ETHEKWINI ECONOMY *'AT A GLANCE'*

APRIL 2020

STATE OF THE GLOBAL ECONOMY

	IMF	World Bank	OECD
Projected GDP Growth 2020	-3.0%	2.5%	2.4%
Projected GDP Growth 2021	5.8%	2.6%	3.3%
Projected GDP Growth 2022	1.6%	2.7%	0.12%
Global GDP in 2019	88,08 trillion US$ (Current prices, as per the World Bank)		

These are subject to change in real time as world productivity continues to be negatively impacted by the COVID-19 pandemic.

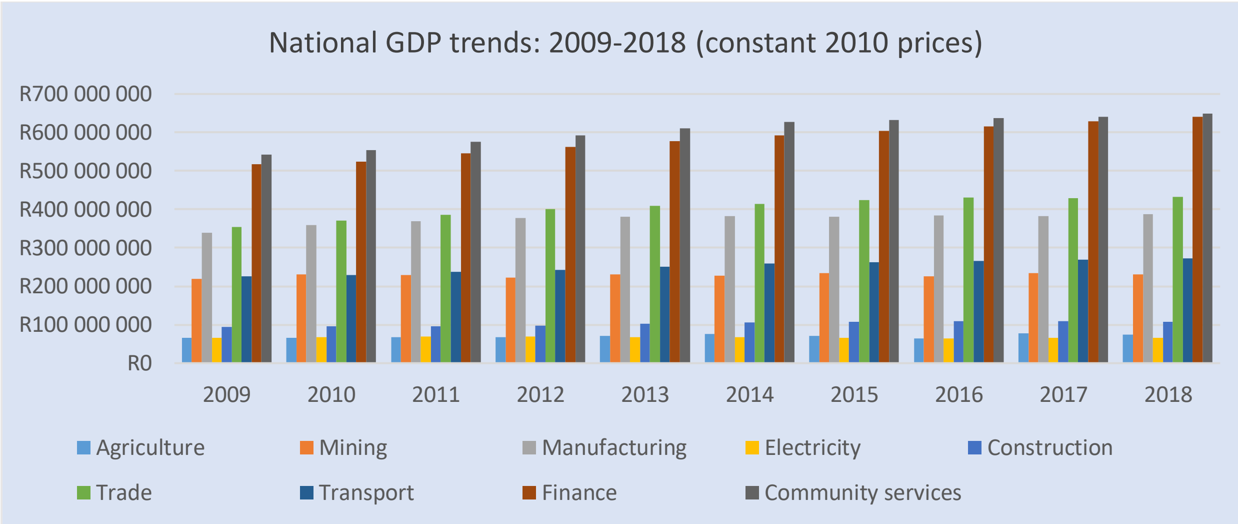
GLOBAL HIGHLIGHTS

Update on Covid-19 impact on global economy

The Covid-19 pandemic has disturbed the political, social, economic, religious and financial structures of the entire world with the major economies of the US, China, UK, Germany, France, Italy and Japan on the verge entering a recession. It has also affected stock markets globally and seen oil prices fall drastically. The lockdown globally has restricted various businesses, most notably tourism, in order to contain the virus. Global growth has been adjusted downward by IMF and it is expected that the World Bank, OECD and other institutions will do the same. *(https://moderndiplomacy.eu/2020/04/22/impact-of-covid-19-on-global-economy-structure/)*

STATE OF THE NATIONAL ECONOMY

	South African Reserve Bank	IMF	The World Bank	OECD
Projected GDP Growth 2020	-6.1%	-5.8%	0.9%	1.2%
Projected GDP Growth 2021	2.2%	1.4%	1.3%	1.3%
Projected GDP Growth 2022	2.7%	1.7	0.7%	2.7%
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

