



ETHEKWINI ECONOMY *'AT A GLANCE'*

AUGUST 2019

GLOBAL STATE OF THE ECONOMY

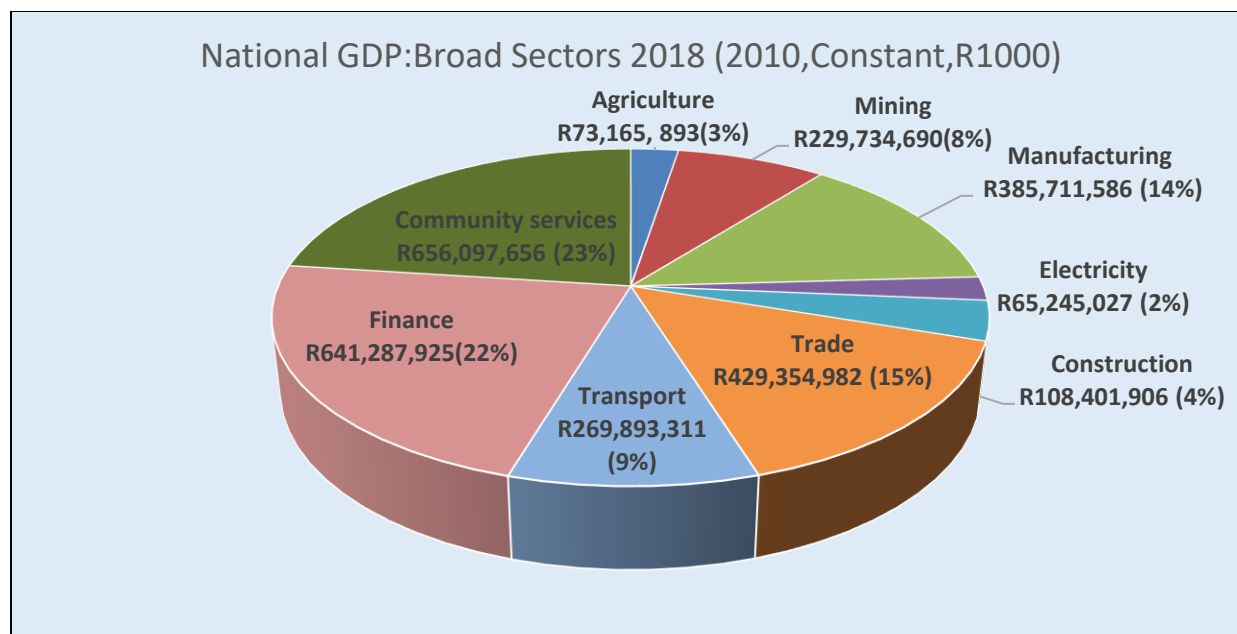
	IMF	World Bank	OECD
Projected GDP Growth 2019	3.2%	2.9%	3.2%
2018 GDP Growth	3.7%	3.1 %	3.7%
Projected GDP Growth 2020	3.5%	2.8%	3.4%
Global GDP in 2018	84,835 trillion US\$ (Current prices, as per the World Bank)		

GLOBAL HIGHLIGHTS

G7 Summit
The 2019 G7 Summit in France focused on fighting inequality through the identification of the following five objectives: 1. Fighting inequality of opportunity, promoting in particular gender equality, access to education and high-quality health services 2. Reducing environmental inequality by protecting the planet through climate finance and a fair ecological transition, preserving biodiversity and the oceans. 3. Strengthening the social dimension of globalization through more fair and equitable trade, tax and development policies. 4. Taking action for peace against security threats and terrorism which weaken the foundations of societies. 5. Tapping into the <i>opportunities created by digital technology and artificial intelligence.</i> \ (https://sdq.iisd.org/events/g7-leaders-summit-2019/)

NATIONAL STATE OF THE ECONOMY

	South African Reserve Bank	IMF	The World Bank	OECD
Projected GDP Growth for 2019	1.0%	0.7%	1.3%	1.2%
Projected GDP Growth for 2020	1.8%	1.1%	1.3%	1.8%
2018 GDP/Growth	R3.14 trillion (Constant, 2010 Prices, 0.8% growth from 2017 , sourced from <i>Global Insight</i>)			



