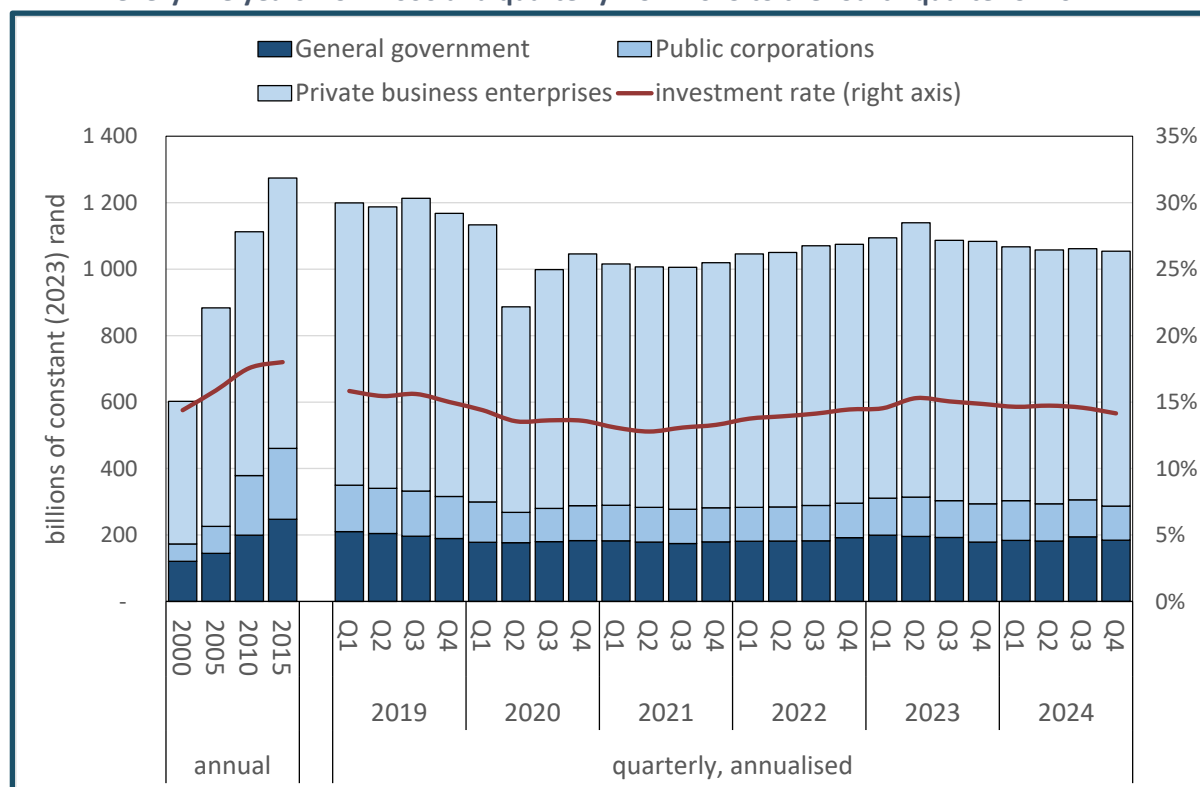


## Investment and profitability

A 6% fall in public-sector investment drove a 1% drop in total investment in the fourth quarter of 2024. Private investment, however, increased by 1% from the third to the fourth quarter of the year, although it remained well below pre-pandemic levels. The investment rate dropped to 14.1% at the end of 2024, a level last seen in mid-2022 as the economy recovered from the pandemic downturn.

General government investment fell some 5% in the final quarter of 2024, while investment by state-owned companies dropped 7%. As a result, general government investment was flat for the year, and down 12% on the fourth quarter of 2019, before the pandemic. Investment by the state-owned companies, mostly Eskom and Transnet, fared even worse. It was 12% lower than in the fourth quarter of 2023, and 26% lower than at the end of 2019. In contrast, private investment climbed 1% in the final quarter of 2024. That left it 0.4% above the final quarter of 2023, but some 10% down on late 2019. The fall in public-sector investment was the main factor behind the drop in total investment over the past six quarters. As a result, the investment rate fell from a high of 15% in mid-2013 to 14.1% in the last quarter of 2024.

