



# Annual Economic Review



a world class African city

2025



// // With its favourable climate, developed infrastructure, and its strategic geographic and economic position at the centre of the nation, Johannesburg has the potential to overcome the challenges of sluggish economic growth and reach the heights of its vast capabilities. To realise this potential, it will be essential for Johannesburg to draw investment into its primary and secondary sectors. This is crucial not only for the city itself but also for South Africa, considering Johannesburg's importance to the national economy // //

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## List of Abbreviations

|          |  |
|----------|--|
| CoJ      | City of Johannesburg   |
| DED      | Department of Economic Development   |
| EAP      | Economically active population   |
| GVA      | Gross value added (a measure of economic output that excludes taxes and subsidies) |
| HDI      | Human development index  |
| JHB      | Johannesburg   |
| Metro    | Metropolitan (Category A) Municipality   |
| The City | City of Johannesburg   |



# Executive Summary

## Introduction

### 1 People: Johannesburg's population and urban footprint in context

Demographics, or population characteristics, involve analysing the composition of a region's population. This includes examining the distribution of values within demographic variables and across households, as well as identifying trends over time. The total population of a region refers to the number of people living there, measured around the middle of the year. The population can be further categorised by population group, as well as by age and gender. Age groups are divided into 5-year cohorts, such as 0-4, 5-9, 10-14, and so on. This section provides an overview of the demographics of Johannesburg, Gauteng Province, and South Africa as a whole.

#### 1.1 Johannesburg's population in a global context

Comparing populations and land areas globally over time is challenging due to changing definitions of cities and the boundaries of municipal areas. Cities that were once geographically separate have often expanded and merged, forming larger functional urban agglomerations. In some cases, local government administrative boundaries have changed, while in others, cities remain administratively separate. The combined populations of some of these largest global urban agglomerations are now larger than many countries.

Johannesburg, as defined by the administrative boundaries of the CoJ Metropolitan Municipality, had an estimated population of 6.13 million in 2024, according to S&P Market Intelligence. Based on data from the Demographia World Urban Areas 19th Annual Edition (April 2023), Johannesburg's population is slightly larger than that of cities such as Barcelona (Spain), Alexandria (Egypt), and Abidjan (Côte d'Ivoire).

#### 1.2 Johannesburg's population in a national, provincial and sub-regional context

Population statistics are important when analysing an economy, as population growth directly and indirectly affects employment, unemployment, and other economic indicators such as economic growth and per capita income.

Between 1996 and 2024, Johannesburg's population grew by 120%, compared to a 99% increase in Gauteng's population and a 52% increase in the national population. The absolute increases and the comparative average annual population growth rates for South Africa, Gauteng, and the city's sub-metro regions over this period are shown in Table 1.1 below.

**TABLE: 1.1: COMPARATIVE CHANGES IN GROWTH RATES OF POPULATION BETWEEN 1996 AND 2024**

| Region   | Change in Population: 1996 to 2024 | Average Annual % Change in Population: 1996 to 2024 |
|--|------------------------------------|---|
| <b>South Africa</b>                            | <b>21,998,741</b>                  | <b>1.5</b>  |
| <b>Gauteng</b>                                 | <b>8,266,012</b>                   | <b>2.5</b>  |
| <b>JHB</b>                                     | <b>3,347,133</b>                   | <b>2.9</b>  |
| Region A: Midrand / Diepsloot                  | 851,940                            | 6.6   |
| Region B: Randburg / Rosebank                  | 164,150                            | 1.9   |
| Region C: Roodepoort                           | 776,372                            | 5.0   |
| Region D: Soweto                               | 354,096                            | 1.2   |
| Region E: Sandton / Alexandra                  | 331,650                            | 2.7   |
| Region F: Inner City / Southern Joburg         | 384,343                            | 2.4   |
| Region G: Deep South / Ennerdale / Orange Farm | 484,582                            | 2.8   |

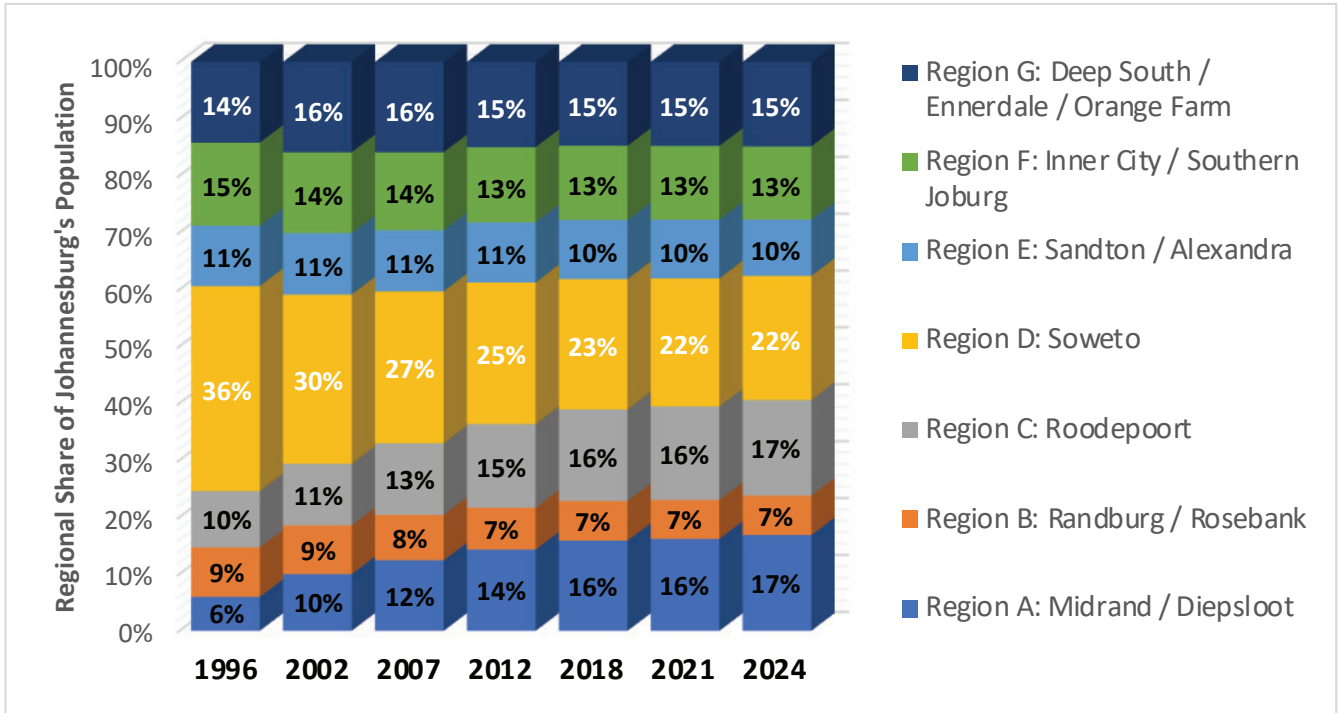
Data Source: IHS Markit Regional Explorer 2236 (2.6p)

With an average annual growth of 2.9% over the period, Johannesburg’s population growth rate was almost double that of the country, the latter being 1.5% per annum. The comparable growth for Gauteng Province was 2.5% per annum. From the data in Table 1.1, it is clear regions of the city experienced varying rates of growth. Most notably, the population of Region A (Midrand and Diepsloot) grew at a disproportionately high rate of 6.6% a year, which is more than double the city’s overall population growth rate. Roodepoort’s (Region C) population grew at 5% a year over the same period. In contrast, Soweto (Region D) had the slowest average population growth rate of 1.2% per annum between 1996 and 2024.

