

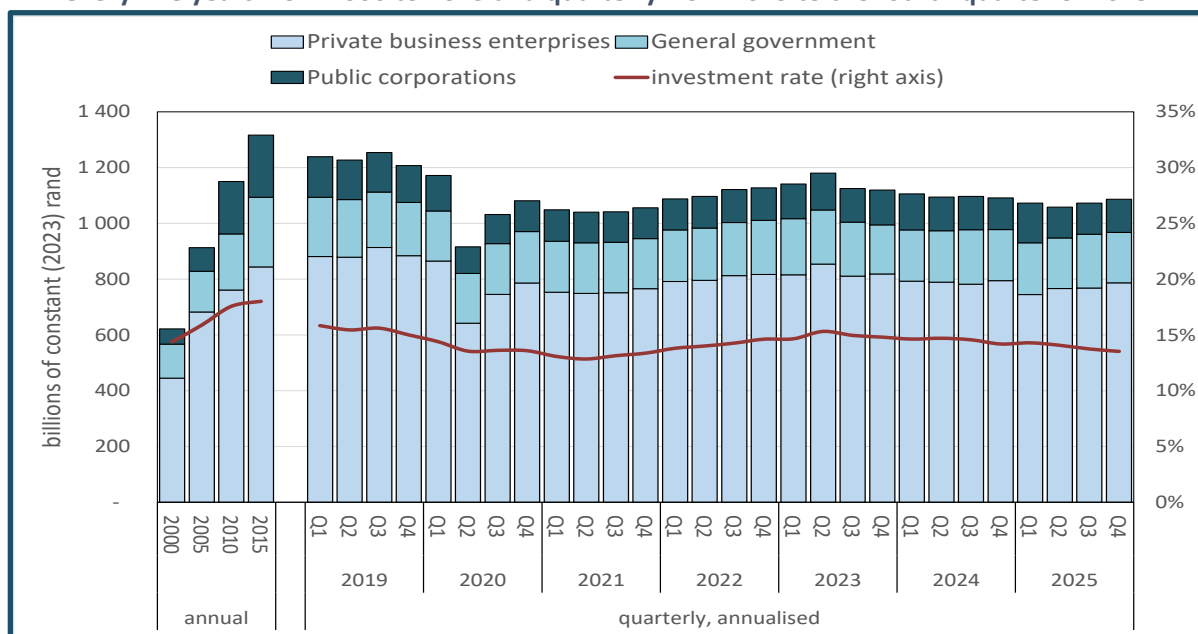
## Investment and profitability

Investment climbed 1.3% for the quarter in seasonally adjusted terms, marking the third quarter of growth. While public investment shrank 1.5%, it was more than offset by a 2.4% bounce back in private investment. Still, the sharp drop in private investment in the first quarter of 2025 more than offset growth since then, so investment at the end of the year was still lower than in 2024. The annual decline was concentrated in logistics, construction and mining, with modest growth in investment in manufacturing and the tertiary sector.

Investment recovered somewhat in the last three quarters of 2025, but not enough to offset the 6.3% drop in private investment in the first quarter of 2025. (Graph 18) Private investment climbed over 5% in the nine months to December 2025. Overall, its volatility, as measured by the standard deviation of quarterly growth, doubled in the past decade compared to the period from 1995 to 2015. Public sector investment has grown less rapidly than private holdings despite the repeated commitments to expand infrastructure investment. It is also even more volatile.

Investment by sector is only available on an annual basis. The data suggest that a 20% fall in investment in logistics more than equalled the entire decline in total capital formation in 2025. Both mining and construction saw investment fall by just over R3 billion, which represented a 4% decline for mining but an extraordinary fall of almost 30% in construction. These declines were partially offset by higher investment in manufacturing, utilities and business services.

**Graph 18. Investment by type of investor in constant 2025 rand and the investment rate (a), every five years from 2000 to 2015 and quarterly from 2019 to the fourth quarter of 2025**



