



ECONOMY AT A GLANCE

PREPARED BY ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION UNIT

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GLOBAL STATE OF THE ECONOMY

	 INTERNATIONAL MONETARY FUND	 THE WORLD BANK	 OECD BETTER POLICIES FOR BETTER LIVES
Projected GDP Growth for 2017	3.6%	2.7%	3.3%
2016 GDP Growth	3.4%	2.4%	3.0%

GLOBAL HIGHLIGHTS



Global Issues

The global economy is expected to benefit from stronger growth amongst the developed economies, including the Euro region and the US. Also economic recoveries in key emerging regions such as Brazil and Russia will boost the global output.
(<https://www.focus-economics.com/regions/major-economies>)



Risks to Global Economy

The damage caused by the two major hurricanes in the US was estimated at between 150-200 billion dollars and will have a major negative impact on GDP growth in the 3rd quarter. This may also have the effect of a downward adjustment of the world GDP output for 2017 by the major institutions.
(<https://www.cnbc.com/2017/09/13/the-hurricanes-will-have-a-significant-negative-impact-on-third-quarter-gdp-growth.html>)



Global Inflation

Higher inflation is expected to affect consumers' purchasing power and the uncertainty created by Brexit negotiations.
(<https://www.focus-economics.com/regions/major-economies>)

NATIONAL STATE OF THE ECONOMY

NATIONAL GDP GROWTH AND FORECASTS

	 South African Reserve Bank	 INTERNATIONAL MONETARY FUND	 THE WORLD BANK	 OECD BETTER POLICIES FOR BETTER LIVES
Projected GDP Growth for 2017	0.5%	1.0%	1.1%	1.1%
2016 GDP Growth	R3.07 trillion	(increase of 0.3% from 2015, sourced from Statistics South Africa)		

NATIONAL HIGHLIGHTS

SA TO PARTICIPATE IN WORLD TOURISM CONFERENCE

The Tourism Minister led a South African delegation comprising of public and private sector tourism experts to attend the 41st Annual World Tourism Conference in Kigali, Rwanda. The conference took place from 28 to 31 August 2017, and attracted government leaders, international investors and travel professionals from the United States, Europe and Africa to explore how tourism can be utilised as an engine for economic growth and job creation.

(SANEWS.gov.za)

9TH BRICS SUMMIT

The 9th Brazil, Russia, India, China, South Africa (BRICS) Summit was held in Xiamen City, China during 3-5th September 2017 with the theme "BRICS: Stronger Partnership for a Brighter Future". Leaders met with the BRICS Business Council, the President of the New Development Bank, as well as review salient economic developments and projects. The five BRICS countries account for 26 percent of the world's landmass and are home to 43 percent of the world's population. The bloc is composed of emerging markets and the developing world. (SANEWS.gov.za 1st September 2017) South Africa will host the 10th Summit of the BRICS bloc, comprising Brazil, Russia, India, China and South Africa. (Mercury, 4th September 2017).

GDP INCREASED IN 2ND QUARTER OF 2017

Gross domestic product increased by 2, 5% in the second quarter of 2017, following a decrease of 0,6% in the first quarter of 2017. The largest positive contributor to growth in GDP in the second quarter was the agriculture, forestry and fishing industry, which increased by 33, 6% and contributed 0,7 of a percentage point to GDP growth. Finance, real estate and business services increased by 2, 5% and contributed 0,5 of a percentage point. The mining and quarrying industry increased by 3,9%, and contributed 0,3 of a percentage point to GDP growth. In contrast general government services decreased by 0,6%, contributing -0,1 of a percentage point to GDP growth. (Statistical Release P0441, 5th September 2017)

TOURISM IN SA DOWN LAST YEAR

Domestic tourism within the country decreased over the past 2 years due to economic hardships according to the Statistics SA Domestic Tourism Survey 2016. The total number of day trips decreased from 44.3 million in 2015 to 39.4 million in 2016. Overnight trips declined from 45.4 million in 2015 to 43 million last year. (Mercury, 5 September 2017).