The impact of these differentials in population growth rates on the regional structure of Johannesburg’s population is reflected in Figure 1.1. While Region D continues to house the largest proportion of the city’s population, its share has decreased from almost 36% in 1996 to around 22% in 2024. By way of contrast, Region A’s share of the population has risen from 6% in 1996 to almost 17% in 2024. Region C’s has risen from just under 10% in 1996 to 17% in the same period. From 1996 to 2024, Regions A and C experienced an increase in the percentage share of the population, while B, D, E, F and G saw a decrease in the percentage share of the population.



**FIGURE 1.1: THE REGIONAL COMPOSITION OF JOHANNESBURG'S POPULATION**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Johannesburg (as defined by its CoJ Metropolitan Municipality boundaries) has an urban footprint measuring 1,645 km<sup>2</sup>. According to city data in the 2023 edition of Demographia, it would rank on this basis as the 31<sup>st</sup> largest urban land area in the world. In size, it is similar to Riyadh (Saudi Arabia), Chengdu (China), Tehran (Iran), Manila (Philippines), and London (UK). A global perspective shows the largest urban footprints are the New York / New Jersey / Connecticut conurbation at 11,875 km<sup>2</sup>, Boston / Providence at 9,189 km<sup>2</sup>; and Tokyo / Yokohama at 8,547 km<sup>2</sup>. In comparison, the land area of the Gauteng City Region (which consists of Johannesburg, Ekurhuleni, Tshwane, Metsweding, West Rand and Sedibeng) is 18,178 km<sup>2</sup>.

Whilst having the largest population of South African metros, Johannesburg has the smallest land area (see Table 1.2.). Based on 2024 data, Johannesburg had 1,327,061 more inhabitants than Cape Town, the next most populous metro; and 4.28 million more people than the two smallest metros combined (Mangaung and Buffalo City). Johannesburg's comparatively large population against a relatively small urban footprint means it has the highest population density (at 3,726 people/km<sup>2</sup>) of South Africa's metros.



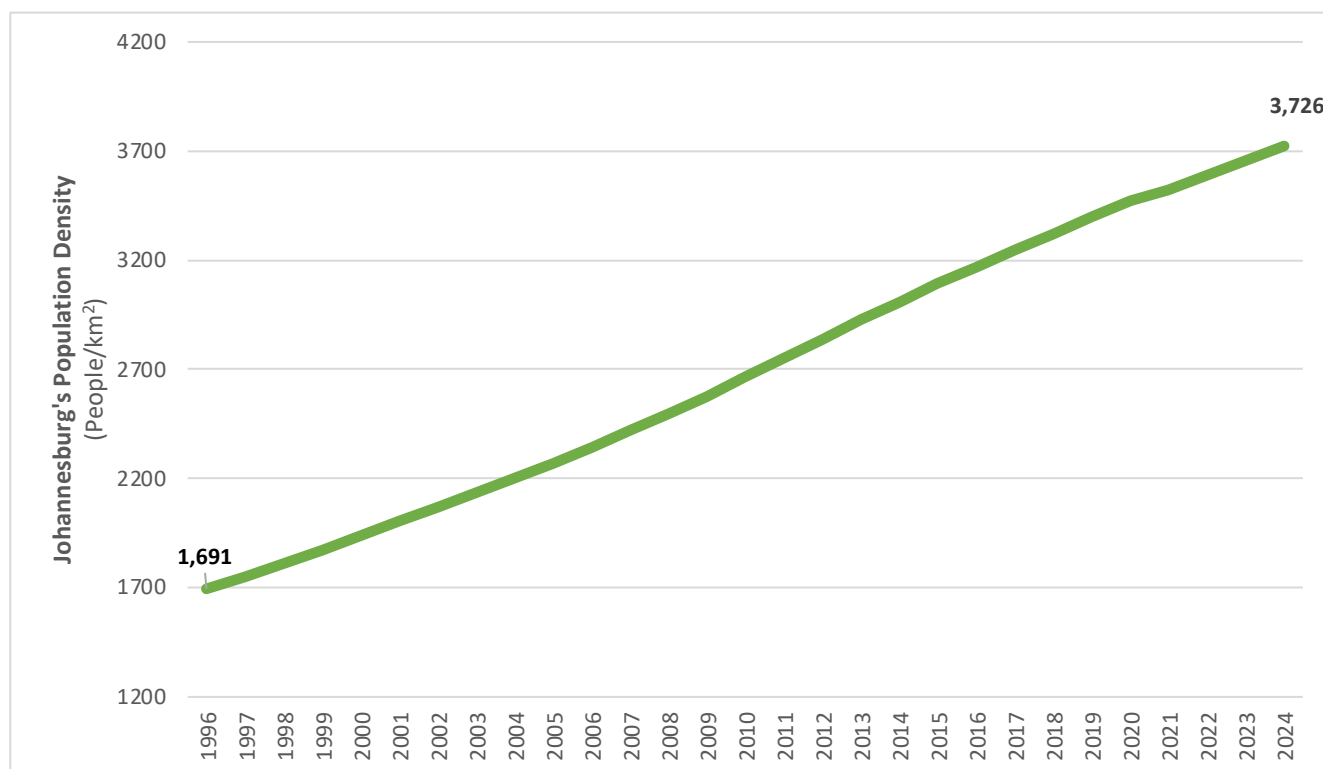
**TABLE 1.2: COMPARATIVE POPULATIONS, LAND AREA AND POPULATION DENSITIES OF SOUTH AFRICA'S METROS 2024**

| Metro              | Population | Urban Footprint (km <sup>2</sup> ) | Population Density (people/km <sup>2</sup> ) |
|--------------------|------------|------------------------------------|--|
| Johannesburg       | 6,129,528  | 1,645                              | 3,726  |
| Cape Town          | 4,802,467  | 2,446                              | 1,962  |
| eThekweni          | 4,458,281  | 2,556                              | 1,745  |
| Ekurhuleni         | 4,221,941  | 1,975                              | 2,139  |
| Tshwane            | 4,041,327  | 6,298                              | 642  |
| Nelson Mandela Bay | 1,322,783  | 1,957                              | 676  |
| Mangaung           | 939,339    | 9,886                              | 95   |
| Buffalo City       | 909,559    | 2,750                              | 331  |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Urban sprawl and lower population densities exacerbate urban management and municipal service delivery challenges for any city government. Over the years it has become a spatial planning imperative for Johannesburg to increase population densities as the city evolves and grows. Higher population densities make it possible to deliver better infrastructure and city services to citizens. Evident from Figure 1.2 is the fact that the average population density for Johannesburg has risen steadily from 1,691 people/km<sup>2</sup> in 1996 to 3,726 people/km<sup>2</sup> in 2024.