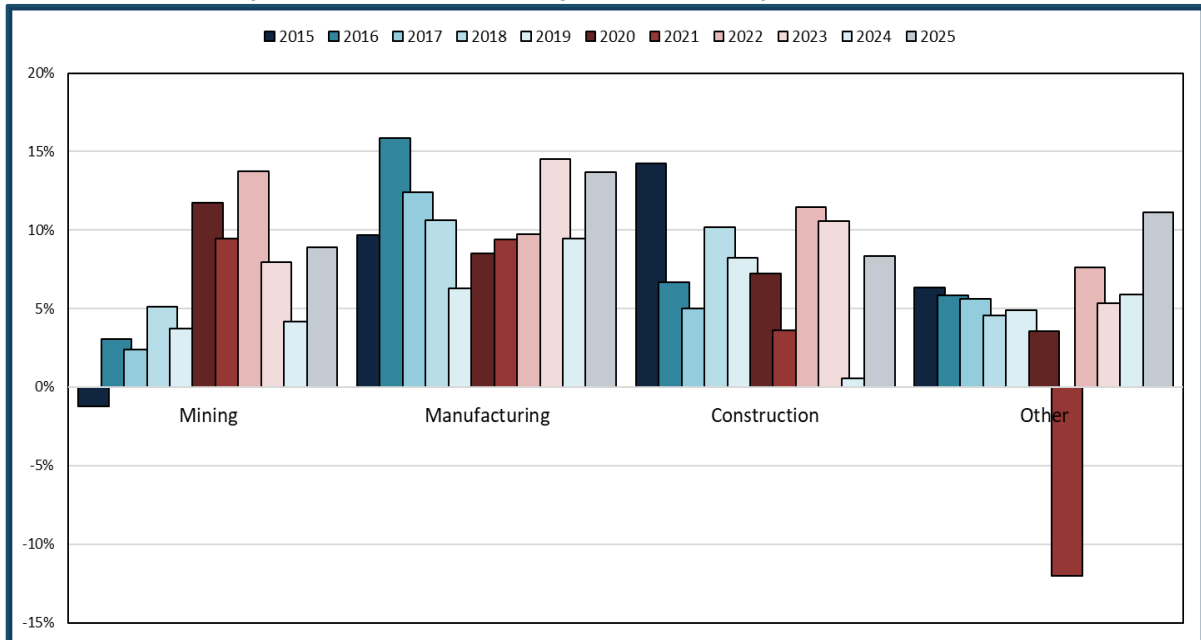
Note: (a) Figures for investment are reflatd with implicit deflator rebased to fourth quarter 2025. The investment rate is gross fixed capital formation as a percentage of expenditure on the GDP. Source: Calculated from Statistics South Africa. GDP quarterly figures. GDP P0441 – 2025Q4. Excel spreadsheet.

Figures for business returns on assets are only available through the third quarter of 2025. Profitability in the manufacturing, mining, and construction sectors generally improved in the third quarter of 2025. The return on assets in construction saw the largest increase, rising by seven percentage points

from 1% in the third quarter of 2024 to 8% in the year to the third quarter of 2025. The other sectors all increased by five percentage points. (Graph 19)

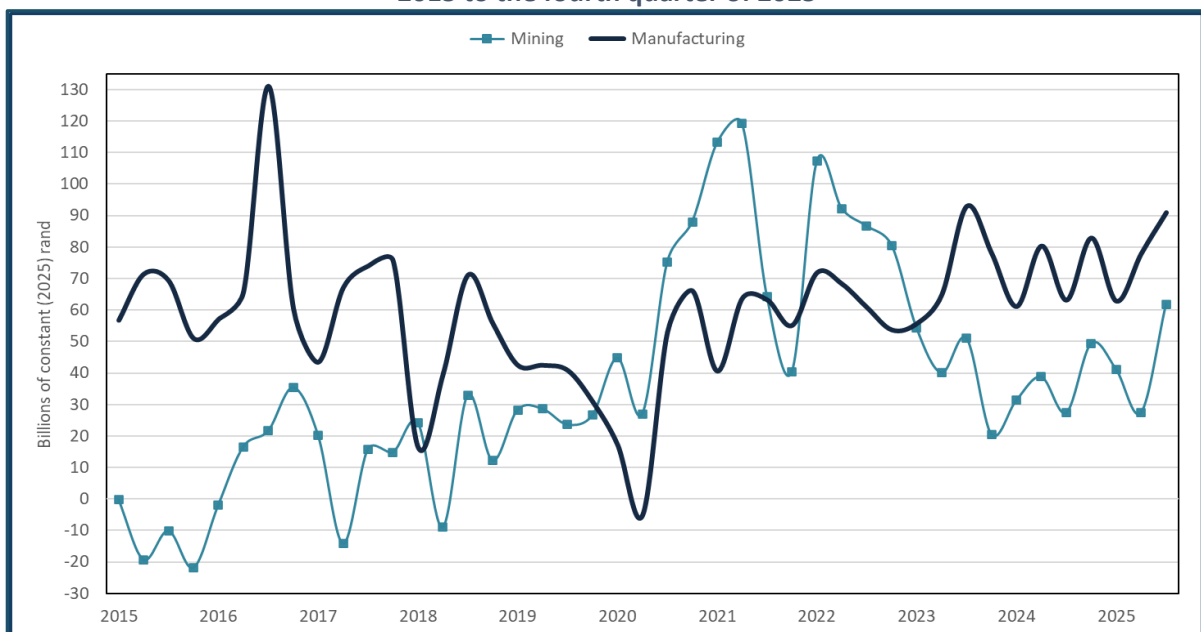
In constant rand terms, profits in both the manufacturing and mining sectors grew in the third quarter of 2025. On a quarterly basis, mining profits more than doubled, jumping by an extraordinary 127% to reach R62 billion in the third quarter. In contrast, manufacturing profits climbed 17% quarter-to-quarter, rising from R78 billion to R91 billion.

**Graph 19. Return on assets by sector, fourth quarter 2015 to 2025**



Source: Calculated from Statistics South Africa. Quarterly Financial Statistics. Excel spreadsheet. Accessed at [www.statssa.gov.za](http://www.statssa.gov.za) in February 2026.

**Graph 20. Quarterly profits in manufacturing and mining in billions of constant 2024 rand (a), 2015 to the fourth quarter of 2025**



Note: (a) Rebased with CPI rebased to fourth quarter 2025. Source: Calculated from Statistics South Africa. Quarterly Financial Statistics. Excel spreadsheet. Accessed at [www.statssa.gov.za](http://www.statssa.gov.za) in February 2026