



EFF STATEMENT ON THE STATS SA GROSS DOMESTIC PRODUCT SECOND QUARTER REPORT FOR 2024, ON THE 0.4% JOBLESS ECONOMIC GROWTH

Tuesday, 03 September 2024

The Economic Freedom Fighters (EFF) has noted the recent Statistics South Africa (Stats SA) Gross Domestic Product Report for the Second Quarter of 2024, which has cited a 0.4% growth in the South African economy and credited this growth to the financial sector, trade and real estate spheres in our country.

The EFF characterises this so-called growth as an entrenchment of the glim market-orientated and financial sector centred growth that was seen in the early and mid 2000's in South Africa, where the economy grew to the benefit of the private sector, due to narrow and neo-liberal macroeconomic policies enacted during the tenure of President Thabo Mbeki.

The people of South Africa should never be hoodwinked into celebrating what must correctly be seen as jobless growth, where a small sector of society, namely the banks, register massive profits as a result of private sector friendly economic policies, and then seek to create an impression that their profits constitute general economic prosperity in the country.

According to the Stats SA Gross Domestic Product Report for the Second Quarter of 2024, the finance industry alone contributed a 0.3 of a percentage point to the so-called increase, while labour intensive sectors such as agriculture, fisheries, forestry and mining all decreased.

This means in areas where jobs are actually created, there was a decline in economic growth. This means that the financial sector has been the only beneficiary of the purported growth due to having successfully installed a political regime that serves their interests.

On the 13th of August 2024, merely two-weeks ago, Stats SA released its Quarterly Labour Force Statistics for Quarter 2 of 2024, wherein it cited an increase in unemployment by 0.6%, which amounts to 158 000 more people who are unemployed.

Notably, there was a decrease in unemployment in the agricultural sector by 45 000 people, this is the very same sector that declined in terms of economic growth. The EFF therefore completely rejects the notion that the economy has grown, and those claiming easy victories ought to be careful, as they will and must be held responsible for the increased unemployment rate, crime rate, and increased rates of sexual assaults and rape.

Furthermore the financial sector, particularly the banks, are able to record the growth they have recorded in this quarter, because the interest rate has been high, meaning it is accumulating profits due to the high debt repayments of South African consumers.

It is for this reason that the EFF has called for the South African Reserve Bank (SARB) and the Monetary Policy Committee to reduce the repo rate by 150 basis points, in order to curb the cost of living in South Africa. Essentially, the financial sector has grown on the back of the suffering of South Africans who are repaying high amounts on their homes, vehicles and debts, and in many instances losing these assets to the financial sector because they can no longer afford them.

It is a well-known fact that the modus-operandi of private capital is to privatise profits, and socialise losses. Therefore, the 0.4% growth that is being characterised as economic growth for South Africa, is purely a case where the financial sector is maximising profit due to positive trade-offs from their increased participation in our economy; and high-interests rates implemented by the Reserve Bank, while our people remain poor and unemployed.

The EFF seeks to warn South Africans against being misled by a narrative of economic growth, while they remain unemployed and gripped by poverty.

The reality is, this growth benefits the capitalist establishment through the financial sector, and is the intended agenda of this very government, which is established by private sector interests to deliver narrow profit-maximisation for the few, at the expense of the majority of South Africans.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

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