**FIGURE 1.2: JOHANNESBURG'S POPULATION DENSITY 1996-2024**

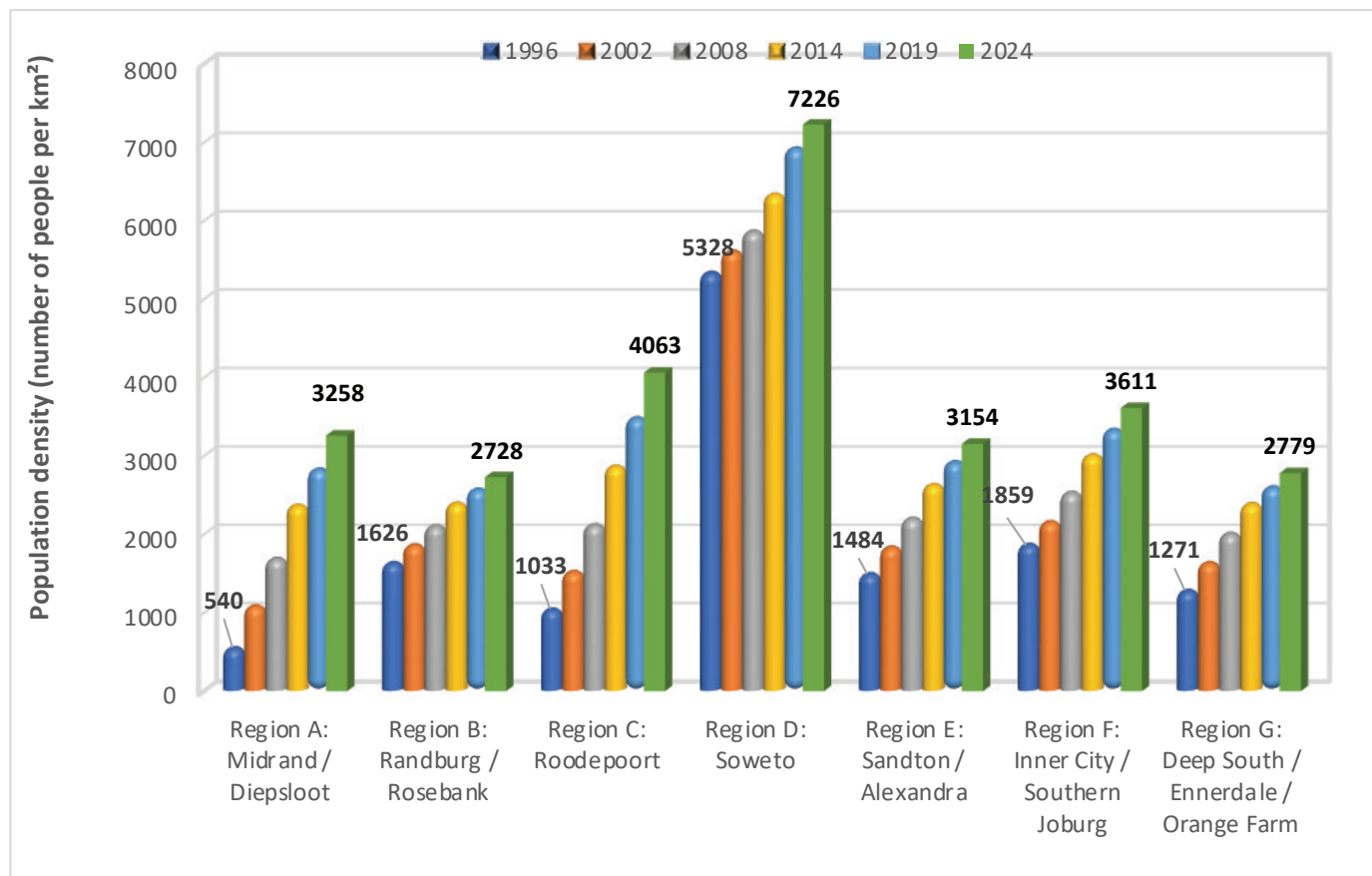


Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Broad trends in the population densities of Johannesburg's city regions are reflected in Figure 1.3. It is clear that population densities have increased in all regions, however the increase in density appears to have

been the steepest in Regions A (Midrand and Diepsloot) and C (Roodepoort). Besides Region D (Soweto), which has maintained its higher population density compared to the other regions, the number of people per square kilometre across the regions had by 2024 risen to somewhat similar levels. In Figure 1.3 it can be seen that besides Soweto, all the city regions had by 2024 densities of between 2,549 and 3,564 people/ km<sup>2</sup>. However, at ward level one can expect to have greater variation in population densities.

**FIGURE 1.3: CHANGING POPULATION DENSITIES OF JOHANNESBURG’S REGIONS 1996- 2024**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 1.4 compares the age and gender characteristics of the population of Johannesburg with that of South Africa. (The national population is represented by the gold outline.) Significant differences in age structure to be noted are:

- A larger share of the population of Johannesburg are young working-age people, 25-34 years (18.9%), compared to the share for South Africa (16.6%).
- A smaller proportion of the population of Johannesburg are 0-24 years (37.0%) than is the case nationally (43.7%).

The data supports the conclusion that Johannesburg is a migrant receiving area, with many younger working-age people moving to Johannesburg either from abroad or from South Africa’s rural areas, looking to improve their livelihoods.

