ETHEKWINI ECONOMY 'AT A GLANCE'

NOVEMBER 2020

STATE OF THE GLOBAL ECONOMY

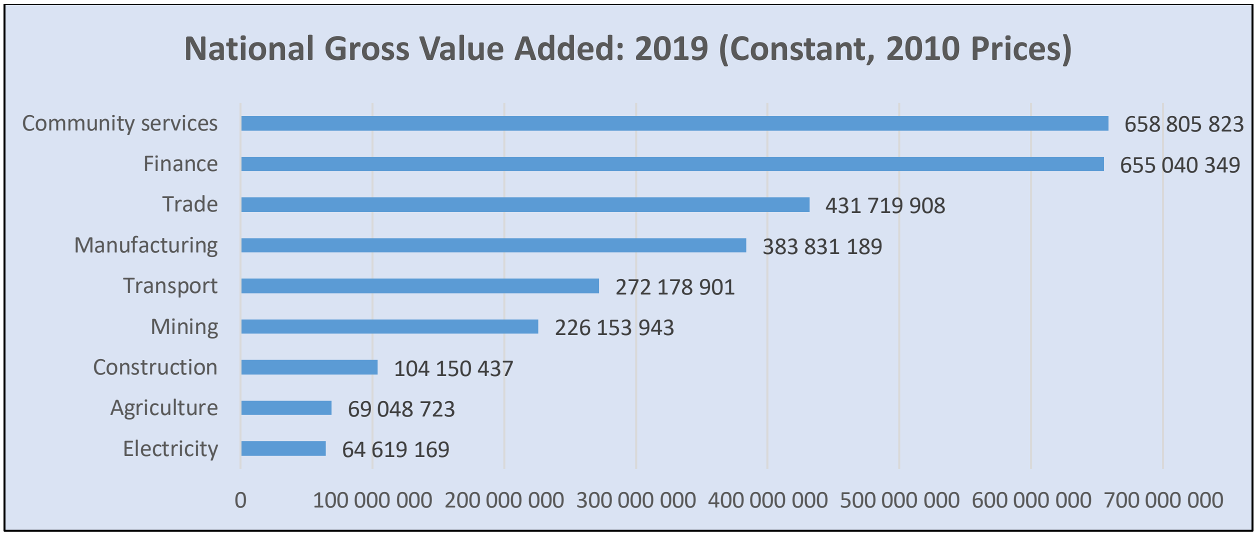
	IMF	World Bank	OECD
Projected GDP Growth 2020	-4.4%	-5.2%	-4.2%
Projected GDP Growth 2021	5.2%	4.2%	4.2%
Global GDP in 2019 (Actual)	142 trillion US$ (Current prices, as per the World Bank)		

GLOBAL HIGHLIGHTS

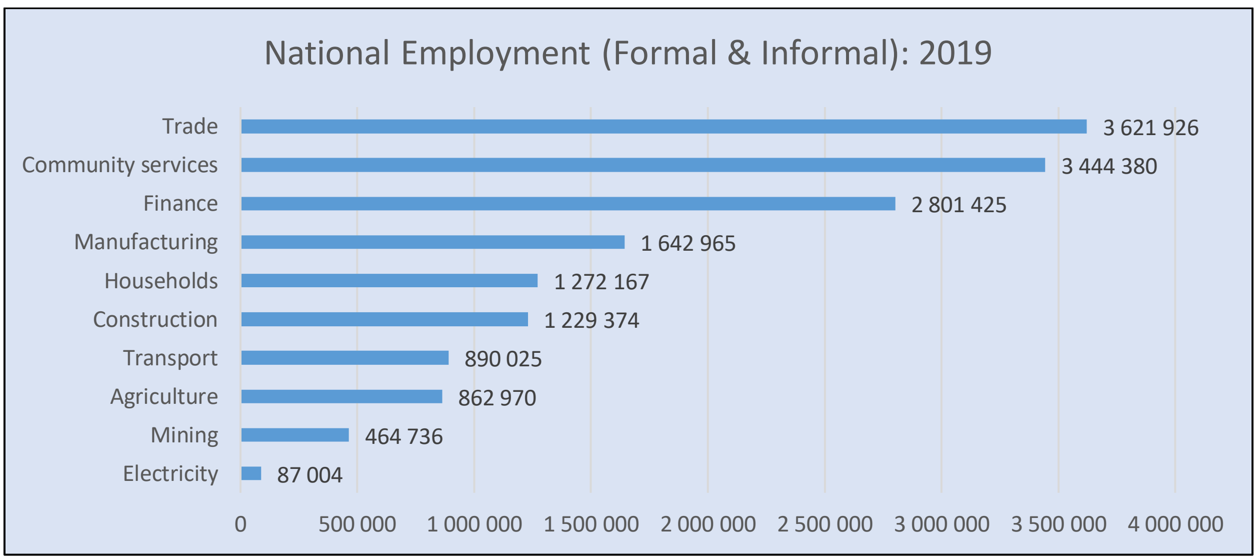
Update on global economy
The months after the release of the June 2020 World Economic Outlook (WEO) Update have offered a glimpse of how difficult rekindling economic activity will be while the pandemic persists. During May and June, as many economies tentatively reopened from the lockdown, the global economy started to improve from the depths to which it had plunged in April. But with the pandemic spreading and accelerating in places, many countries slowed reopening, and some are reinstating partial lockdowns. While the swift recovery in China has surprised on the upside, the global economy's long ascent back to pre-pandemic levels of activity remains susceptible to setbacks. *(https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020#Full%20Report%20and%20Executive%20Summary)*

