ETHEKWINI ECONOMY *'AT A GLANCE'*

DECEMBER 2020

STATE OF THE GLOBAL ECONOMY

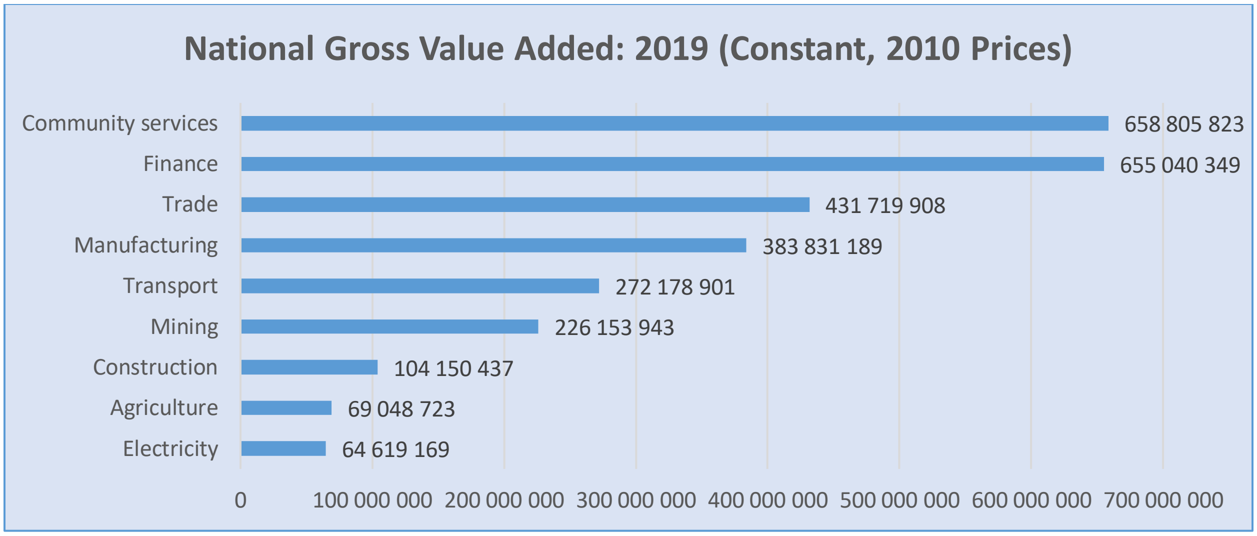
	IMF	World Bank	OECD
Projected GDP Growth 2020	-4.4%	-5.2%	-4.2%
Projected GDP Growth 2021	5.4%	4.2%	4.2%
Global GDP in 2019 (Actual)	142 trillion US$ (Current prices, as per the World Bank)		

GLOBAL HIGHLIGHTS

Despite a new wave of Covid-19 infections, the global economy strengthened during the 3rd quarter of 2020. This was attributed to the emergence of vaccines, the easing of political uncertainty in the US and a boost in investor confidence. The pace of industrial growth also rose in October and November with the purchasing managers' index increasing at a global- and individual-surveyed economies in specific regions. Trade has continued to improve – with increasing traffic from both Chinese and non-Chinese ports - as evidenced in the most recent data from the Container Throughput Index for October, which climbed to a 2nd consecutive historic high at 122.6, after rising to 119.6 in September. (*https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/global-economics-intelligence-executive-summary-november-2020)*

STATE OF THE NATIONAL ECONOMY

	South African Reserve Bank	IMF	The World Bank	OECD
Projected GDP Growth 2020	-7.8%	-8.0%	-7.1%	-11.5%
Projected GDP Growth 2021	3.3%	3.0%	2.9%	0.6%
2019 GDP/Growth trend	R3.14 trillion (constant, 2010 prices, 0.15% growth from 2018, sourced from *Global Insight*)			