FIGURE 1.4: AGE PROFILE OF JOHANNESBURG'S VS. SOUTH AFRICA'S POPULATIONS IN 2024

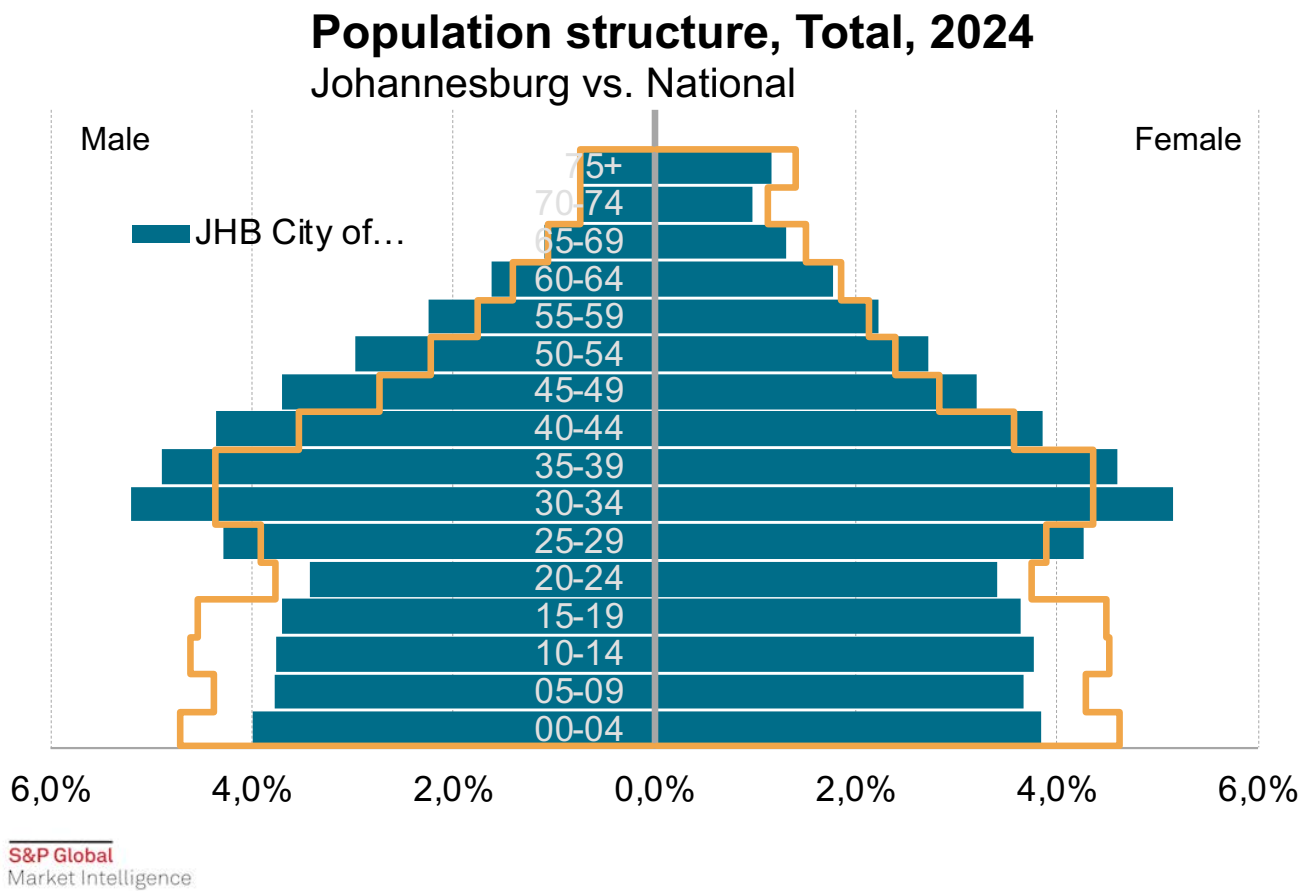


Table 1.3 shows that Johannesburg has a smaller proportion of populations in all age groups up to 25 years. However, it has a larger share for all the 25+ age groups of the working-age population (25-64). It is also evident that Johannesburg's working-age population is somewhat skewed towards men, reflecting the city's attraction of migrants seeking better opportunities. Additionally, the city's proportion of older people (over 65 years) is lower than the national average.

TABLE 1.3 COMPARATIVE AGE COMPOSITION OF SOUTH AFRICA AND JOHANNESBURG IN 2024

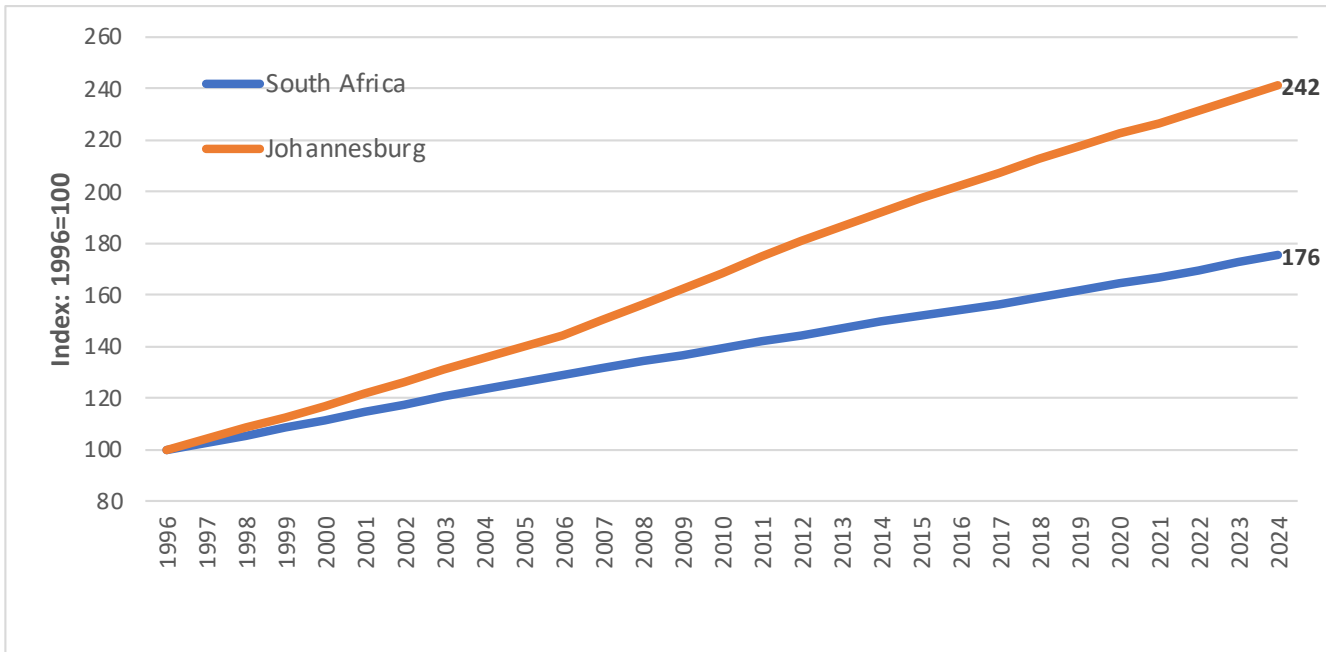
| Age Group: Years | % Share of South Africa's Population in 2024 | % Share of Johannesburg's Population in 2024 |
|------------------|--|--|
| 00-04            | 9.3  | 7.8  |
| 05-19            | 26.9   | 22.3   |
| 20-34            | 24.0   | 25.7   |
| 35-54            | 26.0   | 30.3   |
| 55-64            | 7.2  | 7.9  |
| 65+              | 6.6  | 6.0  |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