Source: Global Insight 2018

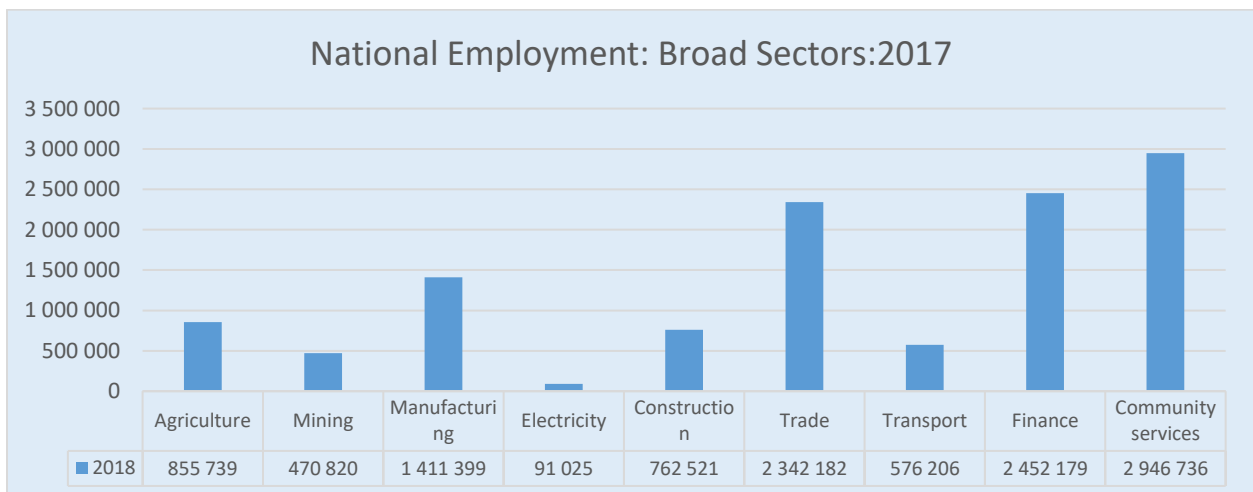
NATIONAL HIGHLIGHTS

President to receive Job Summit report	National Commission (NPC) to review Planning (NPC) to review National Development Plan (NDP)	New Economic Strategy for South Africa	President attends G7 Summit
The National Economic Development and Labour Council has presented a progress report to the President of the Framework Agreement adopted by the 2018 Presidential Jobs Summit. The report documents progress and challenges encountered in relation to the Framework Agreement that was adopted at the Summit. The Agreement has made commitments in 6 work plans: prevention of job losses interventions; economic sector-specific interventions; small, medium and micro-enterprises interventions; education and skills interventions; inclusive growth interventions and public and social interventions. (SA News, 1 st August 2019).	The NPC will review aspects of the NDP to address the state's current challenges in the economy, weaknesses in the country and social ills and difficulties affecting communities. The review is expected to better align the national budget with the NDP. The Commission has set up indicators to track progress on youth employment; reduction in unemployment; township and rural enterprises support; acceleration of land reform; property rights; climate change resilience; implementation of spectrum licensing; restructuring of Eskom; new approaches to infrastructure development and increases in local procurement (SA News, 7 August 2019).	The Finance Minister has called for a series of actions to raise SA's slow GDP growth by up to 3% per year in a new report: <i>Economic Transformation, Inclusive Growth and competitiveness: Towards an Economic Strategy for South Africa</i> . The report deals with 6 main themes: • Modernizing network industries • Lowering barriers to entry • Prioritizing labour-intensive growth; agriculture and services • Implementing focused and flexible industrial and trade policy • Promote export competitiveness and harnessing regional growth opportunities	President Cyril Ramaphosa has led a South African delegation to the G7 Summit in France on invitation as a key partner. The G7 is a forum of the seven countries with the world's most industrialised and developed economies – France, Germany, Italy, Japan, the United States, the United Kingdom and Canada – whose government leaders meet annually to discuss important global economic, political, social and security issues. (SA News, 20 August 2019)