Source: Global Insight 2020

NATIONAL HIGHLIGHTS

SA GDP contracts in Q2	South Africa's unemployment rate increases to 30.8% in Q3	Employment outlook
South Africa's GDP contracted by 51% quarter-on-quarter (q/q) annualised in Q2 and by 16.1% q/q on a seasonally adjusted annualised basis. The percentage fall in GDP during the 2nd quarter ranked among the highest recorded in the world but was still less severe than the GDP falls of 21.7% year-on-year (y/y) in the United Kingdom, 22.1% y/y in Spain, and 23.9% y/y in India. The agriculture, forestry, and fishing sector were the only sector making a positive contribution, of 0.3 percentage point, to the q/q (annualised) growth during the second quarter. All other sectors of the economy showed a sharp fall in output, with the steepest declines recorded in manufacturing (minus 10.8-percentage-point contribution); trade, catering, and accommodation(minus 10.5-percentage-point contribution); and transport, storage, and communication (minus 6.6-percentage-point contribution). *(www.statssa.gov.za)*	The national economy shed jobs in the trade, manufacturing, community and social services, and construction sectors in the 3rd quarter, compared with the same period last year. The unemployment rate increased to 30.8% in the 3rd quarter of 2020, from 29.1% for the same period a year before. Statistics South Africa (StatsSA) reported that the number of employed persons increased by 543,000 during the third quarter; however, the number of unemployed persons increased by 2.2 million to 6.5 million over the period. Employment during the third quarter recovered for all sectors in the economy, compared with the previous quarter, except in the transport and utilities sectors. Sectors that showed the biggest gains in employment were finance (200,000), community and social services (137,000), and private	The 3rd quarter employment numbers reflect the impact of Covid-19 on the labour market. Higher numbers of unemployment were expected in the second quarter during Lockdown level 5, which coincided with business closures for almost all sectors in the economy. By the 3rd quarter, the South African economy was almost fully opened, at Lockdown level 1, but the employment numbers show that not all were able to return to their previous work. To date, national government has provided income support for those unemployed and affected by the lockdown measures and recently extended the Unemployment Insurance Fund's Temporary Employer/Employee Relief Scheme (TERS), as well as the special relief of distress grant, to January 2021. The full effect of the rising unemployment level in the economy will be more visible as we

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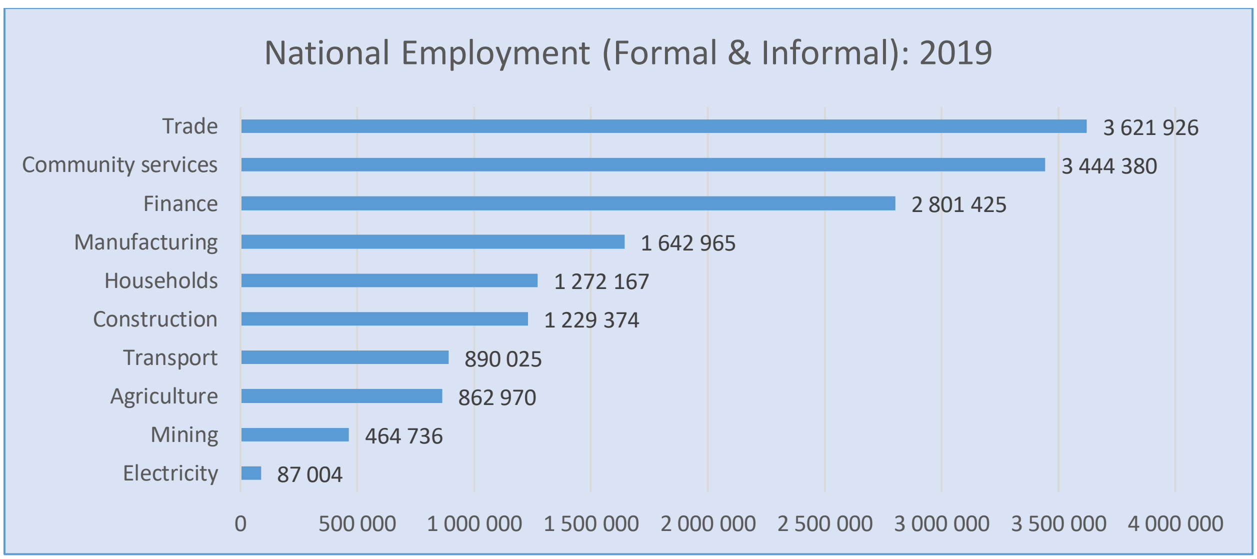
	households (116,000). The biggest job losses were recorded in the trade (400,000), manufacturing (300,000), community and social services (298,000), and construction sectors (259,000), compared with a year earlier (www.statssa.gov.za).	move into 2021 and government support is withdrawn. This, combined with soft salary adjustments and limited fiscal space to sustain the wider safety net to the most vulnerable in society, will increase poverty and inequality in the South African economy further over the short term. The need to successfully implement the South African government's post-lockdown economic reform programme, with a focus on infrastructure development, has become more pressing. Significant bottlenecks remain, chief of which are insufficient electricity supply, and cement and steel shortages. *(http://www.statssa.gov.za/?cat=31)*

