JUNE 2018

GLOBAL STATE OF THE ECONOMY:

	IMF	World Bank	OECD
Projected GDP Growth 2018	3.9%	3.1%	3.9%
2017 GDP Growth	3.7%	3.0%	3.6%
2019 GDP Growth	3.9%	3.0%	3.9%

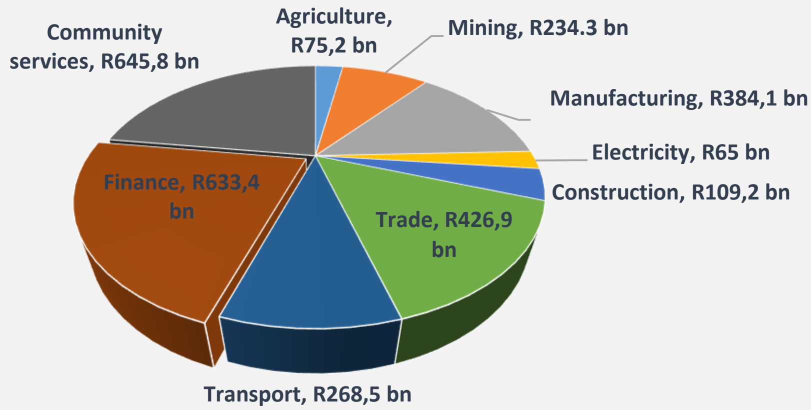
GLOBAL HIGHLIGHTS

Global FDI in 2017	Global World Trade	Historic free trade agreement signed by African states
According to the FDI (foreign direct investment) Report 2018, the US attracted the most investment in 2017 ($87.4bn), replacing India from the previous year. FDI out of South Africa was $2.9bn, while FDI into South Africa was $3.8bn during 2017. *(The FDI Report 2018).*	World trade growth increased in the first few months of 2018 with the volume of trade expanding by 4.7% according to the World Trade Organization. This was due to cyclical improvements including an increase in investment growth in developed economies. Rising trade tensions continue to pose a risk to global trade in the future. *(http:bit.ly/wespreport)*	On 21st March 2018, 44 member states of the African Union signed the African Continental Free Trade Area (AfCFTA) Agreement. This commits signatory countries to remove tariffs on 90% of goods, with 10% of designated items to be phased at a later stage. This is expected to boost intra-African trade by 52.3% through this elimination of import duties. *(http:bit.ly/wespreport)*

NATIONAL STATE OF THE ECONOMY

National GDP Growth and Forecasts

	South African Reserve Bank	International Monetary Fund	The World Bank	OECD
Projected GDP Growth for 2018	1.7%	1.5%	1.4%	1.9%
Projected GDP Growth for 2019	1.5%	1.7%	1.8%	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)