STATE OF THE NATIONAL ECONOMY

	South African Reserve Bank	IMF	The World Bank	OECD
Projected GDP Growth 2020	-7.8%	-8.0%	-8%	-8.1%
Projected GDP Growth 2021	3.3%	3.0%	3%	3.1%
2019 GDP/Growth trend	R3.14 trillion (constant, 2010 prices, 0.15% growth from 2018, sourced from *Global Insight*)			



Source: Global Insight 2020



Source: Global Insight 2020

NATIONAL HIGHLIGHTS

New credit ratings push SA into junk status	South Africa hosted 3rd Investment Conference in November	Government plan to revitalize township and rural economies
The country fell deeper into junk status after Moody's Investor Services and Fitch Ratings downgraded SA's credit ratings and maintained a negative outlook, with the exception of S&P Global who affirmed their long-term foreign and local currency debt ratings as ''BB-'' and ''BB'', respectively, and maintained a stable outlook. The Finance Minister said the decision by Fitch and Moody's will have an immediate effect on the country's borrowing cost and also constrain the fiscal framework *(Mercury, 23rd November 2020).*	South Africa hosted its 3rd investment conference on 17 and 18 November 2020, as the country focus**es** on reconstruction in the wake of the COVID-19 pandemic – especially on the delivery of existing commitments to realise job creation and economic development. The **c**onference aimed to build on the successes of the last two conferences, which raised R664 billion. Investment pledges of R109.6-billion were announced, increasing the total value of commitments made since 2018 to R773.6-billion, or more than 60% of the R1.2-trillion target set by the president. The conference also highlighted actions taken to foster a conducive environment, with a focus on reconstruction and recovery. President Cyril Ramaphosa called on BRICS countries to strengthen trade and investment ties with SA. The President also welcomed the indications from the New Development Bank that aim**s** to provide up to $10 billion in crisis-related assistance and to support economic recovery efforts. *(SA News, 19th November 2020).*	In a bid to revitalise township and rural economies, national government will introduce a new programme in the next financial year (2020-2021) to help small businesses with incubation and access to markets. The Department of Small Business Development is championing the product market programme, focussing on the refurbishing and repurposing of industrial sites, as well as other municipal-owned properties in order to transform these into product markets. The programme is planned to commence in the next financial year and will be implemented in the Eastern Cape, North West, Limpopo, Mpumalanga and KwaZulu-Natal. The programme will focus on lowering infrastructure costs and make available economic hubs that will benefit SMMEs and cooperatives, affording special priority to those owned by youth, women and persons with *disabilities (SA News, 6th November 2020)*

