

**CITY
OF
JOHANNESBURG**

**QUARTERLY
ECONOMIC
REVIEW
JAN-MAR 2025**



a world class African city



TABLE OF CONTENTS

1. WORLD ECONOMIC OUTLOOK	4
2. SOUTH AFRICA'S ECONOMIC OUTLOOK	7
3. GAUTENG ECONOMIC OUTLOOK	21
4. CITY OF JOHANNESBURG OUTLOOK	25
REFERENCES	32

LIST OF FIGURES

Figure 1: Real GDP (constant 2015 prices, seasonally adjusted).....	8
Figure 2: Industry growth rates, Q3: 2024 compared with Q2: 2024 (constant 2015 prices, seasonally adjusted)	9
Figure 3: Expenditure on GDP	10
Figure 4: GFCF growth rate (%).....	10
Figure 5: Exports and imports of goods and services	11
Figure 6: Official and Expanded unemployment rates across provinces.....	12
Figure 7: Formal and Informal sector in South Africa.....	13
Figure 8: RMB/BER Business Confidence Index.....	14
Figure 9: FNB/BER Consumer Confidence	15
Figure 10: CPI headline index numbers and year-on-year rates.....	16
Figure 11: Retail trade sales at constant 2019 price	17
Figure 12 : Volume of mining production (Base: 2019=100).....	18
Figure 13: Real value of recorded building plans passed by larger municipalities, Constant 2019 prices	19
Figure 14: Real value of buildings reported as completed to larger municipalities	20
Figure 15: Composite leading business cycle indicator	21
Figure 16: Labour Force Indicators : Gauteng.....	22
Figure 17: Unemployment in Gauteng.....	23
Figure 18: Employment by Sector for Gauteng Province.....	24
Figure 19: Gauteng Vehicle Sales	25
Figure 20: Official Unemployment Rate.....	28
Figure 21: Expanded definition of unemployment.....	29
Figure 22: Labour force characteristics	30
Figure 23: Employment by Sector	31

1. WORLD ECONOMIC OUTLOOK

The January 2025 World Economic Outlook (WEO) Update, published by the International Monetary Fund (IMF), offers a cautiously optimistic yet uneven depiction of global economic recovery. Global growth is anticipated to stabilize at 3.3 percent for both 2025 and 2026, a rate that remains below the historical average of 3.7 percent recorded between 2000 and 2019. Although this forecast aligns broadly with the October 2024 WEO, it masks a variety of divergences among advanced, emerging, and developing economies. The IMF's assessment reflects a global economy that is maintaining stability but continues to confront significant macroeconomic, geopolitical, and policy-induced uncertainties.

In the context of advanced economies, the United States stands out as a significant contributor to global economic growth, with an upwardly revised projection of 2.7 percent for 2025. This performance is indicative of strong consumer spending, a robust labour market, and a more accommodative monetary policy environment, further bolstered by investor optimism stemming from anticipated deregulation and tax reforms. Conversely, the Euro area's growth remains constrained, with a forecast of only 1.0 percent for 2025, reflecting ongoing manufacturing weaknesses, geopolitical tensions, and increased policy uncertainty. Similarly, Japan and the United Kingdom are expected to experience modest growth, underscoring a broader trend of tepid recovery across several developed regions.

In emerging markets and developing economies (EMDEs), growth is projected to average 4.2 percent in 2025, consistent with the previous year. China's forecast has been slightly revised upward to 4.6 percent, driven by fiscal stimulus and export growth, although it remains constrained by ongoing fragility in the property market and low consumer confidence. India is expected to sustain its growth trajectory at 6.5 percent, supported by structural reforms and industrial momentum. Despite these positive developments in Asia, the overall performance of EMDEs is hindered by tighter global financial conditions, a stronger US dollar, and capital outflows induced by rising US interest rates. Sub-Saharan Africa (SSA) is anticipated to grow at 4.2 percent in 2025, representing a modest improvement from the 3.8 percent estimate for 2024. While this indicates a positive trend, it remains inadequate to address the developmental needs of the region, particularly in light of rapid population growth and structural unemployment. The International Monetary Fund (IMF) highlights ongoing challenges in SSA, including climate shocks, debt vulnerabilities, inflationary pressures, and fragile fiscal buffers. These constraints emphasize the necessity for decisive policy interventions in areas such as domestic revenue mobilization, infrastructure development, and public sector efficiency. South Africa's growth forecast for 2025 is projected at 1.5 percent, an increase from the 0.8 percent estimated in 2024. Despite this incremental improvement, South Africa remains below both regional and global averages. The country continues to face persistent energy insecurity, high structural unemployment, and weakened investor confidence. Furthermore, fiscal risks driven by rising debt service costs and constrained revenue collection pose a threat to medium-term macroeconomic stability. The IMF's findings underscore a critical need for reforms in public utilities, governance, and logistics, particularly at the metropolitan and municipal levels.

Table 1.1 of the report presents a quantitative analysis of real GDP growth projections, indicating that while global output is anticipated to expand by 3.3 percent in 2025, South Africa significantly trails behind. In contrast, nations such as Nigeria (3.2 percent), Kenya, and Côte d'Ivoire are expected to experience higher growth rates, underscoring South Africa's relative underperformance within the Sub-Saharan Africa (SSA) context. The data further highlights

the resilience of commodity-driven economies and emphasizes the strategic necessity of supply-side interventions to unlock growth potential in underperforming economies.

Table 1.1: World Economic Outlook Projections

	Year over Year						Q4 over Q4 2/		
	Estimate		Projections		Difference from October 2024		Estimate	Projections	
	2023	2024	2025	2026	WEO Projections 1/	2025	2026	2024	2025	2026
World Output	3.3	3.2	3.3	3.3	0.1	0.0	3.4	3.2	3.1
Advanced Economies	1.7	1.7	1.9	1.8	0.1	0.0	1.8	1.9	1.7
United States	2.9	2.8	2.7	2.1	0.5	0.1	2.7	2.4	2.1
Euro Area	0.4	0.8	1.0	1.4	-0.2	-0.1	1.1	1.2	1.4
Germany	-0.3	-0.2	0.3	1.1	-0.5	-0.3	-0.1	0.8	0.9
France	1.1	1.1	0.8	1.1	-0.3	-0.2	0.7	1.0	1.2
Italy	0.7	0.6	0.7	0.9	-0.1	0.2	0.6	1.0	0.7
Spain	2.7	3.1	2.3	1.8	0.2	0.0	3.2	1.9	2.0
Japan	1.5	-0.2	1.1	0.8	0.0	0.0	0.7	0.8	0.7
United Kingdom	0.3	0.9	1.6	1.5	0.1	0.0	1.7	1.8	1.3
Canada	1.5	1.3	2.0	2.0	-0.4	0.0	1.8	2.1	1.9
Other Advanced Economies 3/	1.9	2.0	2.1	2.3	-0.1	0.0	1.7	2.8	1.7
Emerging Market and Developing Economies	4.4	4.2	4.2	4.3	0.0	0.1	4.6	4.2	4.2
Emerging and Developing Asia	5.7	5.2	5.1	5.1	0.1	0.2	5.6	4.9	5.1
China	5.2	4.8	4.6	4.5	0.1	0.4	4.9	4.5	4.5
India 4/	8.2	6.5	6.5	6.5	0.0	0.0	7.5	6.5	6.5
Emerging and Developing Europe	3.3	3.2	2.2	2.4	0.0	-0.1	2.3	2.9	1.6
Russia	3.6	3.8	1.4	1.2	0.1	0.0	2.7	1.2	1.2
Latin America and the Caribbean	2.4	2.4	2.5	2.7	0.0	0.0	2.6	2.7	2.4
Brazil	3.2	3.7	2.2	2.2	0.0	-0.1	4.1	2.1	2.3
Mexico	3.3	1.8	1.4	2.0	0.1	0.0	1.8	1.4	2.1
Middle East and Central Asia	2.0	2.4	3.6	3.9	-0.3	-0.3	...	...	...
Saudi Arabia	-0.8	1.4	3.3	4.1	-1.3	-0.3	5.0	1.2	4.1
Sub-Saharan Africa	3.6	3.8	4.2	4.2	0.0	-0.2	...	...	...
Nigeria	2.9	3.1	3.2	3.0	0.0	0.0	3.5	3.7	3.8
South Africa	0.7	0.8	1.5	1.6	0.0	0.1	1.7	0.6	2.2
<i>Memorandum</i>									
World Growth Based on Market Exchange Rates	2.8	2.7	2.9	2.8	0.1	0.1	2.9	2.7	2.6
European Union	0.6	1.0	1.4	1.7	-0.2	0.0	1.3	1.5	1.7
ASEAN-5 5/	4.0	4.5	4.6	4.5	0.1	0.0	4.9	3.9	5.0
Middle East and North Africa	1.8	2.0	3.5	3.9	-0.5	-0.3	...	...	...
Emerging Market and Middle-Income Economies	4.5	4.2	4.2	4.2	0.0	0.1	4.6	4.2	4.2
Low-Income Developing Countries	4.1	4.1	4.6	5.4	-0.1	-0.2	...	...	...
World Trade Volume (goods and services) 6/	0.7	3.4	3.2	3.3	-0.2	-0.1	...	...	...
Advanced Economies	0.0	2.2	2.1	2.5	-0.5	-0.3	...	...	...
Emerging Market and Developing Economies	2.0	5.4	5.0	4.6	0.3	0.2	...	...	...
Commodity Prices									
Oil 7/	-16.4	-1.9	-11.7	-2.6	-1.3	1.0	-10.8	-5.0	-2.2
Nonfuel (average based on world commodity import)	-5.7	3.4	2.5	-0.1	2.7	-0.9	7.1	0.1	0.5
World Consumer Prices 8/	6.7	5.7	4.2	3.5	-0.1	-0.1	5.2	3.5	3.0
Advanced Economies 9/	4.6	2.6	2.1	2.0	0.1	0.0	2.2	2.1	2.0
Emerging Market and Developing Economies 8/	8.1	7.8	5.6	4.5	-0.3	-0.2	7.6	4.6	3.8

Source: IMF 2024

For Johannesburg, South Africa's economic epicentre, the implications of the World Economic Outlook (WEO) update are both urgent and strategic. As a subnational economic hub, Johannesburg is not immune to national-level challenges but possesses a unique opportunity to mitigate their impact through localized reforms and adaptive governance. Modernization of urban infrastructure, particularly in energy, water, and transport, will be crucial for enhancing economic productivity and improving service delivery. This necessitates coordinated investments in both physical and digital infrastructure that align with long-term spatial planning and economic development objectives.

Johannesburg's policy framework must also incorporate the International Monetary Fund's (IMF) emphasis on restoring fiscal sustainability. The city's budgetary planning must ensure

both fiscal discipline and developmental responsiveness. Enhanced revenue collection mechanisms, including the optimization of property taxes, user charges, and digital payment systems, are essential for increasing municipal fiscal space. Furthermore, public expenditure should be reprioritized towards high-impact and inclusive programs that support job creation and urban resilience.

Labour market dynamics also require targeted intervention. Given South Africa's alarmingly high youth unemployment rate, Johannesburg must intensify investments in education, vocational training, and entrepreneurship support. Urban employment strategies should be tailored to the city's economic structure, leveraging its competitive sectors such as business services, logistics, real estate, and technology. Additionally, public-private partnerships can be instrumental in linking educational institutions to labour market needs.

Trade and investment promotion are further strategic levers available to Johannesburg. The city can position itself as a subnational trade and innovation hub by facilitating streamlined business processes, enhancing export infrastructure, and offering targeted investment incentives. This subnational diplomacy could mitigate national policy uncertainties and elevate Johannesburg's global economic standing. Moreover, attracting impact investors and green finance into sustainable urban infrastructure projects could catalyse inclusive growth.

At a macroeconomic level, the IMF recommends that economies adopt context-specific combinations of monetary, fiscal, and structural policies. For Johannesburg, this implies alignment with national fiscal consolidation efforts while ensuring that urban investments are safeguarded. Exchange rate dynamics and capital flow risks highlighted in the report due to the strengthening US dollar suggest the need for prudent external debt management and diversified revenue bases at the city level.

The risk of inflationary pressures, while currently subdued in South Africa, remains present due to imported inflation and supply chain disruptions. Johannesburg must therefore ensure that tariff-setting and service pricing policies are pro-poor, transparent, and aligned with cost-recovery principles. Simultaneously, targeted subsidies and social safety nets must protect the most vulnerable from inflationary shocks.