		Quantifying the impact of proposed growth reforms (SA News, 28th August 2019)	
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NATIONAL KEY INDICATORS

INFLATION RATE / NATIONAL EMPLOYMENT	PETROL PRICE	EXCHANGE RATES	VEHICLE SALES	QUARTERLY GDP
Annual inflation rate in South Africa was at 4.5% in July 2019, unchanged from the previous month and slightly above market expectations of 4.4 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)	93 Octane: R15.61 95 Octane: R15.17 0.05% Diesel: R15.47 As at 3rd July 2019 (https://www.enca.com/south-africa/petrol-price-to-increase)	Rand/Dollar: 15.2251 Rand/Pound: 18.6107 Rand/Euro: 16.9185 As at 27th August 2019 (Mercury, 27th August 2019)	New Car Sales Summary - July 2019 New vehicle sales declining trend continued into July 2019 with lower passenger car sales again been offset by growth in all of the commercial vehicle segments. ¹NAAMSA has confirmed that aggregate domestic sales at 46 077 units reflected a decline of 1, 779 units or 3, 7% from the 47 856 vehicles sold in July last year. (https://www.naamsa.co.za/SalesStats)	National GDP decreased by 3.2% in the 1st quarter of 2019. (https://tradingeconomics.com/south-africa/gdp-growth)



