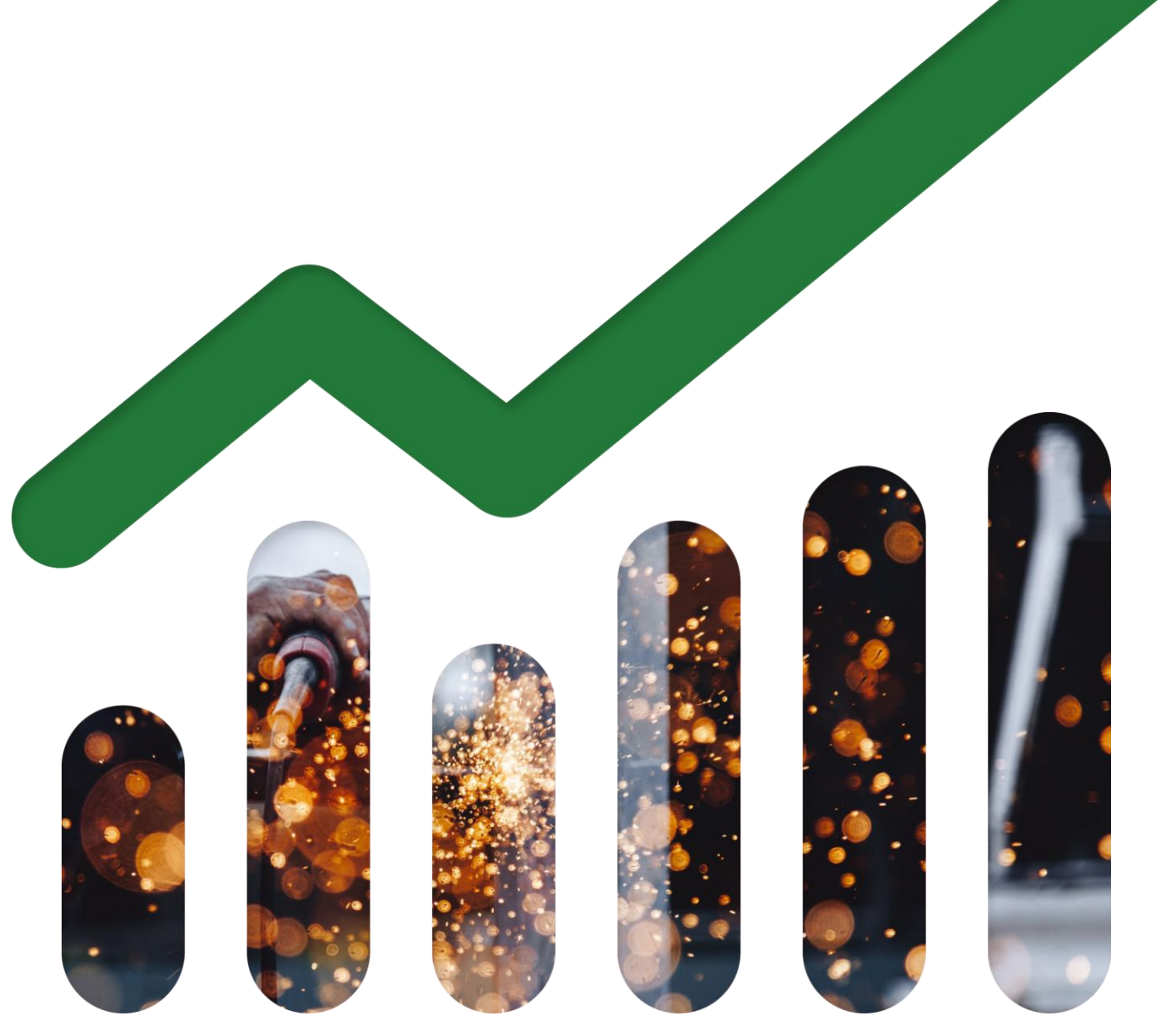




**National Economic
Development and
Labour Council**

Economic and Employment Trends in South Africa

August 2025 | Issue 29





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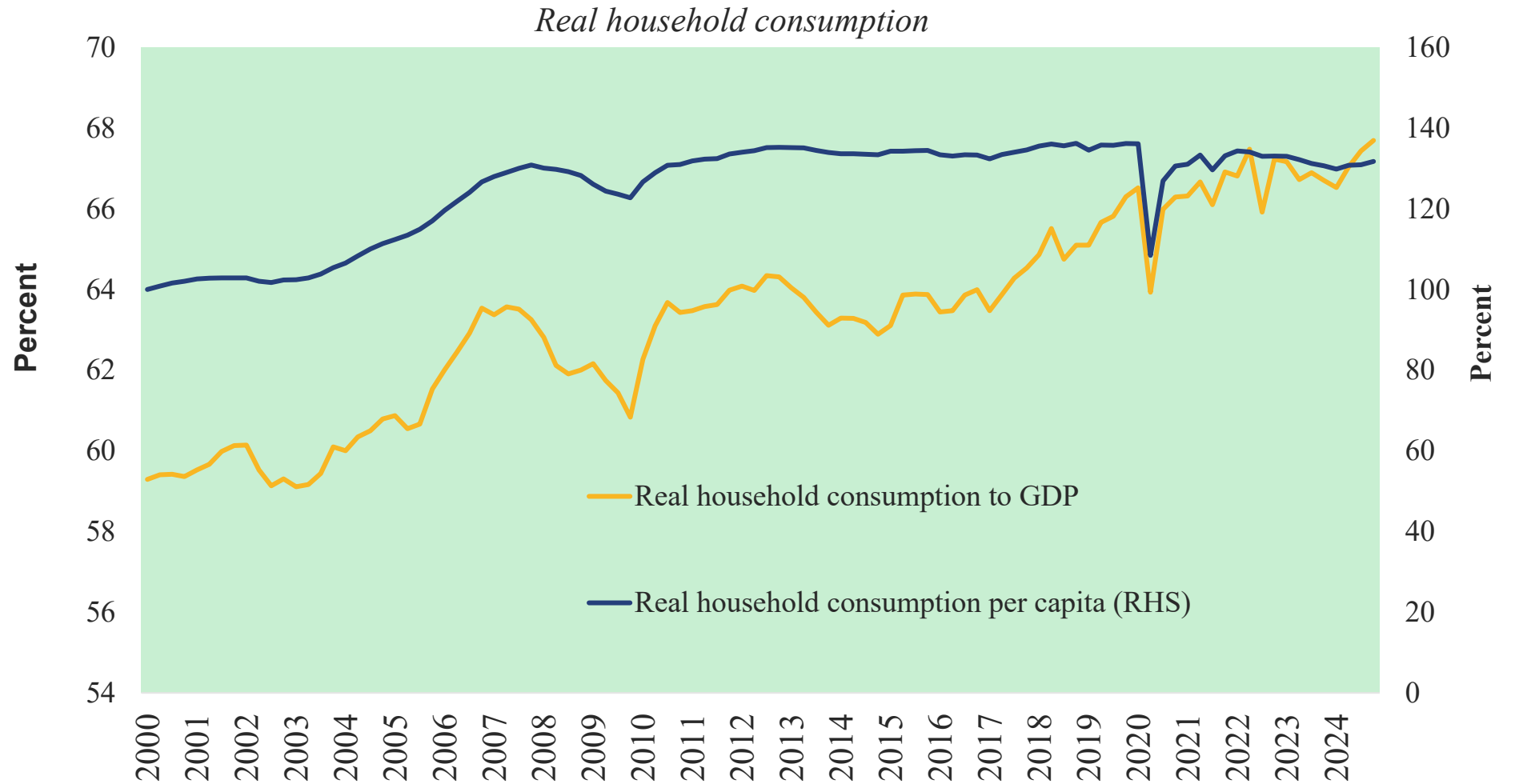
Overview of current economic and employment trends

- Household spending per capita **has become a more important driver of growth** but remains stagnant when adjusted for inflation (Slide 4).
- **High-skilled employment has grown significantly among women**, but the sharp decline in domestic worker jobs highlights economic vulnerability for low-income women (Slide 5).
- Loan performance has improved, **with 65% of loans in good standing**, though overall lending activity remains below pre-Covid levels (Slide 6).
- **Capital investment nearly doubled in 2024 due to increased public sector spending**, with only modest growth expected in 2025 (Slide 7).
- **Police budget share has slightly increased**, indicating a steady prioritisation of policing within public safety expenditure (Slide 8).
- **US trade share in South Africa's exports is declining**, suggesting greater diversification in export destinations (Slide 9).
- Productivity growth **has stagnated since 2010, with gains concentrated in agriculture and declines in sectors like utilities and construction** (Slide 10).
- Mentions of Trump and trade in the media have increased sharply, just like the rise in the SA-TUI, **showing growing trade tensions**. The SA-TUI spiked to its highest level since 2010 in May 2025 after US President Trump imposed tariffs on South Africa and remains elevated (Slide 11).

Gross Domestic Product

- Household spending per capita in South Africa shows that **consumption is becoming more important to growth**, but it has been **stagnant on a per capita inflation-adjusted basis**.

Household consumption is increasingly driving growth, but real per capita spending has stagnated



