THE DURBAN EDGE

The Durban EDGE is eThekwini Municipality's platform to provide cutting-edge economic intelligence and insight to economic decision makers. The brand was established in 2011 by the City's Economic Development Unit. The Durban EDGE produces publications, economic info releases, as well as on-demand seminars; an annual release on the State of the Durban Economy; and topical research papers.
Each release includes reliable data on the global, domestic, and local economy, designed to assist researchers, investors, business leaders, politicians, and other key stakeholders.

***Deputy Head**: Dr Ajiv Maharaj*
***Approved and edited by**: Dr. Sthembiso (Felix) Mthimkhulu*
***Contributors:** Siphesihle Thusi, Zama Hadebe,*
Nohlakanipho Mnguni, Denny Thaver, and Sthembiso (Felix) Mthimkhulu
***Enquiries**: Felix.Mthimkhulu@durban.gov.za*

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Overview of the current labour market situation

The South African labour market is on a journey of steady recovery, demonstrating the resilience of our economy and its people. The first half of 2025 shows promising signs of growth in key metros, with eThekwini contributing to this national effort. While the metro faces challenges, including a net loss of jobs in the second quarter, there are clear beacons of progress.

Sectors like construction and specific areas of manufacturing have shown remarkable vitality, creating thousands of new livelihoods for our residents. This underscores the effectiveness of our ongoing focus on infrastructure and local industry. However, we must also acknowledge the pressures felt in retail and services. Furthermore, we have a critical opportunity to better integrate our youth and women into the economic mainstream, ensuring that the recovery leaves no one behind. The data present a clear picture of where our focused efforts can make the most significant difference for the people of eThekwini.

Employment & Unemployment Trends

KwaZulu-Natal plays a pivotal role in South Africa's labour market, serving as both the anchor for national employment and the foundation of eThekwini's workforce. Despite losing a significant number of jobs during the 2021 trough, the province has staged a steady recovery, with employment averaging 2.7 million in the first half of 2025, compared with its pre-COVID baseline of 2.5 million. This represents a 12 per cent increase relative to the pre-pandemic average, underpinned by the province's diverse economic base in manufacturing, logistics, and services.

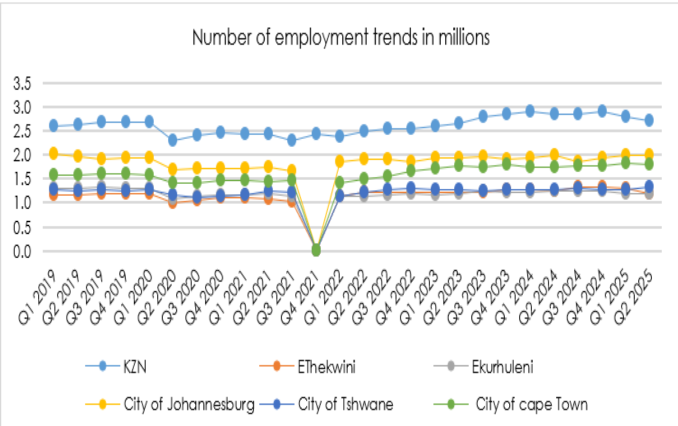
Employment trends across KwaZulu-Natal (KZN) and the major metropolitan areas, including eThekwini, Johannesburg, Tshwane, Cape Town, and Ekurhuleni, reveal a similar pattern: stability in 2020, a sharp decline in 2021, and a recovery phase beginning in 2022. However, while the direction of movement is common across all regions, the pace and scale of recovery differ substantially, highlighting the structural strengths and weaknesses of each metro's economy.

Johannesburg continues to be the country's largest centre of employment, reflecting its role as the headquarters hub for finance, retail, and professional services. Between 2020 and the first half of 2025, jobs grew from 1.9 million to an average of 2.0 million, showing a steady 2.0 per cent increase. While the pace of growth has been modest, Johannesburg's ability to hold its position as the biggest employer underscores its central role in sustaining livelihoods. Cape Town has shown the strongest momentum, with employment increasing from 1.6 million to 1.8 million, a 15 per cent rise.