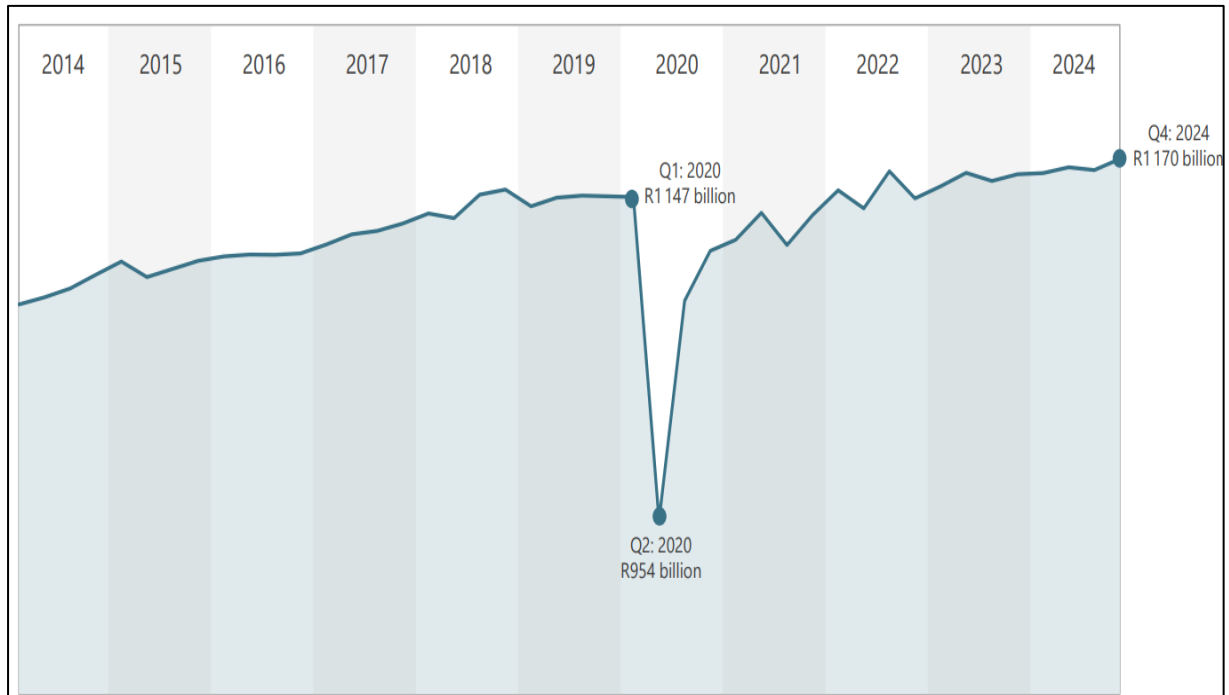
Finally, the report emphasizes the significance of multilateral cooperation and institutional reform in addressing the prevailing global economic uncertainties. Johannesburg, through its engagement in inter-city networks and multilevel governance platforms, has the potential to influence policy coherence, disseminate best practices, and attract development cooperation. Enhancing institutional capacity, transparency, and citizen engagement at the municipal level will bolster policy credibility and implementation efficacy. In conclusion, the IMF's January 2025 World Economic Outlook Update depicts a landscape of fragmented recovery trajectories and heightened uncertainty. Although the global economy is stabilizing, uneven regional dynamics and structural constraints in Sub-Saharan Africa and South Africa impede the potential for widespread prosperity. For Johannesburg, the report serves as a call to action, urban leadership, innovation, and reform are essential for sustaining growth, promoting equity, and ensuring economic resilience amid global volatility.

2. SOUTH AFRICA'S ECONOMIC OUTLOOK

As economic growth remains below the rate of population increase, the standard of living for the average South African is in decline. The insufficient investment in infrastructure and production is constraining job creation, thereby increasing reliance on government grants and imposing a substantial tax burden on a diminishing base of income earners. Should economic growth persist at this weak level, South Africa faces the risk of further instability and a continued decline in living standards.

In 2024, the growth rate of the South African economy declined for the third consecutive year, reaching 0.6%, down from 0.7% in 2023, 1.8% in 2022, and a post-COVID-19 high of 5.3% in 2021. Considering the population growth rate of approximately 1.5% per annum, this suggests a decrease in the standard of living for the average South African by between 1.5% and 2.0% over the past three years. The GDP growth rate for the fourth quarter recovered to 0.6% on a quarter-on-quarter annualized basis from -0.1% in the third quarter, yet this fell short of consensus forecasts predicting a growth of 0.8%. On a year-on-year basis, GDP growth increased to 1.0% in the fourth quarter from 0.3% in the third quarter. Notably, there was no upward revision of GDP, which is typically observed when the fourth-quarter figures are released. GDP at current prices increased by R312 billion or 4.5%, reaching R7.3 trillion or \$398 billion. In the latter half of the previous year, there were expectations that the cessation of load-shedding, coupled with increased confidence from the formation of the Government of National Unity (GNU), along with declining inflation and interest rates, would stimulate economic activity. Furthermore, the introduction of the two-pot retirement scheme in September was anticipated to contribute positively to this trend. There was also a significant improvement in business and consumer confidence indices and expectations of business activity. Unfortunately, up to and including the fourth quarter, there has been little evidence of substantial improvement. Given the substantial growth in the number of individuals entering the job market each year, approximately 3%, the economy is evidently underperforming in providing adequate livelihoods for nearly half the population. Consequently, this has intensified pressure on the government to distribute cash grants to 28 million of the 63 million people residing in the country, necessitating high levels of taxation on the remaining income earners. This scenario does not constitute a sustainable growth model.

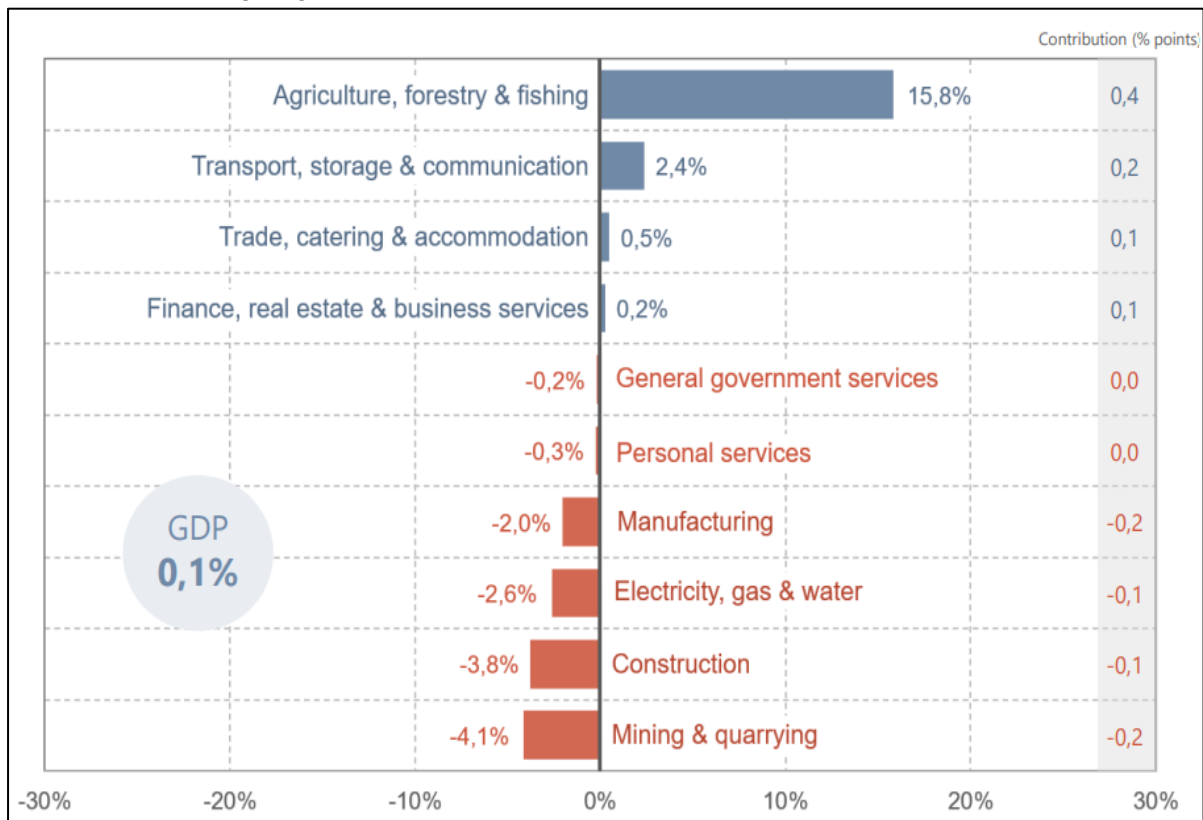
Figure 1: Real GDP (constant 2015 prices, seasonally adjusted)



Source: StatsSA, 2025b

Figure 2 illustrates that three industries experienced positive growth between the third and fourth quarters of 2024. The agriculture sector emerged as the most significant positive contributor, with an increase of 17.2%, thereby adding 0.4 percentage points to the overall GDP growth. The finance sector recorded a growth of 1.1%, contributing 0.3 percentage points. Similarly, the trade sector grew by 1.4%, contributing 0.2 percentage points. Conversely, the transport sector was the largest negative contributor, with a decline of 1.0%, resulting in a reduction of 0.1 percentage points.

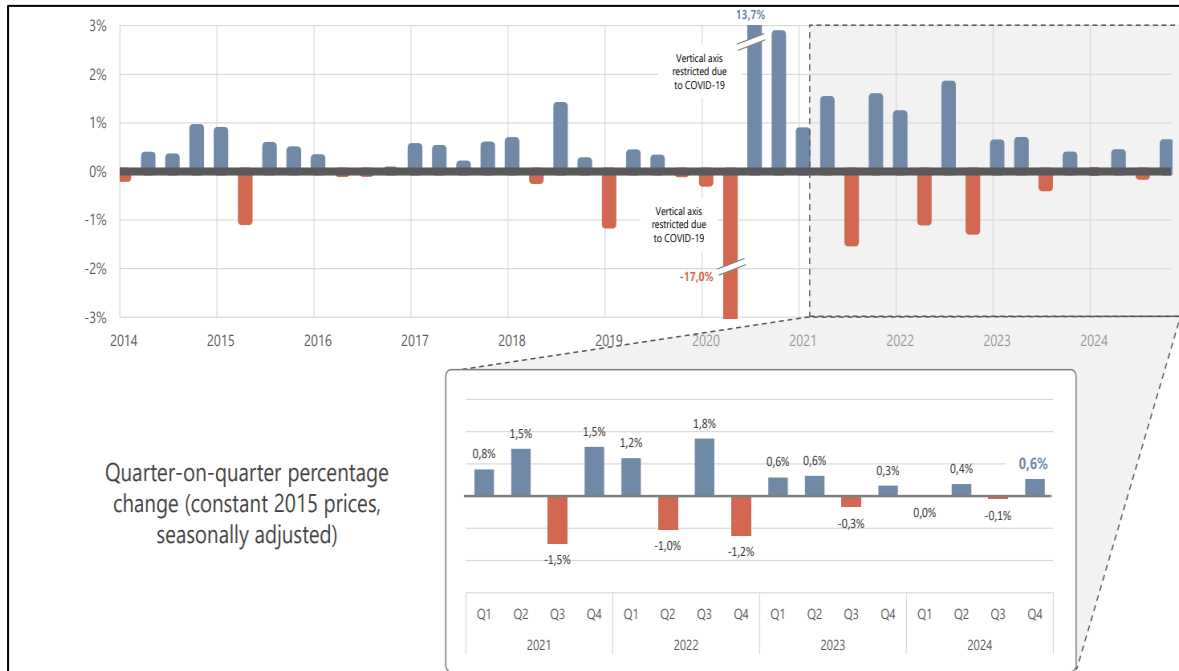
Figure 2: Industry growth rates, Q3: 2024 compared with Q2: 2024 (constant 2015 prices, seasonally adjusted)



Source: StatsSA, 2024b

In the fourth quarter of 2024, expenditure on real GDP increased by 0.6%, following a decline of 0.1% in the third quarter of the same year. Household final consumption expenditure rose by 1.0%, contributing 0.6 percentage points to the overall growth. Conversely, government final consumption expenditure decreased by 0.8%, resulting in a negative contribution of 0.2 percentage points. Gross fixed capital formation also declined by 0.7%, contributing a negative 0.1 percentage point. Changes in inventories during the fourth quarter of 2024 contributed 0.2 percentage points. Net exports had a neutral contribution of 0.0 percentage points, despite increases of 2.1% and 2.0% in exports and imports, respectively.

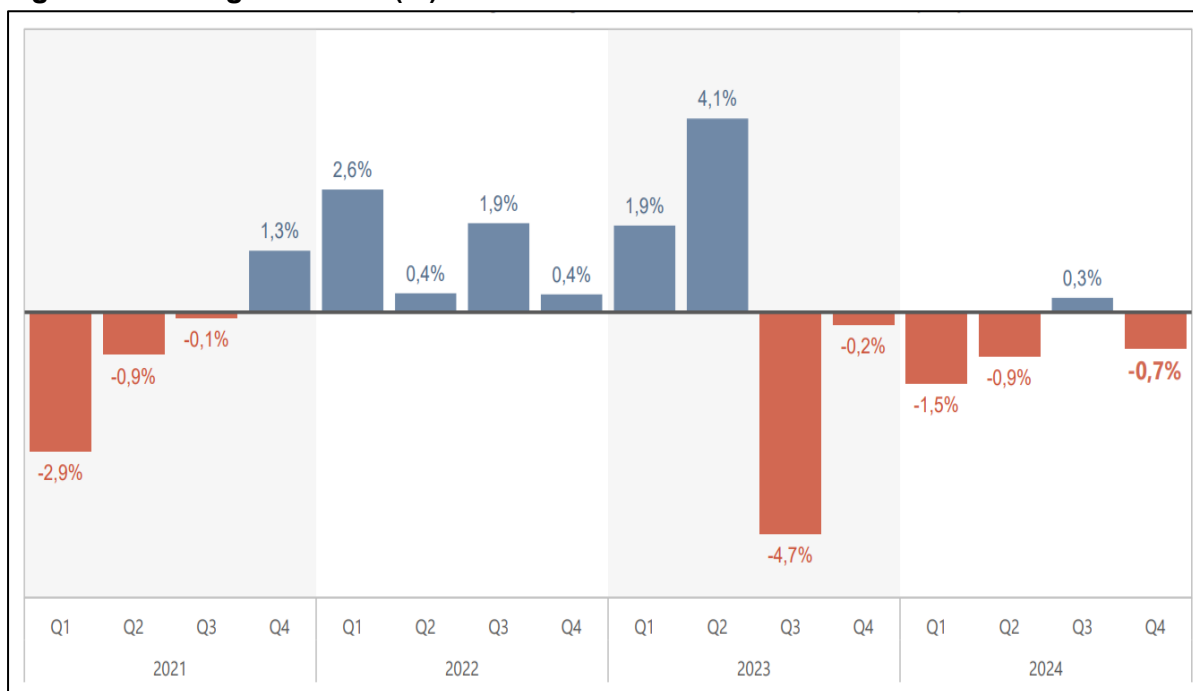
Figure 3: Expenditure on GDP



Source: StatsSA, 2024b

Gross fixed capital formation experienced a decline of 0.7%, resulting in a negative contribution of 0.1 percentage points to overall growth. The primary factors contributing to this decrease were residential buildings, which declined by 7.5% and contributed -0.9 percentage points; machinery and other equipment, which decreased by 1.3% and contributed -0.5 percentage points; and non-residential buildings, which fell by 2.7% and contributed -0.2 percentage points.