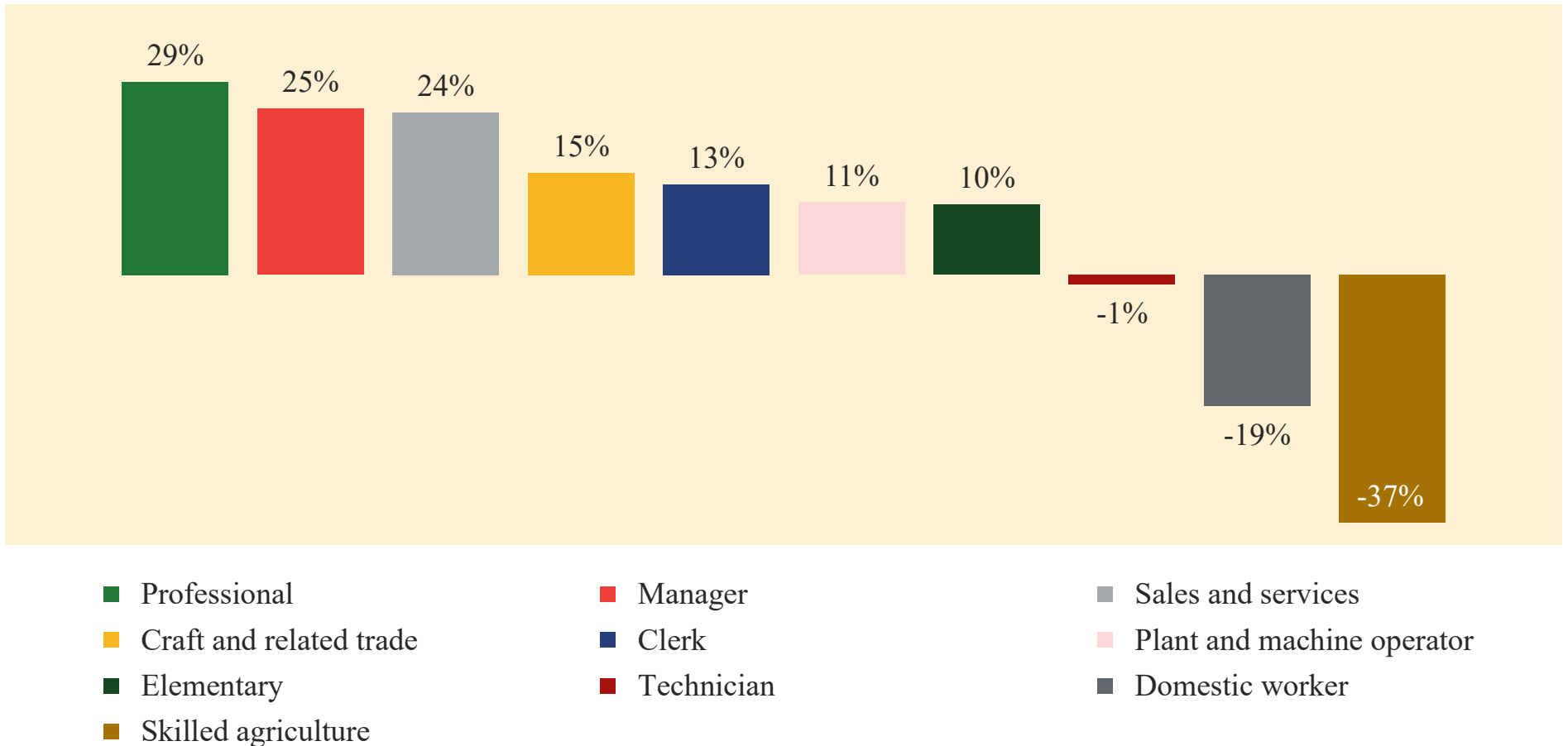
Source: SARB, Stats SA, EconData

Employment

- **High-skilled positions** such as professional, manager, and sales and services **experienced remarkable growth**, with increases of 29%, 25% and 24%, respectively.
- However, the loss of employment for domestic workers (-19%) is a **concerning trend given the vulnerability of these women to economic shocks**.

Over the past decade, a **significant transformation** has occurred in the occupational distribution of **women**

