# ETHEKWINI ECONOMY *'AT A GLANCE'*

DECEMBER 2019

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## GLOBAL STATE OF THE ECONOMY

| | IMF | World Bank | OECD |
|---|---|---|---|
| **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 World Bank) | | |

## GLOBAL HIGHLIGHTS

| Global Economic Activity |
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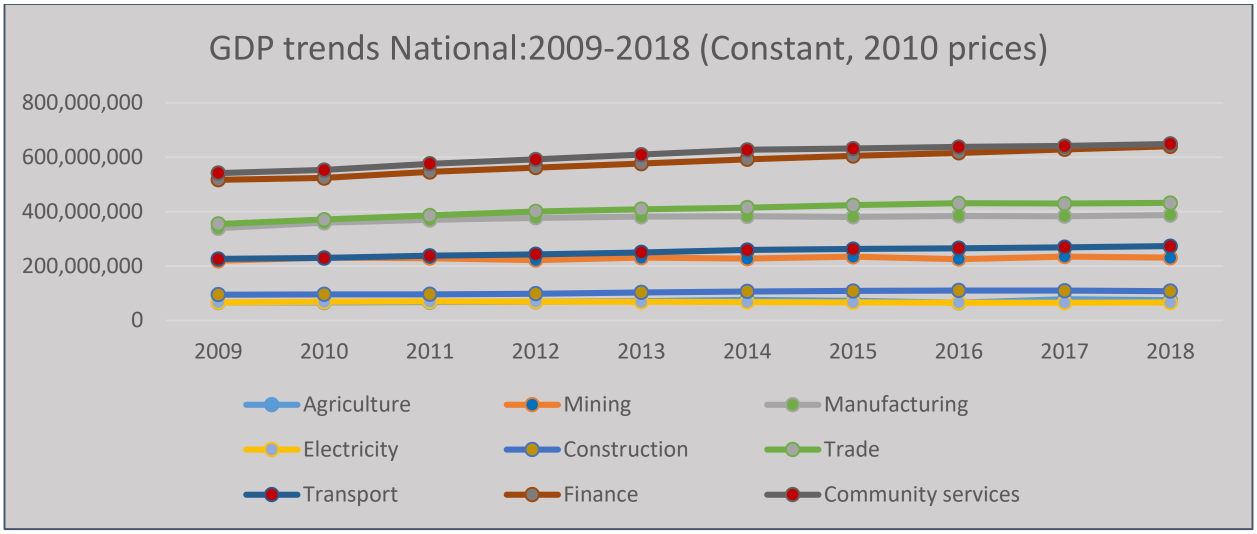
## NATIONAL STATE OF THE ECONOMY

| | South African Reserve Bank | IMF | The World Bank | OECD |
|---|---|---|---|---|
| **Projected GDP Growth for 2019** | 0.5% | 0.7% | 0.8% | 0.5% |
| **Projected GDP Growth for 2020** | 1.4% | 1.1% | 1.0% | 1.0% |
| **2018 GDP/Growth** | R3.14 trillion (Constant, 2010 Prices, 0.8% growth from 2017, sourced from *Global Insight*) | | | |




Source: Global Insight 2018

## NATIONAL HIGHLIGHTS

| GDP contracts in 3rd Quarter | Fitch Credit Rating remain unchanged | Business cycle improvement in October | |
|---|---|---|---|
| Gross domestic product contracted 0.6% in the 3rd quarter after expanding 3.2% in the 2nd quarter, according to Statistics South Africa. Sharp decreases in mining, manufacturing and agriculture were the largest contributors to the negative growth. These 3 sectors represent about a quarter of domestic product and a large component of taxes revenues and employment. *(Statistics South Africa, 3rd December 2019).* | Ratings agency Fitch has reaffirmed the country's credit rating at one notch below investment grade with a negative outlook. This was attributed to the uncertainty over government's ability to stabilise debt in the medium term. Other factors included the risk regarding the security of electricity supply from Eskom and the high budget deficit. *(Mercury, 19th December 2019).* | According to the South African Reserve Bank, the business cycle improved at the start of the forth quarter despite weak trade conditions and consumer confidence. The positive contributions to the improvement was the increase in the number of residential building plans approved and an improvement in the Business Confidence Index of the Bureau of Economic Research (BER). *(Mercury, 19th December 2019).* | |

## NATIONAL KEY INDICATORS

| INFLATION RATE / NATIONAL EMPLOYMENT | PETROL PRICE | EXCHANGE RATES | VEHICLE SALES | QUARTERLY GDP |
|---|---|---|---|---|

