ETHEKWINI ECONOMY *'AT A GLANCE'*

JANUARY 2019

GLOBAL STATE OF THE ECONOMY

	IMF	World Bank	OECD
Projected GDP Growth 2019	3.5%	2.9%	3.5%
2018 GDP Growth	3.7%	3.0 %	3.7%
Projected GDP Growth 2020	3.6%	2.8%	3.5%

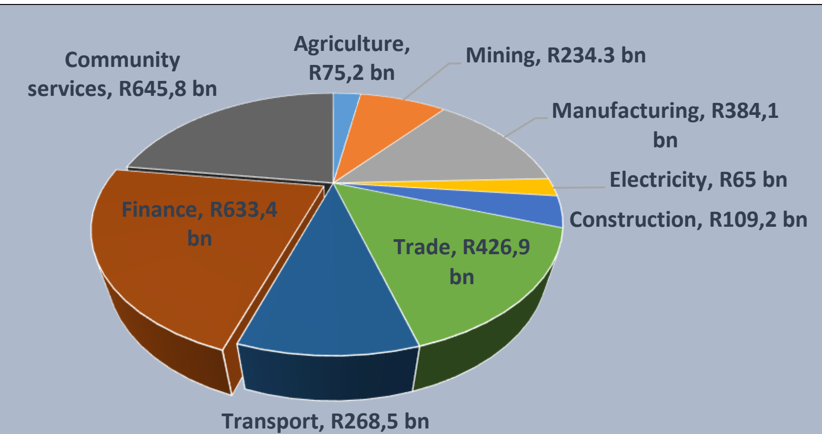
GLOBAL HIGHLIGHTS

Global FDI flows continue to slide

Global foreign direct investment (FDI) fell by 19% in 2018 to an estimated US$1.2 trillion from US$1.47 trillion in 2017. This is the 3rd consecutive drop after the global financial crisis and was concentrated in developed countries where the flows fell by 40% to US$451 billion. FDI to developing countries showed an increase of 3% to US$694 billion – 5% in Asia, 6% in Africa but declined by 4% in Latin America and the Caribbean. *(Investment Trends Monitor, UNCTAD, 2018).*

NATIONAL STATE OF THE ECONOMY

	South African Reserve Bank	IMF	The World Bank	OECD
Projected GDP Growth for 2019	1.9%	1.4%	1.3%	1.7%
Projected GDP Growth for 2020	2.0%	1.7%	1.3%	1.8%
2018 GDP/Growth	R3.14 trillion (Constant, 2010 Prices, **forecasted** , sourced from *Global Insight*)			



