ETHEKWINI ECONOMY *'AT A GLANCE'*

APRIL 2021

STATE OF THE GLOBAL ECONOMY

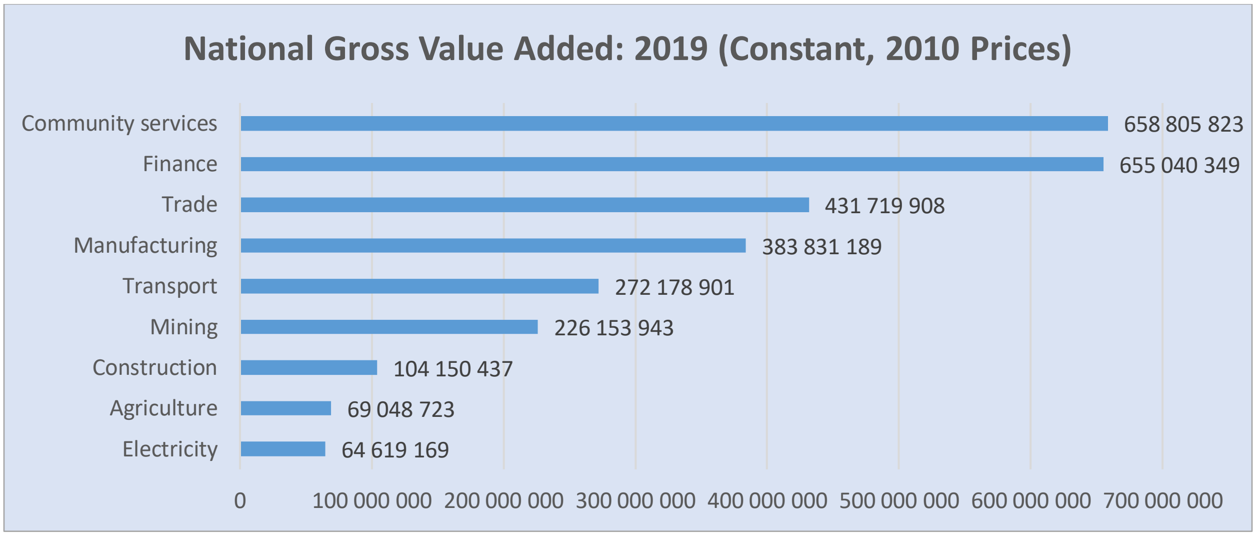
	IMF	World Bank	OECD
Estimated GDP Growth 2020	-3.5%	-4.3%	-3.5%
Projected GDP Growth 2021	6.0%	4.0%	2.9%
Projected GDP Growth 2022	4.4%	3.8%	3.8%
Global GDP in 2019 (Actual)	142 trillion US$ (Current prices, as per the World Bank)		

GLOBAL HIGHLIGHTS

Update on global economy
A year into the pandemic, global prospects still remain uncertain, according to the International Monetary Fund (IMF) as the growing vaccine rollouts begin to give rise to economic recoveries across countries and sectors. The outlook depends not only on the outcome of the tussle between the virus and the vaccines, but also hinges on how effectively economic policies deployed under high uncertainty can limit the damage from the pandemic. Global growth is projected at 6% in 2021, moderating to 4.4% in 2022 – this upward revision reflects additional fiscal support in a few large economies, and the anticipated vaccine-empowered recovery in the second half of 2021. *(https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021)*

STATE OF THE NATIONAL ECONOMY

	South African Reserve Bank	IMF	The World Bank	OECD
Estimated GDP Growth 2020	-7.0%	-7.5%	-7.0%	-8.1%
Projected GDP Growth 2021	3.3%	3.1%	3.0%	3.1%
Projected GDP Growth 2022	2.4%	2.0%	1.9%	2.5%
2020 GDP/Growth trend	R2.92 trillion (constant, 2010 prices, 7% contraction from 2019, sourced from Statistics South Africa)			



