ECONOMY AT A GLANCE

PREPARED BY ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION UNIT ISSUE | SEPTEMBER 2018

STATE OF THE GLOBAL ECONOMY

	International Monetary Fund	The World Bank	OECD
Projected GDP Growth for 2018	3.9%	3.1%	3.7%
2017 GDP Growth	3.6%	3.1%	3.6%
2019 GDP Growth	3.9%	3.0%	3.9%

GLOBAL HIGHLIGHTS

Global Firms affected by trade war

Evidence from the purchasing managers' survey in Europe shows that manufacturing activity has slowed as firms are being affected by the trade war between the US and China. The US's 'America First' trade policy is expected to dampen business investment and trade, affecting the global GDP output in 2018. *(Mercury, 4th September 2018)*

Developed Economies

In the build-up of trade tensions, the US has abandoned or renegotiated a number of bilateral and plurilateral trade agreements, and has announced a wide range of tariff hikes, creating uncertainty in the global trade market. This has impacted negatively on imports although net trade has made a strong positive contribution to GDP growth in the 2nd quarter of the year *(http: www.bit.ly/wespbrief)*.

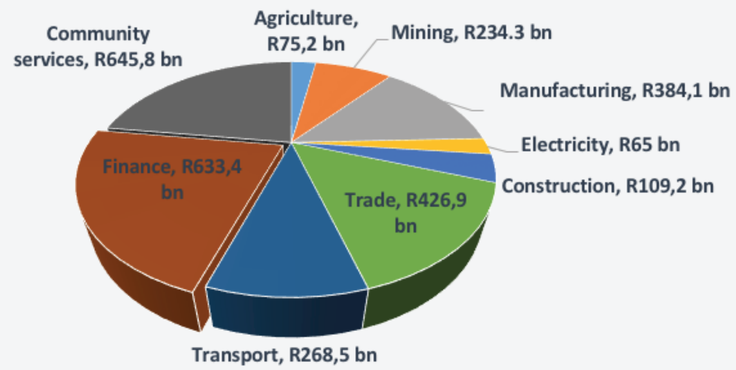
Developing Economies

According to UNCTAD, 46 African countries remain classified as commodity-dependent, leaving them vulnerable to the impacts of global commodity prices. South Africa is not formally classified as commodity-dependent, but it accounts for about 50% and 40% of total exports and imports respectively. *(Http: www.bit.ly/wespbrief)*.

NATIONAL STATE OF THE ECONOMY

	South African Reserve Bank	International Monetary Fund	The World Bank	OECD
Projected GDP Growth for 2018	0.7%	1.5%	1.0%	1.9%
Projected GDP Growth for 2019	1.7%	1.8%	1.3%	2.1%
2017 GDP/Growth	R3.12 trillion (Constant, 2010 Prices, increase of 1.3% from 2016, sourced from *Global Insight*)			

NATIONAL GDP: BROAD SECTORS 2017 (2010 , CONSTANT, R1000)



NATIONAL HIGHLIGHTS

RMB/BER BUSINESS CONFIDENCE INDEX

The RMB/BER Business Confidence Index fell to 38 in Q3: 2018 from 39 in Q2:2018. This is attributed to a poor economic performance in the past 2 quarters, and slow progress in turning around the country's key State Owned Enterprises' finances and improving its institutions.

http://www.investec.co.za/research-and-insights/economy/economic-research-v1.html

QUARTERLY EMPLOYMENT STATISTICS SHOW MORE JOB LOSSES

The Quarterly Employment Statistics (QES) shows that employment decreased by 69,000 quarter-on-quarter to 9,748,000 in June. The manufacturing sector shed 13,000 jobs in the 2nd quarter of the year. This indicator differs from the Quarterly Labour Force (QLFS) Survey in that the QLFS gives the country's official unemployment rate, while the QES gives a snapshot of the total non-agricultural formal sector employment.
(Mercury, 27th September 2018)

PMI DATA LOWEST IN MORE THAN A YEAR

The Purchasing Manager's Index (PMI) for the manufacturing sector dropped 8.1 points to 43.3 points during August – the lowest in more than a year according to the ABSA PMI data. This was due to low sales orders and reduction in business activity.
(Mercury, 4th September 2018)

SA's HUMAN DEVELOPMENT INDEX (HDI) IMPROVES

South Africa's HDI has improved in the 2018 Human Development Report (HDR), which ranks SA at 113. The report, which was released recently by the United Nations Development Programme (UNDP), indicates that South Africa's 2018 ranking is 113 out of 189 countries, with an overall human development score increased to 0.699.

