positive growth in General government services.

Further details on the Productivity Statistics can be found in the Productivity Statistics 2015 Report.

Productivity indicators of the South African economy

Year	Real Output Index	Capital Input Index	Labor Input Index	Capital Labour Ratio Index	Compensation Per Employee Index	Unit Labour Cost Index	Capital Productivity Index	Labour Productivity Index	Multi factor Productivity Index
1970	39.92	27.28	83.72	32.58	86.82	67.29	146.34	47.68	21.92
1971	41.11	29.74	84.54	35.18	85.44	69.63	138.23	48.63	23.65
1972	41.55	31.28	86.31	36.24	88.65	71.15	132.85	48.14	24.19
1973	43.19	34.66	90.13	38.46	95.66	73.83	124.62	47.92	25.92
1974	44.73	36.47	92.59	39.39	99.14	76.74	122.64	48.31	27.09
1975	45.36	39.43	95.58	41.25	86.20	79.60	115.04	47.46	28.70
1976	46.61	39.96	95.18	41.98	75.58	76.69	116.65	48.97	29.80
1977	46.22	37.52	93.71	40.04	71.38	76.87	123.18	49.32	29.01
1978	47.16	37.45	95.59	39.18	68.94	74.64	125.94	49.34	29.08
1979	48.78	39.26	98.39	39.91	66.04	73.17	124.23	49.57	30.37
1980	51.51	47.06	103.36	45.54	72.27	84.08	109.44	49.83	34.43
1981	54.42	51.31	107.11	47.90	72.82	88.62	106.06	50.81	37.54
1982	53.69	51.77	106.72	48.50	71.68	93.93	103.72	50.31	37.62
1983	53.30	50.74	107.65	47.14	69.29	93.66	105.04	49.51	36.62
1984	56.49	50.66	109.02	46.47	68.23	91.10	111.51	51.82	38.40
1985	56.26	46.64	109.98	42.41	65.08	86.37	120.63	51.15	36.32
1986	55.58	37.01	110.60	33.47	63.34	84.61	150.15	50.25	31.66
1987	55.92	35.17	112.51	31.26	62.25	84.54	159.02	49.70	30.47
1988	58.00	40.23	115.55	34.82	63.63	85.20	144.16	50.19	33.39
1989	59.17	42.69	116.75	36.56	66.96	86.44	138.62	50.68	34.96
1990	58.75	41.54	116.67	35.60	69.30	90.01	141.44	50.36	34.24
1991	57.83	38.86	115.87	33.54	70.46	90.21	148.82	49.91	32.43
1992	56.66	36.30	114.21	31.78	72.37	91.31	156.11	49.61	30.63
1993	57.51	36.12	113.24	31.90	52.46	88.44	159.21	50.79	30.64
1994	59.18	39.54	114.77	34.45	53.19	86.53	149.67	51.56	32.84
1995	60.73	44.06	117.29	37.57	54.57	88.01	137.84	51.78	35.54
1996	63.23	47.76	117.46	40.66	58.43	86.34	132.40	53.83	38.64
1997	65.11	50.70	117.46	43.16	58.64	84.57	128.43	55.43	41.25
1998	65.42	52.93	115.01	46.02	58.72	87.88	123.60	56.88	43.04
1999	67.39	48.53	113.83	42.63	63.90	89.00	138.86	59.20	42.42
2000	70.73	50.05	113.52	44.09	67.35	88.70	141.31	62.31	45.14
2001	73.05	52.47	111.08	47.24	68.26	87.36	139.23	65.77	48.13
2002	76.07	53.97	110.12	49.01	71.14	86.01	140.95	69.08	50.87
2003	78.31	59.17	106.67	55.47	74.48	86.78	132.34	73.42	56.01
2004	82.25	67.39	107.19	62.87	78.21	89.99	122.05	76.73	63.38
2005	86.68	76.50	108.25	70.67	80.89	91.30	113.31	80.08	71.67
2006	91.52	85.29	110.58	77.14	85.88	93.51	107.29	82.76	79.97
2007	96.59	96.07	111.00	86.55	79.46	79.33	100.54	87.02	90.50
2008	99.31	110.40	108.60	101.66	89.98	94.88	89.96	91.45	101.66
2009	96.93	103.12	100.68	102.42	95.27	96.66	94.00	96.28	98.42
2010	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2011	102.76	104.52	100.80	103.68	105.43	102.05	98.32	101.94	105.08
2012	104.73	107.41	101.87	105.45	106.11	104.40	97.50	102.81	108.28
2013	107.01	111.38	103.93	107.17	108.68	107.28	96.07	102.96	111.96
2014	108.39	112.38	108.88	103.22	110.46	108.78	96.44	99.55	111.70
2015	109.84	113.31	114.92	98.60	111.02	111.64	96.94	95.58	110.93

Technical Notes

Productivity SA collects data from official sources, namely Statistics South Africa and the South African Reserve Bank. Productivity indices are then calculated using the data collected from these sources. The collected data comprise Real Output, Real output, Capital input, Labour input as well as Compensation of employees. The data are used to calculate indices such as Capital labour ratio, Capital productivity, Labour productivity, Multi factor productivity, Compensation per employee as well as Unit labour cost. These indices are calculated for the total economy, the 3 main sectors of the economy, the 10 main industries as well as the 8 selected manufacturing sub sectors. The main sectors, industries and manufacturing sectors are organised according to the Statistics South Africa's Standard Industrial Classification (SIC) of all Economic Activities (2012). The SIC covers productive activities, that is, economic activities within the production boundary of the System of National Accounts (SNA). The base year of the current statistics is 2010 whereas that of previous Productivity Statistics releases of between 2009 and 2013 is 2005. This is due to the rebasing exercise by the sources.

The 3 main sectors are the Primary sector, Secondary sector and the Tertiary sector. The 10 main industries are Agriculture, forestry and fishing, Mining and quarrying, Manufacturing, Electricity, gas and water, Construction, Wholesale, trade, catering and accommodation, Transport, storage and communication, Finance, real estate and business services. The additional industries are General government services as well as community and personal services. Agriculture, forestry and fishing and Mining and quarrying constitute the Primary sector, Manufacturing, Electricity, gas and water as well as Construction form the Secondary sector, while Wholesale, trade, catering and accommodation, Transport, storage and communication as well as Finance, real estate and business services represent the Tertiary sector. The 8 selected manufacturing sub sectors include Food, beverages and tobacco, Textiles, clothing and leather, Wood, paper, publishing and printing, Basic chemicals, rubber and plastic, Glass and non-metallic products, Basic metals, iron and steel and non-ferrous metals, Electrical machinery as well as Motor vehicles and other transport equipment. The selected manufacturing sectors exclude Radio, television communication equipment and apparatus as well as Furniture, manufacturing and recycling.

Total value added at Statistics SA includes agriculture, General government services and Community and personal services, while that at Productivity SA excludes agriculture and exclude General government services and Community and personal services. General government services and Personal services sectors measure the expenditure, and not the value of inputs and outputs, as it is the case with the other industries hence their exclusion from Total Value added at Productivity SA. Furthermore, the outputs of general government, non-profit institutions, and paid employees of private households are assumed to be based on the incomes of input factors. This approach leads to a negligible change in productivity because the growth in output will be identical, or similar to, the growth in input.