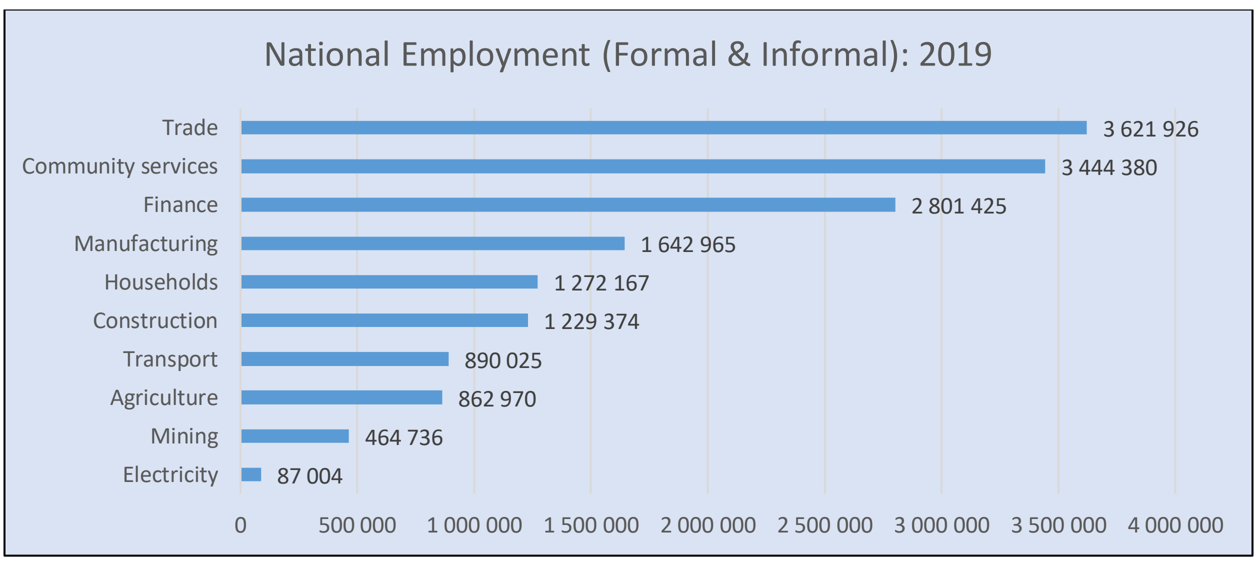
Source: Global Insight 2020

NATIONAL HIGHLIGHTS

New Development Bank Loan granted to SA	**KZN Finance MEC presents R3.3 bn budget to support local manufacturing**	**National Economic Highlights**
South Africa has secured a US$1 billion (R14.5 billion) emergency loan from the New Development Bank – the financial institution established by BRICS, to assist the country deal with the impact of the Covid-19 pandemic. The Bank said the loan would finance the creation of employment opportunities as part of the first phase of the Presidential Employment Stimulus. (*https://www.businesslive.co.za/bd/economy/2021-04-08-sa-gets-1bn-covid-19-emergency-loan-from-brics-bank/*)	The KZN MEC for Finance has tabled a R3.3 bn budget to support local manufacturing and has also announced R48.2 bn for capital projects for infrastructure development. The MEC also stated that government's failure to pay service providers on time was damaging the domestic economy and called for sweeping changes in the public service to sustain small contractors and improve domestic manufacturing and production *(Mercury, 7th April 2021).*	The country's GDP is estimated to have contracted by approximately 7% in 2020 on the production side. The manufacturing sector contributed the most to the contraction at -20.3%, followed by transport (-18.4%), trade (-18%) and finance (-13.2%). On the expenditure side, lower imports made a positive contribution to economic growth, while strong declines were evident in household expenditure, gross fixed capital formation, exports and inventories. (*https://retail.momentum.co.za/*)

