



## **EFF STATEMENT ON THE SECOND QUARTER 2022 GROSS DOMESTIC PRODUCT**

Tuesday, 06 September 2022

The Economic Freedom Fighters (EFF) is not shocked by the decrease in real gross domestic product as shown by the second quarter 2022 gross domestic product data released by Statistics South Africa. South Africa's GDP decreased by 0.7% in the second quarter of 2022. Cyril Ramaphosa and the collective incompetent and useless Cabinet and the governing party have demonstrated beyond doubt, that they do not possess the capacity to reorganise South Africa's economy. What is more shocking is the determination and willingness to handover decision-making powers to the unregulated racist capitalist class at the hands of the few white men who control the economy.

The second quarter GDP data clearly demonstrates that the decrease is in all important sectors that have the capacity to reorganise and reignite South Africa's economy. The decrease in manufacturing, agriculture, mining, trade, catering, and accommodation is a sign that the decrease in the GDP is far reaching, and evident of an economy that is not producing goods and services. The decrease in government expenditure is a result of misguided austerity fiscal policy that has consistently undermined efforts to increase the number of teachers, policemen and women, doctors, nurses and other key professionals that make up the core of state capacity.

The EFF warned about the misguided celebration of the decreased unemployment rate from 34.5% in the first quarter to 33.9% in the second quarter because there was no coordinated clear intervention to address an economy that has reached its lowest levels of crisis. The reality is that it is premature to celebrate an unemployment rate decrease when the actual number of unemployed people increased from 7.8 million to 7.9 million.

South Africa's economy, on its current path, will not experience any positive, sustainable and meaningful growth because very few entrusted with the responsibility of formulating economic policy are hellbent on neoliberalism. The majority of working-class families are highly indebted and are struggling to afford basic things like food and housing. The obsession of the South African Reserve Bank to increase interest rates beyond record levels is strangling any effort to revive the economy on a growth path.

Thus far, the only option for policymakers in the SARB and the National Treasury is to push the cost of living up, which has led to the price of cooking oil increasing by more than 70% and consumer price inflation at 7.8%.

The EFF has called for the use of fiscal and monetary policy instruments to lay the foundation for an industrial-orientated economy that will put South Africa on a growth path and sustainable job creation. In the immediate, the government must use the procurement budget to refocus the economy towards locally produced goods in strategic sectors and must further halt the decapitation of state-owned strategic entities that must form the backbone of South Africa's economy. We know that Ramaphosa and the dying governing party have no capacity and that only the EFF has presented a coherent and cogent plan that has the capacity to lead South Africa to economic freedom in our lifetime.

**ISSUED BY THE ECONOMIC FREEDOM FIGHTERS**

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