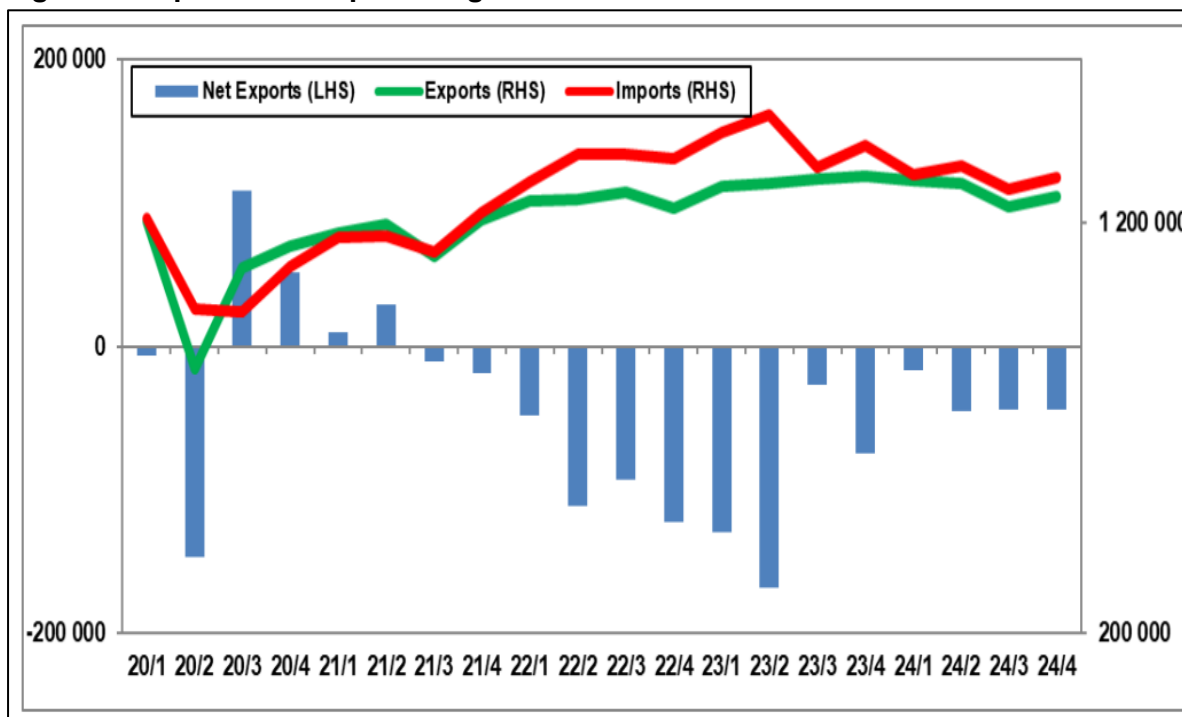
Figure 4: GFCF growth rate (%)



Source: StatsSA, 2024b

Net exports exerted a neutral impact on GDP expenditure, contributing 0.0 percentage points. The export of goods and services rose by 2.1%, primarily driven by increased trade in pearls, precious and semi-precious stones, precious metals, and chemical products. Conversely, imports of goods and services grew by 2.0%, largely due to heightened trade in vehicles and transport equipment, excluding large aircraft, as well as vegetable products and machinery and electrical equipment.

Figure 5: Exports and imports of goods and services

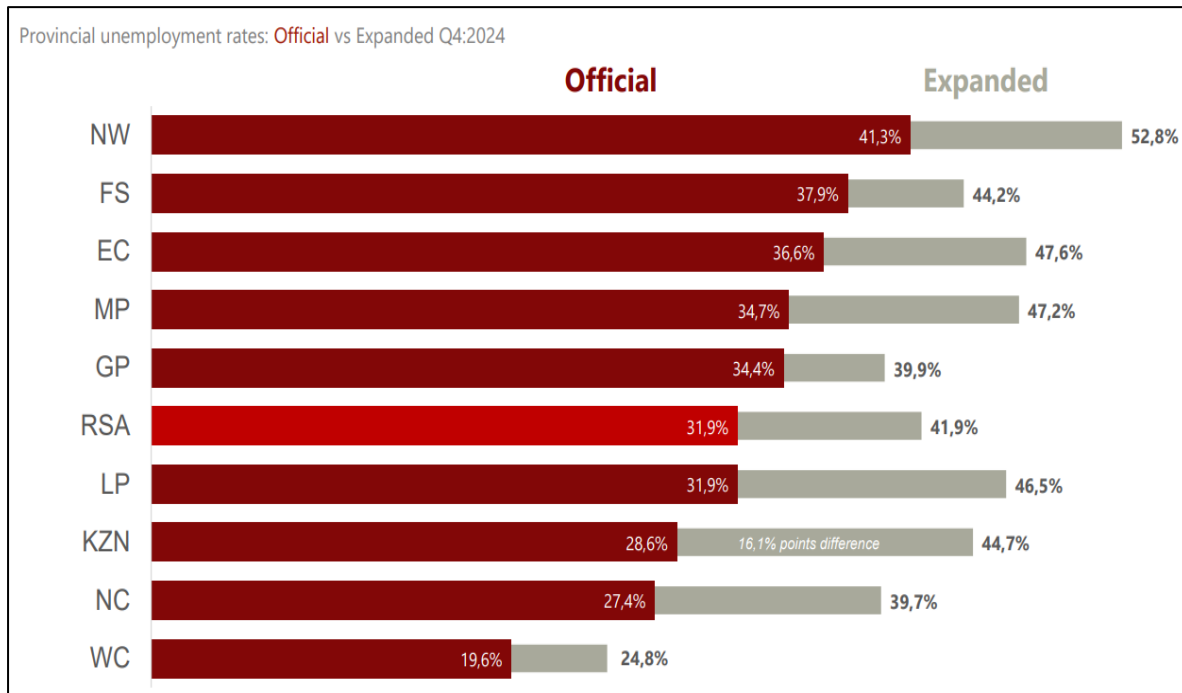


Source: StatsSA, 2024b

The official unemployment rate experienced a reduction of 0.2 percentage points, reaching 31.9% in the fourth quarter of 2024, compared to the third quarter of the same year. This decline was observed in five out of the nine provinces. Notably, the most significant decreases were recorded in Northern Cape (3.0 percentage points), followed by KwaZulu-Natal (2.6 percentage points) and Mpumalanga (1.5 percentage points). Conversely, increases in the unemployment rate were noted in North West (4.5 percentage points), Free State (1.9 percentage points), and Gauteng (0.4 percentage points), while the Western Cape remained stable. On a year-on-year basis, the official unemployment rate decreased by 0.2 percentage points. This decline was observed in four provinces, with Eastern Cape experiencing the largest decrease (5.3 percentage points), followed by KwaZulu-Natal (0.9 percentage points), Western Cape (0.7 percentage points), and Mpumalanga (0.2 percentage points). In contrast, increases were recorded in North West (2.3 percentage points), Limpopo (1.6 percentage points), Free State (0.9 percentage points), Gauteng (0.6 percentage points), and Northern Cape (0.5 percentage points). The expanded unemployment rate remained unchanged in the fourth quarter of 2024 compared to the third quarter. However, it increased in five of the nine provinces, with the most substantial increases observed in North West (1.3 percentage points), Free State (0.9 percentage points), and Gauteng (0.7 percentage points). Decreases in the expanded unemployment rate were recorded in Northern Cape (3.4 percentage points),

KwaZulu-Natal (0.9 percentage points), Western Cape (0.8 percentage points), and Mpumalanga (0.6 percentage points). Compared to the same period in the previous year, the expanded unemployment rate increased by 0.8 percentage points in the fourth quarter of 2024. Six out of the nine provinces reported increases in the expanded unemployment rate, with the largest increases occurring in Gauteng (1.5 percentage points), followed by Mpumalanga (1.4 percentage points) and KwaZulu-Natal (1.3 percentage points). Decreases in the expanded unemployment rate were observed in Northern Cape (3.2 percentage points), Western Cape (0.8 percentage points), and Limpopo (0.2 percentage points).

Figure 6: Official and Expanded unemployment rates across provinces

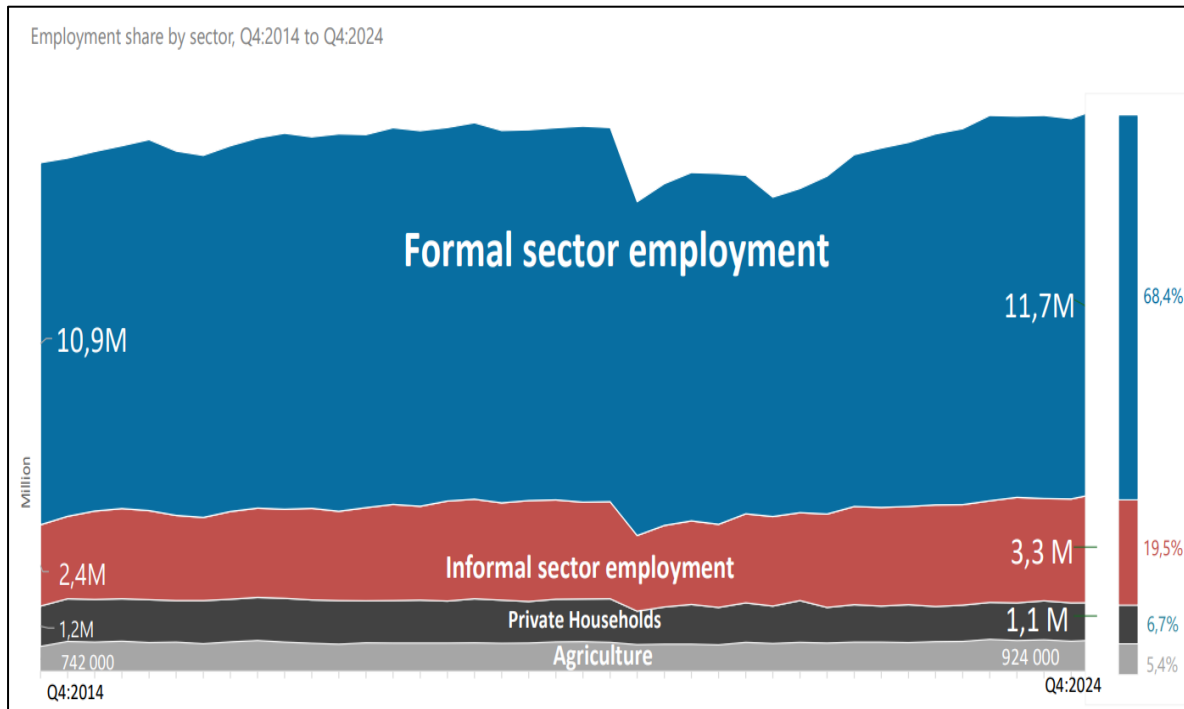


Source: StatsSA, 2024b

In the fourth quarter of 2024, the formal sector experienced employment growth in the Finance (179,000), Manufacturing (15,000), and Construction (12,000) industries compared to the third quarter of 2024. Conversely, the same period saw declines in formal sector employment within the Trade (41,000), Transport (30,000), Community and Social Services (29,000), Mining (13,000), and Utilities (4,000). When compared to the previous year, there was a net increase of 192,000 jobs in the formal sector, primarily driven by the Manufacturing (119,000), Community and Social Services (59,000), and Trade (27,000) industries in Q4: 2024. However, employment losses were noted in the Finance (53,000) and Utilities (8,000) sectors during this period.

In the informal sector, employment rose by 34,000 individuals in the fourth quarter of 2024 compared to the preceding quarter. This increase was largely attributed to the Finance (53,000), Transport (47,000), and Manufacturing (26,000) industries. Relative to Q4: 2023, the informal sector's employment growth was predominantly driven by the Manufacturing (49,000), Finance (37,000), and Trade (32,000) industries. Nonetheless, employment reductions were observed in the Community and Social Services (13,000) and Utilities (4,000) sectors during the same timeframe.