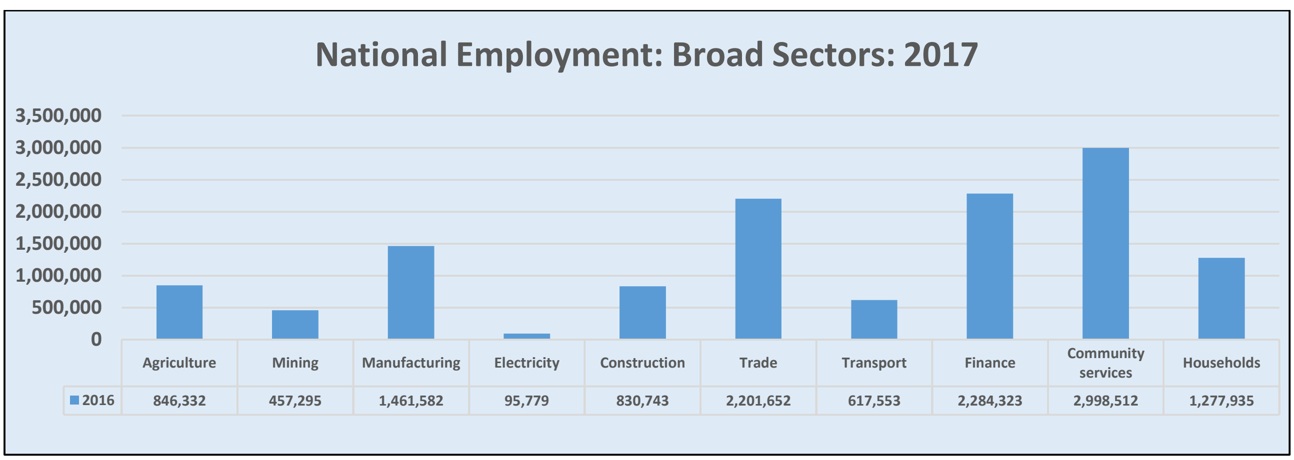
Source: Global Insight 2018

NATIONAL HIGHLIGHTS

SA to host BRICS Summit	GDP contracts in Q1:2018	Production in Q1: 2018	International Trade
The 10th BRICS Summit will be hosted in SA commencing 25th July 2018, with the theme "BRICS in Africa Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution''. The Summit is expected to offer BRICS members the opportunity to extend and advance their cooperation to promote economic development and broaden relationships within the grouping. *(SANews, 4th June 2018)*	GDP contracted by 2.2% in the first quarter of 2018, due to the slowdown in agriculture and mining, after expanding 3.1% in the fourth quarter of 2017. This was the largest quarter-on-quarter decline since Q1:2009. GDP rose 0.8% unadjusted year-on-year in the first quarter. *(SANews, 6th June 2018).*	Agricultural output declined in the first quarter of 2018, due to lower than expected harvests in the Western Cape. Manufacturing output also declined – the mining and construction sector contributed to the decline. *(The Real Economy Bulletin, TIPS, Q1: 2018).*	SA had a trade deficit in the first quarter of 2018. Agriculture had the largest decline in exports, while export growth was evident in metals and metals products (2%). *(The Real Economy Bulletin, TIPS, Q1: 2018).*

NATIONAL KEY INDICATORS

INFLATION RATE	PETROL PRICE	EXCHANGE RATES	VEHICLE SALES	QUARTERLY GDP / UNEMPLOYMENT TRENDS
The inflation rate fell to 4.4% in May from 4.5% in the previous month and below market consensus of 4.6%. The slowdown was mainly due to lower prices of food and non-alcoholic drinks. *(http://www.inflation.eu/inflation-rates/south-africa/inflation-south-africa.aspx)* National employment in the first Quarter of 2018 was recorded as 16,378 million. *(https://www.iol.co.za/business-report/economy/breaking-unemployment-rate-drops-to-267-13260041)*	**93 Octane**: R15.54 **95 Octane**: R15.79 **0.05% Diesel**: R1.19 As at 21st June 2018 *(SANews, 21st June 2018).)*	Rand/Dollar: 13.7081 Rand/Pound: 18.0124 Rand/Euro: 15.8410 As at 21st June 2018 *(Mercury, 21st June 2018)*	**New Car Sales Summary - May 2018** Aggregate new vehicle sales of 42 984 up by 2.4% (+1 022 units) compared to May 2017 Passenger car sales of 26 561 up by 0.7% (+179 units) compared to May 2017 Light Commercial Vehicle (LCV) sales of 13 977 up by 3.2% (+434 units) compared to May 2017 Export sales of 32 731 up by 13.9% (+3 982 units) compared to May 2017. *(National Association of Automobile Manufacturers of South Africa)*	South Africa's gross domestic product (GDP) contracted by 2.2% in the first quarter of 2018 due to the slowdown in the mining and agriculture sectors. (*http://www.politicsweb.co.za/news-and-analysis/gdp-contracts-in-first-quarter-of-2018--statssa).* The unemployment rate in the first quarter of 2018 remained unchanged at 26.7%. *(https://www.iol.co.za/business-report/economy/breaking-unemployment-rate-drops-to-267-13260041)*