Fitch downgrades SA from BB+ to BB / S&P downgrades SA's sovereign rating	SARB revises outlook for 2020 again/reduces REPO rate in April 2020	SARB project huge job losses due to Covid-19 pandemic	Pandemic impact on business confidence Index (BCI)
Fitch rating agency has downgraded SA's Long-Term Foreign-Currency Issuer Default Rating from BB+ to BB. Fitch cited the lack of a clear path towards government's debt stabilisation, economic growth, as well as the impact of the Coronavirus shock on public finances. Meanwhile S & P have also the country's long-term foreign and local currency debt rating further into non-investment grade to BB- and BB respectively and revised the outlook to stable from negative. *(https://www.google.com/search?q=fitch+downgrade+south+africa&oq=fitch+downgrade&aqs=chrome.1.69i57j0l7.5653j0j8&sourceid=chrome&ie=UTF-8) / SA News, 30th April 2020)*	The South African Reserve Bank (SARB) has revised the growth outlook for 2020 by as much as -6.1%. It stated further that growth is unlikely to exceed 1% in 2021 as the country was already in a recession prior to the Covid-19 outbreak. *(Mercury, 7th April 2020).* The SARB has cut the repo rate by 100 basis points, bringing SA's repo rate to 4.25%. The cut was effective from April 15. This comes after the bank brought the scheduled May meeting of its Monetary Policy Committee forward to respond to the impact of the coronavirus pandemic on SA's economy. (https://m.fin24.com/Economy/South-Africa/just-in-reserve-bank-again-cuts-repo-rate-by-1-percentage-point-20200414)	The South African Reserve Bank has also projected that the 21-day national lockdown may result in 370,000 job losses and about 1,600 businesses becoming insolvent due to a 2.6% contraction of GDP from the production side of the economy. *(Mercury, 7th April 2020)*	South Africa's business confidence plunged to an all-time low in April, as the nationwide lockdown imposed in late March to slow the spread of the coronavirus upended the country's economy. The index, compiled by the SA Chamber of Commerce and Industry's index, slumped to 77.8 in April from 89.9 in March. This is the lowest level ever for the SACCI BCI since its inception in 1985, and the second-sharpest month-on-month decline the group said in a report. SACCI said that key drivers of the month-on-month decrease were a sharp drop in merchandise exports, the weaker exchange rate of the rand against the major trading currencies and plummeting new vehicle sales. *(https://m.fin24.com/Economy/South-Africa/business-confidence-*

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			plunges-to-all-time-low-as-coronavirus-upends-economy-20200507)

Data challenges from impact of COVID-19

The personal, social and economic impact of COVID-19 is has made it difficult for the acquisition of timely data to understand these impacts but is equally constrained by the restrictions put in place to manage the spread of the coronavirus. The task of scheduling collection, analysis and publication of data is made all the more difficult by uncertainty regarding when enterprises will resume operations and when our staff will be able to return to work.

Statistics South Africa (SSA), in particular, is experiencing these difficulties and most publications due in April have been suspended. Various business surveys have been undertaken by SSA and other institutions which will be reported on, in the next edition.

NATIONAL KEY INDICATORS

Inflation Rate / National Labour Trends	Petrol Price	Exchange Rates	Vehicle Sales	Quarterly GDP Contracts in 4th Quarter Of 2019
The CPI inflation eased to 4.1% year-on-year in March from 4.6% year-on-year previously on lower fuel price growth and weak domestic demand. (*https://tradingeconomics.com/south-africa/inflation-cpi*) National employment in the 4th quarter of 2019 was recorded as 16,420 million, up by 45,000 from previous quarter (0.3%). The official unemployment remained unchanged at 29.1% *(http://www.statssa.gov.za/publications/P0211/P02114thQuarter42019.pdf)*	93 Octane: R11.51 95 Octane: R11.52 50ppm Diesel: R10.59 As at 6th May 2020 (https://www.aa.co.za/fuel-pricing)	Rand/Dollar: 18.36 Rand/Pound: 22.69 Rand/Euro: 19.87 As at 12th May 2020 *(Mercury, 12th May 2020)*	*New Car Sales Summary for March 2020* New vehicle sales fell by 29.7% year-on-year (14, 150 units) in March as the impacts of the Covid-19 pandemic are starting to be felt. The automotive sector across the globe is experiencing challenges due to global lockdowns. *(www.naamsa.co.za)*	National GDP contracted by 1.4% in the 4th quarter of 2019 following a contraction of 0.8% in the 3rd quarter. Transport and trade were the main sectors contributing to the contraction. *(https://tradingeconomics.com/south-africa/gdp-growth)*

