






ECONOMY AT A GLANCE

PREPARED BY ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION UNIT

GLOBAL STATE OF THE ECONOMY

	 INTERNATIONAL MONETARY FUND	 THE WORLD BANK	 OECD BETTER POLICIES FOR BETTER LIVES
Projected GDP Growth for 2017	3.6%	2.9%	3.3%
2016 GDP Growth	3.4%	2.7%	3.0%

GLOBAL HIGHLIGHTS



Global Economic Confidence rebounds in 1st Quarter

Economic confidence rebounded in the first quarter of 2017, and is now at its highest level since the second quarter of 2015. Improvements have been driven by the US, where investors are hopeful that a combination of fiscal reform, increased investment in infrastructure and deregulation will provide a boost to economic growth.



Growth in major economies

The global growth outlook is relatively positive for the US, China and the Eurozone and is likely to increase in 2017. The International Monetary Fund (IMF) is expecting global GDP of 3.6% in 2017. However, the US withdrawal from the Trans-Pacific Partnership could reduce growth prospects in Asia, Australia and Latin America.



Emerging Markets

The economic performance in emerging markets has improved over the past year and looks set to continue. This has been reflected in the strong performance of their financial markets with their currencies having risen strongly against the US dollar since the start of the year.





African Growth

African growth also looks positive through the recovery in commodity prices which has helped to lift export and government revenues. Another factor has been easing inflationary pressures, which has given central banks more scope to loosen monetary policy.

NATIONAL STATE OF THE ECONOMY

NATIONAL GDP GROWTH AND FORECASTS

	 South African Reserve Bank	 INTERNATIONAL MONETARY FUND	 THE WORLD BANK	 OECD BETTER POLICIES FOR BETTER LIVES
Projected GDP Growth for 2017	1.1%	1.0%	0.6%	1.1%
2016 GDP Growth	R3.07 trillion (increase of 0.3% from 2015, sourced from <i>Statistics South Africa</i>)			

NATIONAL HIGHLIGHTS

NATIONAL URBAN POLICY CONFERENCE

COGTA participated in the 2nd International Conference on National Urban Policy in France during May 2017. The purpose was to consider in a global forum the role of national urban policies in the implementation of the sustainable development goals and the New Urban Agenda.

9TH ITERATION OF THE INDUSTRIAL POLICY ACTION PLAN (IPAP)

The 9th Iteration of IPAP was launched by the DTI, while highlighting the numerous achievements of the 8th Iteration – especially the Automation Production and Development Programme which saw R28.5 billion in private investments.