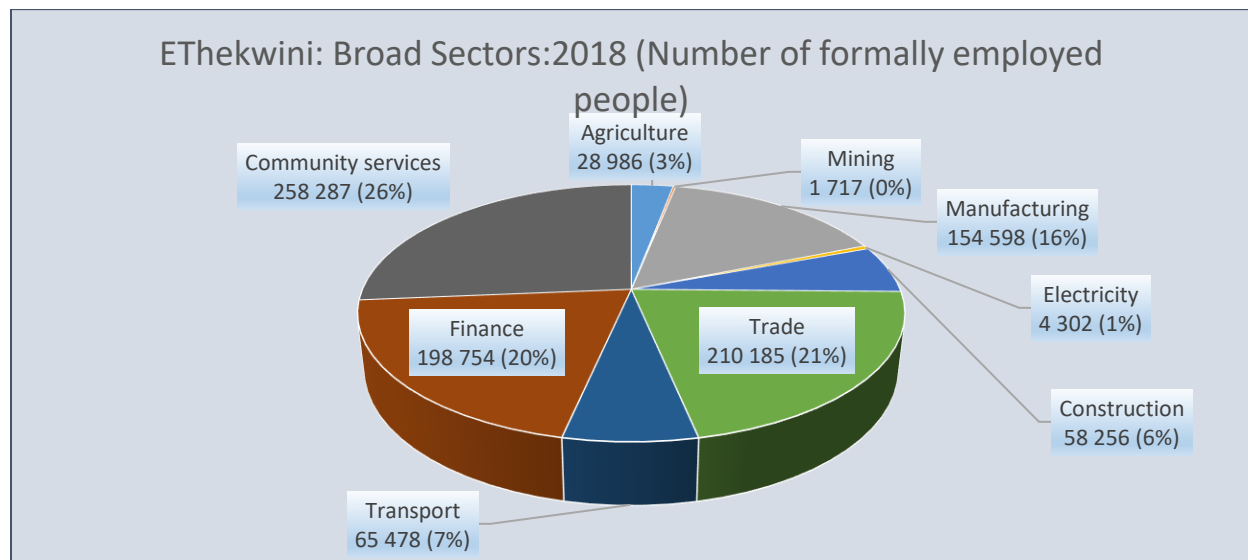
Source: Global Insight 2018

¹ National Association of Automobile Manufacturers of South Africa

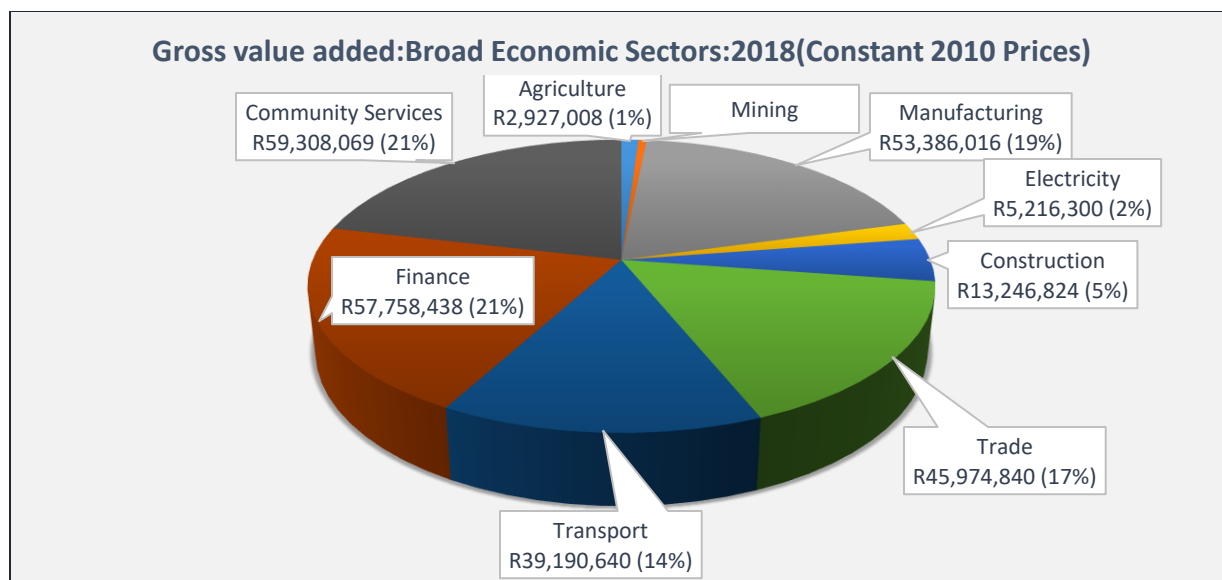
LOCAL STATE OF THE ECONOMY

ETHEKWINI INDICATORS

GDP / TOTAL POPULATION	TOTAL EMPLOYMENT Q2: 2019	Q2:2019 UNEMPLOYMENT INCREASED TO 21.9%	Development Indicators for 2018	ANNUAL TRADE 2018
R305.9 billion, 0.9% growth from 2017. (<i>Global Insight 2019</i>) The eThekwini population was recorded as 3,918,863 in 2018 according to Global Insight (Increased by 1.4%) (<i>Global Insight 2019</i>)	Formal Sector employment recorded as approximately 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)	The City's quarterly unemployment rate decreased by 1.1 percentage points 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)	Human Development Index: 0.66 Gini coefficient: 0.62 Functional Literacy: Total illiterate: 340,675 Total literate: 2,625,882 (Source: <i>Global Insight 2019</i>)	Total Exports: R82, 7 billion (Increased by 13.8%) Total Imports: R114, 5 billion (Increased by 8.5%) (<i>Global Insight 2019</i>)



Source: Global Insight 2018



Source: Global Insight 2018

ETHEKWINI EVENTS/AWARDS/INVESTMENTS

New City Planning Commission appointed	Investor interest for Durban Aerotropolis	KZN Manufacturing Indaba 2019	Awards for Invest Durban
The City has appointed a new City Planning Commission with the objective of acting as an advisory panel to the Executive Committee, Council and administration of the City. The Commission consists of various relevant industry players from the City. The Commission is expected to guide the leadership on infrastructure backlogs, water, sanitation, electricity, roads and storm water. <i>(Metro Ezasegagasini, 26 July-8 August 2019)</i>	The KZN MEC for Economic Development, Tourism and Environmental Affairs has stated that there are numerous inquiries from investors for the new proposed airport city at King Shaka International Airport. The development is planned on a 32,000 hectare special economic zone and is expected to create 750,000 permanent jobs and 42 million square metres of development with a combined investment value of R1-trillion. <i>(Mercury, 2 August 2019)</i>	The KwaZulu-Natal Manufacturing Indaba 2019 was held during August at the Durban ICC. The objective was to maintain a standard of manufacturing excellence and to grow operations within the provincial and national economies. Its purpose was to also boost the growth potential of key industry sector sectors such as automotive, construction, metals, forestry, paper and packaging, chemicals, aerospace and the services sectors. <i>(KZN Network, 7 August 2019)</i>	Invest Durban won a “double-crown” set of Awards at the June ‘19 World Forum for FDI in Sydney, the Conway Group of investment Analysts and Advisors bestowed the award of 2019’s “ <i>Top Metropolitan Investment Promotion Agency</i> ” for the whole African continent to the Unit. Also at a ceremony in London during June 2019, the Capital Finance International news journal, working in collaboration with the UN, World Bank, NEPAD and other Authorities, awarded Invest Durban as the “ <i>Best City Investment Promotion Team for Africa</i> ” in 2019. <i>(Invest Durban Unit, 20th August 2019)</i>