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

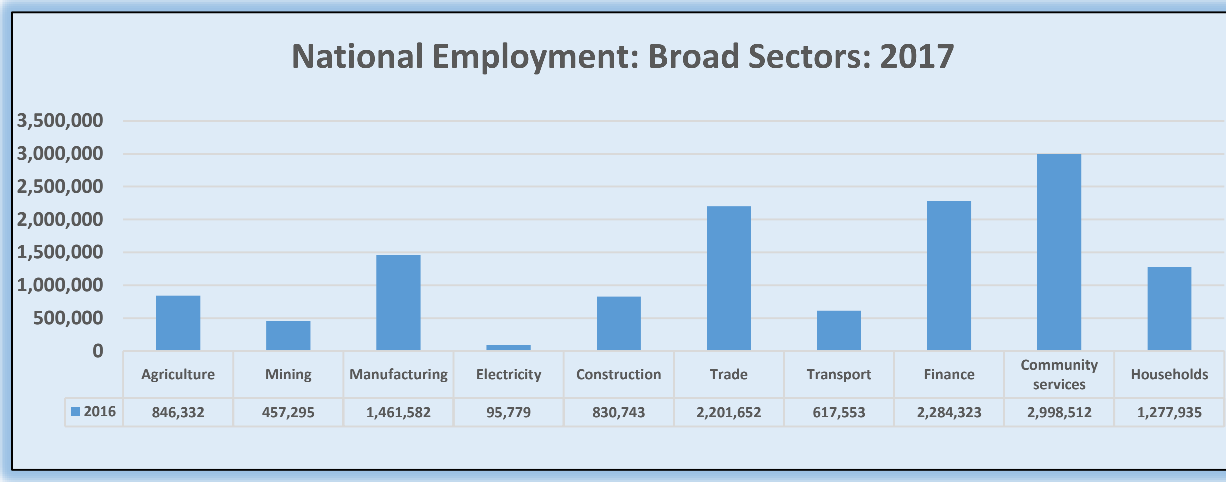
Source: Global Insight 2018

NATIONAL HIGHLIGHTS

Home loans increase in 4th Q of 2018	Retails Sales update for November 2018	South African Reserve Bank (SARB) leaves Repo rate unchanged	Tourism numbers increase in November year-on-year
The total number of mortgage bonds registered at the Deeds Office in the 4th quarter of 2018 increased by 5.4% to R42, 248 bonds valued at R45.86 billion. *(Mercury, 16th January 2019).*	Retail trade sales accelerated to 3.1% y/y in November, following September's 2.1% y/y lift, with the result above market expectations. The Black Friday retail frenzy, together with Cyber Monday sales was primarily responsible for this uptick. *(Retails Sales update by Investec).*	The SARB has opted to keep the repo rate unchanged at 6.75% in a unanimous vote, which was in line with market expectations. However, they stressed that moderate upside risks to the inflation profile remain. The Bank now projects inflation to average 4.8% this year, down from a previous forecast of 5.5%. Inflation is seen averaging 5.3% in 2020. The bank targets inflation of between 3% and 6%. *(http://www.investec.co.za/research-and-insights/economy/economic-research-v1.html*	The number of travellers passing through SA's ports of entry rose by 1.8% y/y in November 2018 to 3.50 million individuals against October's 1.2% y/y. The number of South African residents arriving, departing and in transit, constituting around 25% of total travellers rose by 7.5% y/y in November. Tourists (overnight visitors) made up 65.2% of all foreign arrivals in November, with around 29% (256 537 individuals) originating from overseas (all countries, excluding Africa). *(http://www.investec.co.za/research-and-insights/economy/economic-research-v1.html)*

NATIONAL KEY INDICATORS

INFLATION RATE / NATIONAL EMPLOYMENT	PETROL PRICE	EXCHANGE RATES	VEHICLE SALES	QUARTERLY GDP
New vehicles sales for December 2018 was at 19 984 units, declining by 767 vehicles when compared to the total new sales of 40 751 during December 2017. *(https://www.naamsa.co.za/SalesStats)* 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)*	**93 Octane**: R15.01 **95 Octane**: R14.65 **0.05% Diesel**: R14.19 As at 5th December 2018 *(https://www.enca.com/south-africa/petrol-price-to-increase-on-wednesday)*	Rand/Dollar: 13.6098 Rand/Pound: 17.9337 Rand/Euro: 15.5499 As at 30th January 2019 *(Mercury, 30th January 2019)*	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)*	The South African economy has officially exited the recession after reporting 2.2% Gross Domestic Product (GDP) growth for the third quarter of the year, according to Statistics South Africa. *(https://tradingeconomics.com/south-africa/gdp-growth)*