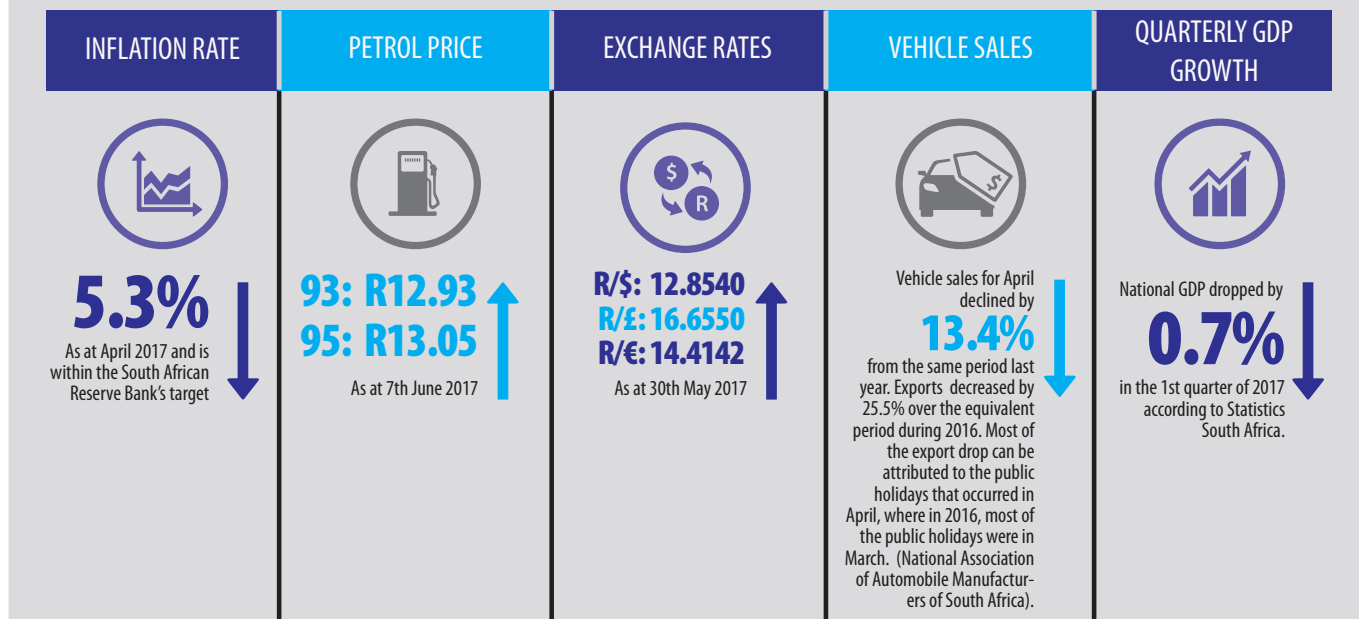
SOUTH AFRICAN 25TH MOST ATTRACTIVE INVESTMENT DESTINATION

The A.T. Kearney's 2017 Foreign Direct Investment Confidence report show SA as the 25th most attractive destination for foreign direct investment globally. In addition, the latest Africa Investment Index 2016 by Quantum Global's independent research has ranked the country as the 4th most attractive destination in Africa, after Botswana, Morocco and Egypt.

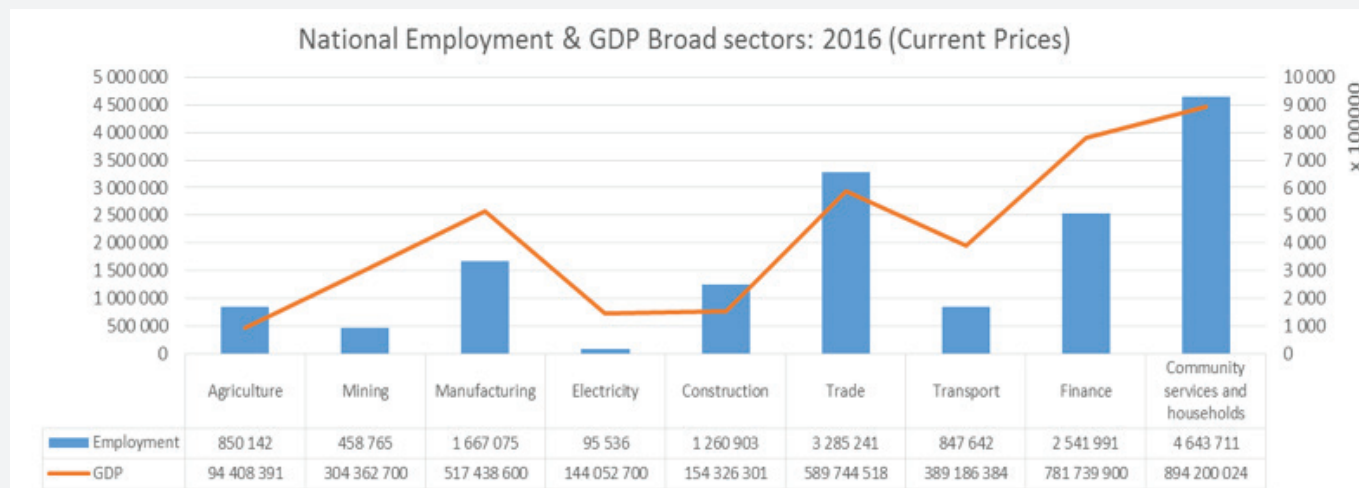
GDP CONTRACTS IN 1ST QUARTER OF 2017

The country's Gross Domestic Product (GDP) contracted to -0.7% in the first quarter of 2017, according to Statistics South. The GDP rate was down from 0.3% in the fourth quarter of 2016. The manufacturing industry contracted by 3.7% and contributed -0.5 of a percentage point to GDP growth. Only two sectors recorded an increase in economic production in – agriculture (22.2%) and contributing 0.4% to the overall GDP, and mining (12.8%), contributing 0.9% to GDP.

