ETHEKWINI ECONOMY AT A GLANCE

ETHEKWINI MUNICIPALITY

PREPARED BY ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION UNIT

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GLOBAL STATE OF THE ECONOMY

	International Monetary Fund	The World Bank	OECD (Better Policies for Better Lives)
Projected GDP Growth 2019	3.2%	2.9%	2.9%
2018 GDP Growth	3.7%	3.1%	3.7%
Projected GDP Growth 2020	3.5%	2.8%	3.0%
Global GDP in 2018	84,835 trillion US$ (Current prices, as per the Wold Bank)		

GLOBAL HIGHLIGHTS

Five African economies are the world's fastest growing

Despite the weak global economy, five African economies have been forecasted by the International Monetary Fund (IMF) to grow the fastest. These are Ghana (8.7%), South Sudan (8.7%), Rwanda (7.8%), Ethiopia (7.7%) and Cote d'Ivoire (7.4%). Outside Africa, the fastest were identified as Bangladesh (7.2%) and India at 7.3%.

https://www.fdiintelligence.com/News/IMF-African-economies-are-the-world-s-fastest-growing?utm_campaign=Oct.+1st+newsletter&utm_source=emailCampaign&utm_medium=email&utm_content=)

Emerging Market currencies under pressure

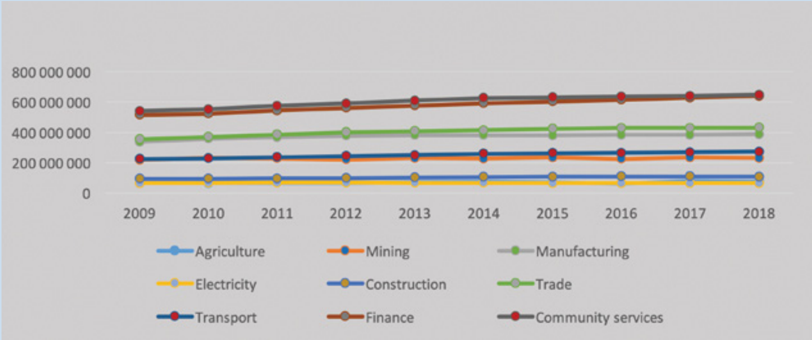
An escalation of geopolitical and trade tensions places most emerging market currencies under pressure over the course of the month. The outcome of the US-China trade talks may improve this scenario.

(www.investec.com/en_za/focus/economy.html)

NATIONAL STATE OF THE ECONOMY

	South African Reserve Bank	International Monetary Fund	The World Bank	OECD (Better Policies for Better Lives)
Projected GDP Growth for 2019	0.6%	0.7%	0.8%	0.5%
Projected GDP Growth for 2019	1.8%	1.1%	1.0%	1.0%
2017 GDP/Growth	R3.14 trillion (Constant, 2010 Prices, 0.8% growth from from 2017, sourced from Global Insight)			

GDP TRENDS NATIONAL: 2009-2018 (CONSTANT, 2010 PRICES)



NATIONAL HIGHLIGHTS

R26.3 BILLION FDI TO SA IN 2ND QUARTER

Foreign direct investment inflows into SA during the 2nd Quarter of 2019 amounted to R26.3 billion, from R11.7 billion in the 1st Quarter. However, investor confidence in the country remains weak while growth is hampered by a lack of clarity and progress on economic reforms.
(Engineering News, 26th September 2019).

SOUTH AFRICAN INVESTMENT CONFERENCE

More than 1, 500 delegates from the world will attend the SA Investment Conference during November 2019. The event will be themed across several areas, including positioning South Africa for investment. The Investment Conference also seeks to mobilise R1.2 trillion in new investments by 2023.
(SA News, 10 October 2019)

SA RECORDS BEST FDI INFLOWS IN 5 YEARS

SA has recorded the best foreign direct investment (FDI) in 5 years. This includes the Nissan Navara project valued at R3 billion, that will see the company build 30, 000 pick-up trucks per year from 2020. This had led to investment inflows of R7 billion.
(SA News, 12th October 2019).

SARS TO QUANTIFY THE SIZE OF THE ILLICIT ECONOMY SOON

The South African Revenue Services (SARS) will finalise its research to quantify the size of the illicit economy in the next few months. It is estimated that SA loses R1 trillion a year or 20% of GDP to tobacco smuggling, counterfeit textiles, drug manufacturing and smuggling, illicit mining of gold and diamonds, ivory smuggling and the poaching of endangered species.
(Friday@Noon, Issue 1225, 18th October 2019, Institute for Futures Research)

NATIONAL KEY INDICATORS

INFLATION RATE / NATIONAL EMPLOYMENT

The inflation rate in South Africa was at

4.1%

in September down from 4.3% in the previous month.

(https://tradingeconomics.com/south-africa/inflation-cpi)

National employment in the 2nd quarter of 2019 was recorded as 16,313 million, up by 21,000 from previous quarter (0.01%).