As in previous years, South Africa has seen a steady increase in its Human Development Index (HDI) value since 1990, moving up 7.2% from 0.621 in 1990, to 0.666 in 2014. (SANews, 19th September 2018).

SUB-NATIONAL DOING BUSINESS (SNDB) STUDY 2018

The SNDB study for 2018 measured the regulatory business environment for small and medium businesses in 7 metropolitan municipalities. The study assessed the complexity and cost of regulatory processes and the strength of legal institutions (part of a broader study that looked at 11 economies with a population of over 100 million globally). In SA the study covered dealing with construction permits, getting electricity, registering property, enforcing contracts and trading across borders. The full report is available in the link:
http://www.doingbusiness.org/content/dam/doingBusiness/media/Subnational-Reports/DB18_South-Africa.pdf

NATIONAL KEY INDICATORS

INFLATION RATE / NATIONAL EMPLOYMENT

The inflation rate dropped to

4.9%

in August from 5.1% in July.
(http://www.inflation.eu/inflation-rates/south-africa/inflation-south-africa.aspx)

National employment in the 2nd Quarter of 2018 was recorded as 16, 3 million.

(http://www.statssa.gov.za/publications/P0211/P02112nd Quarter2018.pdf)

PETROL PRICE

93: R16.85
95: R16.49
0.05:R15.65

As at 4th October 2018

(https://www.enca.com/south-africa/petrol-price-to-increase-on-wednesday)

EXCHANGE RATES

R/$: 14.2004
R/£: 18.7212
R/€: 16.6851

As at 27th September 2018

(Mercury, 27th September 2018)

VEHICLE SALES

New vehicle sales in August 2018 at 47 964 units is a decline of 1 234 vehicles or a fall of

2, 5%

compared with the 49 198 vehicles sold in August 2017. Overall, out of the total reported industry sales of 47 964 vehicles, an estimated 38 795 units or 80,9% represented dealer sales, an estimated 12,5% represented sales to the vehicle rental industry, 3,7% to industry corporate fleets and 2,9% to government.
(National Association of Automobile Manufacturers of South Africa)

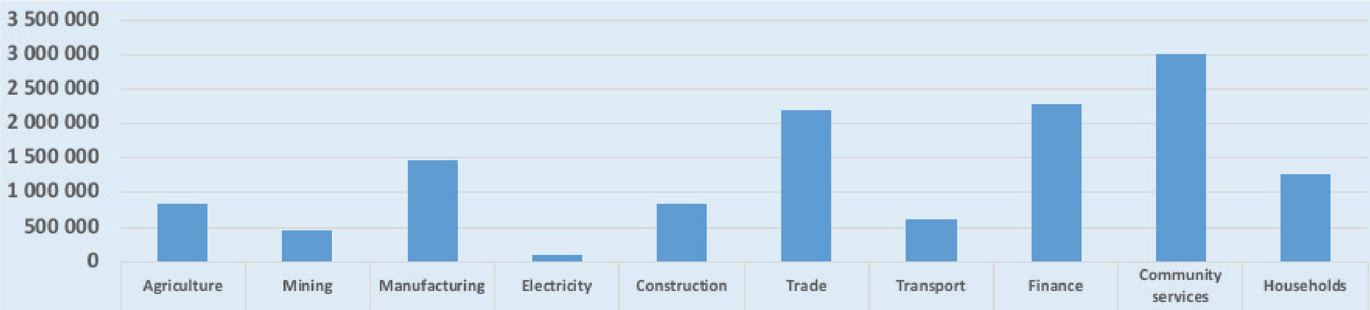
QUARTERLY GDP / UNEMPLOYMENT TRENDS

The national economy shrank by a seasonally adjusted annualized

0.7%

in the 2nd quarter of 2018, following a 2.6 percent contraction in the 1st quarter. It was the second consecutive period of contraction, as output fell for agriculture, transport and trade.
(https://tradingeconomics.com/south-africa/gdp-growth)

NATIONAL EMPLOYMENT: BROAD SECTORS: 2017



	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Community services	Households
2016	846 332	457 295	1 461 582	95 779	830 743	2 201 652	617 553	2 284 323	2 998 512	1 277 935

LOCAL STATE OF THE ECONOMY

ETHEKWINI INDICATORS

GDP / TOTAL POPULATION

R304.4 ↑
billion in 2017

Increased by 0.4% from 2016. *(Global Insight updated database)*

The eThekwini population was recorded as 3,866,505 in 2017 according to Global Insight (Increased by 1.4%) *(Global Insight internal database)*

TOTAL EMPLOYMENT

Formal Sector employment recorded as

1,222

million according to the 2nd Quarterly Labour Force Survey in 2018 according to Statistics South Africa. This represented an increase of 1.4% over the previous quarter. *(Statistics South Africa)*

Q:2018 UNEMPLOYMENT DECREASED TO 19.3%

The City's quarterly unemployment rate decreased to

19.3%

from 20.3% in the previous quarter.