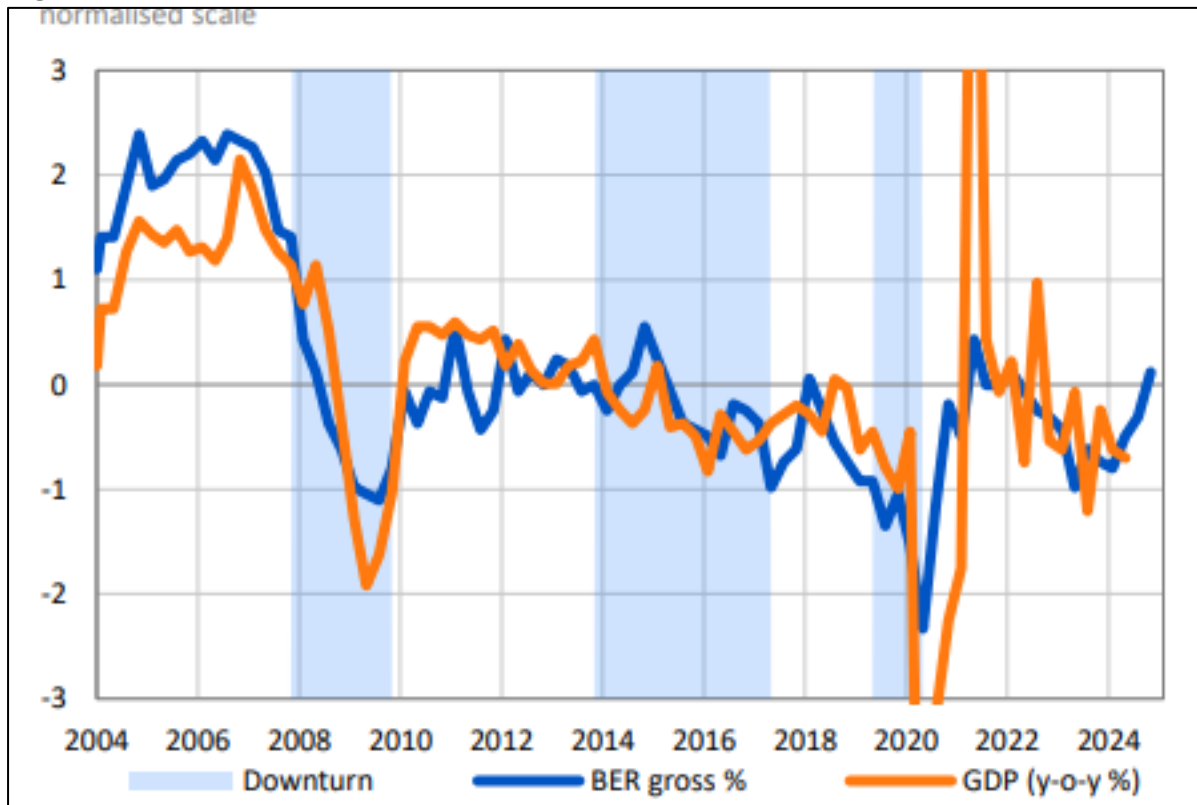
Figure 7: Formal and Informal sector in South Africa



Source: StatsSA, 2024b

The RMB/BER Business Confidence Index (BCI) increased to 45 index points in the fourth quarter of 2024, rising from 38 in the third quarter. This indicates that just under half of the respondents express satisfaction with the current business conditions. Notably, this marks the third consecutive increase, positioning the index nearly 20 points above the recent low of 27 observed in the second quarter of 2023. Encouragingly, this rise in sentiment is attributed to an enhancement in activity and improved business conditions compared to the third quarter.

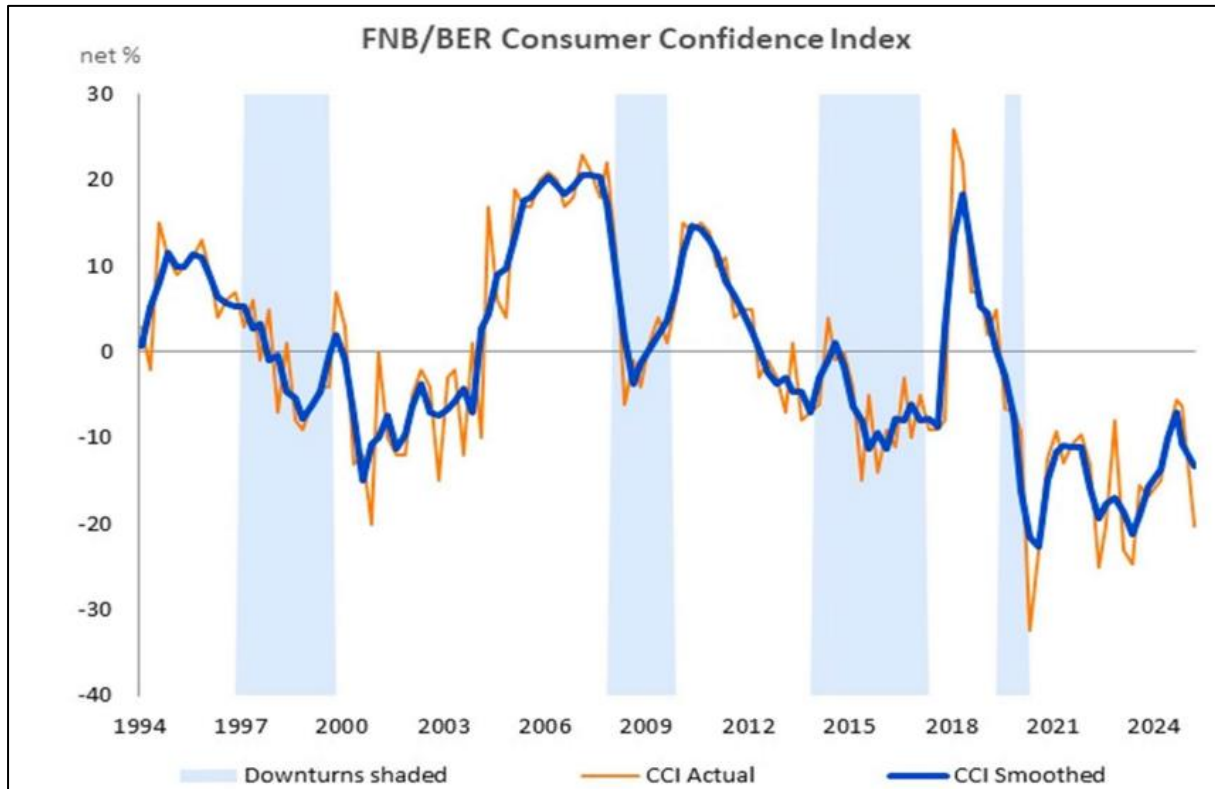
Figure 8: RMB/BER Business Confidence Index



Source: BER, 2024

The FNB/BER Consumer Confidence Index (CCI) experienced a notable increase from -15 index points in the first quarter of 2024 to a five-year peak of -5 in the third quarter. However, it subsequently declined by one point to -6 in the fourth quarter. Despite this slight decrease, retail sales during the festive season are anticipated to remain robust.

Figure 9: FNB/BER Consumer Confidence

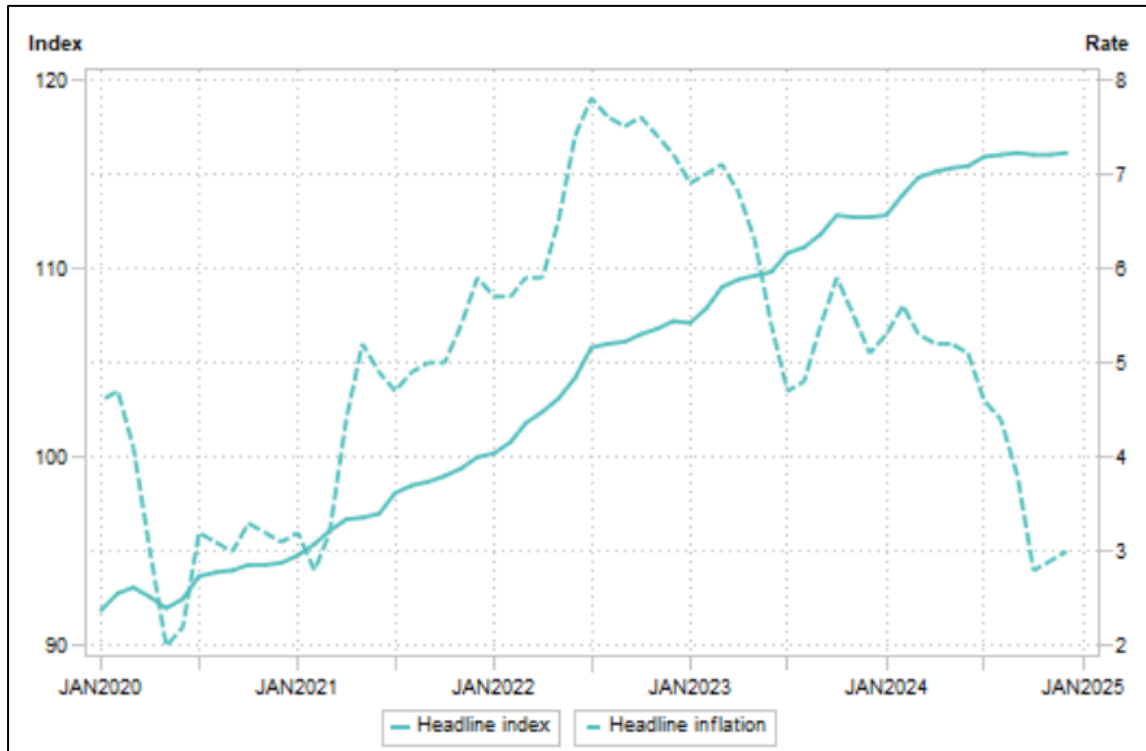


Source: BER, 2025

Other Key Economic Indicators

In December 2024, the annual consumer price inflation rate was recorded at 3.0%, an increase from 2.9% in November 2024. The Consumer Price Index (CPI) experienced a month-on-month rise of 0.1% in December 2024. The primary contributors to the 3.0% annual inflation rate were as follows: housing and utilities, which increased by 4.4% and contributed 1.0 percentage point; miscellaneous goods and services, which rose by 6.6% and contributed 1.0 percentage point; food and non-alcoholic beverages, which increased by 2.5% and contributed 0.5 percentage points; and alcoholic beverages and tobacco, which rose by 4.3% and contributed 0.3 percentage points. In December 2024, the annual inflation rate for goods was 1.9%, up from 1.6% in November 2024, while the rate for services was 4.2%, a slight decrease from 4.3% in November 2024. The average annual consumer price inflation for 2024 was 4.4%, calculated as the average CPI for all urban areas in 2024 compared to 2023. This represents a decrease of 1.6 percentage points from the corresponding average of 6.0% in 2023.

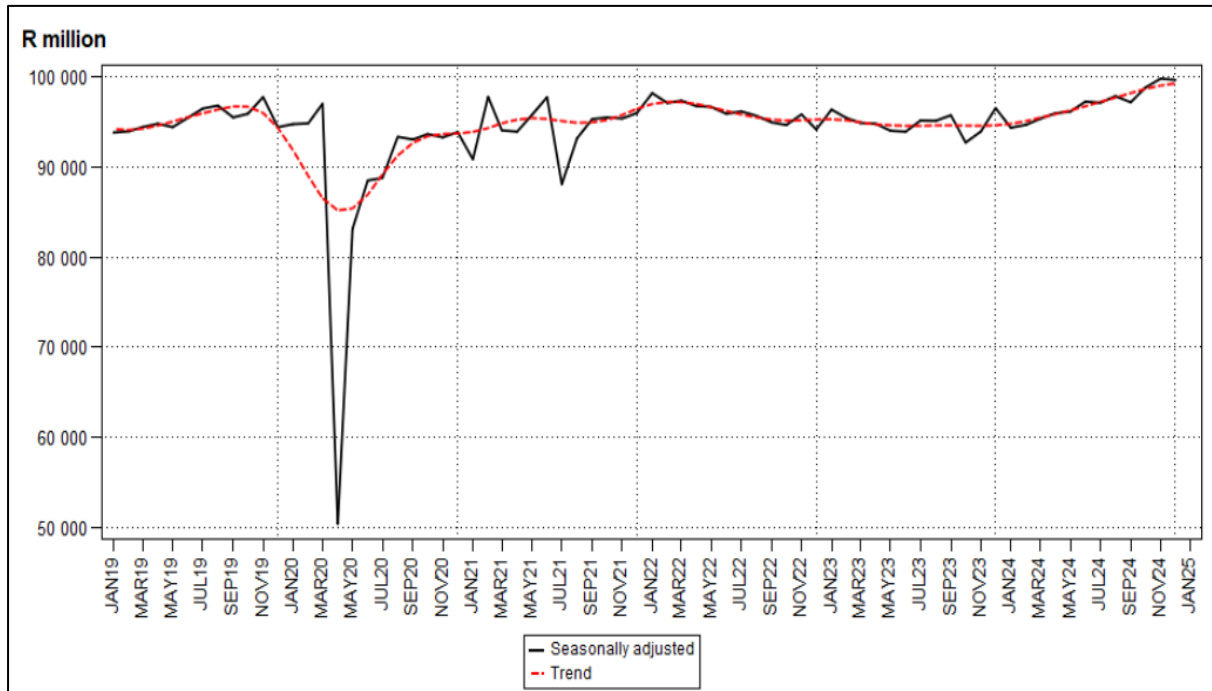
Figure 10: CPI headline index numbers and year-on-year rates



Source: StatsSA, 2025c

In real terms, measured at constant 2019 prices, retail trade sales experienced a year-on-year increase of 3.1% in December 2024. The most significant positive contributors to this growth were retailers in textiles, clothing, footwear, and leather goods, which saw a 7.8% increase, contributing 1.8 percentage points, and general dealers, which experienced a 2.0% increase, contributing 0.9 percentage points. However, seasonally adjusted retail trade sales declined by 0.1% in December 2024 compared to November 2024. This followed month-on-month changes of 1.0% in November 2024 and 1.7% in October 2024. Over the course of 2024, retail trade sales rose by 2.5% compared to 2023. During this period, five out of seven types of retailers demonstrated positive year-on-year growth rates. The most substantial positive contributor was general dealers, with a 4.6% increase, contributing 2.0 percentage points.