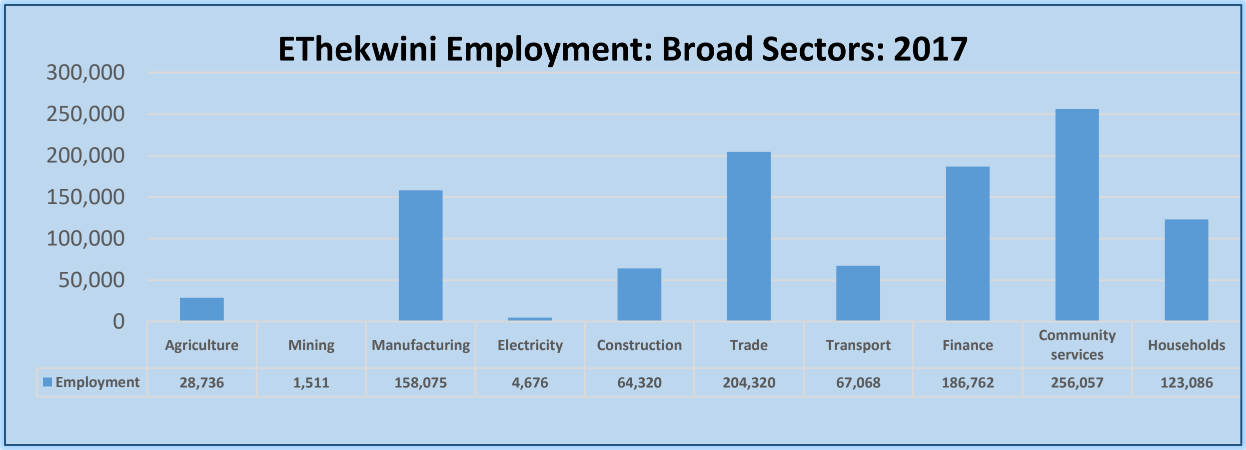


Source: Global Insight 2018

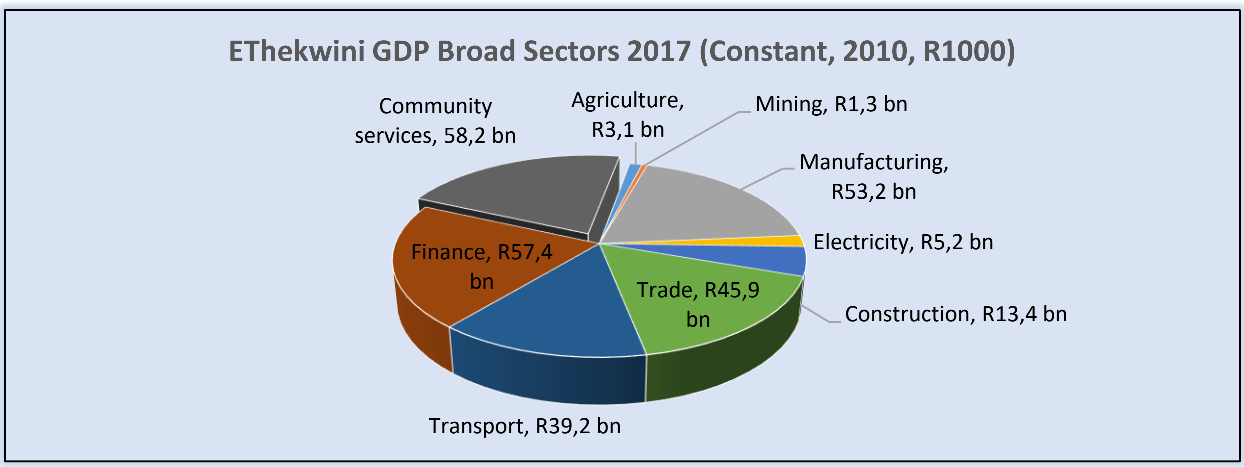
LOCAL STATE OF THE ECONOMY

ETHEKWINI INDICATORS

GDP / TOTAL POPULATION	**TOTAL EMPLOYMENT**	**Q3:2018 UNEMPLOYMENT DECREASED TO 18.2%**	**Development Indicators for 2017**	**ANNUAL TRADE 2017**
R306.2 billion **forecasted** for 2018. *(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)***	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 a decrease of 0.9% over the previous quarter. *(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2018.pdf)*	The City's quarterly unemployment rate decreased by 1.1 percentage points to 18.2% from 19.3% in the previous quarter. *(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2018.pdf)*	Human Development Index: **0.67** Gini coefficient: **0.63** Functional Literacy: Total illiterate: **345,146** Total literate: **2,577,044** *(Source: Global Insight)*	Total Exports: R72.7 billion (Increased by 1.6%) Total Imports: R105.5 billion (Increased by 0.75%) *(Global Insight internal database)*



Source: Global Insight 2018



Source: Global Insight 2018

ETHEKWINI EVENTS/AWARDS/INVESTMENTS

R700-million barge for Durban	**New Umhlanga Mall**	**Durban hosts climate change scientists**
The R700-million barge is being built by developer Aldworth Mbalati of DNG Energy (at the forefront of liquefied natural gas (LNG) work) at the Durban Port. The development will provide approximately 650 jobs. The project is expected to be completed by the end of 2019. DNG Energy has a floating storage terminal and LNG from exporting countries will be stored at the terminal and offloaded on the barge which will	Construction of the uMhlanga Mall will commence during February 2019 and will be completed in July 2020. The development is expected to create 500 direct- and 2 000 indirect jobs. The 36 000 square metres building will have 103 retail outlets and will include a car dealership and the country's first snow park. *(Mercury, 22nd January 2019)*	Climate change scientists from around the world assembled at the Durban ICC during January 2019 to work on the 6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). The delegation was impressed with the City's many innovative projects on energy regeneration with local communities.

transport energy to South African and SADC customers. *(KZN Network, 16th January 2019).*		*(EThekwini Info, 29th January 2019)*

LINKS TO ECONOMIC REPORTS

Name	Description	Link
ANC January 8th Statement	The section on Investment, jobs and inclusive growth outlines a plan to set the economy on a higher path to create more jobs and provide opportunities for South Africans.	*https://www.sahistory.org.za/archive/january-8th-statements-statement-national-executive-committee-occasion-107th-anniversary*
UNCTAD Investment Trends Monitor	Latest report on global investment trends in developed and developing countries and regions during 2018.	*https://unctad.org/en/PublicationsLibrary/diaeiainf2019d1_en.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.