NATIONAL KEY INDICATORS

October Inflation Rate / National Labour Trends in 3rd Quarter	Petrol Price	Exchange Rates	Vehicle Sales	Quarterly GDP Contracts in 2nd Quarter of 2020
The annual inflation rate in South Africa increased to 3.3 % in October 2020 from 3.0% in September. *(https://southafrica.opendataforafrica.org/kcsrrb/consumer-price-index-cpi-august)* The number of employed people in South Africa in the 3rd	93 Octane: R13.88 95 Octane: R13.89 50ppm Diesel: R11.68 500ppm Diesel: R11.66 As at 4th November 2020	Rand/Dollar: 15.26 Rand/Pound: 20.38 Rand/Euro: 18.17 As at 26th November 2020 *(Mercury, 26th November 2020)*	According to the National Association of Automobile Manufacturers of South Africa (Naamsa), 38, 752 new vehicles were sold during October 2020. This represents the fourth consecutive month of sales growth by volume since reducing levels of lockdown, albeit that	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)*

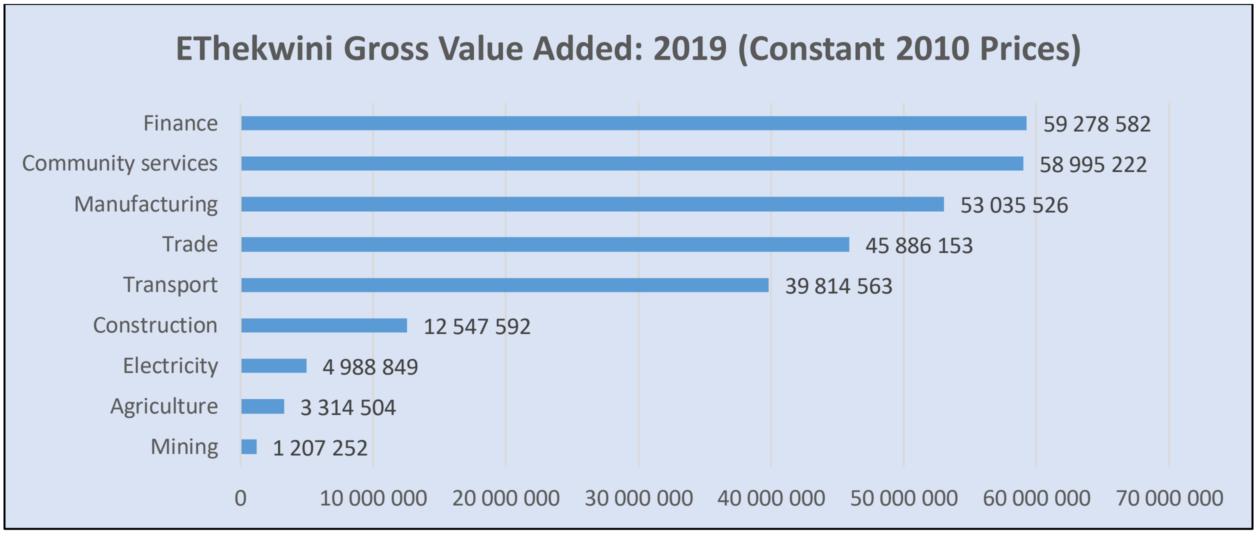
October Inflation Rate / National Labour Trends in 3rd Quarter	Petrol Price	Exchange Rates	Vehicle Sales	Quarterly GDP Contracts in 2nd Quarter of 2020
quarter of 2020 was recorded at 14.691 million, an increase of 543, 000 from the previous quarter The official unemployment rate was 30.8% with 6.533 million people unemployed, an increase of 2.238 million from the previous quarter. *(http://www.statssa.gov.za/publications/P0211/P02113rdQuarter 2020.pdf*)	*(https://www.aa.co.za /fuel-pricing)*		it is 25.4% lower than October last year *(www.naamsa.co.za)*	