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

CATALYTIC PROJECTS (updated as new information received from Catalytic Projects Unit)

CATALYTIC PROJECTS AT IMPLEMENTATION STAGE		
Project	Description	Status/Progress
Point Waterfront	One of the key catalytic projects in the city – and also forms part of the City’s initiative to redevelop and regenerate the inner-city. The first phase commenced in 2017 and relates mostly to the provision of infrastructure. The balance of the project will cover a 10-15-year horizon at between R30-R35 billions of public/private sector investment. When completed, the development will create 6,750 permanent jobs and provide 11,000 construction jobs with an annual rates contribution of R200 million.	Implementation by eThekweni Metro, in conjunction with a private developer Construction of Bulk Infrastructure to support Phase 1 of development underway (includes promenade & bulks). The Promenade to be completed November 2019. Contractors for the two Point water mains tenders have been appointed in July 2019. Contractors are currently busy with site establishment. Work is anticipated to be completed in November 2020. The value of the contract is estimated R240 million
Rivertown precinct upgrade	The proposed Rivertown precinct lies to the east of Durban CBD, between the City’s ICC and Durban Beachfront. The development entails a mixed-use precinct which includes providing linkages between ICC and Durban beachfront, providing opportunities for private galleries, small theatres, restaurants and other entertainment venues, promoting residential densification through social and market related housing, developing a cultural precinct that offers local and international tourists the experience of clothes, food and leisure unique to KwaZulu-Natal.	Implementation by eThekweni Metro Construction for the upgrading of the Rivertown precinct commenced in June 2019. The completion date is February 2021. The value of the contract is R44 million. An amount of R38.8 million and R5.2 million to be spend for 2019/20/21 financial years

CATALYTIC PROJECTS AT IMPLEMENTATION STAGE		
Project	Description	Status/Progress
Ntshongweni Mixed use development	The Ntshongweni Mixed Use development is strategically located at the N3 and Kassie road interchange and forms part of the SIP2 corridor between Duran-Free State-Gauteng logistic and industrial corridor. The 2000-hectare precinct is a mixed development intended to create a new economic hub in Durban's Outer West area. The precinct development will include lifestyle and tourism based development, new lifestyle estates, high quality office and business parks, freight and logistics, gold, equestrian and leisure facilities.	Implementation by Private Developer, in conjunction with eThekweni Metro The urgent infrastructure expected to support the development entails upgrading of Kassier road, electricity substation, water and wastewater treatment works upgrading. Construction work for the upgrading of Kassier road is awaiting the finalisation of compliance issues such as agreement on transfer of the provincial road to the city, WULA, issuing of A/B certificates, which are expected to be concluded in Sept 2019. The roadworks will cost approximately R260 million. The value for the upgrading of electricity, sewer and water infrastructure is approximately R69 million. The infrastructure work will be completed in 2021.
Dumisani Makhaye Development (MIDWAY CROSSING MALL DEVELOPMENT)	The development entails a Shopping Centre with a floor area of 21000 square metres, will accommodate a Sizakala Centre and Municipal Services centre (Library and Clinic). The Shopping Centre will be the first mall with a fully integrated Go! Durban feeder facility and Go! Durban safety & security centre, with an improved linkage between the Lindelani Community and Newlands community. Approximately 300 construction jobs over 18 months will be created as well 100 seasonal and permanent jobs during operational stage.	Implementation by Private Developer, in conjunction with eThekweni Metro. Letter of Award has been issued on 28 June 2019 to appoint developer as implementing agent for the municipal infrastructure. MOA was signed in July 2019. Construction work has started already. The total budget for the development is R744 million, with eThekweni contributing R350 million and the private sector contributing R407 million, of which at least R200 million be spend on RET. The work will be completed in 2022.