Change in employed women by occupation, 2015:Q1 & 2025:Q1

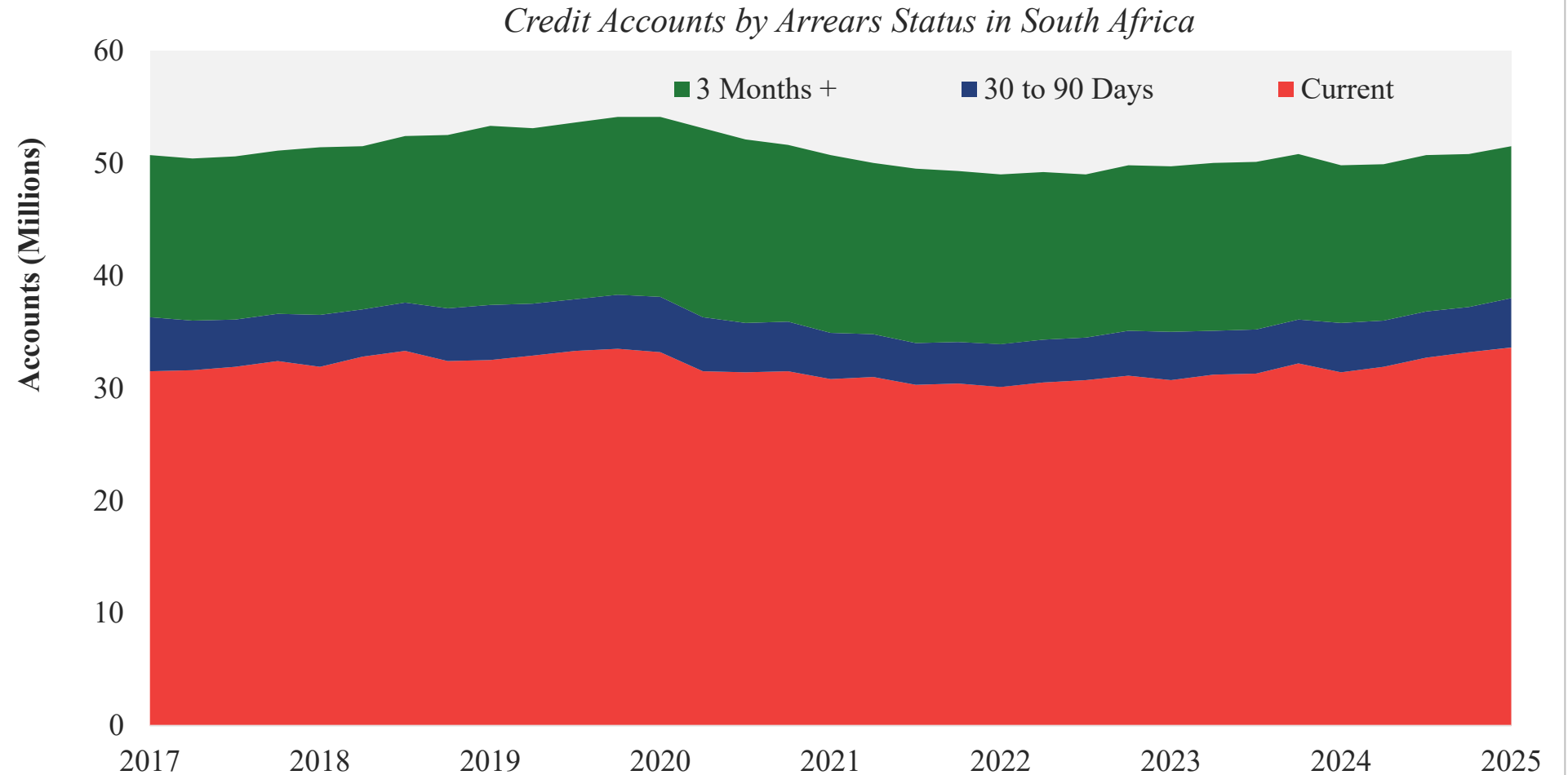


Source: Quarterly Labour Force Survey 2025:Q1 Stats SA

Households

- **About 65% of loans in South Africa are currently in good standing**, while the remaining **35% are in arrears**.
- Although lending activity has picked up, **the total number of active loans remains below pre-Covid-19 levels**.

Despite a recovery in lending activity, **one in three loans is in arrears**



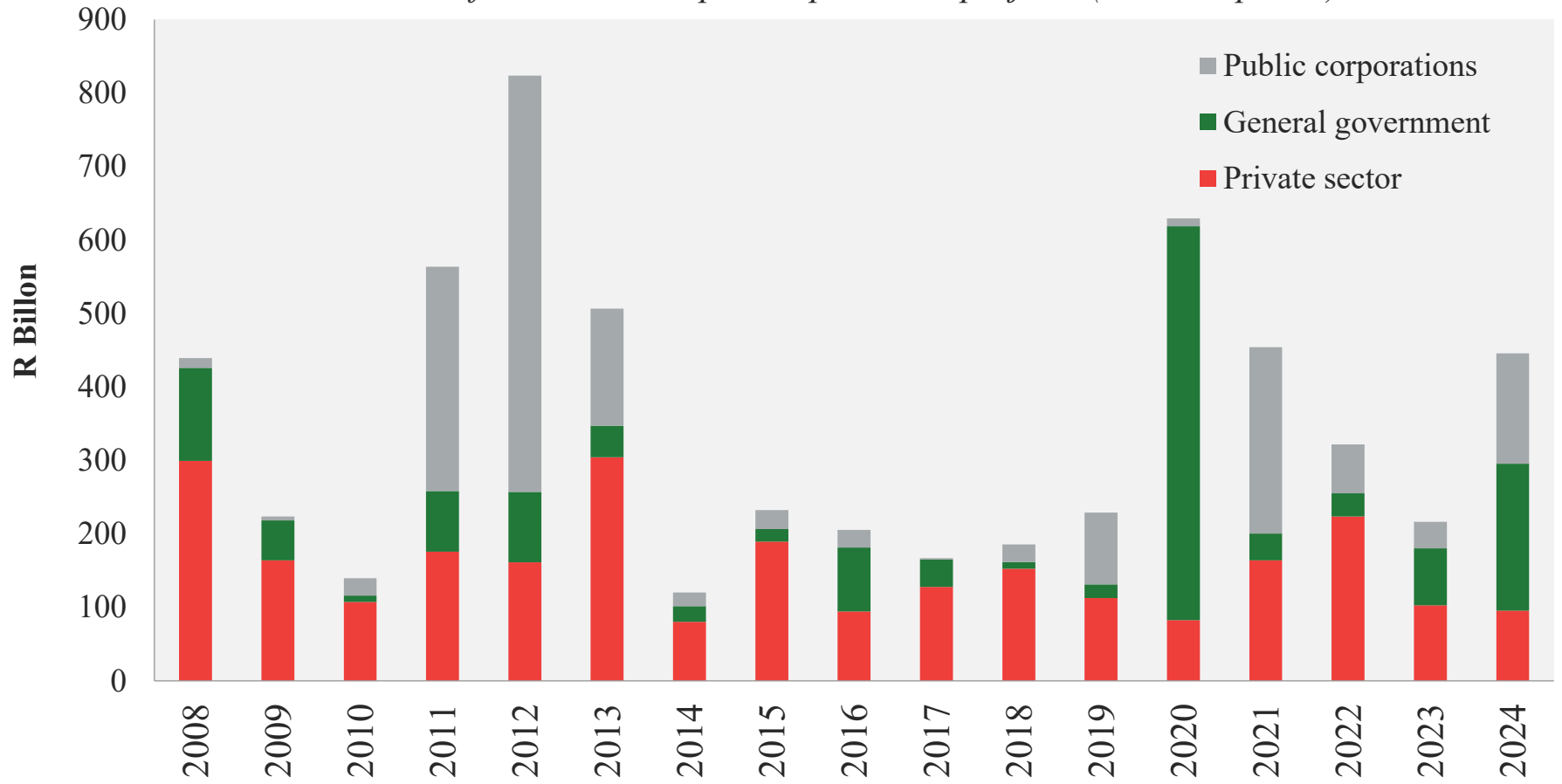
Source: XDS, Eighty20

Investment

- According to Nedbank, the value of new capital expenditure projects reached approximately R450 billion in 2024, up from R210 billion in 2023.
- **This increase was driven by higher investment from government and public corporations**, which offset a decline in private sector fixed investment.
- For 2025, Nedbank anticipates a modest 1.3% rise in overall capital formation.

