

South Africa narrowly avoids technical recession in Q4

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South Africa's economy grew 0.1% in the fourth quarter of 2023 in quarter-on-quarter seasonally adjusted terms, narrowly avoiding a technical recession, statistics agency data showed on Tuesday, 5 March 2024.



Source: Reuters.

The economy grew 0.6% in 2023, said Statistics South Africa.

The fourth quarter growth rate was slightly lower than the 0.3% growth economists polled had predicted.

Tuesday's data is the last gross domestic product (GDP) release before national and provincial elections in May.

Africa's most industrialised economy has stagnated over the last decade, with GDP averaging 0.8% since 2012.

Inefficiencies at state-owned power utility Eskom and port and freight rail company Transnet are one reason why growth has been so weak.

A cost-of-living crisis that has squeezed consumer spending has also dented growth.

A technical recession is defined as two consecutive quarters of contracting economic output. The economy shrunk 0.2% in

the third quarter of 2023.

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