CATALYTIC PROJECTS AT IMPLEMENTATION STAGE		
Project	Description	Status/Progress
Cornubia	Cornubia Shopping Mall is an 85,000m ² regional shopping centre that offers a mix of food, fashion, lifestyle and sports, which are all integrated into an outdoor family-orientated shopping experience in KwaZulu-Natal. The centre is strategically located within 1km from the Umhlanga/Mount Edgecombe interchange and is directly connected to the New Umhlanga Town Centre. It has great visibility and is easily accessible from the from N2 highway, the M41 and Cornubia Boulevard.	Implementation by Private Developer, in conjunction with eThekwin Metro Currently under development, with approximately 30% of the planned precincts already complete including Phase 1 housing, an industrial and business estate, a business hub and major infrastructure. Filling station and offices under construction Road contract (C9 Corridor) as part of IPTN is also under construction by ETA.
Dube TradePort	The Dube TradePort has attracted over R1.4-billion investment to date. Dube TradeZone has secured Samsung Electronics; Amsted Reelin, Rossi SA, Ukuphanta and DB Schenker. The latest business to locate at the TradeZone is Yangtze Optics Africa Cable and Cipla Biotec. Planning is underway for Dube TradeZone 2, as well as Dube AgriZone Phase 2. The Tradeport will eventually provide 150,000 permanent jobs with a total rates contribution of R180 million annually. The complete investment value is R13 billion.	Implementation by Dube Trade Point, in conjunction with eThekwin Metro Bulk earthworks and plat forming in progress Installation of internal services is underway
Keystone	The 152-hectare, R6.5-billion Keystone Park Light Industrial Warehousing and Logistics Precinct is currently being developed by Keystone Park CC, located immediately adjacent to the N3 Hammarsdale interchange. Development activity commenced during January 2015 with the 15,000m ² Malda Pack facility having started business operations; Mr Price's new 60,000m ² National Distribution Centre has been completed, with the construction of Pepkor's new 85,000m ² Distribution Centre completed in December 2017. Several further significant top-structure	Implementation by Private Developer, in conjunction with eThekwin Metro Electricity: New permanent Eskom supply cables installed. Water & Western Aqueduct Link: Water infrastructure being delivered through the Western Aqueduct link. MR385: Discussion between DoT, the Developer and eThekwin

	projects are in the final stages of being packaged. This regional catalytic development will generate substantial employment opportunities including around 3,500 temporary construction jobs at peak and approximately 6,500 permanent employment opportunities and annual rates of R2 million when fully completed.	Municipality underway to upgrade MR385.
CATALYTIC PROJECTS AT IMPLEMENTATION STAGE		
Project	Description	Status/Progress
Clairwood Logistics Park	This R4.5 billion logistics park is aimed at supporting the logistics, commercial and surrounding light industrial developments in the broader South Durban Basin.	Implementation by Private Developer, in conjunction with eThekwin Metro Earthworks, environmental offsets and Warehouse completed for Phase 1. Awaiting approval of building plans for Phase 2, which will include a second warehouse. Construction will take about 8 months once building plans have been approved.

CATALYTIC PROJECTS AT PLANNING STAGE		
Project	Description	Status/Progress
Centrum Site	The development of the Durban Centrum entails a mixed-use precinct of IRPTN² and ICDS³ bus stations, a new super basement parking garage with public service buildings, integrated with high-density residential, hotel, retail and commercial development. The 28-hectare site comprises the largest single area of the central city and provides the potential for comprehensive redevelopment. It is expected that this site will complement the adjoining central business district while trying to preserve the city's heritage in terms of its historic buildings. The total investment value is R9.4 billion to provide 3,350 construction and 1,350 permanent jobs with an annual rates contribution of R67 million.	Implementation by eThekweni Metro Specialist technical feasibilities complete. Tender for the appointment of a Programme Manager and professional team is at Appeal stage. Appointment is expected to be concluded by September 2019. Steering committee is engaging various internal stakeholder regarding the development of Council chamber, Libraries, Go-Durban station, etc. is in progress. A report will be submitted to Council by Oct 2019 to obtain approval for the implementation of the project outlining the various implementation phases and funding model
Virginia Airport	The City received an unsolicited bid from Seaworld Investment Holdings (Pty) Ltd for a 306,870m² mixed-use development, which was rejected. A study to establish best development scenarios has been commissioned. On completion of this, Council will open this up for public tender.	Implementation by eThekweni Metro The draft development options report was accepted by CIC on 24 June 2019. It will be submitted to Council sitting in Sept 2019 for approval of the re-development of the site.