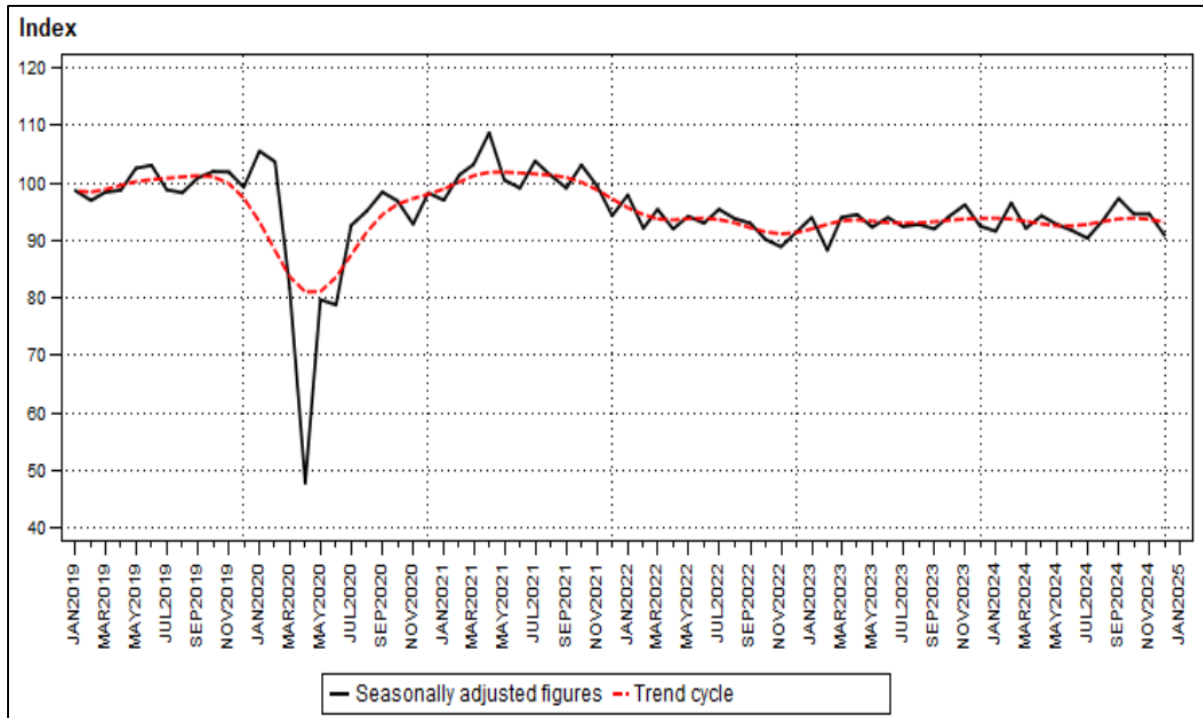
Figure 11: Retail trade sales at constant 2019 price



Source: StatsSA, 2024c

In December 2024, mining production experienced a year-on-year decline of 2.4%. The most significant negative contributors to this decrease were platinum group metals (PGMs), which fell by 7.1% and contributed -2.7 percentage points, and gold, which decreased by 8.4% and contributed -1.1 percentage points. Conversely, manganese ore and coal were the largest positive contributors, with increases of 8.7% and 2.5%, respectively, each contributing 0.5 percentage points. Seasonally adjusted mining production decreased by 3.9% in December 2024 compared to November 2024, following month-on-month changes of 0.0% in November 2024 and -2.8% in October 2024. Overall, total mining production in 2024 was 0.4% higher than in 2023. This 0.4% annual increase followed a 0.1% increase in 2023 and a 7.8% decrease in 2022.

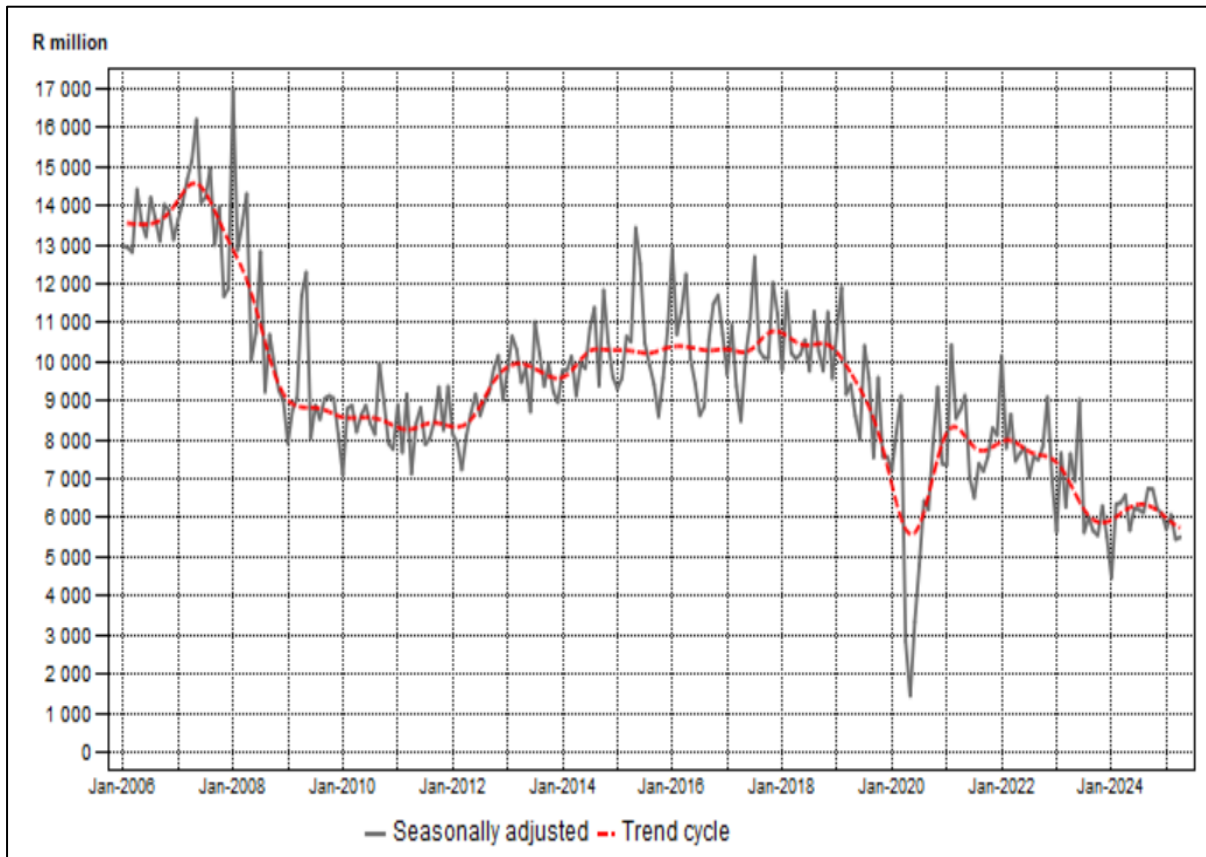
Figure 12 : Volume of mining production (Base: 2019=100)



Source: StatsSA, 2025e

The value of building plans passed (at current prices) decreased by 4,8% (-R1 478,3 million) during January to April 2025 compared with January to April 2024. Decreases were reported for residential buildings (-R1 813,3 million) and non-residential buildings (-R178,5 million). An increase was reported for additions and alterations (R513,5 million).

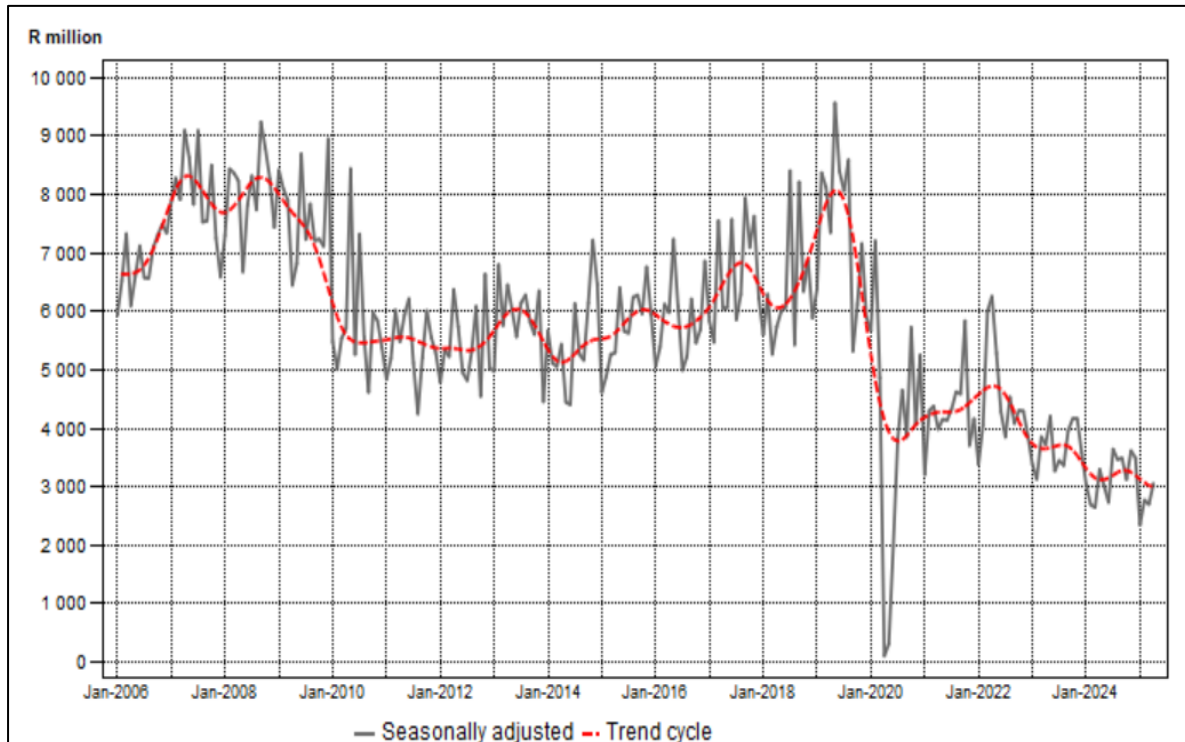
Figure 13: Real value of recorded building plans passed by larger municipalities, Constant 2019 prices



Source: StatsSA, 2024g

The real value of buildings reported as completed (at constant 2019 prices) decreased by 6,4% (-R691,1 million) during January to April 2025 compared with January to April 2024. Decreases were reported for additions and alterations (-R593,5 million) and non-residential buildings (-R256,1 million). An increase was reported for residential buildings (R158,5 million)

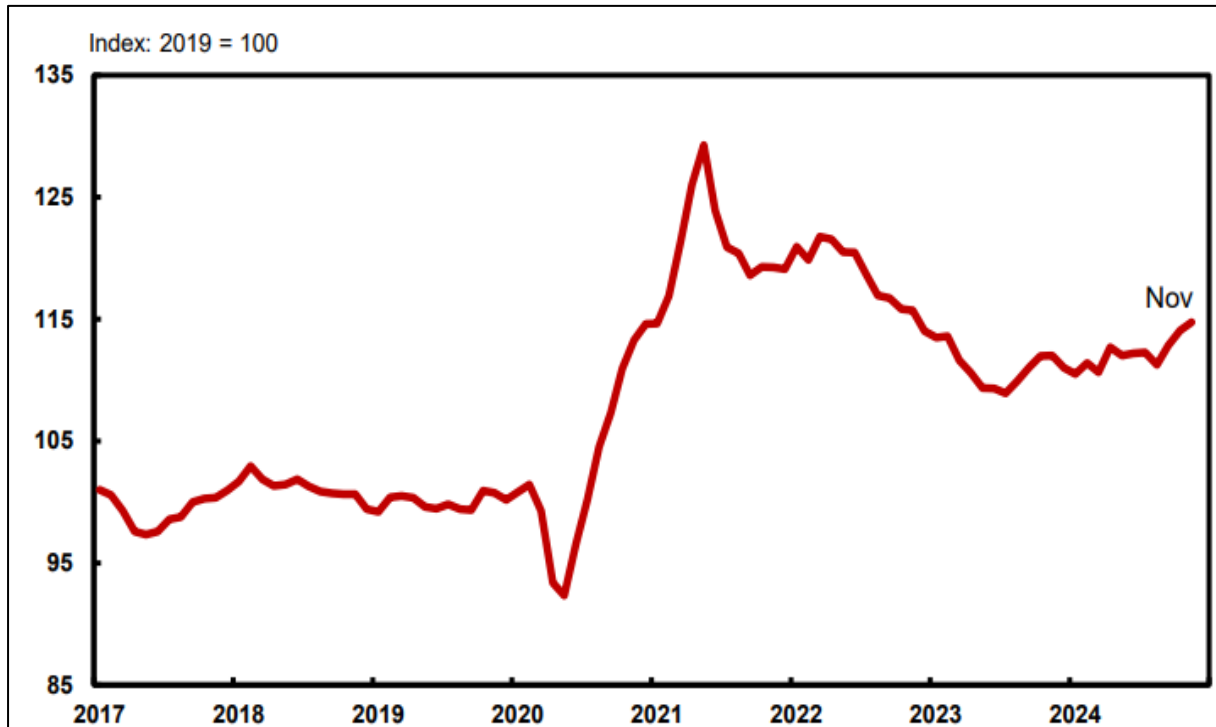
Figure 14: Real value of buildings reported as completed to larger municipalities



Source: StatsSA, 2024g

The composite leading business cycle indicator experienced a further increase of 0.6% in November 2024. This rise was attributed to increases in five of the ten available component time series, which outweighed decreases in four component time series, while one component time series remained unchanged. The most significant positive contributors were an acceleration in the six-month smoothed growth rate of new passenger vehicle sales and an improvement in the RMB/BER Business Confidence Index. Conversely, the most substantial negative contributors were a deceleration in the six-month smoothed growth rate of the real M1 money supply and a decline in South Africa's US dollar-denominated export commodity price index. The composite coincident business cycle indicator also increased by 0.6% in October 2024, primarily due to an increase in the real value of wholesale, retail, and motor trade sales. Additionally, the composite lagging business cycle indicator rose by 0.6% in October 2024.

