ECONOMY AT A GLANCE

ETHEKWINI MUNICIPALITY

PREPARED BY ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION UNIT

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STATE OF THE GLOBAL ECONOMY

	International Monetary Fund	The World Bank	OECD (Better Policies for Better Lives)
Projected GDP Growth for 2018	3.7%	3.1%	3.7%
2017 GDP Growth	3.6%	3.1%	3.6%
2019 GDP Growth	3.7%	3.0%	3.9%

GLOBAL HIGHLIGHTS

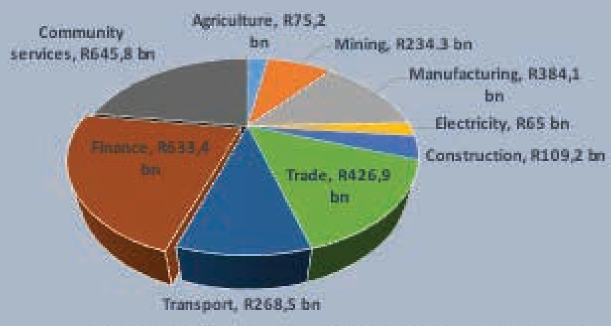
Global Growth

Global growth is projected at 3.7% for 2018/19 – 0.2% lower for both years than forecast in April – the downgrade is due to the recently announced trade measures, including the tariffs imposed on $200 billion of US imports from China. Among emerging market and developing economies, the growth prospects of many energy exporters have been lifted by higher oil prices, but growth was revised down for Argentina, Brazil, Iran and Turkey. (International Monetary Fund, Global Economic Highlights October 2018)

NATIONAL STATE OF THE ECONOMY

	South African Reserve Bank	International Monetary Fund	The World Bank	OECD (Better Policies for Better Lives)
Projected GDP Growth for 2018	0.7%	0.8%	1.0%	1.9%
Projected GDP Growth for 2019	1.7%	1.8%	1.3%	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)



National GDP: Broad Sectors 2017 (2010 , Constant, R1000)

Source: Global Insight 2018

NATIONAL HIGHLIGHTS

JOBS SUMMIT

The Jobs Summit was held during October 2018 where business, labour and government collaborated to address the country's high unemployment rate of 27.2%. At the summit the financial sector committed R100bn over the next 5 years to support black businesses. The Summit also called for an increase in domestic demand and to this end, companies such as Adcock Ingram, Edcon, Mondi, Sappi, Sasol and Tsogo Sun have committed to dedicating a portion of their procurement budget to locally-made goods. *(https://www.fin24.com/Economy/Labour/r100bn-boost-for-ramphosas-jobs-summit-20181004)*

SA SLIPS IN WORLD ECONOMIC FREEDOM RANKINGS

South Africa is now ranked 110 out of 162 in the World 2018 index that measures the degree to which the policies and institutions of countries support economic freedom. The last measure done in 2000 ranked SA at 46. *(Mercury, 22nd October 2018)*

23 COMPANIES TO INVEST IN SA

At the Investment Summit held on 26 October, 23 businesses have pledged new investment to the value of R290 billion. These include Mondi (R8m), Sappi (R7.7m), Naspers (4.5bn) and the Mara Group (R1.4bn). Some of these investments will be staggered over the next 5 years. *(https://businesstech.co.za/news/business/280407/23-companies-that-have-agreed-to-invest-billions-in-south-africa/)*

Quarterly employment up by 0.3% in 3rd Quarter of 2018

The quarterly employment increased by 0.6% in the 3rd quarter of 2018 while the unemployment rate was recorded as 27.5% (up by 0.3%) from previous quarter. Total unemployment currently stands at 6.2 million. *(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2018.pdf)*

KEY NATIONAL INDICATORS

INFLATION RATE / NATIONAL EMPLOYMENT

September's CPI inflation figure remained in line with August's reading of

4.9%

y/y, after having moderated from July's outcome of 5.1% y/y. *(http://www.inflation.eu/inflation-rates/south-africa/inflation-south-africa.aspx)*

National employment in the 3rd Quarter of 2018 was recorded as

16,4

million up by 0.6% from previous quarter *(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2018.pdf)*

PETROL PRICE

93: R16.85
95: R16.49
0.05:R15.65

As at 4th October 2018

(https://www.enca.com/south-africa/petrol-price-to-increase-on-wednesday)

EXCHANGE RATES

R/$: 14.693
R/£: 18.8214
R/€: 16.7236

As at 30th October 2018

(Mercury, 30th October 2018)

VEHICLE SALES

New vehicle sales at 49,670 units had shown a decline of 974 vehicles or a fall of

1,9%

compared to the 50644 vehicles sold in September last year. The September, 2018 aggregate export vehicle sales represented a record number and at 36781 vehicles had registered an improvement of 440 units or a gain of 1,2% compared to the 36341 vehicles exported in September last year. *(National Association of Automobile Manufacturers of South Africa)*