Capital expenditure rose to R450 billion in 2024, driven by public investment, but **growth is expected to slow to 1.3% in 2025**

The value of announced capital expenditure projects (constant prices)



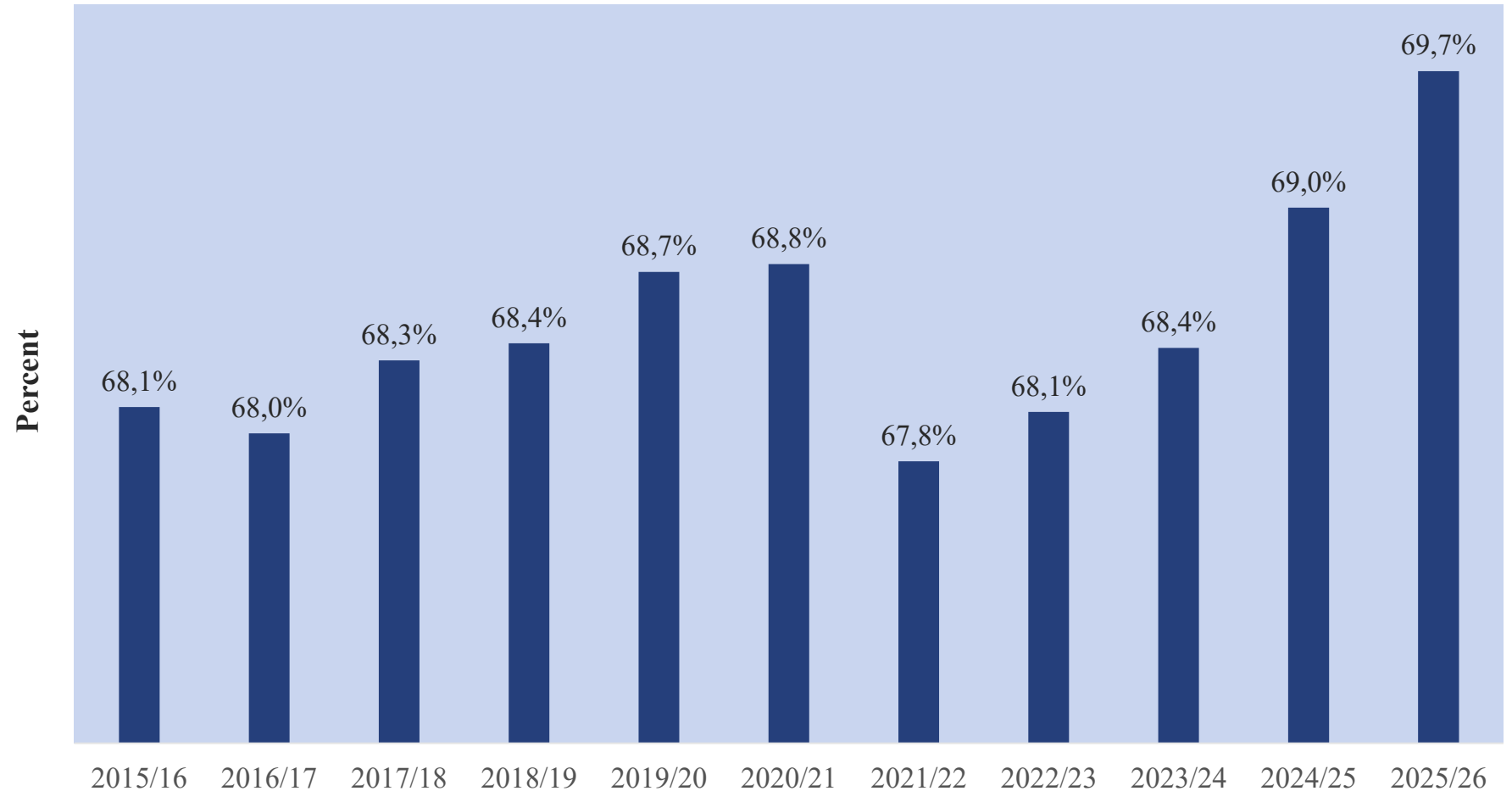
Source: Nedbank

Government

- **The police's share of the public order and safety budget has remained stable**, rising slightly from 67.8% in 2021/22 to a projected 69.7% in 2025/26.
- This points to a **gradual increase in the prioritisation of police services** compared to other areas within public safety, such as law courts and prisons.

Police services' share of the public safety budget **has remained consistently high**

Police Services Share of Public Safety Budget (2015/16 – 2025/26)

