

# PRODUCTIVITY STATISTICS REPORT

As part of our interventions, Productivity SA generates the Productivity Statistics Report, which is an annual statistical publication of productivity trends and is designed as a reference document for everyone interested in the economic sector and industry productivity trends. The annual productivity measurement initiative is in accordance with the strategic objectives of its key stakeholders, which include: Government, Business and Labour. The detailed productivity measurement report also highlights the overall impact of productivity changes on sustainability and competitiveness of companies within all the economic sectors of South Africa.

## PRODUCTIVITY SA

Productivity SA is established in terms of section 31 of the Employment Services Act, No. 4 of 2014 as a juristic person and an Entity of the Department of Employment and Labour. Our mandate is to promote employment growth and productivity thereby contributing to South Africa's socio-economic development and competitiveness.

The organisation offers Productivity and Competitiveness Improvement Solutions to accelerate wealth and decent employment creation and assist businesses to stabilise and become more profitable. This is through a suite of Business Process Improvement tools and techniques which systematically help businesses of different sizes, including all their subsidiaries, to optimise all aspects of underlying processes in the business to achieve efficiencies, financial stability, sustainability, wealth creation and job retention. Productivity SA's value proposition is carried out through three key programmes, namely: The Workplace Challenge (WPC), the Productivity Organisational Solutions (POS), and the Turnaround Solutions (TAS).

Productivity SA's programmes are aimed at enhancing the productive capacity and operational efficiency of enterprises throughout the business lifecycle to accelerate wealth and decent employment creation. The interventions include: developing relevant productivity competencies and competitiveness in workplaces; promoting and inculcating a productivity and competitiveness culture and mind-set and generating and disseminating productivity and competitiveness related research and information.

## DISCLAIMER

Productivity SA collects data from two official sources, namely Statistics South Africa and the South African Reserve Bank. The collected data is then used to calculate the Productivity indices that include Capital labour ratio, Capital productivity, Labour productivity, Multifactor productivity, Compensation per employee as well as Unit labour cost. The analysis contained in the Productivity Statistics report is compiled by Productivity SA staff at the time of publication. **Every effort is made to ensure timeliness, accuracy and completeness.**

## CONTACT INFORMATION

### Head Office:

Physical Address: International Business Gateway  
Cnr New Road and Sixth Road, Midrand

**Contact:** Tel: +27 11 848 5300, Fax: +27 11 848 5555  
info@productivitysa.co.za

### Cape Town:

Physical Address: Bloomhof Building,  
Cnr Bloomhof Street and Edward Street, Belville

**Contact:** Tel: +27 21 910 1591, Fax: +27 21 910 1574  
Info\_cape@productivitysa.co.za

### Durban:

Physical Address: Cowey Office Park, Cnr Cowey Road and Marriot Road  
Essenwood

**Contact:** Tel: +27 31 268 9770, Fax: +27 31 268 9777  
Info\_durban@productivitysa.co.za

### Any comments and queries regarding this document should be addressed to:

Productivity SA  
Private bag 235, Midrand, 1685  
Email: info@productivitysa.co.za  
Tel: 011 848 5300, Fax: 011 848 5555

Prepared by:  
Leroi Raputsoane  
Juliet Mashabela

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# PRODUCTIVITY STATISTICS

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**productivitysa**  
Inspiring a Competitive South Africa

## EXECUTIVE SUMMARY

Real output, excluding General government services as well as Community and personal services, recorded a significant negative growth in 2020. Real output of all main sectors that include the Primary, Secondary and Tertiary sectors realised a substantial decline in growth during 2020. Capital productivity accelerated considerably in 2020 mainly due to the strong acceleration in growth of all the main sectors. Labour productivity realised a relatively marginal decline in 2020 supported by the negative growth registered by the Secondary and Tertiary sectors while the Primary sector accelerated slightly in the same period. Multifactor productivity registered a considerable decline in 2020 mainly driven by the relatively significant negative growth of all the main sectors.

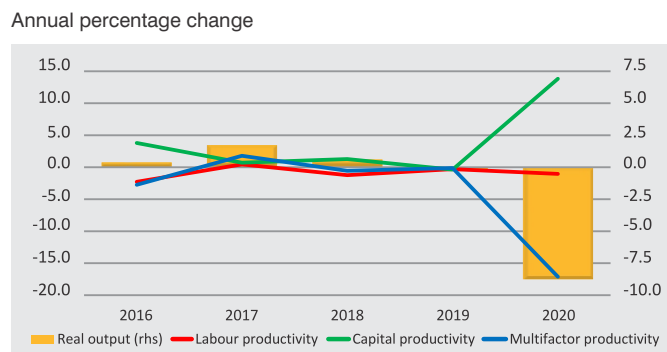
## TECHNICAL NOTES

Productivity SA collects data from the official sources, namely, Statistics South Africa and the South African Reserve Bank. The productivity indices are then calculated using this data. These indices comprise Capital labour ratio, Labour productivity, Capital productivity, Multifactor productivity, Compensation per employee as well as Unit labour cost. The 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 organised according to the Statistics South Africa's Standard Industrial Classification (SIC) of all Economic Activities (2013). The methodology used in the calculation of the indices is in line with that recommended by the Organisation for Economic Cooperation and Development's (OECD) Manual: Measuring Productivity (2017).