NATIONAL KEY INDICATOR

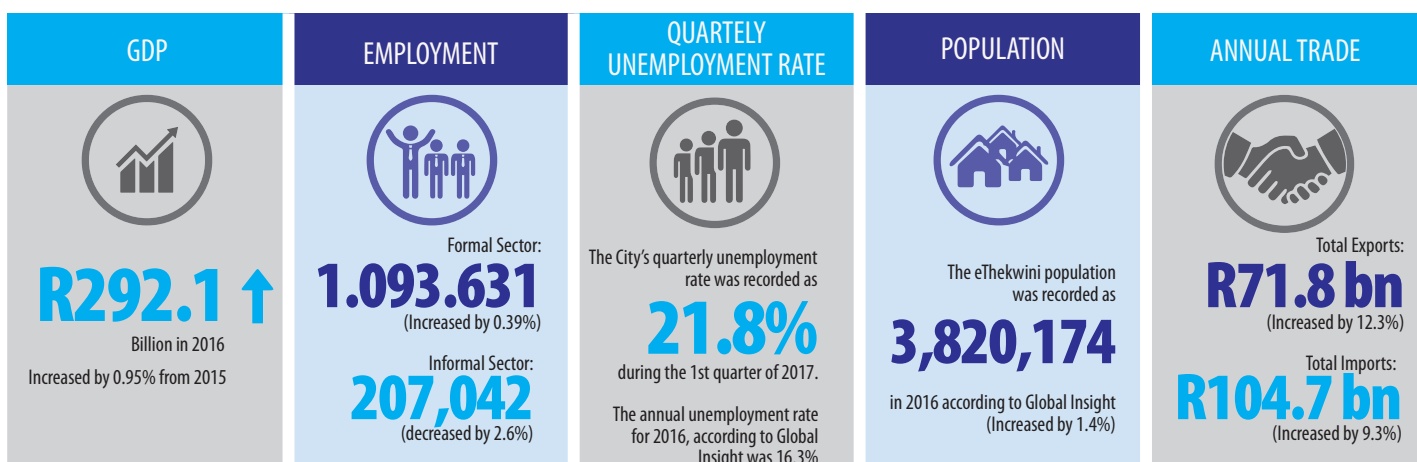


NATIONAL EMPLOYMENT & GDP: BROAD SECTORS: 2016



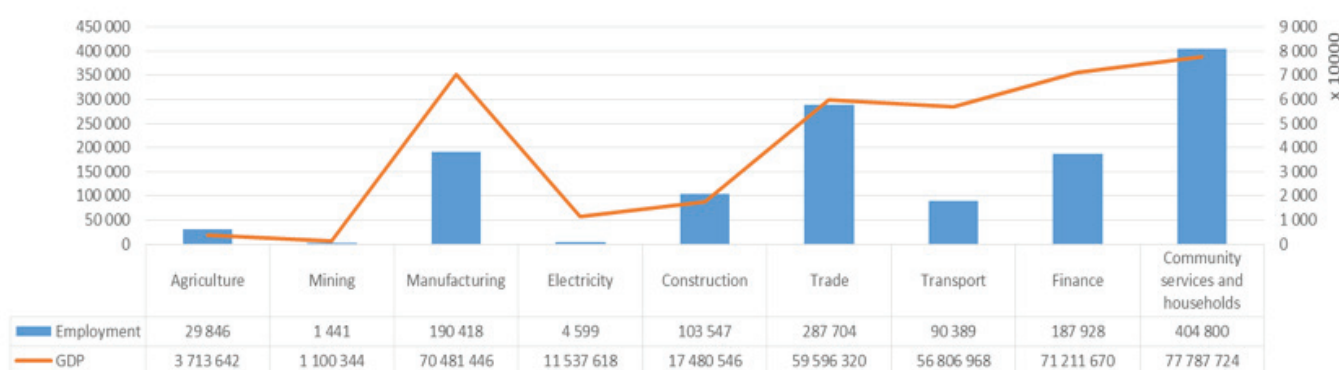
LOCAL STATE OF THE ECONOMY

ETHEKWINI HIGHLIGHTS



ETHEKWINI TOTAL EMPLOYMENT & GDP: BROAD SECTORS: 2016

eThekweni Employment and GDP Broad Sectors: 2016 (Current Prices)