NATIONAL KEY INDICATORS

Inflation Rate / Labour Data	Petrol Prices	Exchange Rates	Vehicle Sales
The annual inflation rate (CPI) rose to 3.2% in March from 2.9% in February. *(Statistics South Africa)* **Labour Update** National employment in the 4th quarter of 2020 was recorded as 15.024 million, down by 333,000 from the previous quarter (2.3%). The official unemployment rate was 32.5%, up by 1.7% from previous quarter. Number of unemployed is at 7.233 million (up by 701,000. *(http://www.statssa.gov.za/publications/P0211/P02114thQuarter 2020.pdf*	93 Octane: R16.58 95 Octane: R16.61 50ppm Diesel: 13.92 500ppm Diesel: R14.16 Figures quoted as at 7th April 2021 *(https://www.aa.co.za /fuel-pricing)*	Rand/Dollar: 14.30 Rand/Pound: 19.88 Rand/Euro: 17.29 As at 29th April 2021 *(South African Reserve Bank)*	According to NAAMSA, the aggregate domestic sales in March 2021, at 44,217 units shows a substantial increase of 10,671 units (31.8%), from the 33,546 vehicles sold in March last year. Export sales also recorded a big increase in March 2021 and at 40,026 units shows a gain of 11,137 (38.6%) vehicles exported in March 2020. *(www.naamsa.co.za)*