This reflects the city's success in harnessing opportunities in logistics, ICT, tourism, and the green economy, sectors that continue to provide new pathways for growth. eThekwini's recovery has been gradual but encouraging, with employment rising from 1.2 million in 2020 to 1.3 million in the first half of 2025, a 5.0 per cent gain. This progress signals resilience, even as the metro continues to face challenges in manufacturing and services. Tshwane has also recorded growth, moving from 1.3 million to 1.3 million jobs over the same period, a 3.5per cent increase. While the improvement is smaller, it reflects steady rebuilding in a city shaped heavily by government and manufacturing activity, sectors that are slower to recover.

Ekurhuleni's story is more difficult, as employment declined from 1.3 million in 2020 to 1.2 million in early 2025, a 7.0per cent drop. This points to the lasting pressures of deindustrialisation and limited diversification. Yet, even here, the persistence of more than a million jobs shows the enduring contribution of the metro's industrial and working communities, which remain vital to the region's economy.

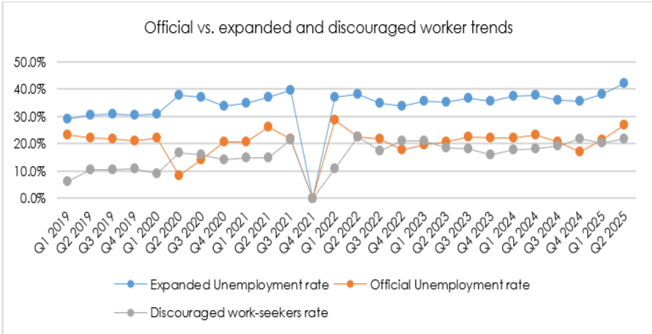
Figure 1: Number of employment trends



Source: Stats SA, QFLS, 2025

Unemployment measures (official vs. expanded) and discouraged worker trends

Figure 2: Official vs. expanded and discouraged worker trends



Source: Stats SA, QFLS, 2025

The three indicators tell a layered story of the labour market: official unemployment reflects those actively looking for work, while expanded unemployment also counts discouraged work-seekers who have lost hope, making the discouraged rate the bridge between the two.

Looking at 2024, there were signs of stability. The official unemployment rate hovered between 22–23 per cent, and expanded unemployment eased to around 35–37per cent. While still high, these levels suggested that more people were managing to find opportunities or remain engaged in a job search. However, discouraged work-seekers remained elevated, averaging 18–19 per cent, a reminder that many still felt left out of the economy despite small improvements.

By the first half of 2025, the picture shifted more harshly. The official rate improved to 26.8 per cent by the second quarter, reflecting an increase from 21.4 per cent in the first quarter, while the expanded unemployment rate surged to 42 per cent from 38 per cent in the first quarter, its highest point in years.

This was driven by a worrying rise in discouraged work-seekers, reaching 21.7per cent in the second quarter. These figures underscore a harsh reality: while some people are finding employment, many others are losing hope of securing jobs, and the overall sense of exclusion and frustration is intensifying.

Sectoral Performance

The city experienced a net loss of 101,711 jobs in the second quarter of 2025, a sobering reminder of the strain many households and businesses continue to face in a challenging economic climate. Yet, within this difficult environment, there are signs of resilience and opportunity. A total of 19,681 new jobs were created, largely anchored in construction and manufacturing sectors that not only drive growth but also provide critical livelihoods for thousands of families.

Infrastructure and Construction Gains

The construction sector emerged as a key source of resilience in the second quarter of 2025, generating 14,699 new jobs. Civil engineering and building construction contributed 7,080, while building installation services added 6,916, alongside smaller but positive gains in building completion services. These subsectors underscore the pivotal role of infrastructure investment in sustaining employment, particularly by absorbing semi- and low-skilled workers and reinforcing linkages across the wider construction value chain. However, the sector's full potential is being constrained by the decline in capital investment as a share of the overall budget. Without reversing this trend, the ability of infrastructure projects to expand job opportunities, stimulate inclusive growth, and anchor long-term economic momentum will remain limited.