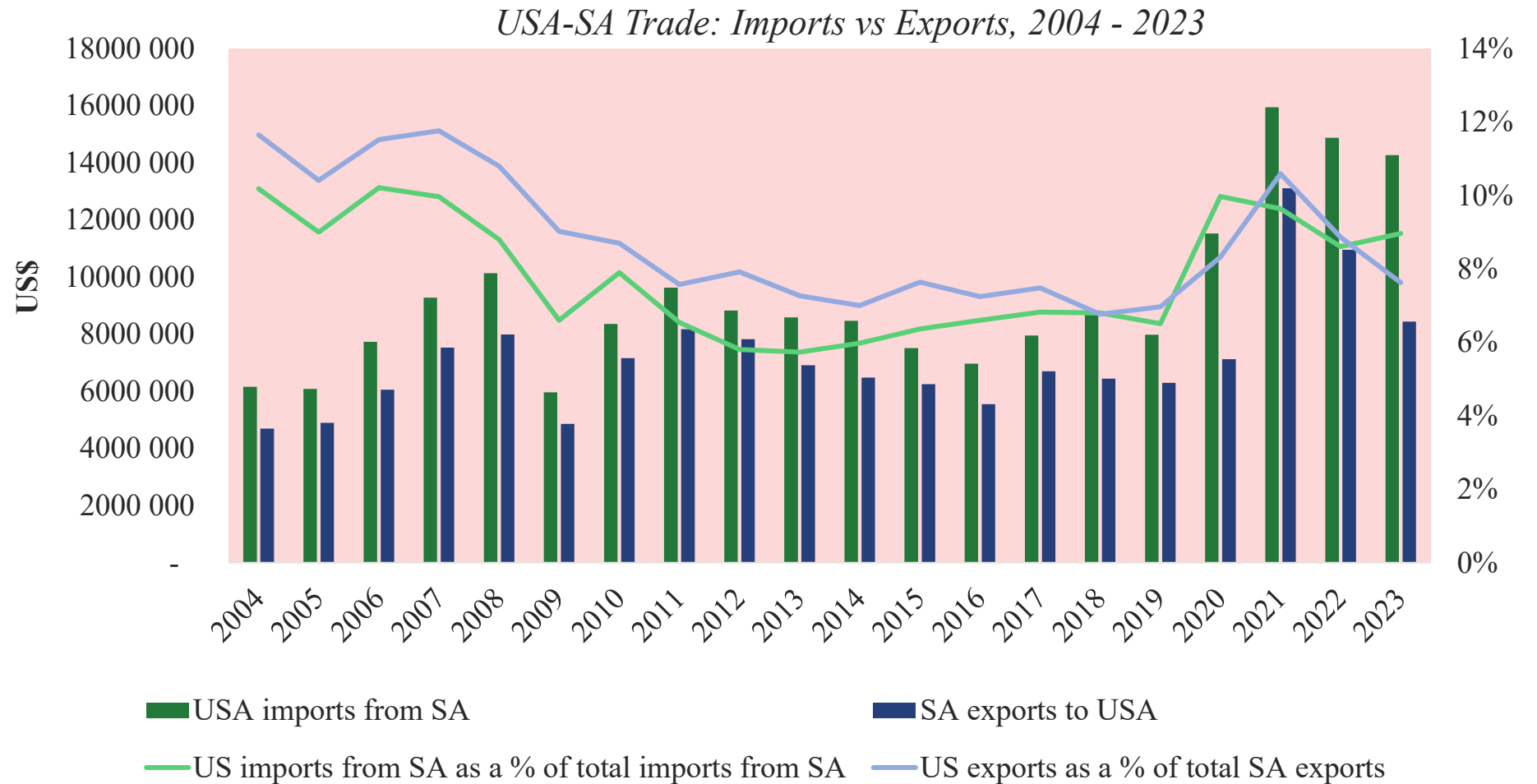


Source: National Treasury Consolidated government: Table 8 of budget review statistical annex

International Trade

- While the USA remains a significant trade partner for South Africa, its share of South Africa's total exports has gradually declined, indicating growing diversification in South Africa's export markets.

The bilateral trade relationship is marked by resilience, with trade volumes recovering quickly after global shocks (2009 and 2020)

