



ETHEKWINI'S ECONOMIC PERFORMANCE IN Q1 2025

GDP Data Story

1. Introduction

eThekweni Municipality's recent GDP trends reflect an economy that entered 2025 with little to no growth momentum. Following a muted end to 2024, the city recorded a slight contraction in economic output in the first quarter of 2025, reinforcing concerns about structural weaknesses and declining sectoral dynamism. This report provides a detailed analysis of GDP performance for **2024Q4 and 2025Q1**, examining both quarterly and year-on-year changes. It further situates these trends within the broader economic context, highlighting sectoral shifts, inter-metro comparisons, and implications for local economic recovery.

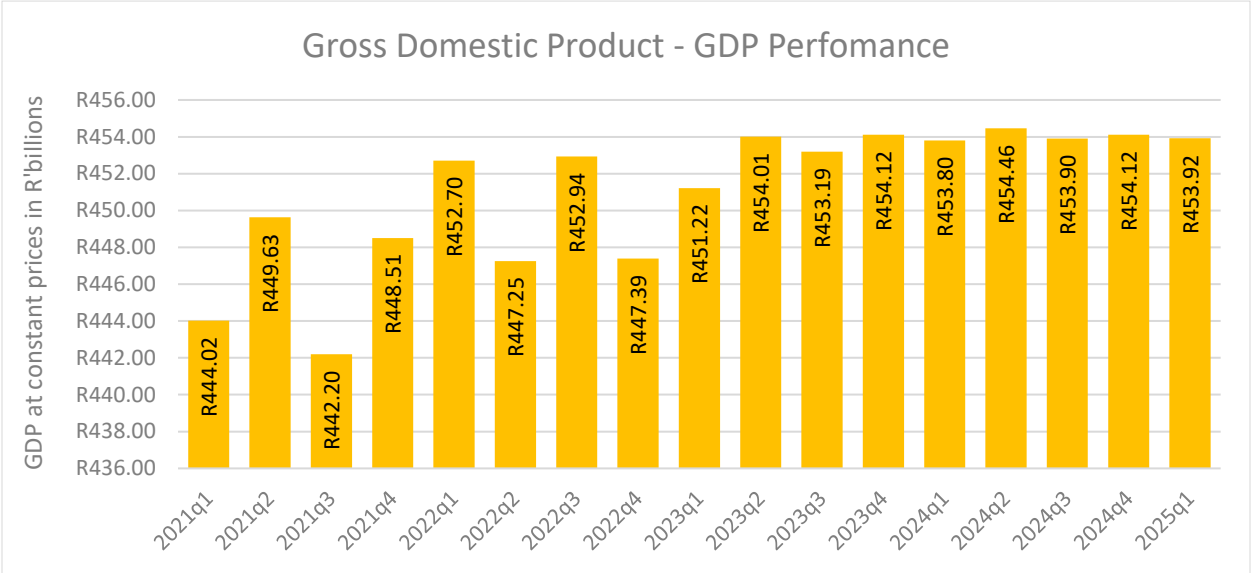
2. GDP Growth Performance: 2024Q4 and 2025Q1

The eThekweni economy entered 2025 on a hesitant note, reflecting a broader pattern of stagnation seen in recent years. After a relatively flat end to 2024, real GDP in eThekweni declined slightly from R454.1 billion in 2024Q4 to R453.9 billion in 2025Q1, marking a quarter-on-quarter contraction of -0.04% . This subtle decline suggests the city began the new year at the same sluggish pace, if not slightly weaker than it ended the previous one, with little evidence of renewed economic momentum.

Looking at the year-on-year representation, the economy showed only a negligible improvement. GDP in 2025Q1 was R113 million higher than the same quarter in 2024, reflecting a marginal annual growth rate of just 0.03% . This muted expansion underscores the structural challenges eThekweni continues to face: sluggish investment, underperforming industrial sectors, and ongoing service delivery issues. The data paints a picture of a city economy that is stuck, neither significantly contracting nor showing signs of a meaningful recovery.

When compared with other major metros, eThekweni's underperformance becomes even more apparent. Cape Town showed the strongest growth among the big five, with GDP increasing from R480.2 billion to R480.9 billion between 2024Q4 and 2025Q1, a 0.14% rise. Johannesburg also recorded a slight improvement, with GDP edging up from R704.8 billion to R705.0 billion, a modest 0.03% increase. In contrast, Tshwane's economy slipped by -0.11% , falling from R455.7 billion to R455.2 billion, while Ekurhuleni saw a marginal decline of -0.03% , from R313.7 billion to R313.6 billion. With this in view, eThekweni was one of three metros to post negative growth, alongside

Tshwane and Ekurhuleni, and its performance was particularly concerning given its historically strong industrial base and strategic coastal location.