Services and Retail Under Pressure

The services and retail economy faced a significant downturn in the second quarter of 2025, with almost 116,000 jobs lost across multiple subsectors. Business services shed 18,872 jobs, while education contracted by 15,026, reflecting the pressures of constrained public budgets. Retail trade remained particularly vulnerable, recording losses across non-specialised outlets (8,624), specialised stores (5,970), and retail not in stores (4,553), totalling 37,382 jobs cut. Hospitality and leisure also contracted: restaurants and bars lost 1,609, and sporting and recreational activities 3,849, partly offset by small hotel gains.

Financial intermediation and real estate also weakened, with 34,979 jobs lost, undermining household access to credit and investment flows. Community and social services contracted by 35,188, while local authority activities (6,643) and private households (5,699) reflected the broader erosion of municipal and household economic stability. Transport services added to the strain, shedding 3,262 jobs. Transport showed mixed results, with railway employment rising but supporting activities and travel agencies declining by 4,760.

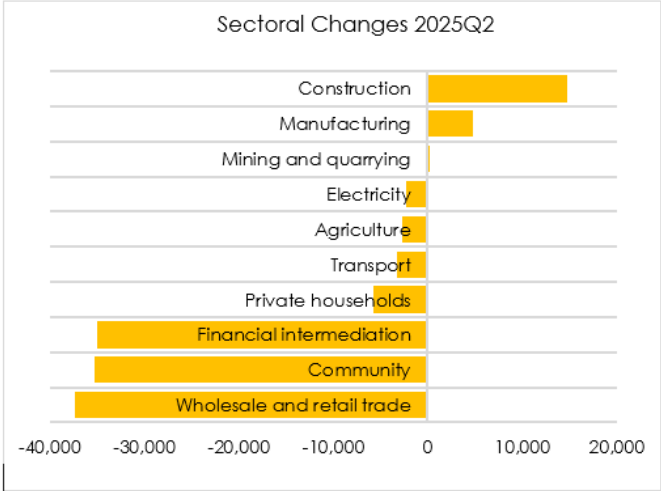
The contraction not only undermines employment but also erodes the city's tax base, service delivery capacity, and long-term economic resilience, signalling structural risks that require both demand-side stimulation and targeted sectoral support.

Deindustrialisation and Social Impact

Durban's industrial sectors remain under considerable strain, reflecting deep structural challenges. Within this context, manufacturing posted a net gain of 4,776 jobs, primarily driven by robust growth in wearing apparel (7,934 jobs) and additional momentum from the plastics industry. However, these gains were offset by sharp contractions in the motor vehicle value chain, which lost 5,308 jobs in manufacturing, 5,259 in sales, and 6,885 in repairs, exposing vulnerabilities in one of the city's most strategic industrial clusters.

Further losses were recorded in agriculture (2,664 jobs) and the electricity sector (2,218 jobs). These declines signal rising risks to food production and energy security, with implications for both economic competitiveness and cost stability across value chains. The challenge now lies in moving beyond short-term recovery towards building long-term industrial resilience and competitiveness, ensuring Durban's economy can adapt and sustain growth in a shifting global and national environment.

Figure 3: Sectoral Changes (losses and gains) first quarter of 2025, second quarter of 2025



Source: Stats SA, QFLS, 2025

Labour Market Demographics

According to SARS spatial data, as much as 80–90per cent of all employment in the city remains clustered along its main economic corridors. The central business district, together with secondary CBDs and surrounding industrial hubs, continues to anchor livelihoods, reinforcing the city's spatially uneven labour market. The city's working population group grew by 0.4per cent in the second quarter of 2025 and by 1.5per cent yearly.