EVENTS/LAUNCHES/INVESTMENTS

URBAN RENEWAL INVESTMENT

The City has unveiled plans for major new developments for urban renewal that include a 3km extension of the beach promenade, densification of the CBD with the residential buildings and the construction of an 88-story tower at the Durban Country Club site. There are 70 projects in total with an approximate value of R700-billion.

TOURISM INDABA

The City hosted the Tourism Indaba event at the Inkosi Albert Luthuli International Convention Centre during May 2017. The event announced plans to develop new beachfront resorts to enhance further tourism into the region. The number of visitors to SA increased by 13% during 2016 and the country is trying to target an extra 5-million over the next few years.

CITY'S PLAN TO TACKLE DECAY

The Municipality has a plan to halt urban decay by addressing low levels of environmental management, littering and illegal dumping in the city. The plan will attempt to reclaim abandoned buildings and urban spaces, attract new innovative investment and ideas, social housing and the connectivity and integration of different modes of transport.

URBAN RENEWAL APARTMENT PROJECT FOR DURBAN

Durban's vision 2030 Integrated Development Plan unveiled the first of a new series of refurbished tech-savvy apartments for young professionals. It reports that this forms part of a R3 billion investment in CBD building revamps in a major cities across the country.

CRUISE TERMINAL DEVELOPMENT

Transnet Ports Authority has announced the development of the KZN Cruise Terminal to be built by MSC Cruises and Africa Armada Consortium. The development will bring in R125-million into the city's cruise industry. In the last 10 years the city's cruise market has grown by 152%.

CATALYTIC PROJECTS

CORNUBIA

Construction of the first 486 units in Phase 1a Housing is complete. At present, 995 of the 2,180 units have been completed as part of Phase 1b. Cornubia Industrial and Business Estate is 100% sold and 13 businesses are already operational in the area. Environmental authorisation has been received for Phase 2, which includes the Cornubia Business Hub in extent of 85,000m². (www.cornubia.co.za)

DUBE TRADEPORT

Dube TradePort has attracted over R1.4-billion investment to day. Dube TradeZone has secured Samsung Electronics; Amsted Reelin, Rossi SA, Ukuphanta and DB Schenker. The latest businesses to locate at the TradeZone is Yangtze Optics Africa Cable and Cipla Bio-Tec. Planning is already underway for Dube TradeZone 2, as well as Dube AgriZone Phase 2. (www.dubetradeport.co.za)

POINT WATERFRONT

This is one of the key catalytic projects in the City – and also forms part of the City's initiative to redevelop and regenerate the inner-city. The first phase commenced in 2017 and relates mostly to the provision of infrastructure. The balance of the project will cover a 10-15-year horizon at between R25-R30-billion of public/private sector investment. (www.durbanpoint.co.za)

CENTRUM SITE

The development of the Durban Centrum site is part of a plan to enhance the city's environment and offer more cultural amenities for its citizens. This 28-hectare site comprises the largest single area of the central city and provides the potential for comprehensive redevelopment. It is expected that the redevelopment of this site will complement the adjoining central business district while trying to preserve the city's heritage in terms of its historic buildings.

KEYSTONE

The 152Ha R6.5b Keystone Park Light Industrial, Warehousing and Logistics Precinct is currently being developed by Keystone Park CC immediately adjacent the N3 Hammarsdale Interchange. Development activity commenced in January 2015 with the 15,000m² Malda Pack facility having commenced business operation in , Mr Price's new 60,000m² National Distribution Centre due to 'go live' on 01 June 2017 and with construction of Pepkor's new 85,000m² Distribution Centre programmed to be complete by December 2017. Several further significant top-structure projects are in the final stages of being packaged. This regional catalytic development will generate substantial employment opportunities including around 3500 temporary construction jobs at peak and approximately 6500 direct permanent employment opportunities at height of operation. (www.keystoneinvestments.co.za)