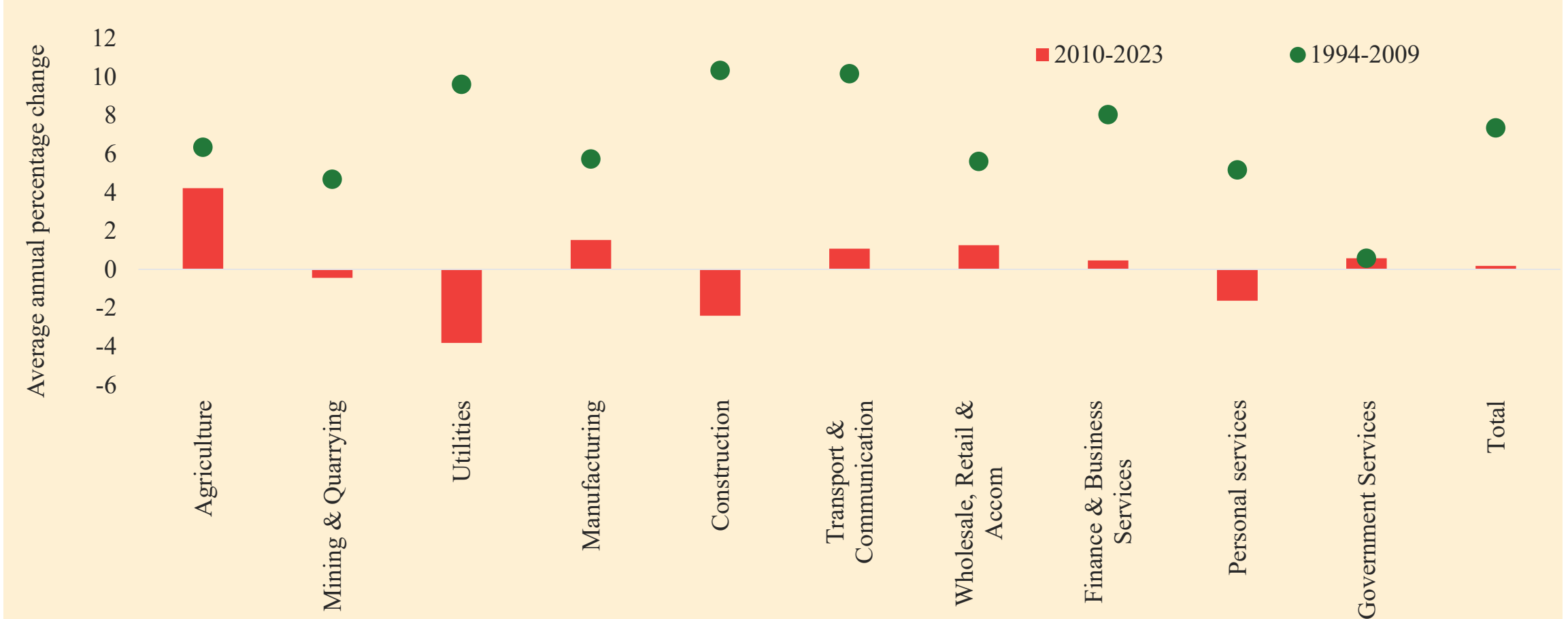


Source: ITC Trademap Data

Productivity developments by industry

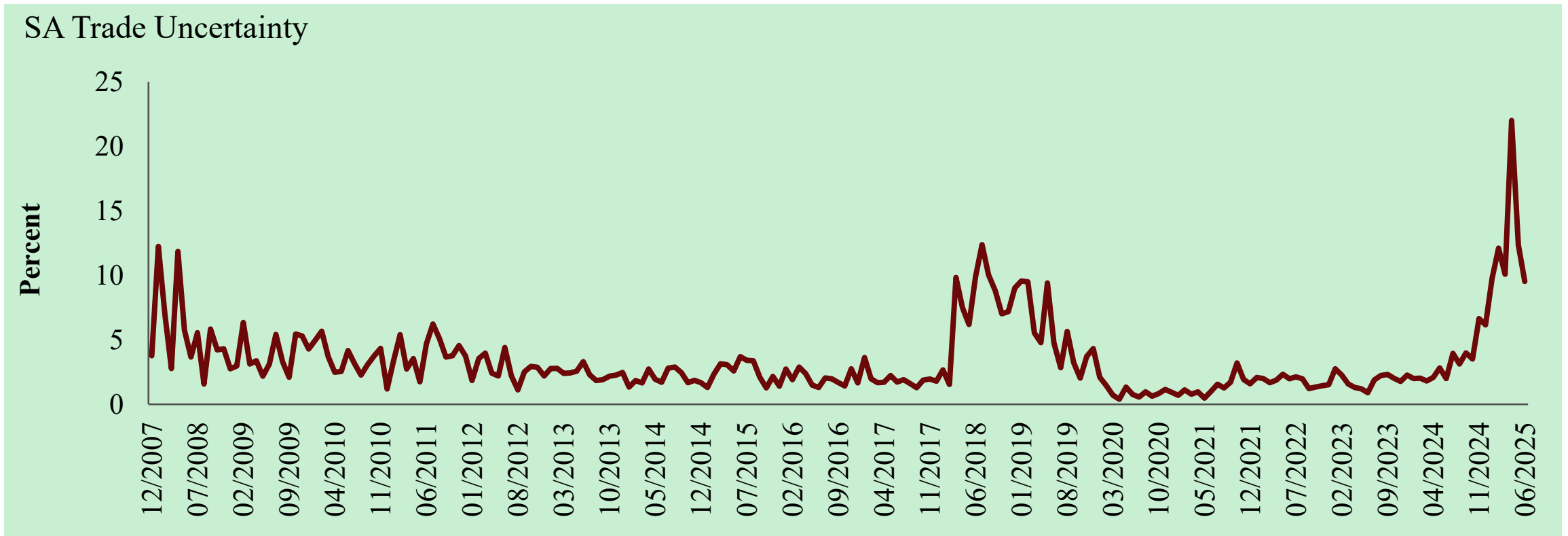
Productivity growth in South Africa has stagnated over the past 15 years. According to estimates from Productivity South Africa, multi-factor productivity (MFP) has grown most rapidly in the agriculture, forestry, and fishing sector since 2010. While all industries recorded positive MFP growth between 1994 and 2009, the post-2010 period has seen negative MFP in the utilities (electricity, water, and gas), construction, and community and personal services sectors.