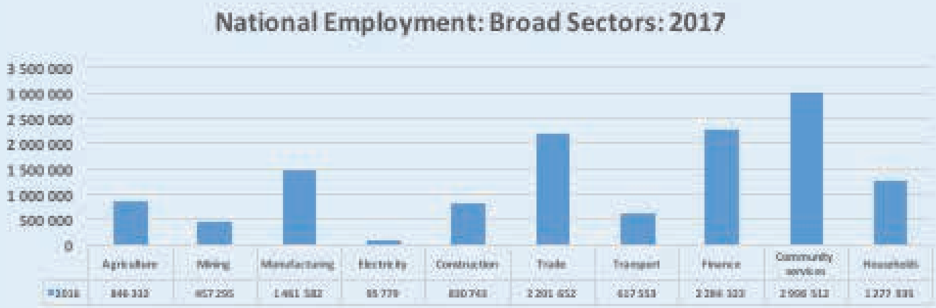
QUARTERLY GDP / UNEMPLOYMENT TRENDS

The national economy shrank by a seasonally adjusted annualized

0.7%

in the 2nd quarter of 2018, following a 2.6 percent contraction in the 1st quarter. It was the second consecutive period of contraction, as output fell for agriculture, transport and trade. *(https://tradingeconomics.com/south-africa/gdp-growth)*

NATIONAL EMPLOYMENT & GDP: BROAD SECTORS: 2017



LOCAL STATE OF THE ECONOMY

ETHEKWINI INDICATORS

GDP / TOTAL POPULATION

R304.4 ↑
billion in 2017

Increased by 0.4% from 2016. *(Global Insight updated database)*

The eThekwini population was recorded as 3,866,505 in 2017 according to Global Insight (Increased by 1.4%) *(Global Insight internal database)*

TOTAL EMPLOYMENT

Formal Sector employment recorded as approximately

1,211

million according to the 3rd Quarterly Labour Force Survey in 2018 according to Statistics South Africa. This represented an increase of 0,9% over the previous quarter. *(Statistics South Africa)*

Q3:2018 UNEMPLOYMENT DECREASED TO 18.2%

The City's quarterly unemployment rate decreased to

1.1%

percentage points to 18.2% from 19.3% in the previous quarter

(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2018.pdf)

DEVELOPMENT INDICATORS FOR 2017

Human Development Index: **0.67**
Gini coefficient: **0.63**

FUNCTIONAL LITERACY:

Total illiterate:
345,146

Total literate:
2,577,044

(Source: Global Insight)

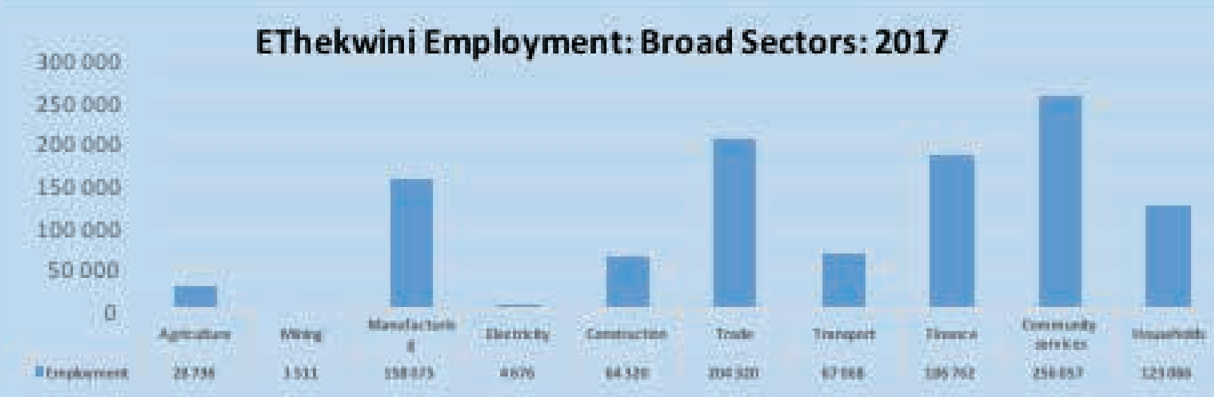
ANNUAL TRADE 2017

Total Exports:
R72.7 bn
(Increased by 1.6%))

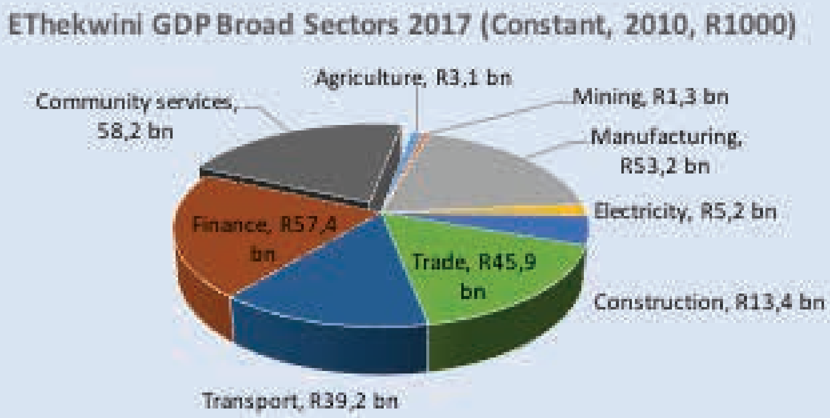
Total Imports:
R105.5 bn
(Increased by 0.75%)