(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2018.pdf)

PETROL PRICE

93: R15.83
95: R15.39
0.05:R14.09

As at 4th September 2019

(https://www.aa.co.za/fuel-pricing)

EXCHANGE RATES

R/$: 14.5899
R/£: 18.8450
R/€: 16.2688

As at 25th October 2019

(Mercury, 25th October 2019)

VEHICLE SALES

SA's new vehicle sales grew

1.1 %

In September 2019 new passenger car increased by 358 cars or 1,1% to 33, 139 units compared to the 32 781 new cars sold in September last year.

(https://www.naamsa.co.za/SalesStats)

QUARTERLY GDP

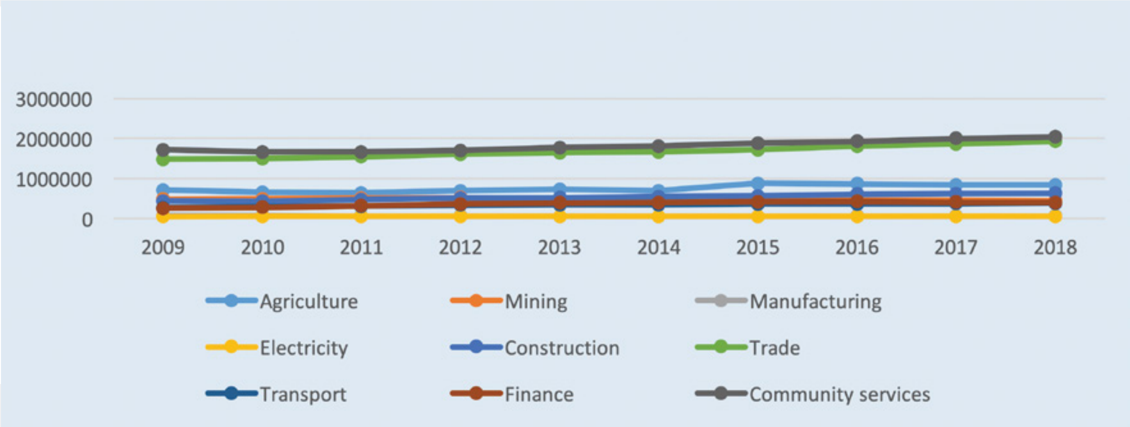
National GDP increased by

3.1%

in the 2nd quarter of 2019.

(https://tradingeconomics.com/south-africa/gdp-growth).

NATIONAL EMPLOYMENT TRENDS: BROAD SECTORS - 2009-2018



LOCAL STATE OF THE ECONOMY

ETHEKWINI INDICATORS

GDP / TOTAL POPULATION

R301.9 ↑

billion, 0.9% growth from 2017.
(Global Insight 2019)

The eThekwini population was recorded as 3,918,863 in 2018 according to Global Insight *(Increased by 1.4%)*
(Global Insight 2019)

TOTAL EMPLOYMENT Q2:2019

Formal Sector employment recorded as

1.159

million in the first Quarterly Labour Force Survey in 2019 according to Statistics South Africa. This represented a decrease of 1.6% over the previous quarter.
(http://www.statssa.gov.za/publications/P0211/P02111stQuarter2019.pdf)

Q2:2019 UNEMPLOYMENT INCREASED TO 21.9%

The City's quarterly unemployment rate decreased by

1.1%

to 21.9% from 23.0% in the previous quarter.
Number of unemployed is at 324,000, down by 22,000 from previous quarter.
(http://www.statssa.gov.za/publications/P0211/P02111stQuarter2019.pdf)

DEVELOPMENT INDICATORS FOR 2018

Human Development Index **0.66**

Number of Households **1.125.767**

Gini coefficient **0.62**

Geographic Area **2.556km²**

Total illiterate **340.675**

Number of Wards **110**

Total literate **2.625.882**

(Source: Global Insight 2019/ Development Planning)

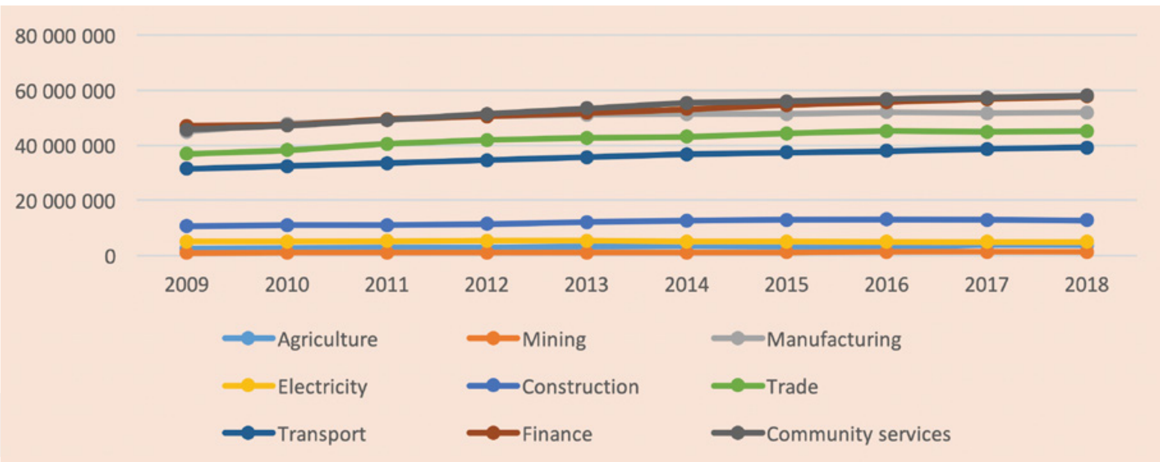
ANNUAL TRADE 2018

Total Exports:
R82.7 bn
(Increased by 13.8%))