Multifactor Productivity growth by industry in South Africa



Source: Productivity South Africa, Codera Analytics

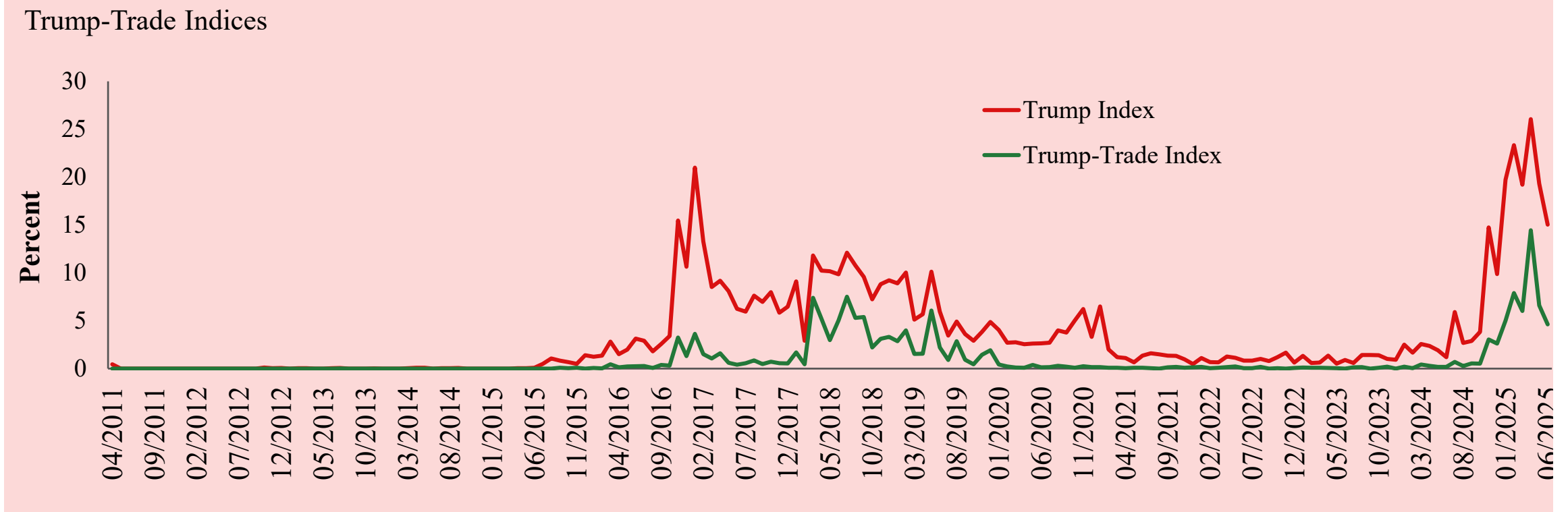
Section C: Trade Uncertainty in South Africa



Source: BusinessLive.co.za, Codera Analytics

- The South African Trade Uncertainty Index (SA-TUI) tracks the share of South African news stories related to trade uncertainty. The index includes both domestic and international trade concerns with extensive search terms covering ports, policies, supply chain disruption, tensions, and other uncertainties.
- The SA-TUI spiked to its highest level since 2010 in May 2025 **following the imposition of tariffs on South Africa by US President Trump and remains elevated.**

Section C: Trump-Trade Uncertainty in South Africa

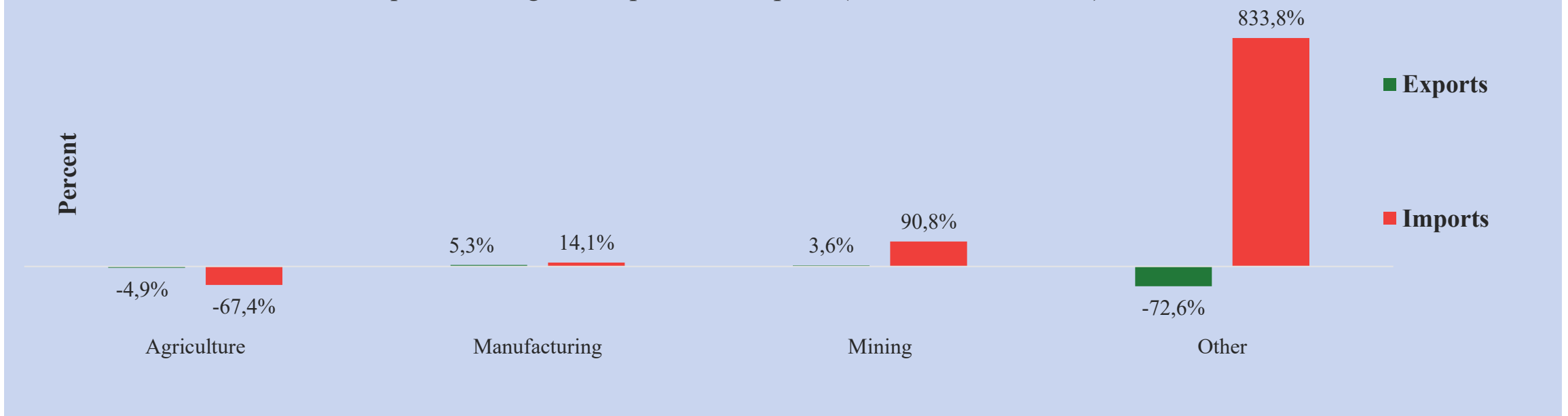


Source: BusinessLive.co.za, Codera Analytics

- The ‘Trump Index’ and ‘Trump-Trade Index’ measures the frequency of mentions of US President Trump and the combination of ‘Trump’ and ‘Trade’ in the same South African and global news stories.
- Like the SA-TUI, it has spiked to its highest level and remains elevated.

Section C: SA-USA Trade

SA-USA Trade: Quarter-on-quarter changes in exports and imports (2025:Q1 vs 2025:Q2)



Source: SARS data. Note: Classification based on NCS 4

- The trade gap with the USA **widened significantly in Q2 2025, driven by sharp increases in imports and declines in certain exports**, especially in Agriculture and Other categories.
- While **Manufacturing showed balanced growth in both exports (+5.3%) and imports (+14.1%)**, Agriculture and Other experienced opposite trends, **exports declined** (Agriculture: -4.9%, Other: -72.6%) while **imports increased significantly**, except for Agriculture imports.

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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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National Economic Development and Labour Council

📍 14a Jellicoe Avenue, Rosebank, Johannesburg
☎ +27 11 328 4200
✉ mojalefa@nedlac.org.za
🌐 nedlac.org.za

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