CATALYTIC PROJECTS AT PLANNING STAGE		
Project	Description	Status/Progress
Warwick Node	The R1.3 billion Warwick Precinct is the dominant public transport node within the municipality and the projects will include a proposed Berea Station Mall, a proposed taxi-holding facility, a cold room storage and the erection of a bovine head facility. Annual rates estimated at R250, 000 with 3,500 construction- and 2,670 permanent jobs.	Implementation by eThekweni Metro The initial urban designs and building plans for the mall and taxi facility were approved. However due to Go-Durban project and other factors, the original master plan is currently being revised to accommodate the revised Go-Durban inner city distribution routes, taxi holding facility, Student accommodation and social housing. Funding alternatives will be included as part of the submission of the revised master plan for approval during 2019
Durban Film City	The development of the R7.5 billion film studio in eThekweni will go ahead upon the conclusion of the legal battle related to the land transfer issues with the South African National Defence Force (who still own a portion of the land at the former Natal Command site). The city will try and fast-track the transfer of the land to commence construction of a motion picture, media, resort and entertainment precinct with the potential to create approximately 4,000 to 5,000 permanent jobs and attract film makers from around the world.	Implementation by eThekweni Metro, in conjunction with Private developer The development is currently held up by land-legal issues. The High Court hearing was postponed from July 2019 to October 2019
Durban Iconic Tower	The City received a proposal from the Durban Tower Development Company in 2016 to build a R6 billion, 88-storey skyscraper near the Moses Mabhida Stadium, which would become the highest building in the southern hemisphere. It will be built over the next 5 years and become operational by 2021 should construction commence in 2018, following approval of the project. The proposed location is on the site of the Durban Country Club and the premises of the Natal Mounted Rifles. The	Implementation by Private Developer, in conjunction with eThekweni Metro A meeting was held with the Country Club during Mar 2019, who in turn committed to providing a response to the city by the end of May 2019 regarding their interest in allowing for any

	project may serve as a potential catalyst to future large-scale development within the Durban Inner city and the greater metropolitan area.	redevelopment of the leased area. To date no response has been received.
CATALYTIC PROJECTS AT PLANNING STAGE		
Project	Description	Status/Progress
Finningley Growth Sphere	The proposed R45 billion development will include schools, universities, an airfield, as well as a mix of residential options, retail and commercial with agricultural and industrial developments. Annual rates estimated at R12 billion and approximately 27,000 permanent jobs over the 20-year development.	Implementation by Private Developer, in conjunction with eThekweni Metro This is classified as an All Green development. The developer's application for Act 70/70 was declined. They have approached the High Court and the hearing took place in November 2018. Currently awaiting the court's outcome. In addition to sourcing funding from Development Bank of South Africa (DBSA), the developer has also approached international funders from the USA
Illovo Auto Supplier Park	The R6.5 billion Auto Supply Park (ASP) development is a strategic economic priority for both national and provincial government. The development will accommodate at least 100 hectares of developable industrial land. The approval of the South Illovo Local Area Plan will include the development of 3,792 residential homes, 1,316,207m ² of industrial space and 51,810m ² of commercial space. The project will create 6,000 construction and 2,600 permanent jobs.	Implementation by Dube Trade Point (on behalf of provincial government), in conjunction with eThekweni Metro A consultant has been appointed to complete all design planning processes. The project is currently at conceptual planning stage. Act 70/70 application submitted to provincial DAFF with letter of support from the city