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Media Release

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A BIGGER ECONOMY THAN WE THOUGHT: WHAT STATS SA'S GDP REVISION MEANS FOR JOHANNESBURG

The City of Johannesburg's Department of Economic Development has noted Statistics South Africa's (Stats SA) announcement that the South African economy is 4.9% larger than previously recorded, following its five-yearly Gross Domestic Product (GDP) rebasing and benchmarking exercise.

The revision moves the national accounts reference year from 2015 to 2022, placing South Africa's nominal GDP at approximately R8.04 trillion in 2025, compared with the previous estimate of R7.64 trillion.

For Johannesburg, the country's largest metropolitan economy, this provides an opportunity to reassess the City's economic contribution, understand changing economic trends and strengthen planning for future growth.

Importantly, the revision does not mean that additional money has been generated. Rather, it reflects improved data and the inclusion of economic activities previously underrepresented in official measurements.

Johannesburg is commonly estimated to contribute approximately 16% of national GDP and around 40% of Gauteng's economic output. Applying this estimated share to the revised national GDP suggests that the metropolitan economy could be worth approximately R1.3 trillion.

This remains an indicative estimate, as Stats SA does not publish official GDP figures at metropolitan level.

The upward revisions in finance, property and trade are particularly significant for Johannesburg, given the importance of these sectors to its economy. The City must now reassess its economic contribution against the revised national baseline to ensure that its development strategies and investment priorities reflect a more accurate picture.

Despite the larger national GDP, Johannesburg will not receive additional municipal revenue simply because the economy has been remeasured.

The City's revenue remains dependent on property rates, electricity and water charges, and government grants. Existing financial pressures, including electricity-related debt, infrastructure requirements and budget constraints, remain unchanged.

Although improved national debt-to-GDP ratios could potentially strengthen investor confidence and reduce borrowing costs over time, any benefit to Johannesburg would be indirect. The City must continue strengthening its own financial position, revenue collection and creditworthiness.

Stats SA has revised the contribution of the unobserved economy from 7.3% to 8.7% of GDP. This is particularly relevant to Johannesburg, which has a substantial informal trading sector across its inner city and townships, alongside growing e-hailing and small-business activity.

The findings reinforce the importance of recognising informal traders and entrepreneurs as contributors to economic growth, employment and livelihoods.

The City must continue creating an enabling environment through accessible trading permits, designated trading spaces, improved market infrastructure and policies that support small businesses.

The inclusion of self-generated electricity in GDP measurements highlights the growing adoption of rooftop solar and private electricity generation.

While this supports energy resilience and contributes to economic activity, it also challenges Johannesburg's electricity revenue model, as some customers reduce their reliance on City Power.

The City must modernise its electricity tariffs, integrate embedded generation and protect the financial sustainability of municipal services.

Similarly, the upward revision in real estate activity reinforces the importance of an accurate property valuation roll, efficient building-plan approvals and reliable infrastructure to attract investment, unlock property development and expand the municipal revenue base.

The GDP revision provides an opportunity for Johannesburg to review its Growth and Development Strategy, Integrated Development Plan and economic targets against the new national accounts.

Improved metropolitan-level data on informal trade, property development, e-hailing and private electricity generation will help the City identify opportunities, strengthen economic planning and direct resources more effectively.

Ultimately, a larger measured economy does not automatically translate into more jobs, higher household incomes or improved living conditions. Unemployment and subdued economic growth remain significant challenges.

For Johannesburg, the real opportunity lies in translating this improved economic understanding into investment, business growth, employment opportunities, stronger municipal finances and inclusive development.

A bigger economy on paper must translate into a stronger economy on the ground. Johannesburg must use this better economic picture to build a more inclusive, competitive and resilient city that creates meaningful opportunities for all its residents.

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