(SANews, 1st August 2018)

DEVELOPMENT INDICATORS FOR 2017

Human Development Index: **0.67**
Gini coefficient: **0.63**

FUNCTIONAL LITERACY:

Total illiterate:
345,146

Total literate:
2,577,044

(Source: Global Insight)

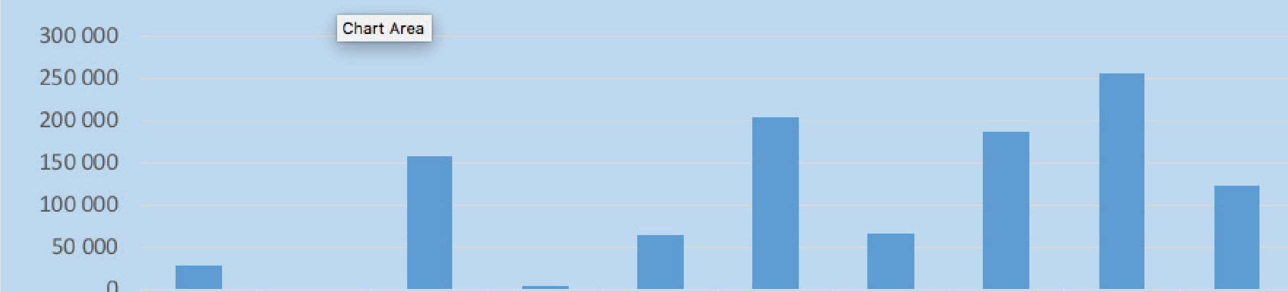
ANNUAL TRADE 2017

Total Exports:
R72.7 bn
(Increased by 1.6%))

Total Imports:
R105.5 bn
(Increased by 0.75%)

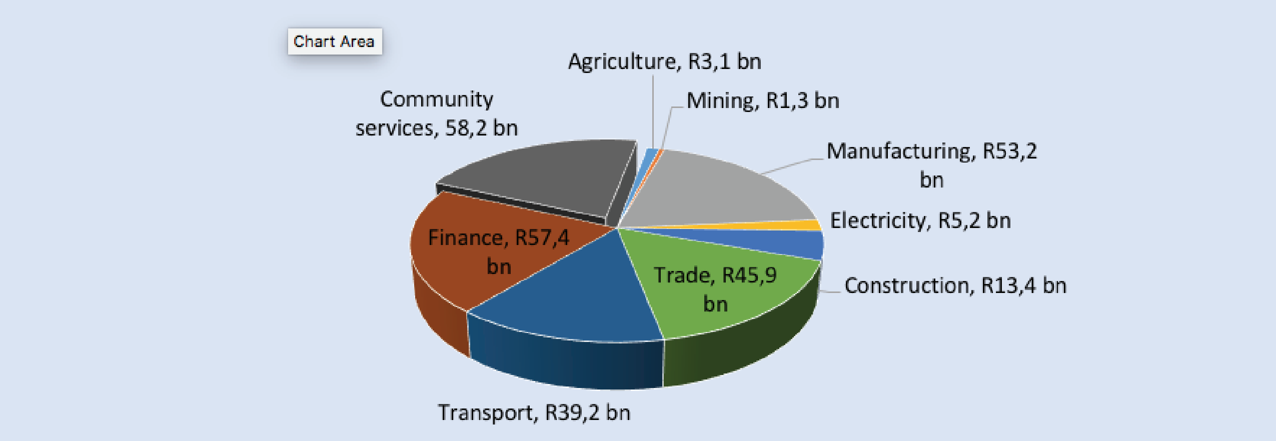
(Global Insight internal database)

ETHEKWINI EMPLOYMENT: BROAD SECTORS: 2017



	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Community services	Households
Employment	28 736	1 511	158 075	4 676	64 320	204 320	67 068	186 762	256 057	123 086

ETHEKWINI GDP BROAD SECTORS 2017 (CONSTANT, 2010, R1000)



EVENTS/AWARDS/INVESTMENT

ETHEKWINI HOSTED THE IERM CONVENTION

EThekwini Municipality hosted the annual Institute of Environment and Recreation Management (IERM) Convention, at the Moses Mabhida Stadium on 17-19 September 2018. The Convention was hosted under the theme, "Public spaces and places – future value, trends and global views".

