

---

## **MEDIA STATEMENT**

### **RESPONSE TO ECONOMY EMERGING FROM RECESSION**

---

The National Treasury would like to welcome the second quarter Gross Domestic Product (GDP) data, which showed a rebound in economic growth to 2.5% (seasonally adjusted annual rate).

This followed a contraction of 0.6% in the first quarter and another of 0.3% in the fourth quarter of 2016. Notable growth rates were recorded in agriculture, mining, finance and manufacturing.

Although it is still early to suggest a longer term trend reversal, the data provides a platform that we can all build on for a more shareable growth path.

Efforts to bolster confidence as packaged in the 14-point Action Plan action items, together with continuing work through the economic cluster, should combine to set the country on a higher growth trajectory.

We call on all stakeholders, labour, business, community and government to continue to work in the interest of a more robust and inclusive economy.

Minister Gigaba says any improvement in economic growth is encouraging, but it is not yet the time to celebrate. “We need to remain honest about the major challenges that still face the local economy. Poverty, unemployment, and inequality which are being underpinned by persistent low growth remain the challenge. Government and the private sector are to work closer together to inclusively develop the South African economy. I will be working closely with anyone who shares the urgency for higher economic growth, he said.”

**Issued on behalf of the National Treasury**

**05 September 2017**