### 1.3 A profile of Johannesburg's working-age population

Figure 1.5 indicates the comparative trends in the working-age populations of South Africa and Johannesburg. Statistics South Africa defines the working-age population as people between the ages of 15 and 64 years. At the lower end, this is consistent with international norms but according to the International Labour Organisation (ILO) few countries now apply an upper age limit to their working-age populations. Whereas South Africa's working-age population increased by 76% between 1996 (24,191,254) and 2024 (42,031,319), Johannesburg's rose by 142% (from 1,807,688 to 4,366,880) over the same period. Strong growth in the working-age population of the city is in all likelihood a reflection of patterns of inward migration.

**FIGURE 1.5 COMPARATIVE TRENDS IN WORKING-AGE POPULATION FOR SOUTH AFRICA AND JOHANNESBURG 1996-2024**

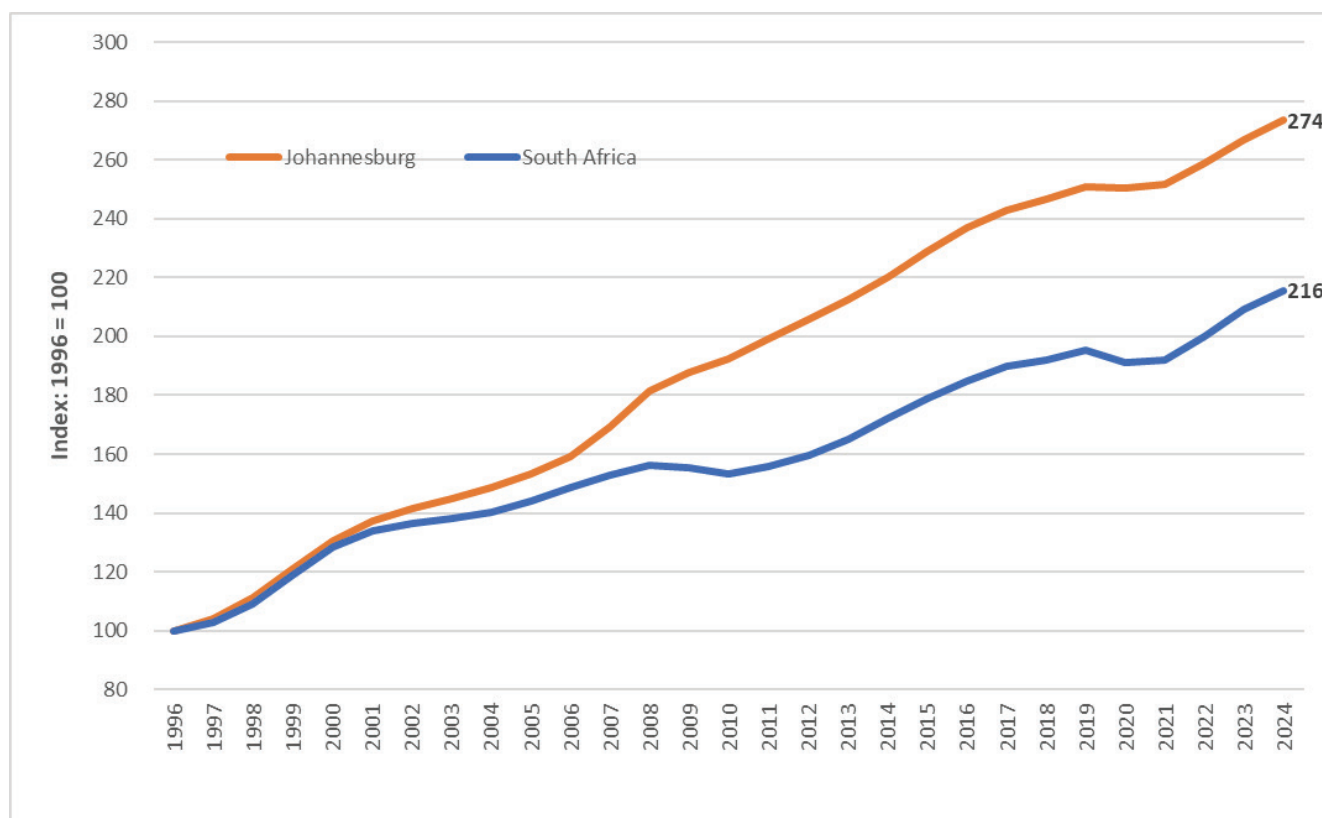


Data Source: IHS Markit Regional Explorer 2236 (2.6p)

The official definition of the economically active population (EAP) includes all individuals in the labour force, i.e. those able and willing to work. This encompasses both employed persons and those actively seeking employment, while excluding non-active groups such as discouraged work-seekers and others of working age who are not participating in the labour force.

Figure 1.6 below shows that from 1996 to 2024, South Africa's EAP grew by 116%, while Johannesburg's increased by 174%. The faster growth of the economically active populations compared to the total working-age populations points to an increase in the labour force participation rate.

**FIGURE 1.6: COMPARATIVE TRENDS IN ECONOMICALLY ACTIVE POPULATIONS FOR SOUTH AFRICA AND JOHANNESBURG 1996-2024**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**Note:** For a fuller discussion of employment patterns in Johannesburg see section 4.

## 2 Household incomes in Johannesburg

Household spending is by far the largest contributor to overall (aggregate) demand in an economy. Trends in household income therefore indicate the nature of changes in the buying power of the consumer sector. Although the largest source of income for households comes from salaries and wages, income is also derived from investments, property and application of entrepreneurial skills. Taken together, these income streams amount to gross personal income. After deduction of direct taxes and inclusion of any fiscal transfer payments to households by government, households are left with disposable income. It is this income which may be either spent or saved by households. When it is spent on goods and services it drives a major proportion of productivity in the economy, as well as driving capital expenditure by firms. The significance of city and sub-city level personal income data is that it provides an indication of the relative buying power of the household sector in these cities and regions. By implication it also indicates the potential of household demand as a driver of local economic development.