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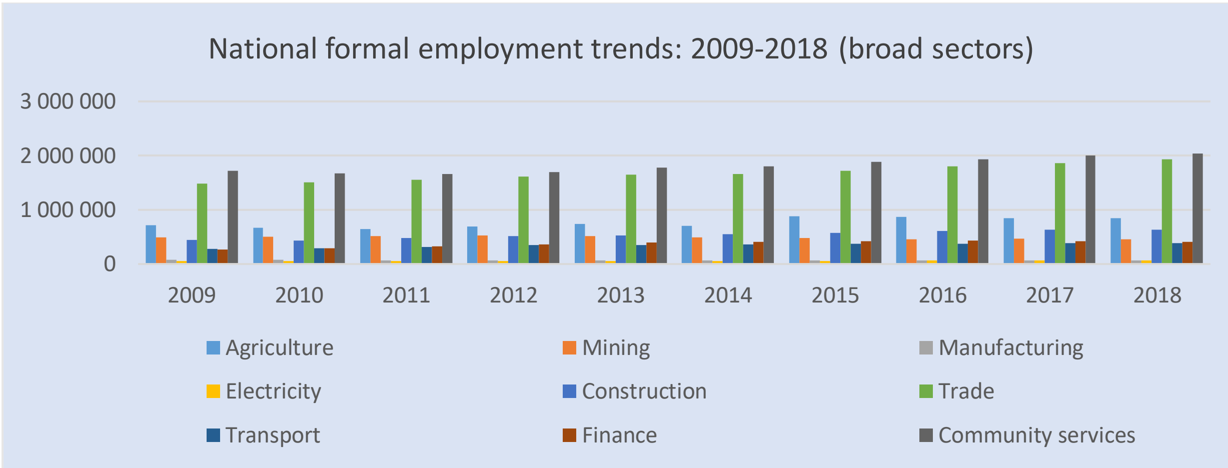
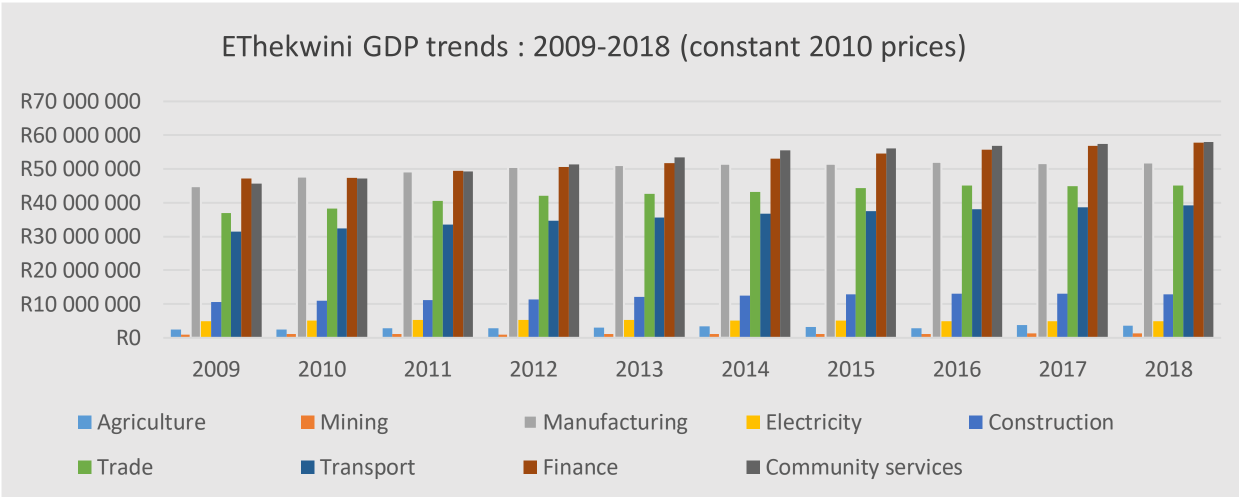