South Africa has been voted the 5th most beautiful country in the world by readers of the travel guidebook Rough Guides. Scotland was chosen as the most beautiful. South Africa was the only country from the continent to feature on the list out of a total of 195. (<https://www.sapeople.com/2017/09/05/south-africa-voted-5th-beautiful-country-world/>)

NATIONAL KEY INDICATOR

INFLATION RATE



The inflation rate increased to

4.8%

in August 2017 year-on-year, after 4.6% recorded in July 2017. (South African Reserve Bank)

PETROL PRICE



93: R12.24
95: R12.37

As at 31st August 2017 (SANEWS.gov.za)

EXCHANGE RATES



R/\$: 13.5316
R/£: 18.1981
R/€: 15.9488

As at 29th September 2017 (Natal Mercury, 2017)

VEHICLE SALES



Naamsa reports that August 2017's aggregate new vehicle sales in South Africa came in at 49 222 units, an increase of

6,7%

year-on-year. (National Association of Automobile Manufacturers of South Africa)

QUARTERLY GDP / UNEMPLOYMENT TRENDS



The country's Gross domestic product increased by

2,5%

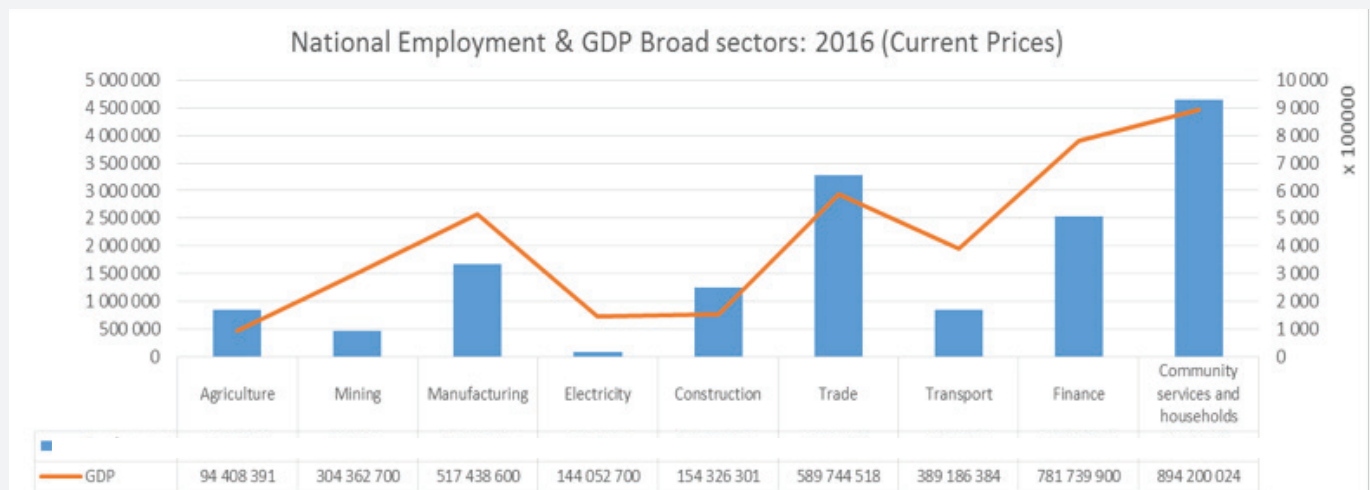
in the second quarter of 2017.