“Labour productivity and Multifactor productivity registered a significant decline in growth during 2020 while Capital productivity recorded a considerable acceleration in growth during the same period.”

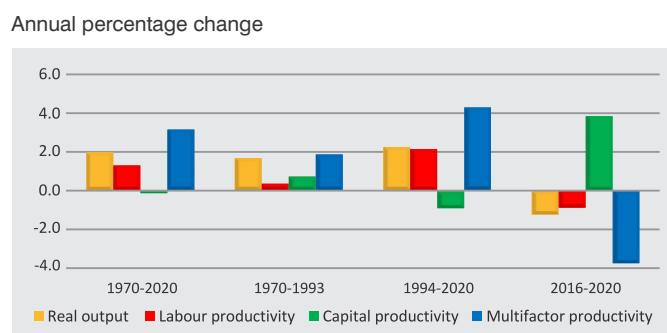
## PRODUCTIVITY INDICATORS

Figure 1: Trends of productivity indicators 2016-2020



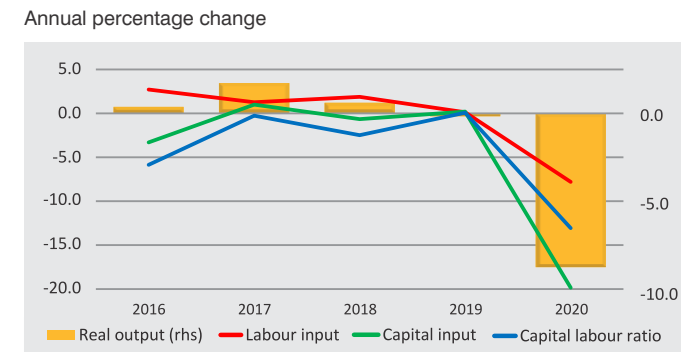
Real output recorded a significant negative growth in 2020. The indicator previously realised three consecutive years of positive but weak growth on average between 2016 and 2018 while it registered a marginal decline in 2019. Capital productivity accelerated considerably in 2020. The indicator previously recorded three years of successive moderate positive growth between 2016 and 2018 and a negligible negative growth in 2019. Labour productivity realised a relatively marginal decline in 2020. The indicator generally recorded negative growth on average between 2016 and 2020 saving the weak positive growth in 2017. A relatively significant negative growth in the indicator was registered in 2016. Multifactor productivity declined sharply in 2020. The indicator previously recorded negative growth in 2018 and 2019 as well as in 2016 while it registered a positive growth in 2017.

Figure 2: Average productivity indicators 1970-2020



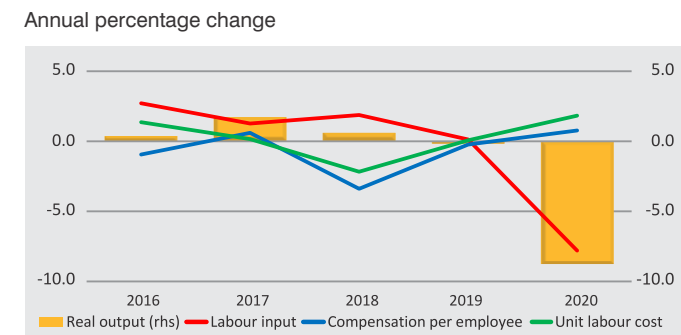
Real output, Labour productivity and Multifactor productivity recorded positive growth between 1970 and 2020 while Capital productivity realised a negligible decline in growth during the same period. In particular, Real output registered a somewhat weak positive growth between 1970 and 1993 compared to between 1994 and 2020. The indicator realised a decline in growth on average between 2016 and 2020. Capital productivity recorded a relatively weak positive growth between 1970 and 1993 while it registered a decline in growth between 1994 and 2020. The indicator recorded a slight decline in growth on average between 2016 and 2020. Multifactor productivity registered a relatively weak positive growth between 1970 and 1993 compared to the strong positive growth registered between 1994 and 2020.

Figure 3: Production Input indicators 2016-2020



Capital input registered a significant decline in growth during 2020. The indicator generally registered volatile growth between 2016 and 2020 where it realised negative growth in 2016 and 2017 while it recorded negligible growth in 2017 and 2019. A relatively significant positive growth was recorded in 2017 while a substantial negative growth was realised in 2020. Labour input registered an appreciable decline in growth during 2020. The indicator recorded a positive growth on average between 2016 and 2018 while it registered negligible growth in 2019. Capital labour ratio realised a notable decline in growth during 2020. The indicator recorded a negative growth between 2016 and 2020 where it declined considerably in 2016 and 2020 while it realised a relatively weak growth in 2017 and 2019.

Figure 4: Labour input indicators 2016-2020



Labour input registered a steep decline in growth during 2020. The indicator previously realised four years of positive growth between 2016 and 2020 where the growth in the indicator was relatively negligible in 2019. A relatively strong positive growth in the indicator was recorded in 2016 while the opposite is true in 2020. Compensation per employee realised a weak positive growth in 2020. The indicator previously recorded negative growth in 2016 and 2018 while it registered negligible growth in 2017 and 2019. A significant positive growth in the indicator was realised in 2020 while the opposite is true in 2018. Unit labour cost recorded a somewhat notable acceleration in growth during 2020. The indicator previously recorded positive growth in 2016 and 2019 while it realised a decline in growth during 2017 and 2018. A relatively significant negative growth in the indicator was realised in 2020.