### 2.1 Aggregate personal and disposable income

Table 2.1 reflects the aggregate annual personal and disposable income of Johannesburg households from 1996 to 2024 in nominal terms (i.e. current prices) as well as their contribution to direct taxes. Nominal personal income increased from approximately R71.6 billion in 1996 to about R621.6 billion in 2024, while disposable income rose from around R62.7 billion in 1996 to R534.6 billion in 2024. Direct personal tax contributions rose from just under R8.9 billion to about R87 billion over the same period.

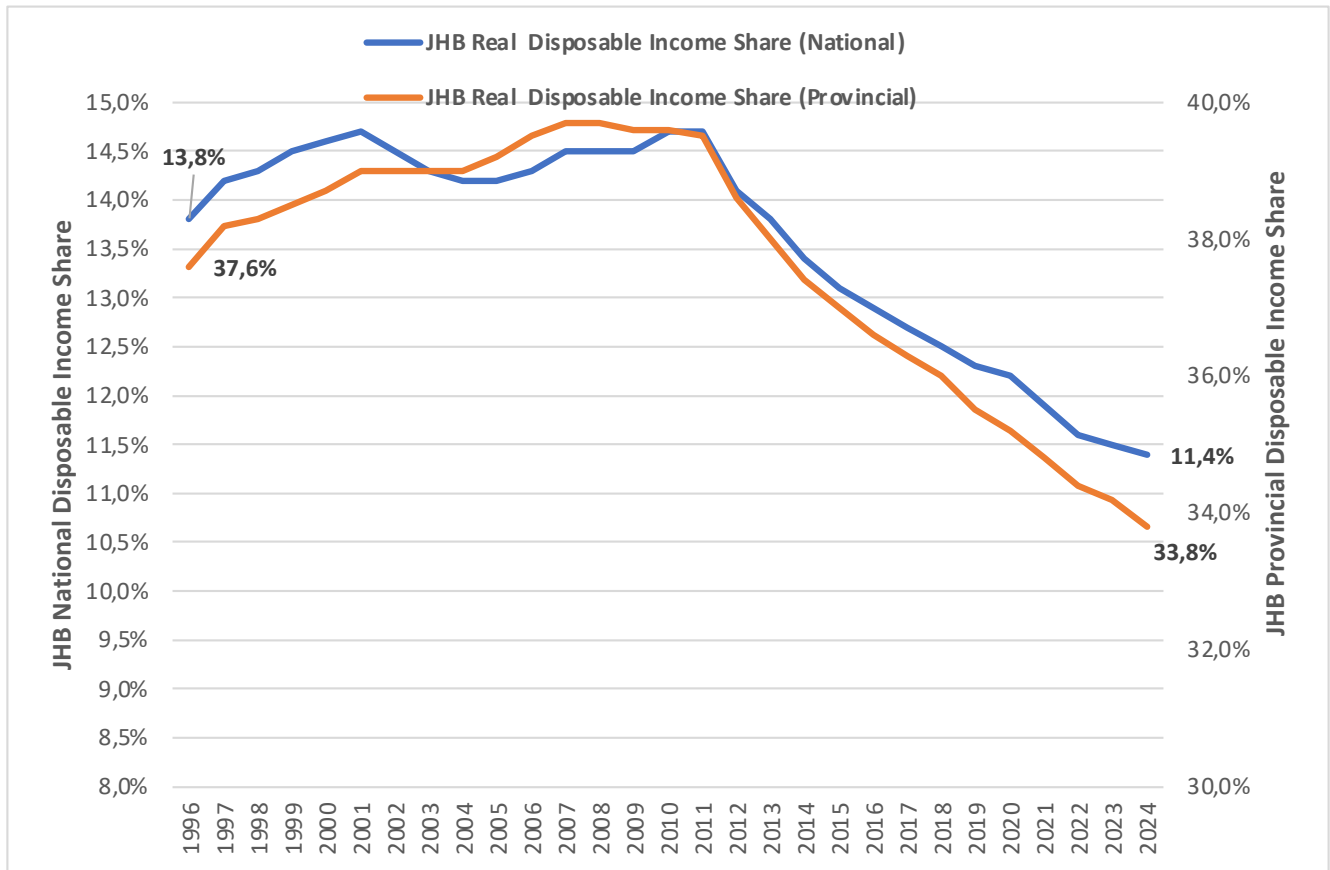
**TABLE 2.1: JOHANNESBURG’S AGGREGATE PERSONAL AND DISPOSABLE INCOMES AND DIRECT TAXES PAID**

| Year | Aggregate Personal Income | Less Direct Tax | Aggregate Disposable Income |
|------|---------------------------|-----------------|-----------------------------|
|      | (R billions)              | (R billions)    | (R billions)                |
| 1996 | 71.6                      | 8.9             | 62.7                        |
| 1997 | 83.0                      | 10.4            | 72.6                        |
| 1998 | 90.5                      | 11.7            | 78.8                        |
| 1999 | 100.7                     | 13.3            | 87.3                        |
| 2000 | 112.7                     | 14.0            | 98.7                        |
| 2001 | 123.1                     | 14.3            | 108.8                       |
| 2002 | 134.7                     | 15.1            | 119.6                       |
| 2003 | 142.0                     | 15.4            | 126.7                       |
| 2004 | 160.1                     | 16.9            | 143.2                       |
| 2005 | 178.6                     | 19.6            | 159.0                       |
| 2006 | 198.7                     | 23.0            | 175.8                       |
| 2007 | 229.0                     | 26.6            | 202.4                       |
| 2008 | 257.6                     | 29.2            | 228.4                       |
| 2009 | 275.8                     | 33.6            | 242.3                       |
| 2010 | 307.1                     | 37.5            | 269.6                       |
| 2011 | 339.4                     | 40.7            | 298.7                       |
| 2012 | 357.0                     | 43.5            | 313.5                       |
| 2013 | 377.4                     | 47.8            | 329.7                       |
| 2014 | 399.0                     | 52.7            | 346.4                       |
| 2015 | 421.9                     | 56.5            | 365.3                       |
| 2016 | 450.8                     | 61.0            | 389.8                       |
| 2017 | 474.9                     | 64.2            | 410.7                       |
| 2018 | 500.3                     | 68.0            | 432.3                       |
| 2019 | 520.8                     | 71.8            | 449.0                       |
| 2020 | 501.1                     | 67.3            | 433.8                       |
| 2021 | 547.4                     | 72.9            | 474.5                       |
| 2022 | 566.6                     | 74.1            | 492.5                       |
| 2023 | 597.0                     | 79              | 518                         |
| 2024 | 621.6                     | 87              | 534.6                       |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 2.1 below illustrates trends in Johannesburg’s share of national and provincial disposable income. It is evident that the city’s share of South Africa’s disposable income rose between 1996 and 2001 from 13.8% to 14.7%; it then declined to 14.2% by 2004 and then rose again to peak at 14.7% in 2011, before consistently declining from then on to reach a low of 11.4% in 2024. Johannesburg’s share of Gauteng’s disposable income rose from 37.6% in 1996 to reach a peak of 39.7% in 2007, to slowly decline from then, reaching a low of 33.8% in 2024.