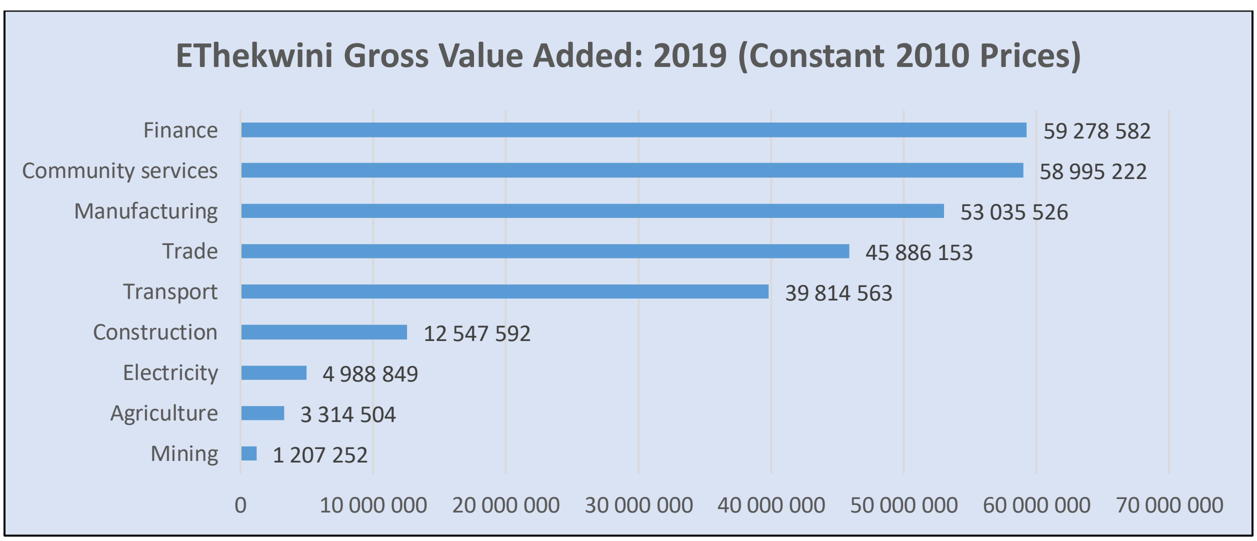


Source: Global Insight 2020

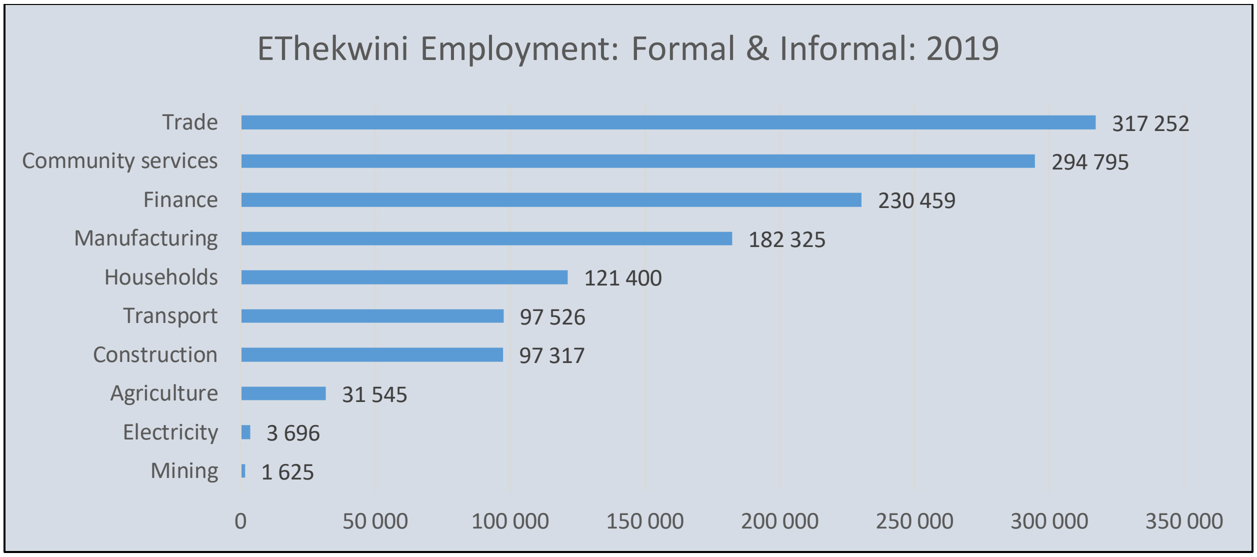
STATE OF THE LOCAL ECONOMY

ETHEKWINI INDICATORS

GDP / Total Population	Total Employment Q4: 2020	Q4: 2020 Unemployment	Development Indicators for 2019	Annual Trade 2020
GDP was 301.7 billion in 2019, which is a -0.15% growth from 2018. *(Global Insight, 2020)* The population at eThekwini was recorded as 3,938,680 in 2020 (increased by 1.4%) *(Global Insight, 2020)*	Formal sector employment was approximately 1.108m in the 4th quarter of 2020, according to Statistics South Africa. This represented an increase of 49,000 and a 4.6% increase from the previous quarter *(http://www.statssa.gov.za/publications/P0211/P02114th quarter2020.pdf*)	The City's official quarterly unemployment rate in the 4th quarter increased by 6.6 percentage points to 20.6% from 14.0% in the previous quarter. The number of unemployed in the 4th quarter was 288,000, up by 115,000 from previous quarter. *(http://www.statssa.gov.za/publications/P0211/P02114th Quarter2020.pdf*)	Human Development Index: 0.66 Gini coefficient: 0.62 Functional Literacy: Total illiterate: 340,675 Total literate: 2,625,882 Number of Households: 1, 139,727 Geographic Area: 2, 556 km^2 Number of Wards: 110 *(Source: Global Insight 2020/ Development Planning)*	Total Exports: R77,3billion (down R2,4 billion). Total Imports: R90,7 billion (up R2,4 billion) *(Quantec, 2020)*



Source: Global Insight, 2020



Source: Global Insight, 2020

ETHEKWINI EVENTS/AWARDS/INVESTMENTS

City wants rates from Ingonyama Trust land	**City calls for proposals for redevelopment of Virginia Airport site**
The eThekwini Municipality has stated in a report tabled at a Council meeting that it intends to bill residents who live on Ingonyama Trust land to pay the city for rates. The Trust which holds 2.8million hectares of land, owes the municipality millions of rand for services. The city will seek legal advice on the taxation of the properties developed on the Trust land to identify those that have a threshold value above the exemption in the rates policy *(Mercury, 7th April 2021).*	The Municipality has called on developers to present proposals for the planned redevelopment of the Virginia Airport site. A feasibility study has recommended high-density housing, hotels, a mixed-use commercial node, a theme park and a motor sports venue as some of the possible developments. The report also revealed that the operators were not paying a market rental at present and that this was costing the city R5m per annum towards management of the facility and for air traffic navigation services. A relocation of the general aviation service and flight schools may be explored first by the city to find compelling economic reasons to fund the relocation of the airport, the flight schools and operators. *(Mercury, 9th April 2021)*

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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.