

Wholesale trade sales increase - but GDP growth still expected to slow

Wholesale trade sales rose 3.4% in September compared with a year ago, Statistics SA said on Thursday.

By [Asha Speckman](#) 17 Nov 2016



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Compared with August 2016, wholesale trade sales grew 2.3% after a month-on-month fall of 1.6% in August and an increase of 0.6% in July.

But for the third quarter, seasonally adjusted wholesale trade sales showed no growth compared with the previous quarter.

Wholesale trade is a constituent of the third-largest sector of the economy, along with retail trade, motor trade, and catering and accommodation.

Retail sales data published on Wednesday showed a better than expected recovery in the sector, with sales up 1.4% year on year in September, although economists expect tight credit conditions and weak consumer spending to hamper sales growth in coming months.

Mining production data published last week showed the sector had pushed back to positive territory, breaking 12 months of contraction. Production increased 3.4% year on year in September from an upwardly revised 0.1% in August. Improved trade performance on precious metals lifted output during September.

But manufacturing sector production was stagnant compared with a year earlier, after 2.2% growth in August.

Economists expect slower growth in gross domestic product for the third quarter — after a 3.3% leap in GDP during the second quarter — as a result of disappointing manufacturing data and relatively muted retail sales growth.

Source: BDpro

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