The unemployment in the 2nd quarter of 2017 remained unchanged at

27,7%

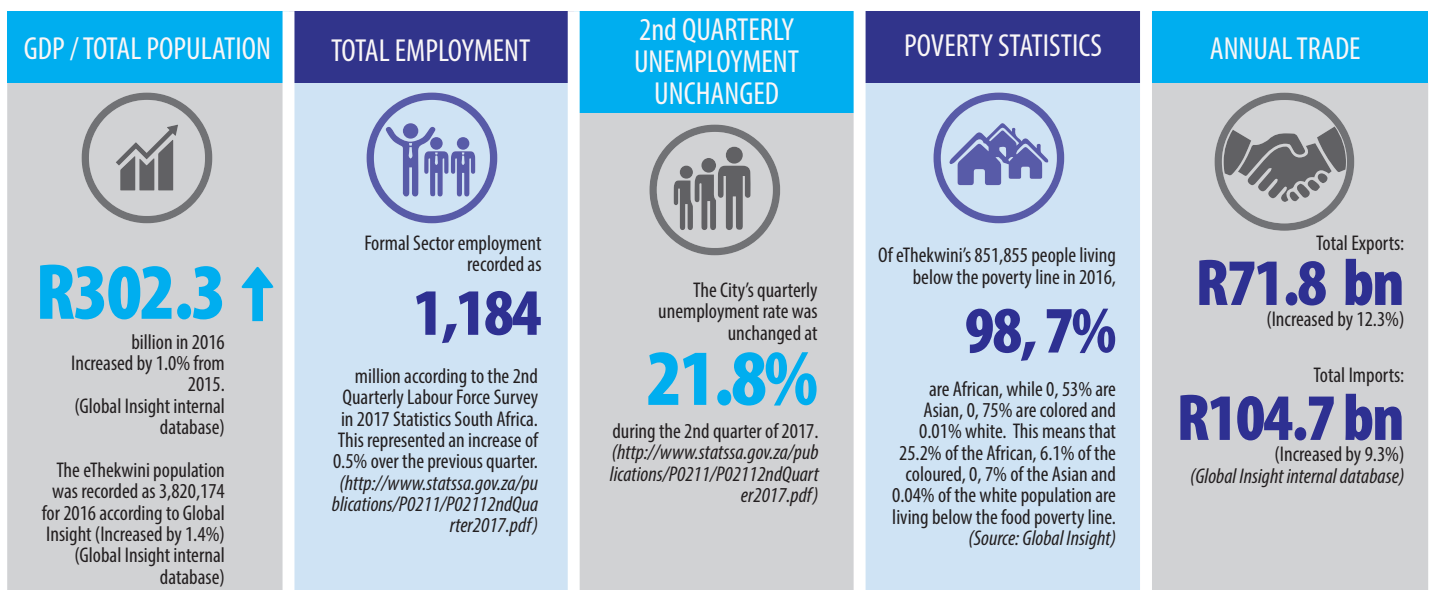
(www.politics.web.co.za)

