ECONOMY AT A GLANCE

ETHEKWINI MUNICIPALITY

PREPARED BY ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION UNIT

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STATE OF THE GLOBAL ECONOMY

	International Monetary Fund	The World Bank	OECD Better Policies for Better Lives
Projected GDP Growth for 2018	3.6%	3.1%	3.7%
2017 GDP Growth	3.7%	2.4%	3.6%
2019 GDP Growth	3.9%	2.2%	3.6%

GLOBAL HIGHLIGHTS

Risks to the Global Economy

While the US economy and the euro area are expected to improve during 2018, there is still a great magnitude of geopolitical, financial and operational risk that various entities are facing. These risks also include protectionist policies, territorial disputes, terrorism, cyber-crime and the threat of nuclear war, all of which may have potential negative impacts on the global and regional economies. *(The Economist Intelligence Unit Limited, 2018)*.

Global Highlights

Global economic growth is on track to be the fastest since 2011 – projected to grow by 4% in purchasing power parity. The main engines of the global economy will be the US, emerging Asia and the Eurozone, which comprise 60% of world GDP in 2017. *(Global Economic Highlights, PWC, 2018)*

STATE OF THE SA ECONOMY

NATIONAL GDP GROWTH AND FORECASTS

	South African Reserve Bank	International Monetary Fund	The World Bank	OECD Better Policies for Better Lives
Projected GDP Growth for 2018	1.5%	0.9%	1.1%	1.0%
Projected GDP Growth for 2019	1.8%	1.6%	1.7%	1.5%
2017 GDP/Growth	R3.09 trillion (increase of 0.7% from 2016, sourced from Statistics South Africa)			

NATIONAL HIGHLIGHTS

Budget 2018/19 Highlights

The R1.67 trillion budget report has indicated that while the economic forecasts have improved, there has to be policy interventions to create the right environment for investment, growth and employment in the face of global risk factors. An allocation of R18.8 billion was made for industrialisation incentives over the medium term and an additional R3.3 billion for the Economic Competitiveness and Support Package to support growth and job-creation in the Industrial Policy Action Plan *(SANews, 22 February 2018).*

SA scores top spot in Open Budget Index survey

The country shared top spot in the recent Open Budget Index survey from 115 countries. The index measures a country's efforts to deepen transparency in budget processes. The spot is shared with New Zealand.
(SA News, 1st February 2018).

Unemployment rate decreases by 1% point

The Quarterly Labour Force Survey by Statistics South Africa for Q4 2017 showed that the unemployment rate decreased to 26.7% from 27.7% in Q3 2017. The working age population grew by 152 000 while the labour force declined by 351 000 persons in this quarter.
(Statistics South Africa)

AGOA trade with US increases

The African Growth and Opportunity Act boosted trade with aFrica by 15.8% to $338.5 billion in 2017.
(Mercury 14th February 2018)

City commits to Radical Economic Transformation

The City has launched the Radical Economic Transformation Conference and Expo that was hosted during February 2018. This followed from the recent joint briefing with the City and the Federation for Radical Economic Transformation (FFRET) where small-business challenges were highlighted.
(Metro Ezasegagasini, 23Feb-8Mar 2018).

KEY NATIONAL INDICATORS

INFLATION RATE

The inflation rate increased to

4.4%

in December 2017 year-on-year, after 4.7% in December 2017.
(https://www.news24.com/Tags/Topics/cpi)

PETROL PRICE

93: R14.20
95: R14.76

As at 30th January 2018
(SANews.gov.za)

EXCHANGE RATES

R/$: 11.8113
R/£: 16.3704
R/€: 14.5430

As at 12th March 2018
(Business Day, 12th march 2018)

VEHICLE SALES

February 2018's aggregate new vehicle sales in South Africa came in at 46 347 units or a decline of

3,8%

year-on-year, according to Naamsa.
(National Association of Automobile Manufacturers of South Africa)

QUARTERLY GDP / UNEMPLOYMENT TRENDS

The country's Gross domestic product was

3.1%

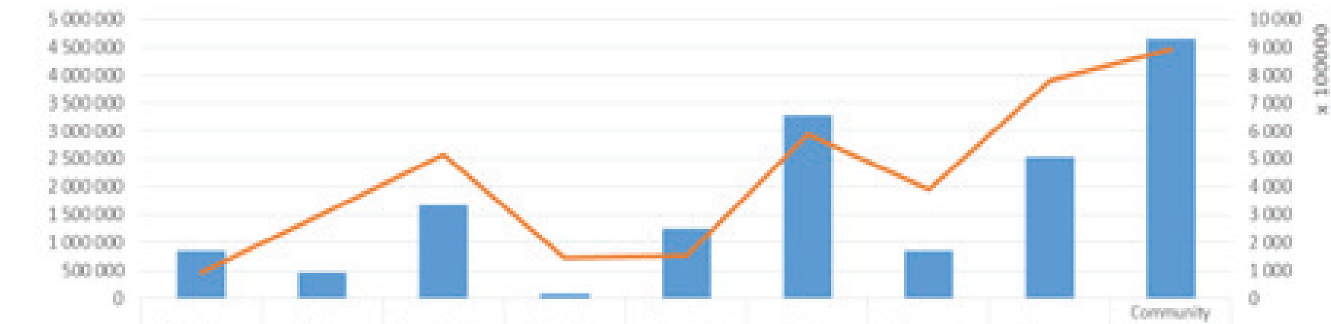
in the 4th quarter of 2017.