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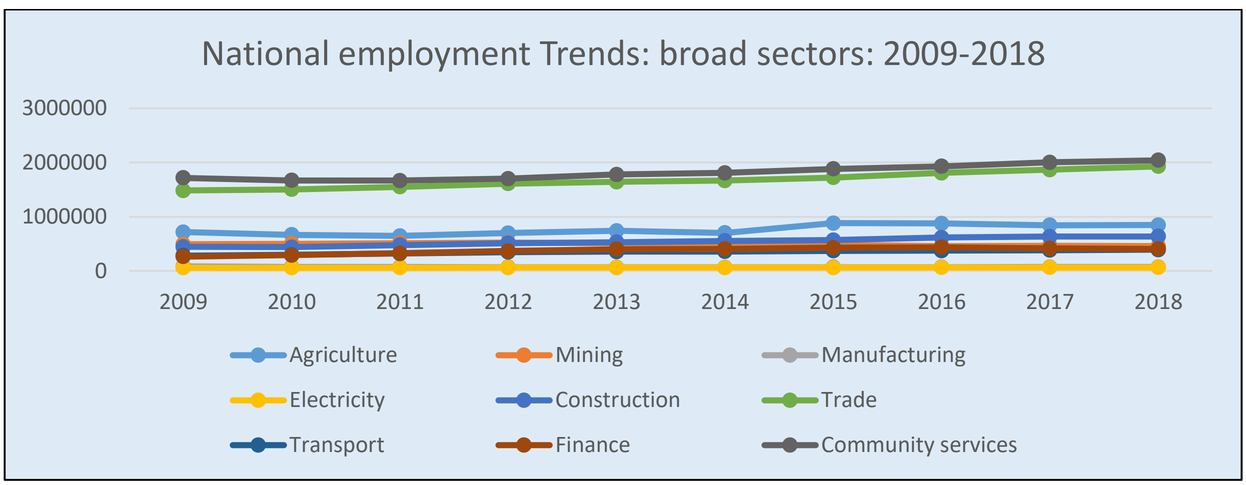
|---|---|---|---|---|
| CPI inflation moderated to 3.6% year-on-year in November, its lowest rate since February, from 3.7% in October. (*https://tradingeconomics.com/south-africa/inflation-cpi*)<br><br>National employment in the 3rd quarter of 2019 was recorded as 16,375 million, up by 62,000 from previous quarter (0.4%). *(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter3019.pdf)* | **93 Octane**: R15.66<br><br>**95 Octane**: R15.44<br><br>**50ppm Diesel**: R14.20<br><br>As at 6th November 2019<br><br>(*https://www.aa.co.za/fuel-pricing*) | Rand/Dollar: 24.7424<br><br>Rand/Pound: 19.0212<br><br>Rand/Euro: 16.2236<br><br>As at 29th November 2019<br><br>*(Mercury, 29th November 2019)* | **New Car Sales Summary - August 2019**<br><br>*The month of October 2019 yielded some positive results according to figures released by the National Association of Automobile Manufacturers of South Africa (NAAMSA).* Aggregate new vehicle sales in October 2019 was 51 978 units up by 0.2% (+122 units) compared with October 2018<br><br>(https://www.cars.co.za/motoring_news/new-car-sales-in-sa-october-2019/47689/) | National GDP increased by 3.1% in the 2nd quarter of 2019. *(https://tradingeconomics.com/south-africa/gdp-growth)*<br><br>CPI inflation moderated to 3.6% y/y in November, its lowest rate since February 2011, from 3.7% y/y in October |