Figure 15: Composite leading business cycle indicator



Source: SARB, 2025

3. GAUTENG ECONOMIC OUTLOOK

The latest employment trends in Gauteng have revealed a nuanced economic landscape. The province experienced a slide increase of 45 000 jobs, highlighting the ongoing challenges in the labour market. Alongside this increase, the unemployment rate in Gauteng rose by 0,4 percentage points, signaling growing pressure on job seekers. The expanded unemployment rate in the province increased slightly by 0.7 percentage point, suggesting stability in broader labour force measures amidst fluctuating employment dynamics.

Figure 16 illustrates that the absorption rate hovered around 50%–55%, while the LFPR remained relatively high, above 65%, indicating active labour market engagement by the working-age. A significant deviation occurs around the first quarter of 2020, coinciding with the onset of the COVID-19 pandemic. Employment dropped sharply, causing a visible dip in the bar series. This decline was accompanied by a parallel reduction in both the absorption rate and the LFPR, reflecting widespread job losses and temporary labour market exits. Despite subsequent recovery efforts, the absorption rate remains below pre-pandemic levels throughout the post-2021 period, suggesting a more gradual return to employment relative to population growth. Although the LFPR recovered marginally, the persistence of this gap highlights structural labour market challenges in Gauteng, such as informality, sectoral mismatches, and slow job creation. These dynamics underscore the importance of targeted employment strategies and skills development to boost absorption and enhance labour market resilience in the province.

Figure 16: Labour Force Indicators : Gauteng

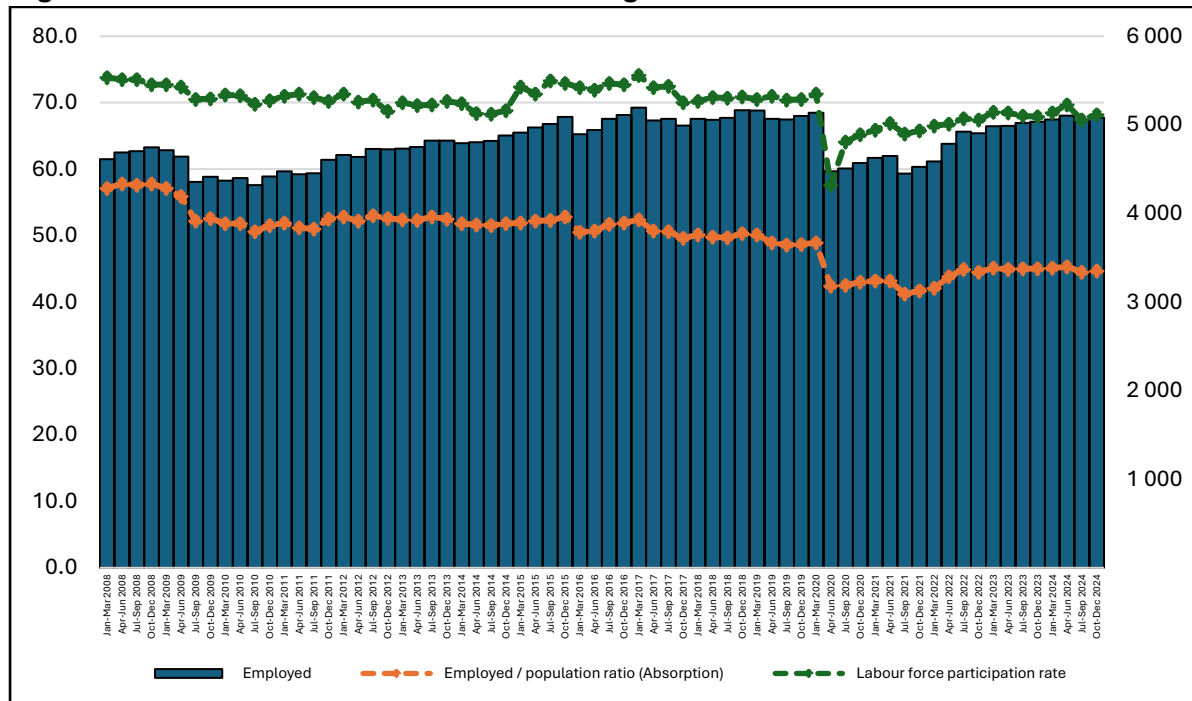
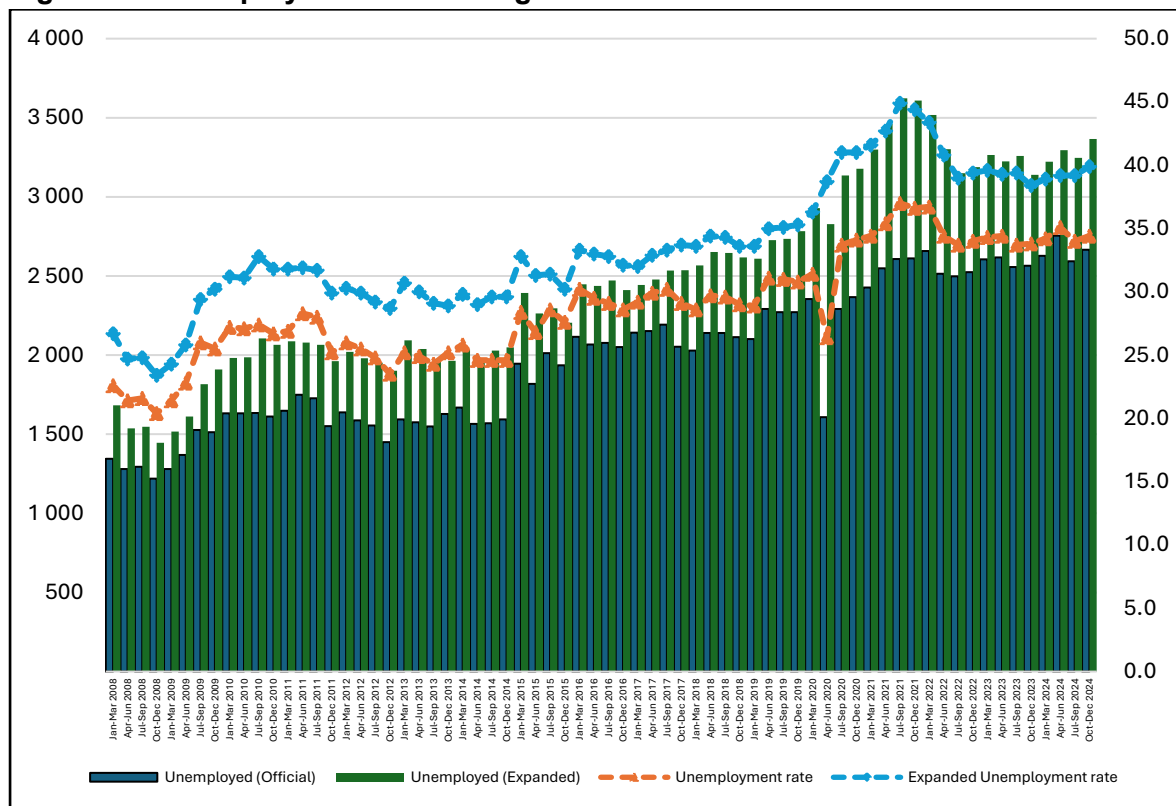


Figure 17 illustrates unemployment trends in Gauteng from Q12008 to Q4: 2024. Over this period, there is a clear upward trend in the number of officially unemployed individuals, particularly from around 2014 onwards, with a notable spike during the COVID-19 pandemic in 2020. The unemployment rate (orange dotted line) follows a consistent upward trend, starting at 22.6 percent in 2008 and increasing to 34.4 percent in Q4:2024. The sharp increase in 2020 coincides with the pandemic, indicating the severe disruption it caused to the labour market. The expanded unemployment rate (yellow dashed line) remains significantly higher than the official unemployment rate throughout the period, reflecting the broader challenges within the labour market. By 2024: Q4, it reaches 39.9%, signaling the widespread difficulty in finding employment in Gauteng.

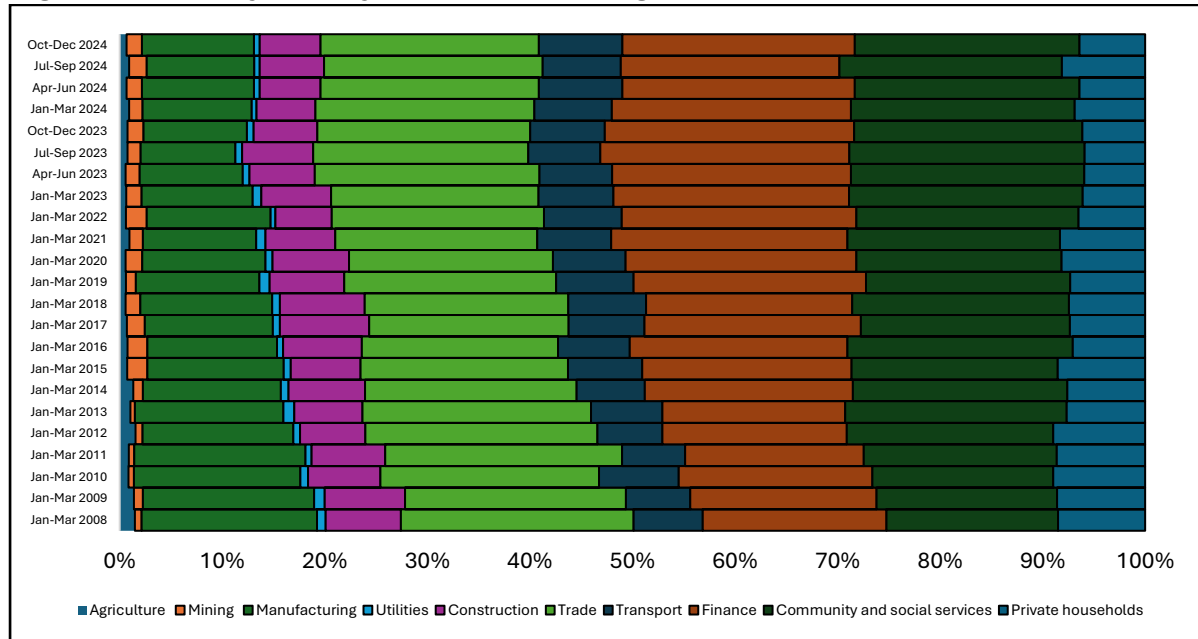
Figure 17: Unemployment in Gauteng



Source: StatsSA, 2024a

At provincial level, four sectors recorded net job losses, whereas seven sectors recorded gains. The highest number of jobs was lost in Private households (69 000) followed by trade (50 000), Community and social services (49 000) and transport (15 000). The highest gains were experienced in finance 85 000, followed by Community manufacturing 27 000, construction 17 000 and utilities 2 000.