Source: Quantec 2020

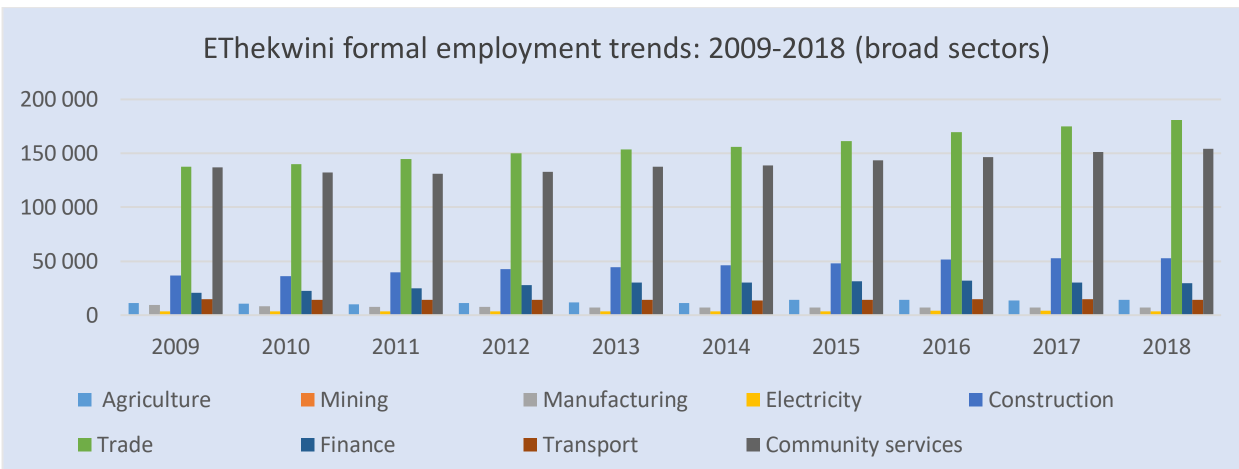
STATE OF THE LOCAL ECONOMY

ETHEKWINI INDICATORS

GDP / Total Population	Total Employment Q4: 2019	Q4: 2019 Unemployment Decreased to 20.9%	Development Indicators for 2018	Annual Trade 2019
GDP was 301.7 billion, -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 recorded as approximately 1.191 million in the 4th Quarterly Labour Force Survey in 2019 according to Statistics South Africa. This represented an increase of 7,000 and 0.6% over the previous quarter. *(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2019.pdf)*	The City's official quarterly unemployment rate decreased by 0.6 percentage points to 20.9% from 21.9% in the previous quarter. Number of unemployed is at 315,000, down by 9,000 from previous quarter. *(http://www.statssa.gov.za/publications/P0211/P02114thQuarter2019.pdf)*	Human Development Index: 0.60 Gini coefficient: 0.59 Functional Literacy: Total illiterate: 340,675 Total literate: 2,625,882 Number of Households: 1, 125, 767 Geographic Area: 2, 556 km^2 Number of Wards: 110 *(Source: Global Insight 2020/ Development Planning)*	Total Exports: R84,5 billion Total Imports: R116.6 billion. *(Global Insight 2020)*



Source: Global Insight 2020



Source: Quantec 2020

ETHEKWINI EVENTS/AWARDS/INVESTMENTS

King Shaka International airport wins another award	**City has designed an Economic Recovery Plan as a response to COVID-19**
King Shaka International Airport has won the year's award for Best Regional Airport in Africa and Best Airport Staff in Africa. This is the 10th time the airport has won this section and the second consecutive year. The award is voted by customers in the largest annual global airport customer survey. *(Mercury, 12th May 2020).*	The City has established an Economic Recovery Plan to address the impacts of the COVID-19 pandemic which will also assess the level of economic activity during level 4. *(Internal research by PSIR).*

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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.