NATIONAL KEY INDICATORS

October Inflation Rate / National Labour Trends in 3rd Quarter	Petrol Prices	Exchange Rates	Vehicle Sales	Quarterly GDP Contracts in 2nd Quarter of 2020
The inflation rate slowed to 3.2% year-on-year in November from 3.3% in October 2020. *(https://southafrica.opendataforafrica.org/kcsrrb/consumer-price-index-cpi-November)* National employment in the 3rd quarter of 2020 was recorded at 14.691 million, an increase of 543, 000	93 Octane: R14.18 95 Octane: R14.16 50ppm Diesel: R12.44 500ppm Diesel: R12.39 As at 6th January 2021 *(https://www.aa.co.za /fuel-pricing)*	Rand/Dollar: 15.58 Rand/Pound: 20.97 Rand/Euro: 18.92 As at 12th January 2021 *(Mercury, 12th January 2021)*	New vehicle sales fell 12,0% year-on-year in November 2020, representing gradual monthly gains in sales growth by volume. Aggregate domestic sales at 39 315 units reflected a decline of 5 355 units or 12,0% from the 44 670 vehicles sold in November 2019. Naamsa said the trend was mirrored by	National GDP contracted by 16% in the 2nd quarter of 2020 following a contraction of 2.0% in the 1st quarter. *(http://www.statssa.gov.za/publications/P0441/P04412ndQuarter2020.pdf)*

October Inflation Rate / National Labour Trends in 3rd Quarter	Petrol Prices	Exchange Rates	Vehicle Sales	Quarterly GDP Contracts in 2nd Quarter of 2020
from the previous quarter. The official unemployment rate was 30.8% with 6.533 million, an increase of 2.238 million from the previous quarter. *(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2020.pdf*)			export sales at 31 966 units, which declined by 2 622 units or 7,6% compared with the previous year's figure. Export sales for the year to date reflected a fall of 122 987 vehicles or 32,9% compared with the same period in 2019, with a "second-wave lockdown" in major markets threatening to further negatively impact the figures *(https://www.carmag.co.za/news/industry-news/sas-new-vehicle-sales-fall-12-percent-year-on-year-in-november-2020/)*	