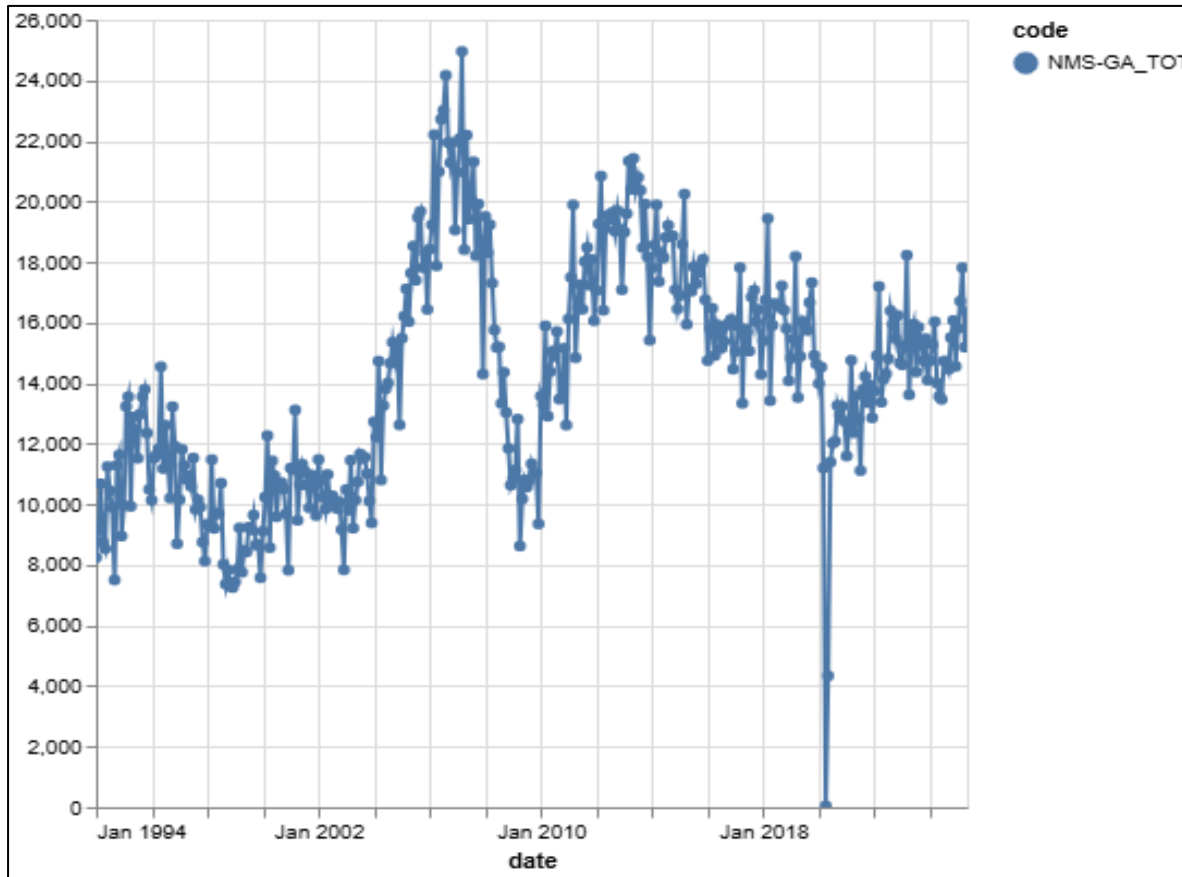
Figure 18: Employment by Sector for Gauteng Province



Source: StatsSA, 2024a

Figure 19 presents the monthly trend in total vehicle market sales in Gauteng, South Africa, from the early 1990s to December 2024. In the post-COVID-19 era, commencing in 2020, vehicle sales in Gauteng exhibit a moderate recovery from the significant disruptions induced by the pandemic. The initial decline observed in early 2020 can be attributed to the effects of lockdowns, supply chain interruptions, and economic uncertainty, which collectively suppressed consumer spending. However, from mid-2021 onwards, a gradual rebound is discernible, with monthly vehicle sales stabilizing between 14,000 and 18,000 units. This recovery likely reflects enhanced economic activity, the relaxation of lockdown restrictions, and government stimulus efforts, although it remains below the pre-2008 peak levels, indicating persistent structural constraints. Despite this recovery, the post-COVID trajectory remains uneven, with sales exhibiting volatility rather than a sustained upward trend. This suggests that while the sector is rebounding, broader economic challenges such as rising interest rates, inflation, and fuel costs continue to constrain consumer purchasing power and financing capacity. For policymakers, this underscores the necessity for targeted support to stimulate demand and enhance affordability, while also promoting alternatives such as public transportation and green mobility to adapt to evolving economic and environmental conditions.

Figure 19: Gauteng Vehicle Sales



Source: StatsSA, 2024g

4. CITY OF JOHANNESBURG OUTLOOK

The objective of this chapter is to provide essential information to policy makers within the city by presenting socio-economic data and analysis for evaluating the effectiveness of the city's social and economic policies. The chapter primarily utilizes secondary data to examine the city's demographic, socio-economic, and basic service delivery profiles. Understanding current economic indicators and conditions, such as employment rates and sectoral performance, is crucial in shaping the city's development trajectory. High unemployment rates, for instance, highlight the need for job creation initiatives, while the performance of key sectors can identify areas with growth potential or those requiring support. Through analysing economic indicators, a strategy can be developed to address specific challenges and opportunities within the region, ensuring that interventions are both relevant and effective.

Johannesburg, the largest city in South Africa and a hub for international trade, possesses a dynamic and diverse economy encompassing finance, manufacturing, mining, logistics, tourism, information technology, and the creative industries. Historically, Johannesburg has been a significant economic centre for South Africa and the African continent. Although Johannesburg remains the largest metro in terms of population and economic output, macroeconomic variables such as inflation, sluggish GDP growth, high unemployment, and poor investment conditions have negatively impacted its economic environment. Furthermore, the Covid-19 pandemic has exacerbated socio-economic hardships in vulnerable communities across various sectors.

The City of Johannesburg's economy is characterized by its dynamism and global reach, with the services sector comprising a significant portion of its economic output. In fact, the services sector accounts for 78% of the City's GDP, with its largest industries including finance, insurance, real estate, and business services (28% of GDP), community services (24% of GDP - encompassing government), retail and wholesale trade (15% of GDP), and transportation, storage, and communication (9% of GDP). Additionally, the City's manufacturing sector, which falls under the secondary sector of the economy, also makes a substantial contribution to its economic output, accounting for 15% of GDP. Although the City's origins were rooted in gold mining, the dominant sector of the economy has since shifted. Modern Johannesburg's foundations are in gold mining, but the city's features and key economic strengths have evolved and may now be best summarized as follows:

- The city is widely acknowledged as a prominent regional financial, business services, and trading hub on a global scale.
- It boasts a substantial, diversified economy, which contributes positively to the agglomeration effects for businesses of all sizes.
- Moreover, the city and its surrounding areas in Gauteng Province function as a key transport, logistics, and communication hub for the region.
- The city's infrastructure, comprising air, road, and rail links, provides seamless connectivity to South and Southern African markets and the global marketplace.
- The city is also home to a significant presence of multinational corporations and is recognized as a regional headquarters for major corporations.
- Furthermore, Johannesburg is a melting pot of cultures, offering a consumer market of approximately 6.1 million people and a potential labour force within the borders of Gauteng Province.
- Additionally, the city has a thriving informal sector, although many workers are compelled to seek livelihoods in this sector due to the high demand for jobs.

Johannesburg, like many other big developing world cities, faces tremendous obstacles. Some are relics of the country's racist apartheid history, while others are the consequence of more recent global, regional, and local political, social, and economic processes. The following are the most significant economic challenges:

- High levels of poverty and inequality in Johannesburg with some 40.6% of the population living below the upper poverty income line as defined by Statistics SA.
- Income inequality in South Africa is among the highest in the world and in Johannesburg there are stark contrasts between rich and poor in income levels, living conditions and access to services, resources and opportunities.
- High levels of unemployment with the official rate of unemployment in the city at 34.7% in the October to December 2024 quarter. An inadequate rate of job creation is a major challenge to overcome, being the result of flagging economic growth, suboptimal education and training system outcomes, and a skills mismatch in the labour market with an abundant supply of semi-skilled and unskilled workers and a shortage of skills.
- Lagging economic growth and low rates of investment in production capacity and physical infrastructure. South Africa's infrastructure constraints extend beyond the realm of electricity. Despite the substantial recovery in global commodity prices in 2022, the country's mining exports were unable to capitalize fully on this upswing. This

can be attributed to the sabotage, vandalism, and scarcity of locomotives experienced by Transnet, the state-owned railway operator. Moreover, it is anticipated that water shortages will persist and intensify, posing a threat to the mining, agriculture, automobile, and energy sectors, all of which are heavy water users.

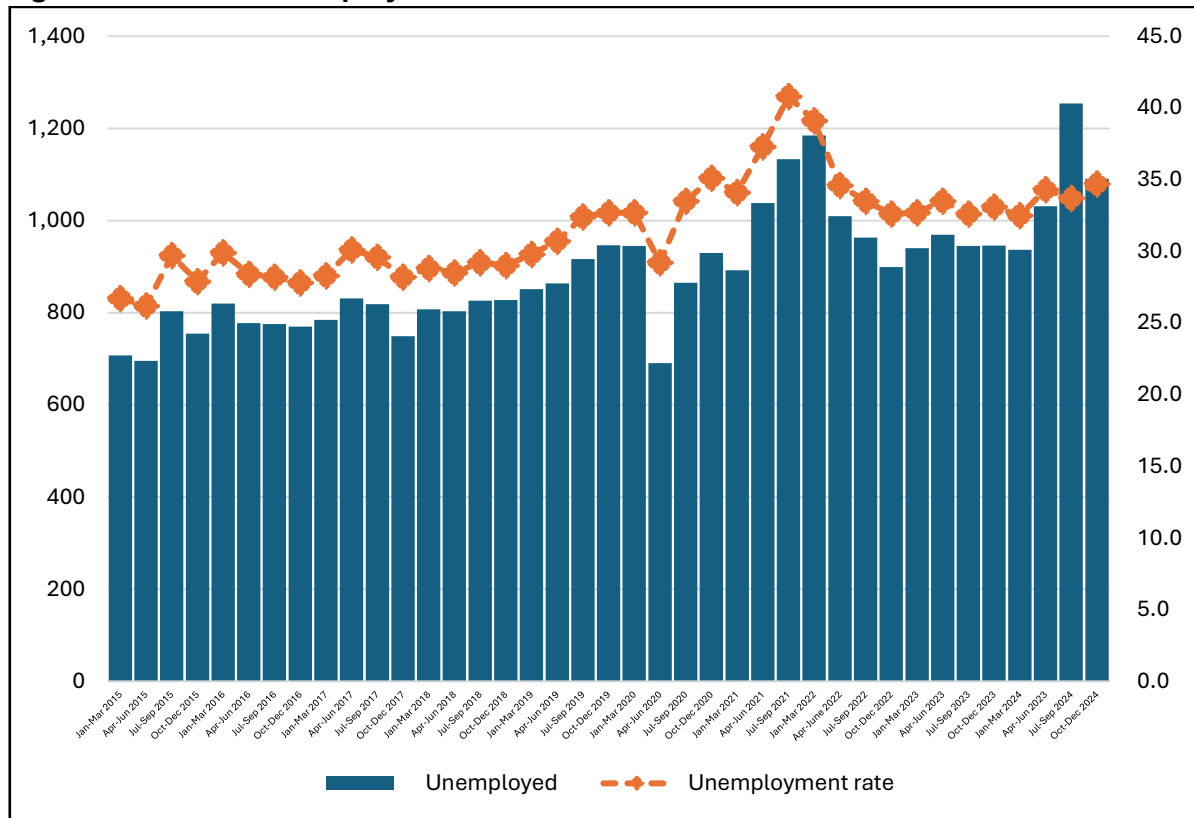
- Uneven spatial economic development in Johannesburg flowing from the discriminatory ideology of the apartheid era has left a legacy of inadequately served dormitory townships on the outer periphery of the city. It has also left a fragmented and inefficient urban form. A subsequent influx of migrants from elsewhere in South Africa and the African Region has also led to mushrooming informal settlements and overcrowding in inner city areas. For residents of townships and informal settlements this has meant hardship - poor access to services, long commutes to places of work and overcrowding and lack of adequate and decent housing. Access to decent housing, services and jobs requires spatial development which takes jobs to people and people closer to jobs.

Promoting entrepreneurship, innovation, enterprise growth and competitiveness to grow the economy and create jobs is a priority. Developing and supporting micro, small and medium-sized entrepreneurs, enhancing skills development, promoting research, innovation and technology adoption, and attracting and retaining corporate investment are among the focus areas required.

Labour

The City of Johannesburg's economic outlook primarily comprises an analysis of the labour force utilizing the Quarterly Labour Force Survey (QLFS). This analysis then draws implications for the local economy based on global and national economic trends. The labour force of a nation consists of individuals of working age (above a certain age and below retirement) who are actively participating as workers, i.e. those who are either employed or seeking employment. This group is also referred to as the economically active population (EAP). Excluded from this group are students, retirees, stay-at-home parents, individuals in prisons or similar institutions, those employed in jobs or professions with unreported income, as well as discouraged workers who are unable to find employment.

Figure 20: Official Unemployment Rate



Source: StatsSA, 2024

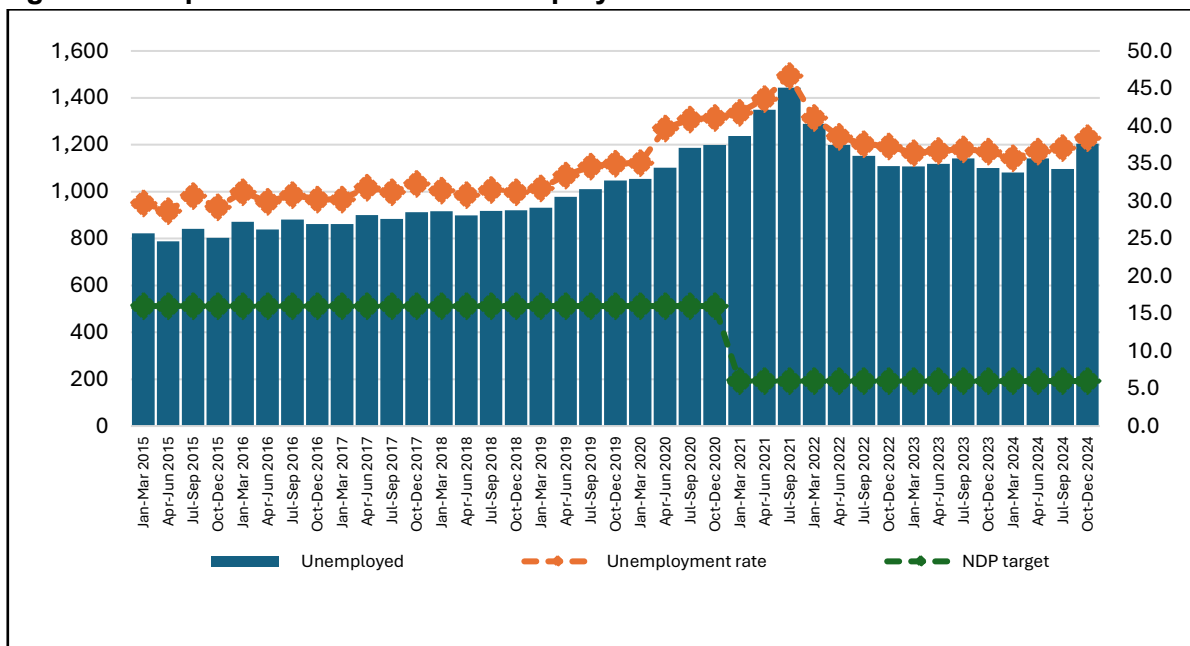
The City of Johannesburg unemployment trend has on average been on the downward trajectory since the third quarter of 2021. The unemployment rate declined from 40.8% in Q3 2021 to 34.7 percent in Q4:2024 representing a decline of 6.1 percentage points. When comparing with the same quarter of 2023, unemployment increased by 1.6 percentage points. The number of unemployed persons increased from 946 000 in 2023: Q4 to 1.09 million in 2024:Q4.