The convention afforded experts and relevant stakeholders an opportunity to discuss challenges faced in biodiversity, agricultural and the green environment.
(EThekwini Info, 14th September 2018)

TEAM DURBAN INVESTMENT ADVISORY FORUM

The Team Durban Investment Advisory Forum was launched on 5th September 2018, to provide strategic foreign direct investment advice and support to the City. The team comprises various representatives in relevant fields and will serve on the board for a period of 3 years ending on 30th June 2021.
(EThekwini Weekly Bulletin, 10th September 2018).

INTERNATIONAL TELECOMMUNICATIONS UNION (ITU) CONFERENCE AT ICC

The City hosted the 2018 Film Mart during July - there were 877 delegates with over 40 countries participating (19 from Africa). The event creates networking and information-sharing platforms for delegates and provides opportunities for the local industry. *(Metro, Ezasegagasini, 27 July-9 August 2018).*

DURBAN WINS ONE PLANET CITY CHALLENGE

The City won the One Planet City Challenge during an international award at the World Wide Funds' (WWF) in September 2018. The City received the award during the Global Climate Action Summit in San Francisco where 132 Cities representing 23 countries participated. The award was for the City's commitment to energy consumption targets and actions.
(EThekwini Weekly Bulletin, 18th September 2018).

GREENING AWARD FOR ETHEKWINI

The Municipality won first prize in the Metropolitan Category of the 2018 National Arbour City Awards in recognition for its innovative programmes that promote and sustain biodiversity in the City. This awards encourages municipalities to green their areas of jurisdiction and promote environmental conservation and development.
(Metro Ezasegagasini, 21 September – 4 October 2018).

DURBAN FASHION FAIR

The Inkosi Albert Luthuli International Convention Centre hosted the Durban Fashion Fair with the theme 'AfroFuturism' during 19-22 September 2018. The City will host over 40 local designers as well as 9 creatives from the African continent.
(EThekwini Weekly Bulletin, 18th September 2018).

DURBAN BUSINESS FAIR

The 20th Durban Business Fair officially commenced during September 2018. More than 41,000 people attended the two-day event that offered opportunities for SMMEs, to share ideas from business influencers. Other features include a Film-Making Master Class, Durban Fashion Fair, Music Production Master Class, Youth Connect Summit, Business Exhibition and Techzone, Business Indaba and Empowerment Workshop and Street Market and Flavours of Durban.
(KZN Network, 19th September 2018).

DURBAN PORT FESTIVAL

The Annual Durban Port Festival was held during September 2018. The event drew local and international tourists to the province and was hosted by Transnet National Ports Authority (TNPA). The festival showcased the diversity of Durban's multiple cultures, traditions and heritage and history of Sa's busiest commercial port. The festivals are part of TNPA's efforts to transform ports into 'Smart People's Ports' to focus on community engagement, tourism, leisure, recreation and business opportunities
(SANews.gov.za, 26th September 2018)

LINKS TO ECONOMIC REPORTS

NAME	DESCRIPTION	LINK
Quarterly Employment Statistics	Employment decreased by 69 000 quarter-on-quarter, from 9 817 000 in March 2018 to 9 748 000 in June 2018. This was largely due to decreases in the following industries: community services (-67 000 or -2, 5%), manufacturing (-13 000 or -1, 1%), mining and quarrying (-2 000 or -0, 4%) and transport (-2 000 or -0, 4%).	http://www.statssa.gov.za/?page_id=1856&PPN=P0277&SCH=7325
Sub-National Doing Business in South Africa 2018	The SNDB study for 2018 measured the regulatory business environment for small and medium businesses in 7 metropolitan municipalities.	http://www.doingbusiness.org/content/dam/doingBusiness/media/Subnational-Reports/DB18_South-Africa.pdf

EThekwini Economy at a glance: Policy Strategy Information & Research Dept. (PSIR): ref denny.thaver@durban.gov.za

Although care has been taken to source the most up-to-date information for this edition, new information may come on stream during the editing, layout and printing of the 'Economy at a Glance' publication and it may not be possible to update.