The unemployment in the 4th quarter of 2017 decreased by 1 percentage point to

26.7%

(Business Day, 13th December 2017)
(www.politics.web.co.za)

NATIONAL EMPLOYMENT & GDP: BROAD SECTORS: 2016



	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Community services and households
Employment	850 142	458 765	1 667 075	95 536	1 260 903	3 285 241	847 642	2 541 991	4 643 711
GDP	94 408 391	304 362 700	517 438 600	144 052 700	154 326 301	589 744 518	389 186 384	781 739 900	894 200 024

STATE OF THE LOCAL ECONOMY

ETHEKWINI INDICATORS

GDP / TOTAL POPULATION

R302.3 ↑

billion in 2016
Increased by 1.0% from 2015.
(Global Insight internal database)

The eThekwini population was recorded as 3,820,174 for 2016 according to Global Insight *(Increased by 1.4%)* *(Global Insight internal database)*

TOTAL EMPLOYMENT

Formal Sector employment recorded as

1,184

million according to the 2nd Quarterly Labour Force Survey in 2017 Statistics South Africa. This represented an increase of 0.5% over the previous quarter. *(http://www.statssa.gov.za/publications/P0211/P02112ndQuarter2017.pdf)*

Q4 2017 UNEMPLOYMENT INCREASES TO 23.3%

The City's quarterly unemployment rate increased to

21.9%

during the 4th quarter of 2017 after 23.3% in the 3rd quarter. *(http://www.statssa.gov.za/publications/P0211/P02112ndQuarter3017.pdf)*

POVERTY STATISTICS

Of eThekwini's 851,855 people living below the poverty line in 2016,

98, 7%

are African, while 0, 53% are Asian, 0, 75% are colored and 0.01% white. This means that 25.2% of the African, 6.1% of the coloured, 0, 7% of the Asian and 0.04% of the white population are living below the food poverty line. *(Source: Global Insight)*

ANNUAL TRADE

Total Exports:

R71.8 bn

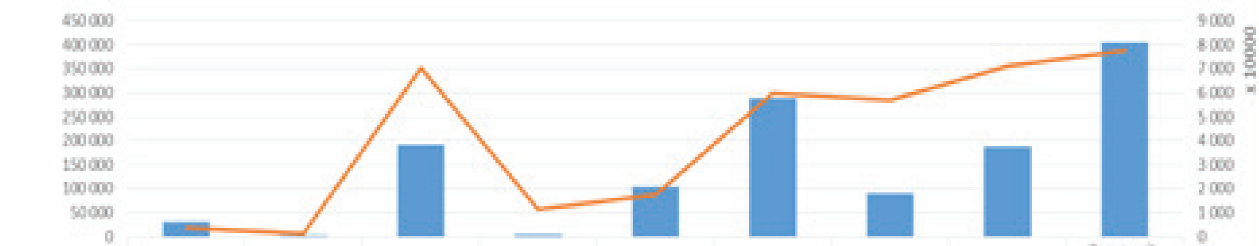
(Increased by 12.3%)

Total Imports:

R104.7 bn

(Increased by 9.3%)
(Global Insight internal database)

ETHEKWINI TOTAL EMPLOYMENT & GDP: BROAD SECTORS: 2016



	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Community services and households
Employment	29 846	1 441	190 418	4 599	103 547	287 704	90 389	187 928	404 800
GDP	3 713 642	1 100 344	70 481 446	11 537 618	17 480 546	59 596 320	56 806 968	71 211 670	77 787 724

EVENTS/LAUNCHES/INVESTMENT

CITY INITIATIVE TO INCREASE WOMEN PARTICIPATION IN POWER

The City, in partnership with PricewaterhouseCoopers hosted a business skills workshop to 25 local women during January 2018. The purpose was to equip women with skills to accelerate their participation in the mainstream economy. *(Metro Ezasegagasini 9 February – 22 February 2018)*.

HAMMARSDALE WASTE BENEFICIATION CENTRE

The R30-million Waste Beneficiation Centre in Hammarsdale will be fully operational by June 2018. The Centre will attract community and private-sector ventures to engage in projects to drive development and growth of green industries and ensure that raw waste provides economic value to the local communities.
(Metro Ezasegagasini 9 February – 22 February 2018).

NEW AGRO-ECOLOGY UNIT IN THE CITY

A new agro-Ecology Unit has been established by the City to assist small-scale farmers sustain and grow their businesses and also link small- and medium semi-rural initiatives and nurture them as suppliers of the AGri-Park.
(Metro Ezasegagasini 9 February – 22 February 2018).

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