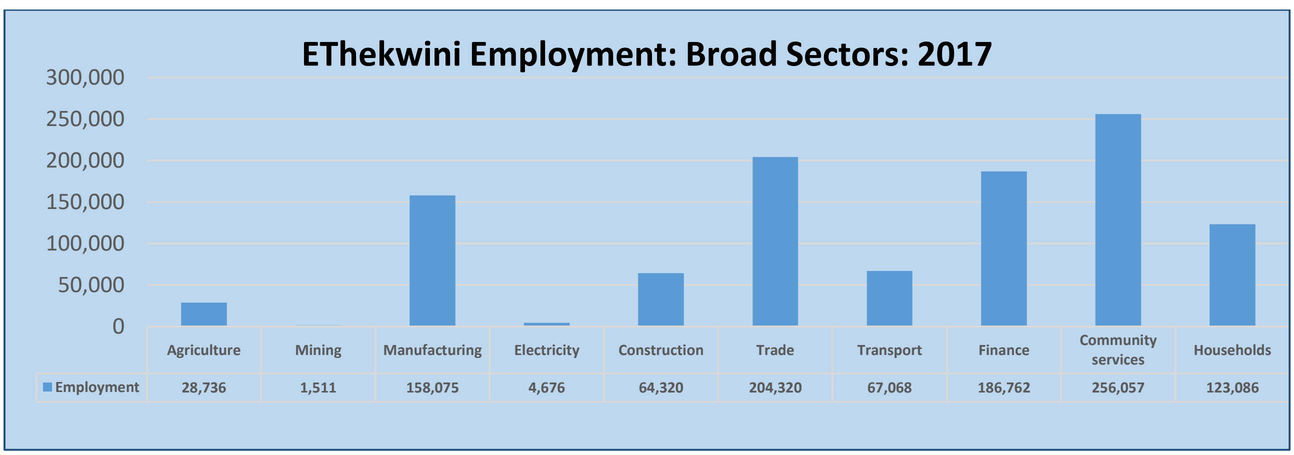


Source: Global Insight 2018

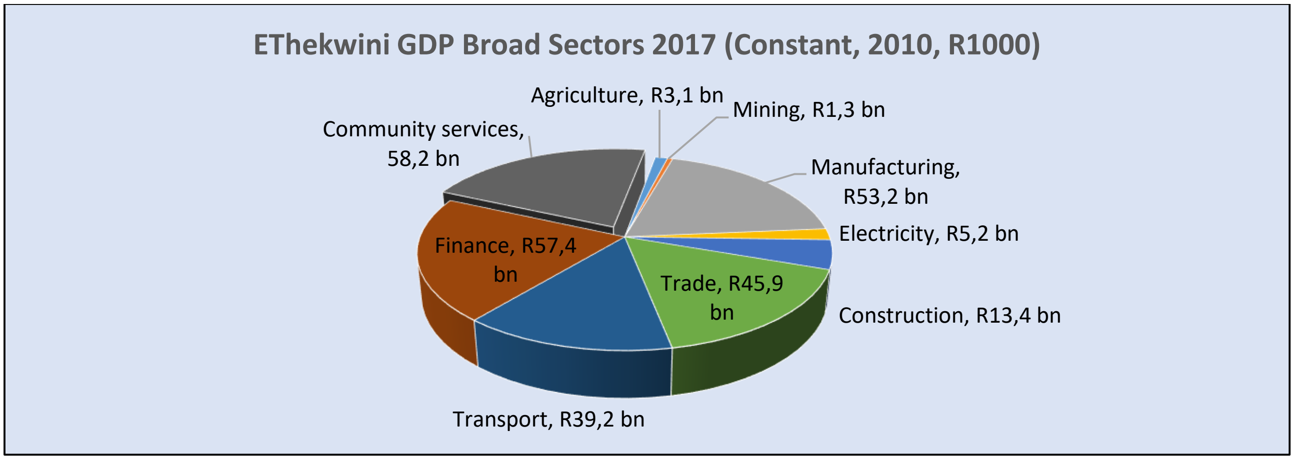
LOCAL STATE OF THE ECONOMY

ETHEKWINI INDICATORS

GDP / TOTAL POPULATION	TOTAL EMPLOYMENT	Q1:2018 UNEMPLOYMENT DECREASED TO 20.3%	POVERTY STATISTICS	ANNUAL TRADE 2017
R304.4 billion in 2017 Increased by 0.8% *from 2016.* *(Global Insight internal database)* The eThekwini population was recorded as 3,866,505 in 2017 according to Global Insight (Increased by 1.4%) *(Global Insight internal database)*	Formal Sector employment recorded as 1,205-million according to the first Quarterly Labour Force Survey in 2018 according to Statistics South Africa. This represented an increase of 3.3% over the previous quarter. *(https://www.iol.co.za/business-report/economy/breaking-unemployment-rate-drops-to-267-13260041)*	The City's quarterly unemployment rate decreased to 20.3% during the first quarter of 2018 after 21.9% in the fourth quarter of 2017. *(https://www.iol.co.za/business-report/economy/breaking-unemployment-rate-drops-to-267-13260041)*	The number of people living below the food poverty line in 2017 in eThekwini was recorded at approximately 1,951,503. *(Source: Global Insight)*	Total Exports: R72.7 billion (Increased by 1.6%) Total Imports: R105.5 billion (Increased by 0.75%) *(Global Insight internal database)*



Source: Global Insight 2018



Source: Global Insight 2018

EVENTS/LAUNCHES/INVESTMENT

Durban ICC nominated for award	Durban Port nominated for award	SAPOA Conference in Durban	Natal Investment Roadshow
The Durban International Convention Centre was named as one of 17 finalists in the 2018 edition of the AIPC Apex Award competition for 'Best Client-Rated Convention Centre'. *(Mercury, Network, 6th June 2018)*	The Port of Durban, Transnet's flagship port, is among the country's three ports