**FIGURE 2.1: JOHANNESBURG'S SHARE OF NATIONAL AND PROVINCIAL DISPOSABLE INCOME 1996-2024**

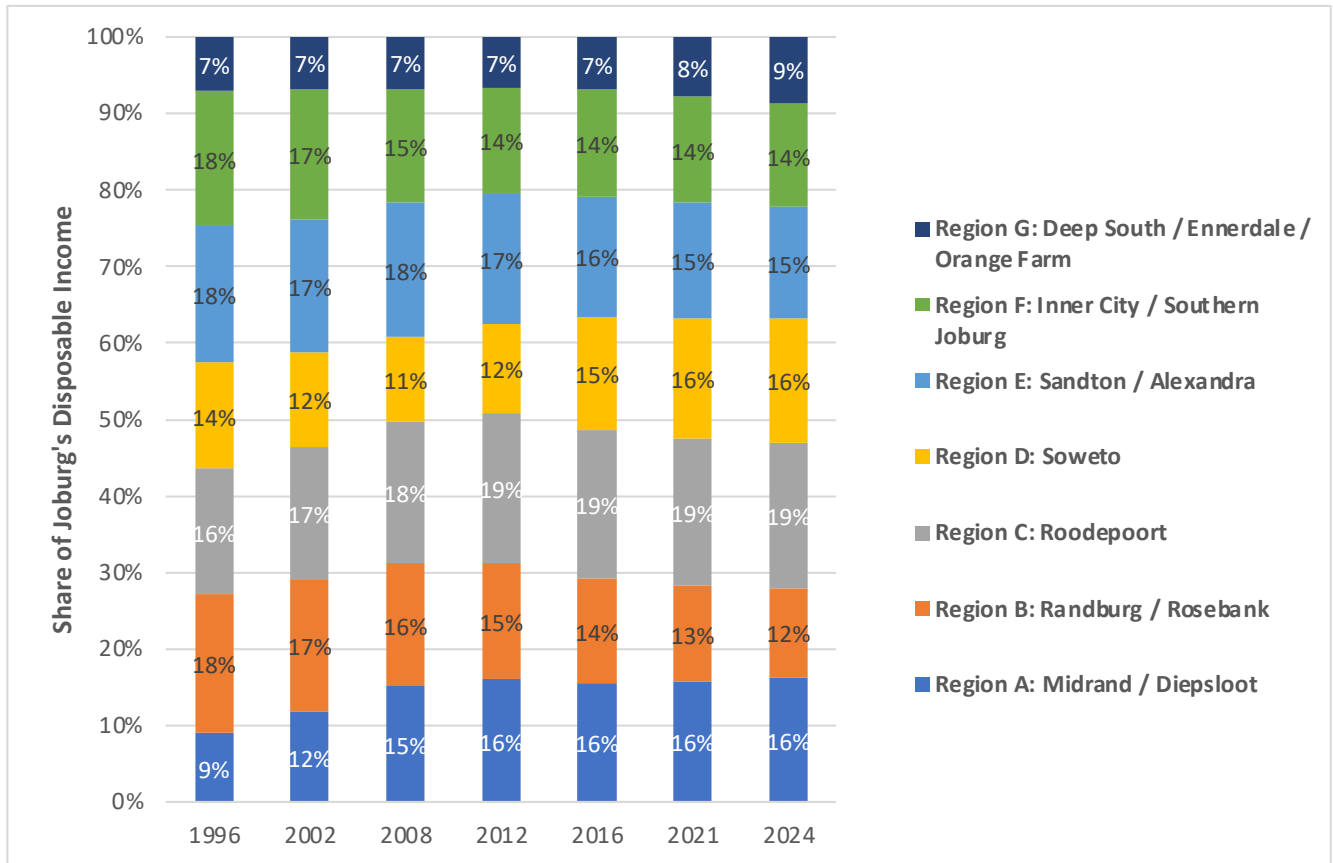


Data Source: IHS Markit Regional Explorer 2236 (2.6p)

In Figure 2.2, we can observe how certain regions increased their share of disposable income relative to others between 1996 and 2024. While Regions A, G, D, and C saw growth in their share of disposable income, the shares for the other regions declined.



**FIGURE 2.2: REGIONAL SHARE OF JOHANNESBURG'S DISPOSABLE INCOME**



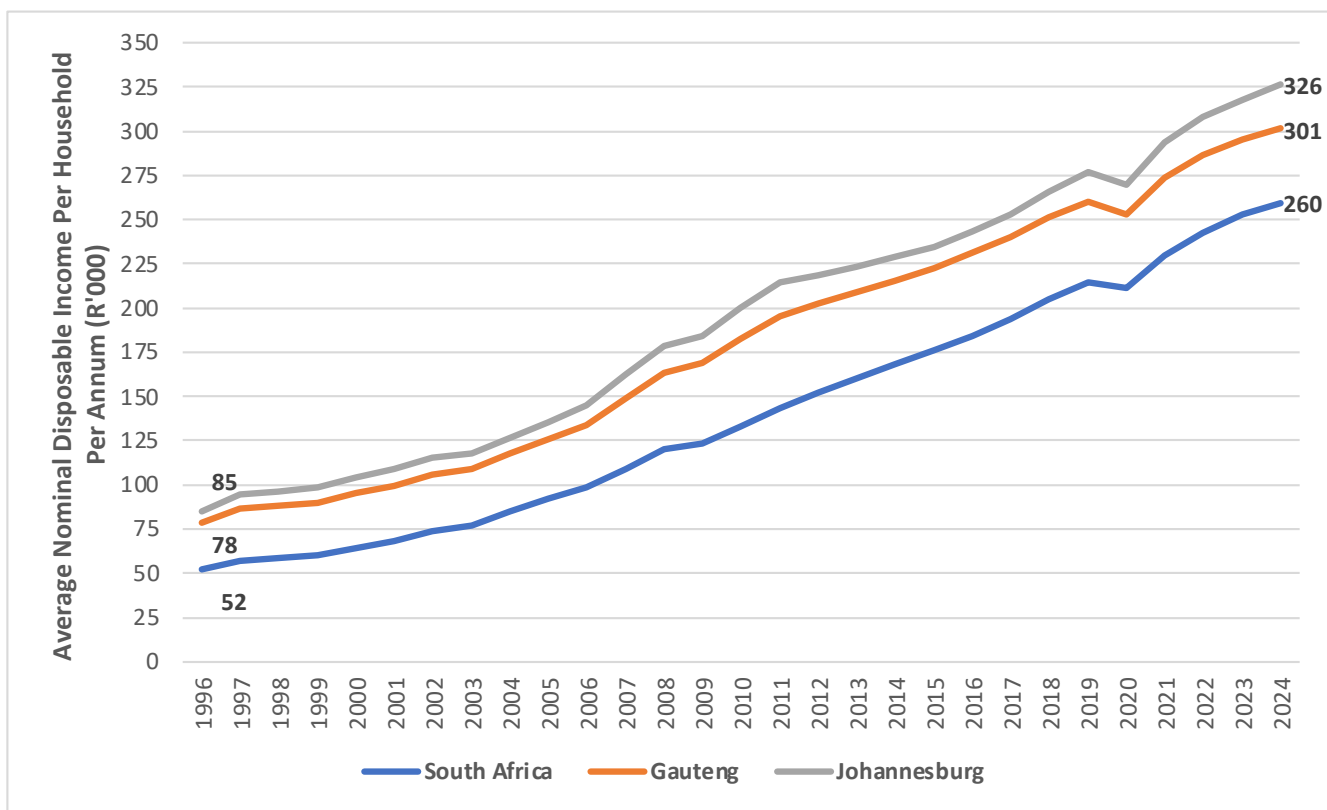
Data Source: IHS Markit Regional Explorer 2236 (2.6p)