NATIONAL EMPLOYMENT & GDP: BROAD SECTORS: 2016

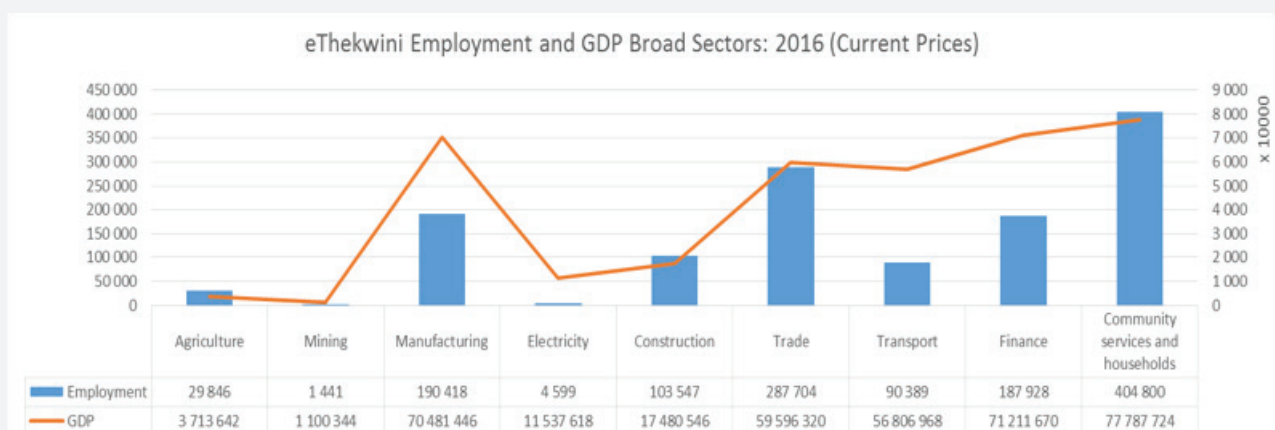


LOCAL STATE OF THE ECONOMY

ETHEKWINI HIGHLIGHTS



ETHEKWINI TOTAL EMPLOYMENT & GDP: BROAD SECTORS: 2016



EVENTS/LAUNCHES/INVESTMENTS

CITY MUSEUM NOMINATED FOR AWARD	ETHEKWINI'S GOOD NEWS MOVEMENT / EDGE SEMINAR	NEW GREEN STRATEGY FOR MUNICIPALITIES	ESSENCE FESTIVAL IN DURBAN
The City's uMkhumbane Cultural and Heritage Museum in Cato Manor has been nominated in the Africa Architecture Awards to be held on 28 September in Cape Town. (EThekweni Weekly Bulletin, 18 August 2017)	The City's Communications Unit has introduced the Good News Movement calling all Units to email them about any service delivery programme being run by the respective departments. The initiative aims to showcase and highlight service delivery achievements? (EThekweni Newsflash, 28 August 2017) The city's EDGE seminar featured a presentation by the business employment network LinkedIn on 9th September 2017. LinkedIn has also entered into an agreement with the World Bank to pilot a tool to assist cities to uplift their economies by conducting analysis on talent, industry and entrepreneurship development. (EThekweni Weekly Bulletin, 15th September 2017)	Municipalities across the country are set to go greener with the introduction of a new national strategy. The Department of Agriculture, Forestry and Fisheries has developed the national greening strategy, which aims to assist municipalities to develop greening plans at local level, and ensure that greening is included in the Integrated Development Plans (IDPs). The greening strategy will support local government, NGOs, community based organisations and the corporate sector to initiate and implement greening interventions. (SANews.gov.za 5 September 2017)	The City planned a 6-day event comprising concerts, the Durban Business Fair, Lifestyle and Wellness Expo, Property Summit, Tech Zone and an all-star Concert and Essence all-star Gospel Concert. The theme is 'Firing Africa with Inspiration' and runs from 26th September to 1st October 2017. The core focus of the festival is about empowerment by enabling emerging entrepreneurs to access market opportunities. (#essencefestdbn)

CATALYTIC PROJECTS

PROJECT	DESCRIPTION	STATUS/PROGRESS
Cornubia	The Construction of the first 486 units in Phase 1a Housing is complete. Presently, 995 of the 2,180 units have been completed as part of Phase 1b. Cornubia Industrial and Business Estate is 100% sold and 13 businesses are already operational in the area. Environmental authorisation has been received for Phase 2, which includes the Cornubia Business Hub in extent of 85,000m ² . The 65,000m ² Cornubia Shopping Mall opened in September 2017 is almost fully occupied, with 1,100 permanent jobs while approximately 2,500 temporary jobs were created during construction. A 2nd phase will allow for expansion of a further 70 stores totalling 20,000m ² in the future. When complete the entire development will create 48,000 permanent jobs. (www.Cornubia.co.za)	Phase 1: 2,500 units mostly complete and occupied. Cornubia Industrial and Business Estate sites sold and operational Phase 2: EIA and WULA approved. N2 Business Park, Retail Mall and Call Centre under construction
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 Biotech. 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. (www.dubetradeport.co.za)	Trade Zone 1, Dube City & Agrizone 1 complete. SEZ status for Tradezones received. New Link road from uShukela Highway constructed. Planning underway for subsequent phases (Trade Zones 2 & 3; Support Zone 2 & AgriZone2)
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-R35billion 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. (www.durbanpoint.co.za).	Infrastructure to support Phase 1 of development underway (includes promenade & bulks). Negotiations to align with Cruise Terminal currently in process with Transnet
Centrum Site	The development of the Durban Centrum entails a mixed-use precinct of IRPTN and ICDS 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. (http://www.kzntopbusiness.co.za)	Specialist technical feasibilities complete. To appoint Programme Manager and professional consortium for detailed design.
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 operation in; Mr Price's new 60,000m ² National Distribution Centre was completed during June 2017 and with construction of Pepkor's new 85,000m ² Distribution Centre programmed to be complete by December 2017. Several further significant top-structure projects are in the final states 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. (www.keystoneinvestments.co.za).	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 eThekweni Municipality underway to upgrade MR385.
Virginia Airport	The City received an unsolicited bid from Seaworld Investment Holdings (Pty) Ltd for a 306,870m ² mixed-use development including commercial, retail, residential, leisure and educational components at the Virginia Airport site. The bid was assessed by a technical task team comprising Supply Chain, Development Planning, Environmental and Management and the office of the Deputy City Manager Departments. It was noted that the bid satisfied the minimum requirements of the supply chain policy. (extracted from internal reports within the PSIR Dept.)	The City is presently considering the bid and will make a decision following recommendations by the Economic Development Unit.

CATALYTIC PROJECTS

PROJECT	DESCRIPTION	STATUS/PROGRESS
Durban Film City	The development of the R7.5-billion film studio in eThekweni will go ahead after being delayed by 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. (http://www.sabc.co.za/news/a/d2f4558042a8ef11bea8ffd3d964e9e6/Durban-to-begin-developing-its-own-film-studio)	High-level conceptual site development framework and vision for site. Consultants preparing rezoning and consolidation application for submission

eThekweni 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 make any updates at the time.