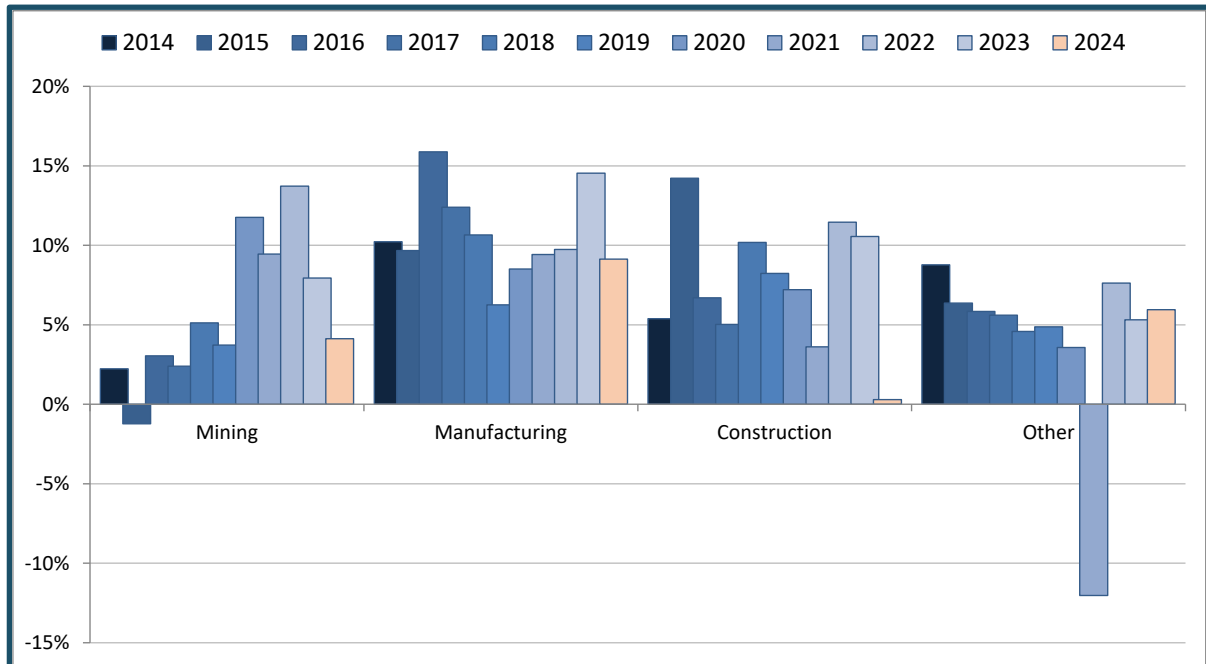
**Graph 20. Investment by type of investor in constant 2024 rand and the investment rate (a), every five years from 2000 and quarterly from 2019 to the fourth quarter of 2024**



Note: (a) Figures for investment are reflat with implicit deflator rebased to fourth quarter 2024. The investment rate is gross fixed capital formation as a percentage of expenditure on the GDP. Source: Calculated from Statistics South Africa. GDP quarterly figures. GDP P0441 – 2024Q4. Excel spreadsheet.

Data on profitability by sector are available only through the third quarter of 2024, from Statistics South Africa's Quarterly Financial Statistics. Graph 21 points to a decline in profitability across manufacturing, mining, and construction from the third quarter of 2023 to the third quarter of 2024. Construction was particularly hard hit, with the return on assets plummeting from 10.6% in the third quarter of 2023 to 0.3% in the third quarter of 2024.

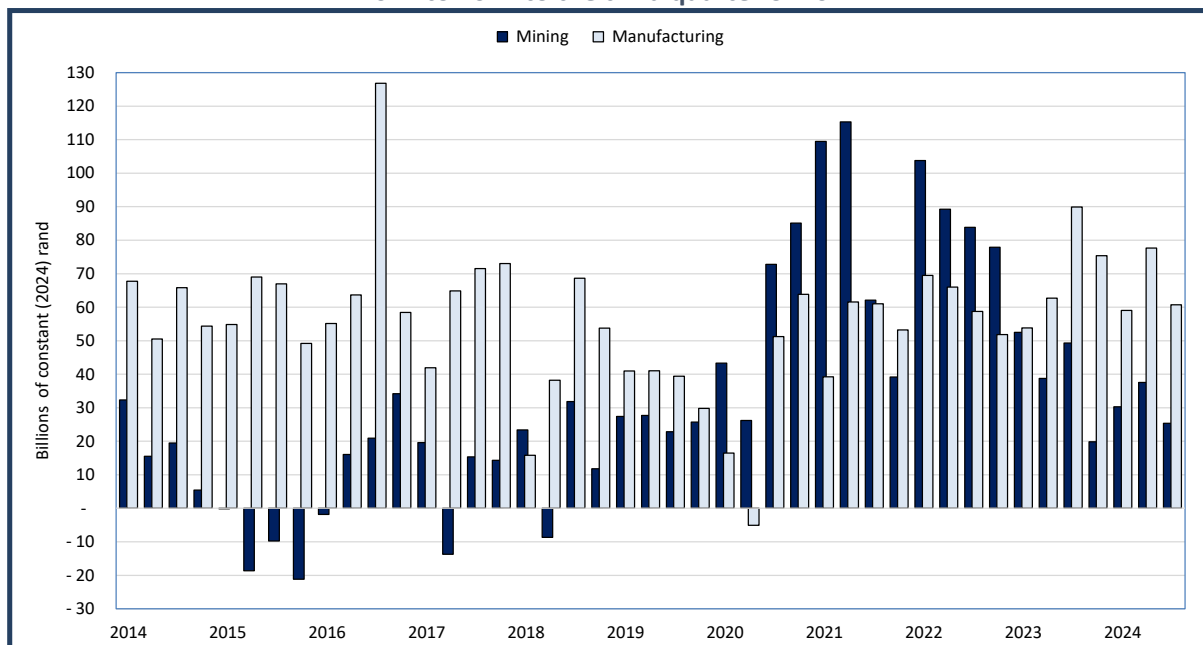
**Graph 21. Return on assets by sector, third quarter 2014 to 2024**



Source: Calculated from Statistics South Africa. Quarterly Financial Statistics. Excel spreadsheet. Accessed at [www.statssa.gov.za](http://www.statssa.gov.za) in March 2025.

In the third quarter of 2024, profits in both manufacturing and mining shrank in constant rand (Graph 22) Manufacturing profits declined by 22%, falling from R78 billion in the second quarter of 2024 to R61 billion in the third quarter of 2024. Mining profits fell from R38 billion to R25 billion during the same period.

**Graph 22. Quarterly profits in manufacturing and mining in billions of constant 2024 rand (a), 2014 to 2024 to the third quarter of 2024**



Source: Calculated from Statistics South Africa. Quarterly Financial Statistics. Excel spreadsheet. Accessed at [www.statssa.gov.za](http://www.statssa.gov.za) in March 2025.