nominated at this year's World Travel Awards during October. The port, together with other ports of Cape Town and Port Elizabeth, has been nominated for the Africa and Indian Ocean segment of the 25th annual World Travel Awards in the category of Africa's Leading Cruise Port 2018. *(Mercury 21st June 2018).*	The 2018 SAPOA Annual Convention & Property Exhibition was held at the Durban ICC from 19-21 June 2018. The theme of the Convention was *'The Future We Create…Imagine'.* This was intended to challenge delegates to think futuristic, and explore the possibility of multiple futures and new technologies within an innovative and diversified real estate environment. *(http://www.sapoa.org.za/convention/)*	A delegation comprising business and government from KZN visited the UK during June 2018 to meet with investors, financiers and those interested in the region's investment potential. Meetings were held with UK companies and Invest Trade SA. *Invest Durban* will maintain contact with the businesses to secure bilateral trade and investment between UK and Durban. *(https://www.cnbcafrica.com/insights/2018/06/11/invest-durban-uk-roadshow/)*

LINKS TO ECONOMIC REPORTS

Name	Description	Link
The FDI Report 2018	The FDI Report is compiled by FDI Markets that tracks cross-border greenfield investment across all countries and sectors worldwide.	http://report.fdiintelligence.com/?campaign_id=fDi046&utm_campaign=The+fDi+Report+2018+Out+now&utm_source=emailCampaign&utm_medium=email&utm_content=

General Household Survey 2017	The General Household Survey is undertaken to provide government departments and organizations with information on a range of indicators concerning private households for monitoring and policy purposes.	http://www.statssa.gov.za/publications/P0318/P03182017.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.