Employment Distribution by Age Group in eThekwini

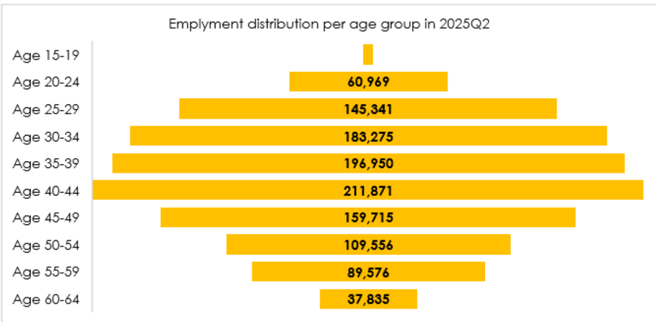
The employment profile of eThekwini in the first quarter of 2025 and the second quarter of 2025 demonstrates a strong concentration within the prime working-age population (30–44 years). The largest share of employment is recorded among individuals aged 40–44, with 211,871 people employed, followed closely by those aged 35–39 (196,950) and 30–34 (183,275). Collectively, this cohort represents the backbone of the city's labour market, contributing both experience and productivity at the peak of their careers.

Younger adults also play a significant role, particularly those aged 25–29, with 145,341 employed. This group reflects the transition into more stable forms of work after completing studies or early career training. By contrast, the youngest cohort, 15–19 years, records only 60,969 in employment, pointing to barriers to labour market entry for school-leavers and early job seekers. This signals the importance of interventions to create pathways into work for youth who are most vulnerable to exclusion.

Youth employment also weakened during the quarter. In the first quarter of 2025second quarter of 2025, the number of employed youth dropped to 445,215, down from 473,096 in the first quarter of 20251, a contraction of 5.9 per cent (27,881 jobs). This decline points to mounting challenges for young entrants into the labour force, shaped by deteriorating economic conditions, reduced hiring momentum, and sector-specific downturns in industries where youth are typically concentrated, such as retail, hospitality, and certain services.

Employment begins to taper after the age of 45, with 159,715 people employed in the 45–49 bracket, before declining more steeply in later years. Employment falls to 109,556 among those aged 50–54, 89,576 for the 55–59 group, and just 37,835 in the 60–64 range. This trend reflects both the natural process of retirement and challenges in sustaining older workers in an increasingly competitive and skills-driven economy.

Figure 4: Employment Distribution by Age Group in eThekwini, second quarter of 2025



Source: Stats SA, QFLS, 2025

Employment by Gender

Gender disparities remain a defining feature of the labour market. Despite sustained policy and legislative efforts to address inequality, male employment continues to exceed female jobs. In the first quarter of 2025 and the second quarter of 2025, both groups recorded declines, but the impact was harsher on women.

Female employment fell from 595,536 in the first quarter of 20251 to 520,945 in the first quarter of 2025second quarter of 2025, a sharp 12.5per cent decline (74,591 jobs). Male employment decreased from 705,409 to 678,288 over the same period, a smaller 3.8per cent contraction (27,121 jobs). This gap highlights how economic pressures are not only reducing overall opportunities but also deepening pre-existing gender inequalities.

Conclusion

The latest labour market data provides a valuable roadmap for our continued partnership with business, labour, and communities to build a more inclusive and prosperous eThekwini. The successes we see point the way forward, and the challenges highlight where our collective focus is most needed.

The strong job creation in construction is a direct result of strategic infrastructure investment. This is a proven strategy for creating immediate employment and stimulating the wider economy. We should continue to champion and secure investment in sustainable infrastructure projects that not only build our city but also provide livelihoods for our people.

The growth in manufacturing subsectors like wearing apparel is a testament to the potential of our local industries. We have an opportunity to consolidate our gains by supporting growing industries with targeted programmes. Partner with strategic sectors like the automotive industry to address challenges and safeguard these critical jobs for our metro.

Our young people and women are our most valuable assets. The current data underscores the importance of redoubling our efforts to create pathways for them into the economy. We propose a collaborative focus expanding youth employment initiatives that connect young talent with opportunities in both the public and private sectors. Enhancing support for women in the economy, particularly through entrepreneurship and skills development, to ensure they can fully participate in and benefit from growth.

The varied performance across different sectors highlights the strength of a diversified economy. By continuing to support a broad range of industries from logistics and finance to tourism and the green economy, we can build an eThekwini that is robust and capable of providing opportunities for all.

In conclusion, the path forward is one of partnership and focused action. By building on what works and addressing our challenges head-on, we can continue to grow our economy in a way that is both strong and inclusive, ensuring a brighter future for all the people of eThekwini.