The official unemployment rate in Johannesburg is higher (34.7%) than that of the country (31.9%) and Gauteng (34.4%). The City has the higher labour force participation rate that is higher (70.4%) compared to that of the country (60.3%) and that of the province (68.2%).

Within Gauteng metros, the City of Ekurhuleni has the lowest unemployment rate of 31.1% followed by the City of Tshwane with 32.8% then Johannesburg is leading at 34.7%. The City of Tshwane has the lowest unemployment from the expanded definition within Gauteng with the rate of 37.8% followed by City of Johannesburg with 38.4% and City of Ekurhuleni is leading with 39.2%. The other attributing factor to higher unemployment rate in Johannesburg is lower discouraged work seekers and the working age population. Johannesburg, the largest metropolitan area in South Africa, serves as a major hub for both internal and external migrants. This can be attributed to its status as the economic center of Gauteng, the driving force behind the national economy, as well as its close proximity to two other metropolitan municipalities, Tshwane and Ekurhuleni. Furthermore, its location makes it easily accessible to neighbouring countries. The city's economy has consistently generated a substantial number of job opportunities annually, attracting work-seekers from all skill levels, including

professionals, skilled, semi- and unskilled individuals. However, the unemployment rate in the city continues to deviate from the national target of 6% by 2030, which is a cause for concern.

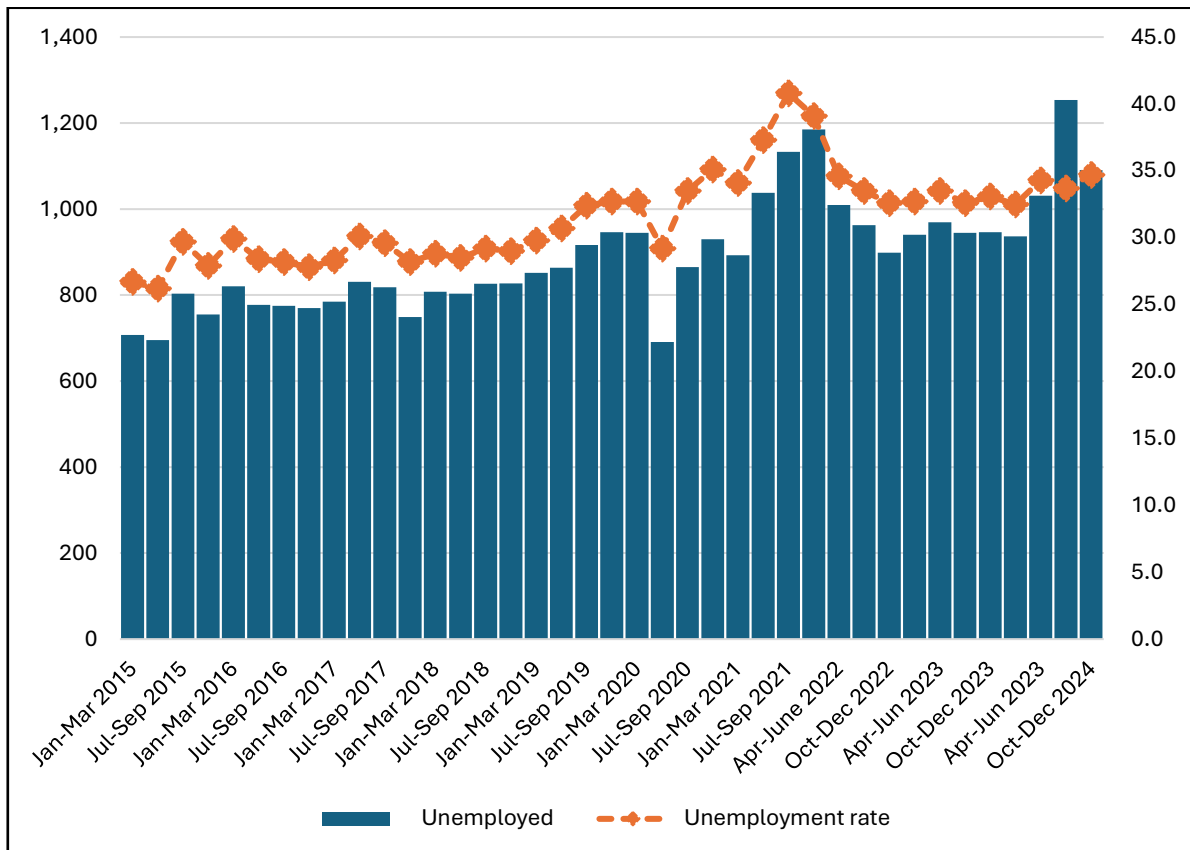
Figure 21: Expanded definition of unemployment



Source: StatsSA, 2025

Expanded definition of unemployment is important in that it looks at unemployment comprehensively by including the discouraged work-seekers. This entails that it includes those who are actively seeking for employment and those who have given up. The trend for expanded unemployment just like the official unemployment mirrors each other with downward trends since Q3:2021. The expanded unemployment rate decreased from 46.7% in 2021:Q3 to 38.4% in Q4:2024 which entails that the number of unemployed people decreased from 1.44 million to 1.20 million during the same period. The expanded unemployment rate in the City is lower than that of the country (41.9%) and that of the province (39.9%).

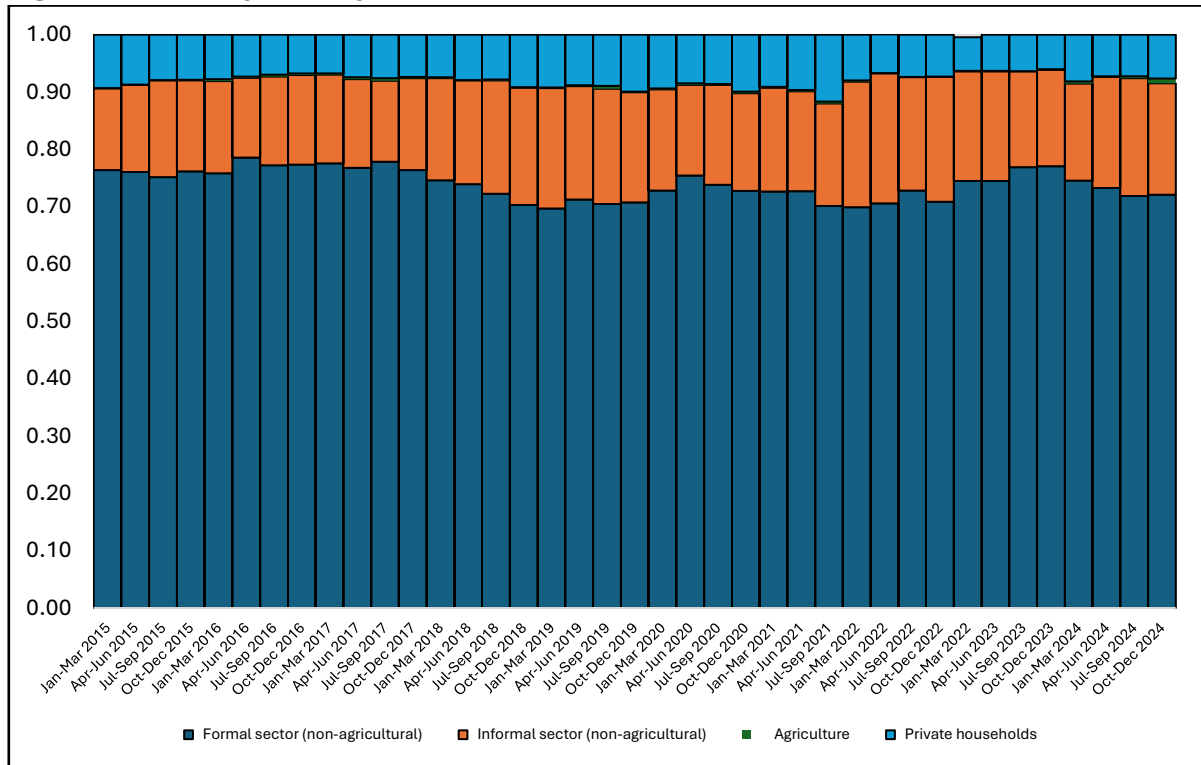
Figure 22: Labour force characteristics



Source: StatsSA, 2025

In general, the City of Johannesburg's employment has nearly rebounded from its pre-COVID-19 levels in Q1:2020. 1.94 million individuals were employed in the fourth quarter of 2024, which translates to just 11 000 less jobs compared to the pre-COVID numbers (2020:Q1). Positive trends in employment are also evident in the City, where there has been a 26 000 rise in jobs over the same period last year. Although it is still -3.5 percentage points lower than it was prior to the COVID-19 pandemic, the employment absorption ratios are progressively improving. Positive trends may also be seen in the labour force participation rate, which has been rising since Q3 of 2020. This can be explained by the fact that a large number of people began looking for work following the strict lockdown measures of Q2 2020.

Figure 23: Employment by Sector



Source: StatsSA, 2025

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established. Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formal sector non-agricultural employed in City of Johannesburg Metropolitan Municipality counted 1.40 million in Q4:2024, which is about 72.08 percent of total employment, while the number of people employed in the informal sector (non-agricultural) counted 377 000 or 19.48 percent of the total employment. Private household employment accounted for 148 000 jobs in the City which equates 7.65 percent of the jobs in the City.

The data presented reveals the influence of low national economic growth and inadequate national infrastructure, such as weak electricity supply, on the City's economy. Most industries in the City failed to make substantial contributions in terms of average annual economic growth. Consequently, there is a need to focus on sustaining industrial sectors while fostering a knowledge-based and service-oriented economy, by implementing appropriate industry

development strategies and attracting investment to construct infrastructure and stimulate growth in the city.

To achieve higher economic growth, the city must expand the capabilities of its workforce on a large scale. Improved education outcomes will likely lead to increased investment opportunities, resulting in more employment prospects and a lower unemployment rate. Although social grants have a positive impact on poverty reduction in the city, job creation is the most crucial factor for reducing poverty. An accelerated reduction of poverty can be achieved most efficiently through a better educated and skilled workforce. Moreover, enhanced education outcomes can eliminate skills constraints, which increase the premium for skilled labour, resulting in lower levels of income inequality.

Assistance and support ought to be furnished to floundering industries, particularly those that are labour-intensive such as agro-processing, manufacturing, tourism, small and medium-sized enterprises (including the informal sector), and construction. To achieve inclusive growth, it is imperative to develop a clear vision for each industry, which will be facilitated by the local economic development plan that is currently underway. This plan will aid industries in achieving growth and fostering economic participation.

In conclusion, the DED strives to attain inclusive growth for the city by examining the extent to which people living in specific regions can benefit from economic growth and national prosperity, as well as their ability to participate in the economy. It is crucial to scrutinize the differences between regions to identify geographical patterns in economic inclusion and prosperity.

In conclusion, the DED strives to attain inclusive growth for the city by examining the extent to which people living in specific regions can benefit from economic growth and national prosperity as well as their ability to participate in the economy. It is crucial to scrutinize the differences between regions to identify geographical patterns in economic inclusion and prosperity.

REFERENCES

IMF (2025). April 2025 World Economic Outlook Update. Washington, D.C.

South African Reserve Bank (2025). Quarterly Economic Review.

Statistics South Africa (2025a). Gross domestic product, First quarter, 2025. Statistical Release of P0441

Statistics South Africa (2025b). Quarterly Labour Force Survey, Quarter 1:2025. Statistical analysis of P0211

Statistics South Africa (2025c). Consumer Price Index (CPI), May 2025. Statistical analysis of P0141

Statistics in South Africa (2025d). Retail Trade Sales, May 2025. Statistical analysis of P06242.1

Statistics South Africa (2025e). Mining Production and Sales, May 2025. Statistical Release P2041.

Statistics South Africa (2025f). Building Statistics, May 2025. Statistical Release P5041.3 and Report-50-11.01

Statistics South Africa (2025f). Manufacturing Production and Sales, May 2025. Statistical analysis of P3041.2

Statistics in South Africa (2025g). Motor Trade Sales, May 2025. Statistical analysis of P6343.2