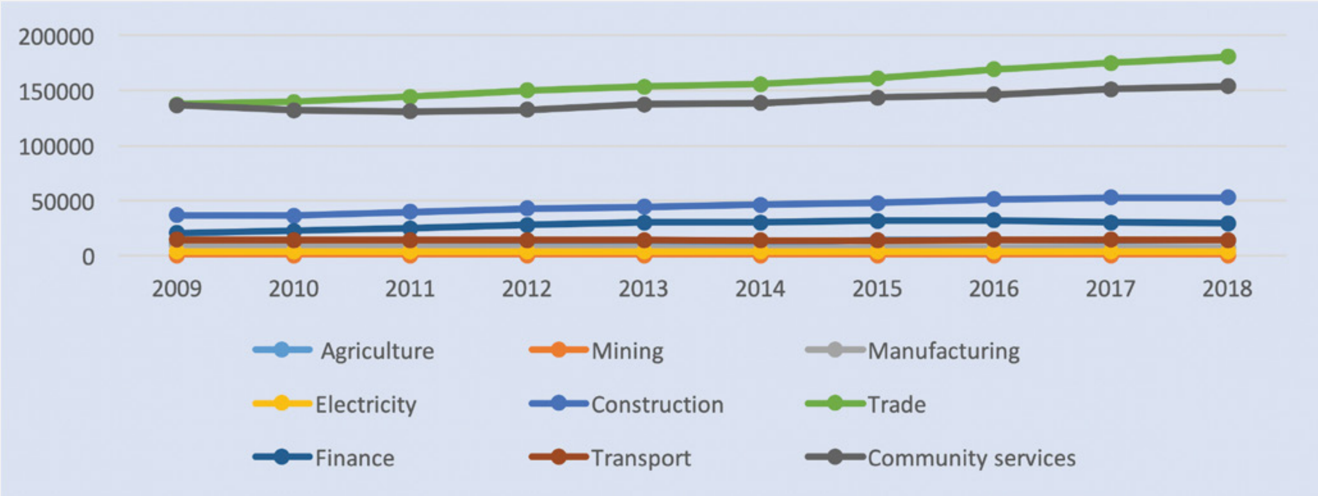
Total Imports:
R114.5 bn
(Increased by 8.5%)

(Global Insight 2019)

GDP TRENDS ETHEKWINI: 2009-2018 (CONSTANT, 2010 PRICES)



ETHEKWINI EMPLOYMENT TRENDS: BROAD SECTORS: 2009-2018



ETHEKWINI EVENTS/ AWARDS / INVESTMENTS

KZN HALAAL HUB

Trade and Investment KwaZulu-Natal is planning to establish a halaal hub, in partnership with Albaraka Bank, the South African National Halaal Authority, National Independent Halaal Trust and Minara Chambers. The Provincial Department of Economic Development Tourism and Environmental Affairs has budgeted R5m to roll out the programme within the next 3 years. The goal of the hub is to become a catalytic project to stimulate the export of halaal products from KZN and neighbouring provinces. The halaal value chain accounts for $114 billion within the food sector in the Southern hemisphere.

(KZN Network, 25th September 2019).

DURBAN AEROTROPOLIS HOPES TO ATTRACT R1-TRILLION INVESTMENT

EThekwini is planning to build an Aerotropolis at King Shaka International Airport in extent of 32, 000 hectares to translate 4.2 million square metres of property development. This futuristic hub of commerce and industry developed around an airport is expected to attract R1 trillion of investment over the next 50 years.

(SA News, 26th September 2019)

FIRST CELL PHONE MANUFACTURING PLANT IN SA. LOCATES AT DUBE TRADEPORT

As part of the recently established District-Based Development Model. The President has launched the Mara Phone Plant at Dube TradePort. The company will invest R1.5 billion over the next 5 years. The production, which will create many high-skilled direct jobs, is expected to serve the domestic- as well as the regional market, especially the Southern African Development Community (SADC) region

(SA News, 16 October 2019).

PRESIDENT LAUNCHES DISTRICT DEVELOPMENT MODEL

The President launched officially launched the programme of the District Development Model in eThekwini on 18th October 2019. The City was selected together with O R Tambo- and the Waterberg Districts as the pilot municipalities. The Model seeks to ensure an efficient, integrated development planning and improved delivery of services of all municipalities which are under one Council while making certain that the provincial and national governments plans are aligned and complementing the plans of District Municipalities.

(SA News, 16th October 2019)