(Global Insight internal database)

ETHEKWINI TOTAL EMPLOYMENT & GDP: BROAD SECTORS: 2017



ETHEKWINI GDP BROAD SECTORS 2017 (CONSTANT, 2010, R1000)



EVENTS/AWARDS/INVESTMENT

DURBAN ICC/ PORT OF DURBAN WIN AWARDS

The Durban International Convention Centre was awarded for being Africa's leading meetings and conference centre for the 17th time, at the World Travel Awards on 7th October (held at the ICC).
The Port of Durban also received the award for being Africa's leading cruise port. Durban also won the Africa's Leading City Destination 2018.
(https://www.newseveryday.co.za/news/durban-icc-scoops-prestigious-award-world-travel-awards)

DURBAN ICC CREATED 9000 JOBS IN LAST FINANCIAL YEAR

According to a report by Grant Thornton, the Durban ICC created 9000 jobs in the past financial year, and also contributed R18.55 billion to the country's GDP and R17.98 billion to KZN's GDP over the last 4 years. *(EThekwini Weekly Bulletin, 8th October 2018).*

BRITISH AIRWAYS PLACES DURBAN AS 'MUST-SEE DESTINATION'

British Airways have included Durban in their top 19 must-see destinations for 2019. This list is released a year ahead of time as it predicts the tourist destinations expected to experience the most visits in 2019.
On 29th October, the first direct flight took place from London Heathrow Airport to King Shaka International Airport. *(SANews, 30th October 2018)*

NTSHONGWENI MALL TO UNLOCK ECONOMIC POTENTIAL

The new Ntshongweni Mall, located 30km west of Durban, together with the entire Ntshongweni Urban Development will create 35 000 permanent jobs, 400 000 short-term construction jobs and generate R700 million in annual rates for the eThekwini Municipality and R5.1 billion in annual tax revenue. Developers Tongaat Hulett Developments announced the 85 000 square metres project during October 2018.
(https://www.iol.co.za/ios/news/new-ntshongweni-mall-to-unlock-economic-potential-in-west-durban-17566088)

9 KZN BEACHES AWARDED BLUE FLAG STATUS

Nine beaches in KwaZulu-Natal have been awarded Blue Flag Status which includes 2 beaches in eThekwini – uShaka and Westbrook. The criteria is set by the Wildlife and Environment Society of South Africa – these include water quality, environmental, management, safety and security, environmental education and information. *(SAnews, 10th October 2018)*

ETHEKWINI WINS 8 AWARDS AT PMR AFRICAN KZN BUSINESS EXCELLENCE EVENT

The Municipality has won 8 awards at the PMR Africa KZN Business Excellence Awards event during October 2018. Two of the awards were for Invest Durban and others included the Diamond Arrow for investment attraction, job creation, anti-crime initiatives and infrastructure development. *(EThekwini Weekly Bulletin, 22nd October 2018)*

CITY MANAGER'S SHAPE DURBAN BREAKFAST

The City Manager hosted the Shape Durban Breakfast on 29th October 2018 at the Durban ICC. The purpose of the event was to contextualize the rationale behind the new process for the update of the current Economic Growth and Job-Creation Strategy and to announce the 3-day Conference workshop during 21-23 November 2018 where all stakeholders may participate in the various theme groups, after which the new Strategy will be compiled. *(PSIR internal research, 30th October 2018)*

UMGENI POISED FOR ECONOMIC GROWTH

The R1.4 billion Umgeni Lifestyle Décor Park by Eris Property Group was opened on 1st November. The 13.6 hectare commercial development is the first of its kind in the region. The development provided 500 temporary jobs and approximately 250 permanent jobs will be offered during phase one.
(EThekwini Weekly Bulletin, 29th October 2018)

CITY HOSTS AFRICAN CHEMICALS IMBIZO

The Municipality hosted the annual African Chemicals Imbizo during October 2018. The objective was to strengthen intra-African trade in the chemical industry. The event offered a sharing platform for chemical producers to engage with new trade partners and grow their intra-African export market share.
(EThekwini Weekly Bulletin, 29th October 2018)

LINKS TO ECONOMIC REPORTS

NAME	DESCRIPTION	LINK
Quarterly Labour Force Survey: 2018:3	Statistics South Africa's Quarterly Labour Force Survey for quarter 3: 2018.	http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2018.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.