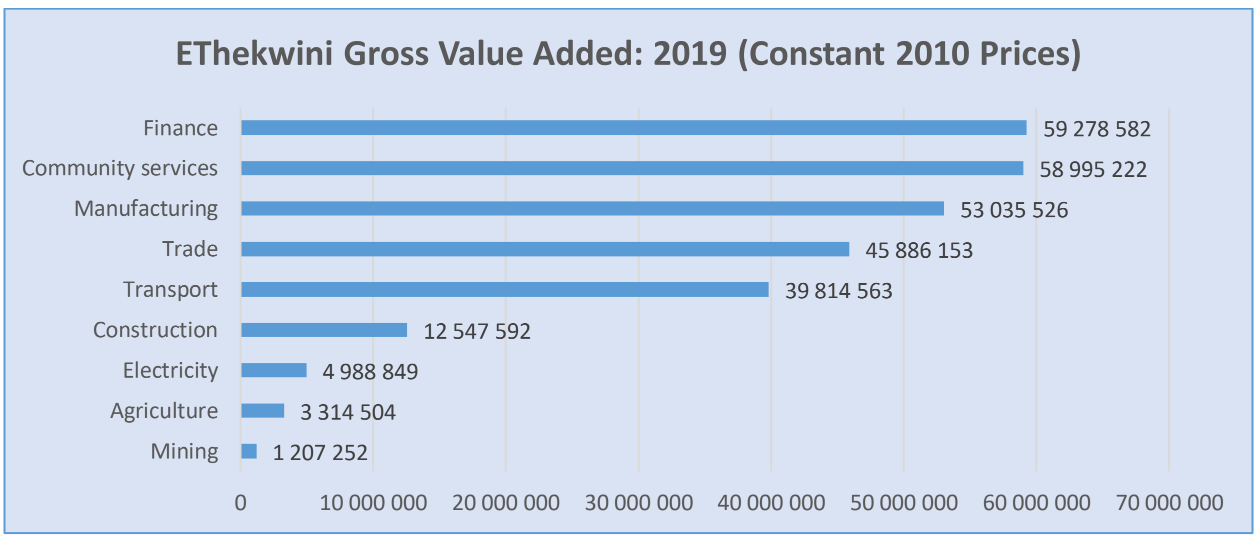


Source: Global Insight 2020

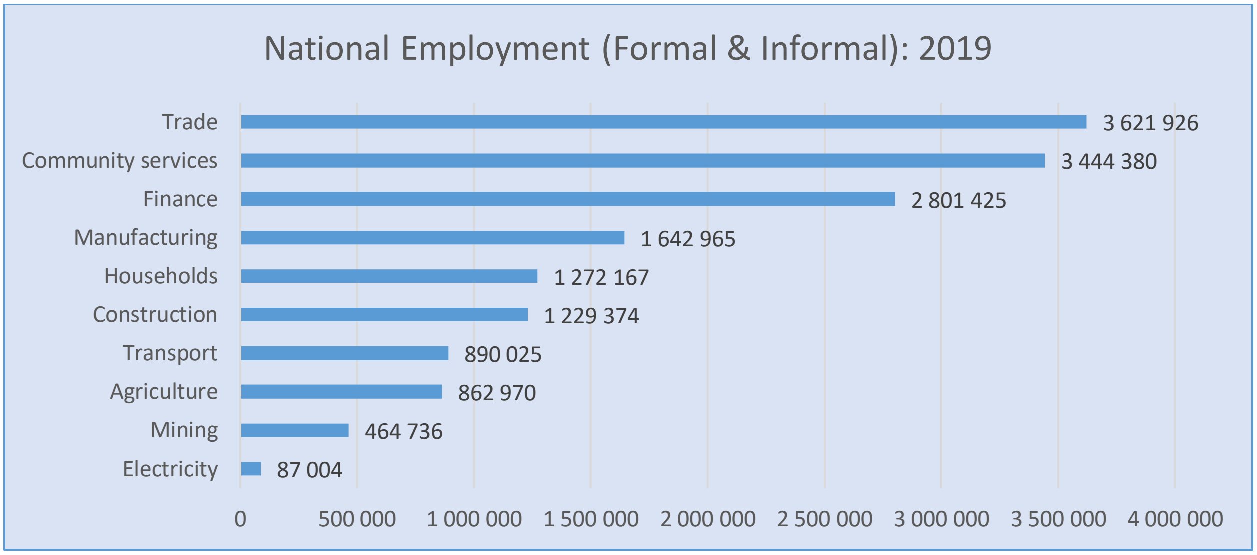
STATE OF THE LOCAL ECONOMY

ETHEKWINI INDICATORS

GDP / Total Population	Total Employment Q3: 2020	Q3: 2020 Unemployment	Development Indicators for 2019	Annual Trade 2019
GDP was 301.7 billion, which is a -0.15% growth from 2018. *(Global Insight 2020)* The eThekwini population was recorded as 3,938,683 in 2020 according to Global Insight (Increased by 1.4%) *(Global Insight, 2020)*	Formal Sector employment was approximately 1.059m in the 3rd quarter of 2020, according to Statistics South Africa. This represented an increase of 73,000 and a 7.4% increase from the previous quarter *(http://www.statssa.gov.za/publications/P0211/P02113rd quarter2020.pdf)*	The City's official quarterly unemployment rate in the 3rd quarter increased by 5.8 percentage points to 14.0% from 8.2% in the previous quarter. Number of unemployed in the 3rd quarter is at 173,000, up by 85,000 from previous quarter. *(http://www.statssa.gov.za/publications/P0211/P02113rd 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: R88.3 billion Total Imports: R79.9 billion. *(Quantec, 2020)*



Source: Global Insight, 2020



Source: Global Insight, 2020

ETHEKWINI EVENTS/AWARDS/INVESTMENTS

City Tourism Prospects	Virginia Airport redevelopment Plans
The eThekwini Mayor announced that Durban will be expecting over 500, 000 visitors during the festive season, which represents a R3bn injection into the city's GDP. Some of the city's amenities will remain open however, these will adhere to the current Covid-19 restrictions imposed by the President. *(https://businesstech.co.za/news/trending/457616/durban-mayor-expects-540000-visitors-over-festive-season/)*	The City revealed its latest proposal to redevelop the Virginia Airport site as a mixed-use catalytic project with luxury housing, tourism accommodation and retail outlets – based on the outcomes of a study undertaken during 2018/19. This proposal favours the long-term lease agreement approach for the development which complements the tourism, hospitality, sports, entertainment node along the M4 corridor *(The Mercury, 21st December 2020).*

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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.