Source: S&P Global Insights, 2025

3. Sectoral Performance Overview

The sectoral composition of eThekweni’s GDP between 2024Q2 and 2025Q1 reveals a fragmented and uneven growth trajectory, with a combination of modest gains and pronounced contractions across key industries.

The manufacturing sector posted a cumulative decline of R1.44 billion over this period, with initial moderate gains in 2024Q2 (+R41 million) giving way to sharp contractions in 2024Q3 (–R778 million) and further losses in 2025Q1 (–R1.44 billion). This extended decline signals worsening industrial output, likely tied to persistent energy disruptions, rising costs, and global competitiveness challenges. Similarly, community services, which initially expanded in 2024Q2 (+R81 million), saw a severe reversal in 2024Q3 (–R666 million) and continued contraction in 2025Q1 (–R583 million), indicating pressure on public sector budgets and service delivery constraints.

The construction sector grew slightly during 2024Q2 (+R74 million) but declined in 2024Q3 (–R68 million) and again in 2025Q1 (–R442 million). This pattern suggests a faltering infrastructure pipeline and weak private-sector investment. The electricity sector followed a similar trend: growth in 2024Q2 (+R97 million) was followed by contractions in 2024Q3 (–R112 million) and 2025Q1 (–R209 million), illustrating the continuing negative impact of load-shedding and constrained supply. The mining sector recorded small gains in 2024Q2 (+R7 million) but reversed into losses in

2024Q3 (–R1 million) and 2025Q1 (–R41 million), reflecting fluctuating production levels and weaker demand.

In contrast, several sectors showed a consistent recovery. The transport sector, despite large declines in 2024Q2 (–R350 million) and 2024Q3 (–R554 million), rebounded sharply in 2025Q1 (+R1.21 billion), resulting in a net gain and suggesting improved logistics, port activity, and commercial transport movement. Agriculture, which contracted in 2024Q2 (–R1.02 million), saw strong growth in 2024Q3 (+R674 million) and again in 2025Q1 (+R704 million), highlighting seasonal recovery, favourable conditions, and stronger output in rural and peri-urban zones.

The finance and business services sector showed robust and sustained growth across all quarters, with gains of R1.13 billion in 2024Q2, R949 million in 2024Q3, and R386 million in 2025Q1, confirming its role as a stabilising force in the local economy. Meanwhile, the trade sector experienced a decline in 2024Q2 (–R464 million) but rebounded with gains in 2024Q3 (+R645 million) and 2025Q1 (+R190 million), likely supported by restocking, seasonal consumer activity, and improved wholesale-retail linkages.

Sectors	GDP Changes in 2024Q2	GDP Changes in 2024Q3	GDP Changes in 2024Q4	GDP Changes in 2025Q1
1 Agriculture	-R225,430,027	-R1,022,623,465	R674,205,297	R704,430,715
2 Mining	-R5,399,792	R7,063,561	-R1,010,067	-R40,528,141
3 Manufacturing	R283,944,065	R40,766,529	-R778,341,745	-R1,441,789,882
4 Electricity	R147,070,853	R96,968,574	-R111,966,964	-R208,624,950
5 Construction	R21,902,702	R73,751,401	-R67,457,645	-R441,643,924
6 Trade	R430,446,103	-R464,148,291	R645,130,959	R190,476,259
7 Transport	-R2,025,497,176	-R349,837,612	-R553,821,886	R1,206,589,027
8 Finance	R1,750,683,063	R1,130,898,491	R948,814,097	R386,086,561
9 Community Services	R146,211,138	R81,010,273	-R665,540,956	-R583,388,682

Source: ERSI Calc changes from S&P Global Insights, 2025

4. Conclusion

Overall, the latest data confirms that eThekweni's economy is facing a prolonged period of subdued growth, marked by stagnating output and weak sectoral performance. While the municipality has managed to avoid sharp contractions, its inability to generate meaningful growth signals a deepening risk of economic drift. Consecutive weak performances in 2024Q4 and 2025Q1 reflect the symptoms of structural fatigue, with key productive sectors such as manufacturing, construction, electricity, and community services showing continued decline and limited signs of recovery.

Despite encouraging gains in transport, agriculture, finance, and trade, these improvements have not been enough to offset broader economic weaknesses. The decline of over R1.44 billion in manufacturing alone has significantly dampened overall momentum, despite the strong rebound

in transport (+R1.21 billion) and consistent performance in finance. Compared to other major metros, eThekweni lags behind, with Cape Town and Johannesburg managing to post marginal quarterly growth in 2025Q1, while eThekweni slipped further into contraction.

To change course, urgent and targeted action is required. This includes fast-tracking investment in logistics and energy infrastructure, expanding public-private partnerships to unlock industrial and tourism value chains, and scaling up initiatives that support township economies, informal enterprises, and youth entrepreneurship. At the same time, improving Durban's export competitiveness through more efficient use of port infrastructure and regional trade integration is critical for long-term resilience

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