Source: Global Insight 2020

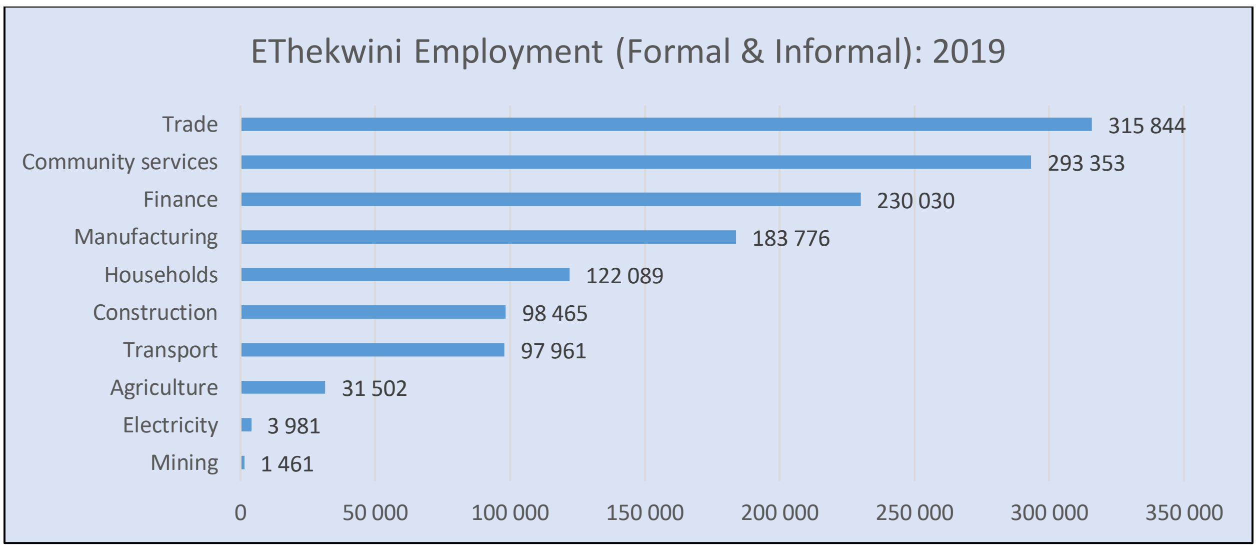
STATE OF THE LOCAL ECONOMY

ETHEKWINI INDICATORS

GDP / Total Population	Total Employment Q3: 2020	Q3: 2020 Unemployment	Development Indicators for 2019	Annual Trade 2019
GDP was 301.7 billion, -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)*	Approximately 1.059 million people were employed in the formal sector 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 increased by 5.8 percentage points to 14.0% (173, 000 people) from 8.2% (88 000 people) in the previous quarter. Compared to the 2019 average of 22%, a 14% unemployment rate is still a very low. This is the result of fewer people actively looking for work (and therefore officially counted as unemployed) in Q3 2020 compared 2019. This is turn is the result of a depressed economy, limited jobs and discouragement amongst work seekers. (*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

Plans to revitalise Jacobs	**National COGTA to visit eThekwini**	**Durban wins various tourism awards ahead of the festive season**
A plan to revitalise the Jacobs industrial area has emerged during a revitalisation workshop held during October, where a multitude of stakeholders from the public and private attended. The area contributes around R144 million annually in rates. Businesses have already been consulted to address the various challenges plaguing the industrial space	The COGTA minister undertook a District Development Model (DDM) visit to eThekwini during November to serve as a platform to support and strengthen the capacity of local government. The DDM approach also aims to act as a political oversight on the implementation of the DDM. The visit was characterised by multi-sectoral	The 2020 World Travel Awards have announced the Durban as Africa's Leading City Destination, as well as Africa's Leading Meetings & Conference Destination. (*https://www.worldtravelawards.com/winners/2020/africa)*

Plans to revitalise Jacobs	National COGTA to visit eThekwini	Durban wins various tourism awards ahead of the festive season
that is Jacobs. The project commenced at the beginning of 2020 and will be completed by end 2022 *(Metro Ezasegagasini, 6-19 November 2020)*	engagements aimed at institutionalising long-term planning through the development of capacity and shared services via the DDM Hub to unlock the potential of eThekwini Municipality *(Metro Ezasegagasini, 6-19 November 2020)*	12 of Durban's beaches have been awarded blue flag status, including five full blue flag status beaches (uShaka, Durban North, Point, Amanzimtoti and uMhlanga Main) and seven pilot status blue flag beaches (South Beach Central, Umgababa, Umdloti Tidal, Westbrook, Ansteys, Bronze and Brighton Beach). *(http://www.durban.gov.za/Resource_Centre/new2/Pages/default.aspx)* The World Meetings, Incentive, Conference and Exhibition (MICE) Awards has also announced the Durban ICC as winners of Africa's Best Centre 2020 and South Africa's Best Convention Centre 2020. (Metro, Ezasegagasini, 20 November-3 December 2020).

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.