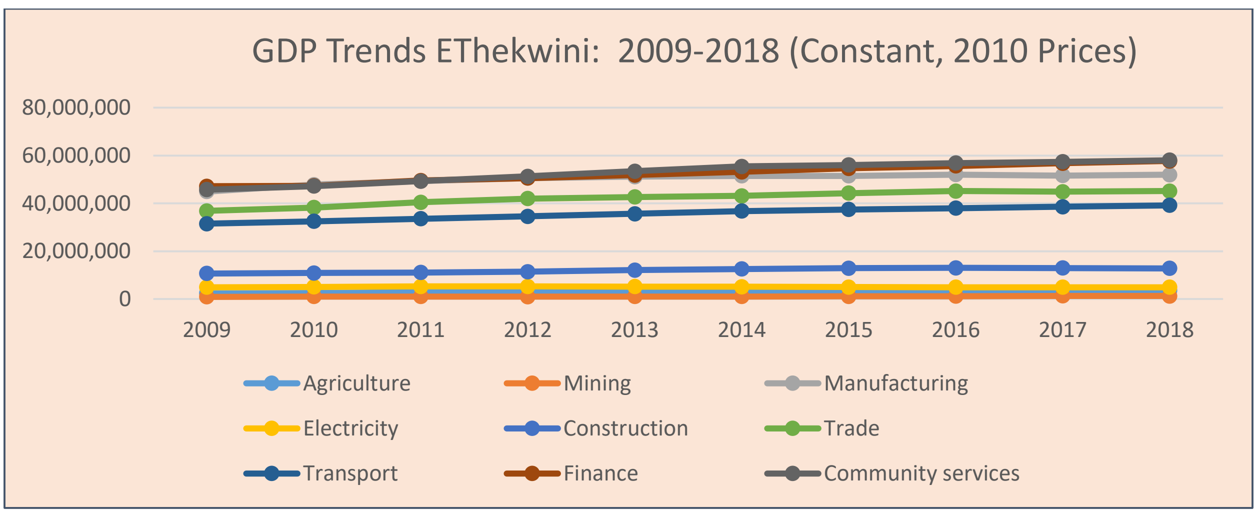



*Source: Quantec 2019*

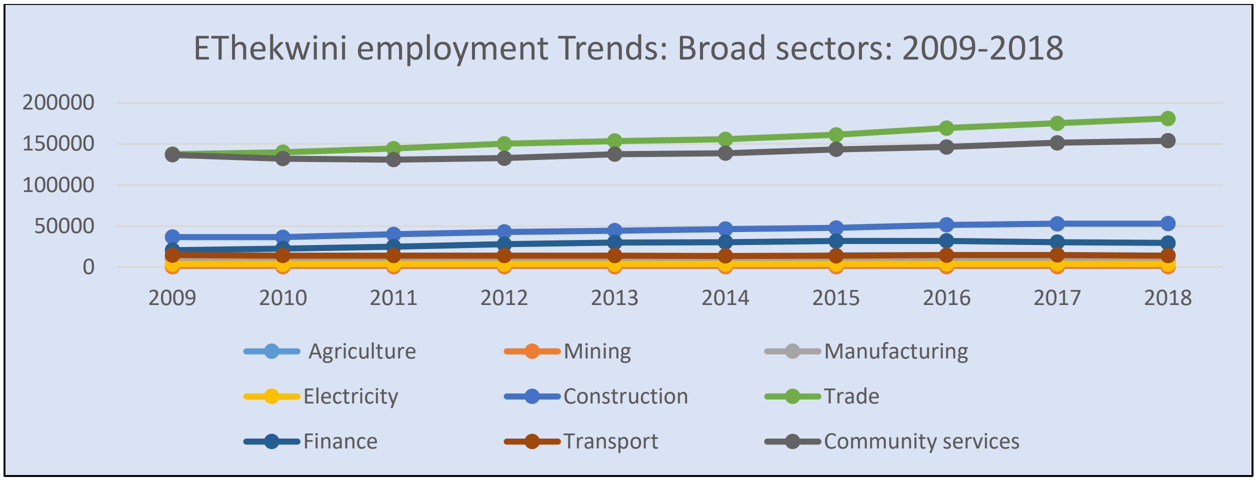
**LOCAL STATE OF THE ECONOMY**

**ETHEKWINI INDICATORS**

| GDP / TOTAL POPULATION | TOTAL EMPLOYMENT Q3: 2019 | Q3:2019 UNEMPLOYMENT DECREASED TO 21.5% | Development Indicators for 2018 | ANNUAL TRADE 2018 |
|---|---|---|---|---|
| R301.9 billion, 0.9% growth from 2017. *(Global Insight 2019)*<br><br>The eThekwini population was recorded as 3,918,863 in 2018 according to Global Insight (Increased by 1.4%)<br>*(Global Insight 2019)* | Formal Sector employment recorded as approximately 1.183 million in the 3rd Quarterly Labour Force Survey in 2019 according to Statistics South Africa. This represented an increase of 24, 000 and 2.1% over the previous quarter. *(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2019.pdf)* | The City's quarterly unemployment rate decreased by 0.4 percentage points to 21.5% from 21.9% in the previous quarter.<br><br>Number of unemployed is at 323,000, down by 1,000 from previous quarter.<br>*(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2019.pdf)* | Human Development Index: 0.66<br><br>Gini coefficient: 0.62<br><br>Functional Literacy:<br><br>Total illiterate: 340,675<br>Total literate: 2,625,882<br><br>Number of Households: 1, 125, 767<br><br>Geographic Area: 2, 556 km$^2$<br><br>Number of Wards: 110<br><br>*(Source: Global Insight 2019/ Development Planning)* | Total Exports: R82, 7 billion (Increased by 13.8%)<br>Total Imports: R114, 5 billion (Increased by 8.5%)<br>*(Global Insight 2019)* |




Source: Global Insight 2018




*Source: Quantec 2019*

## ETHEKWINI EVENTS/AWARDS/INVESTMENTS

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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.