## 2.2 Per-capita incomes in context

When aggregate income is divided by the number of households or the number of individuals, it generates an average measure disposable income per household or per person. Although this measure does not provide insight into the distribution of income among various income groups or spatial distribution within a region, it does offer a generalised indication of the relative buying power of households in different regions.

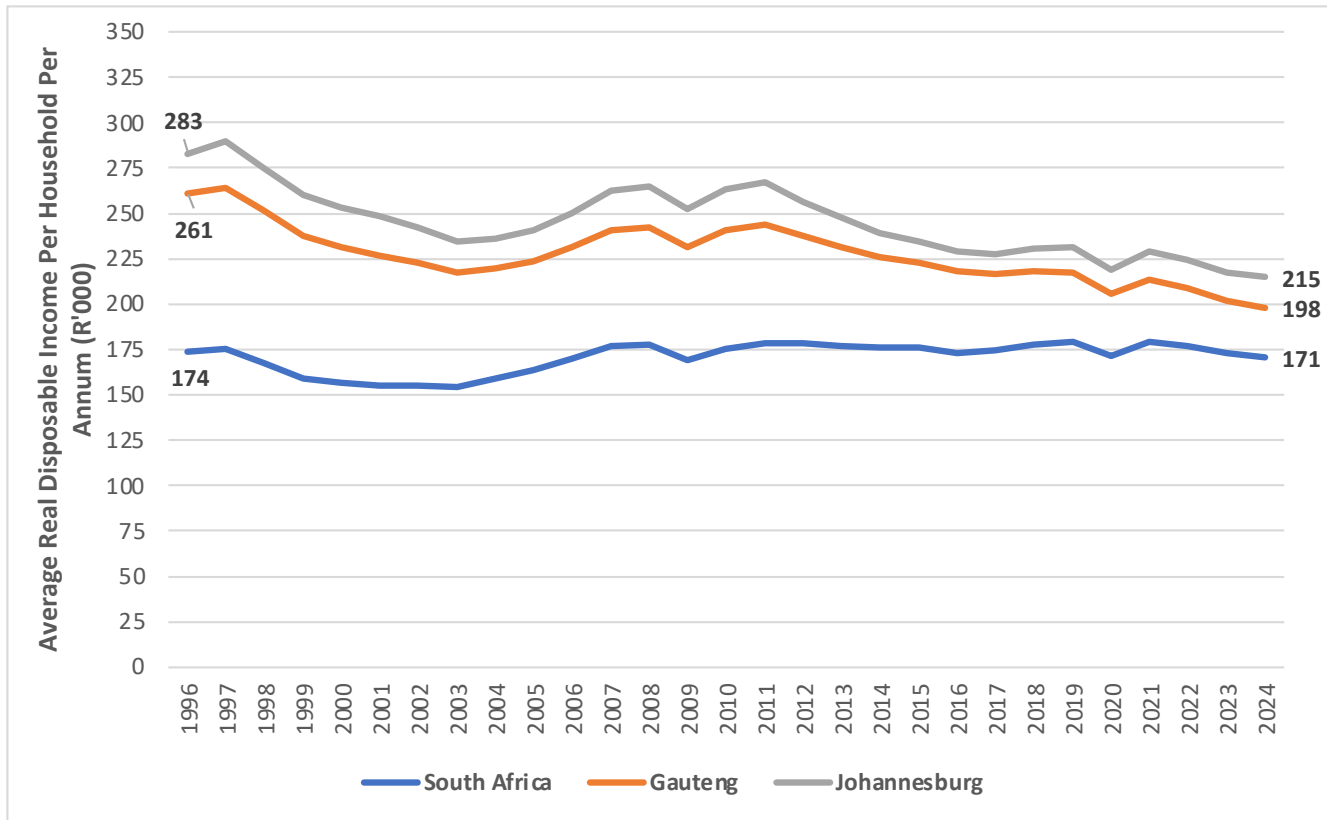
In Figure 2.3 and Figure 2.4 trends in the average disposable income per household for South Africa, Gauteng and Johannesburg are reflected in nominal and inflation adjusted (constant price) terms. Since 1996, average household disposable income for Johannesburg has been consistently higher than for Gauteng and South Africa. During the period, annual disposable income per household for Johannesburg in nominal terms rose from R85,000 in 1996 to about R326,000 in 2024; while for Gauteng it rose from R78,000 to R301,000. In inflation-adjusted terms (constant 2015 prices) average disposable household incomes for Johannesburg declined from around R283,000 in 1996 to around R215,000 in 2024 (while for Gauteng it declined from R261,000 to R198,000. This still compares favourably to the inflation-adjusted (constant 2015 prices) average disposable household income for South Africa in 2024, which was R171,000, down slightly from R174,000 in 1996.

**FIGURE 2.3: AVERAGE NOMINAL DISPOSABLE INCOME PER HOUSEHOLD PER ANNUM IN SOUTH AFRICA, GAUTENG AND JOHANNESBURG 1996-2024 (R000)**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**FIGURE 2.4: AVERAGE REAL DISPOSABLE INCOME PER HOUSEHOLD PER ANNUM IN SOUTH AFRICA, GAUTENG AND JOHANNESBURG 1996-2024 (R000)**

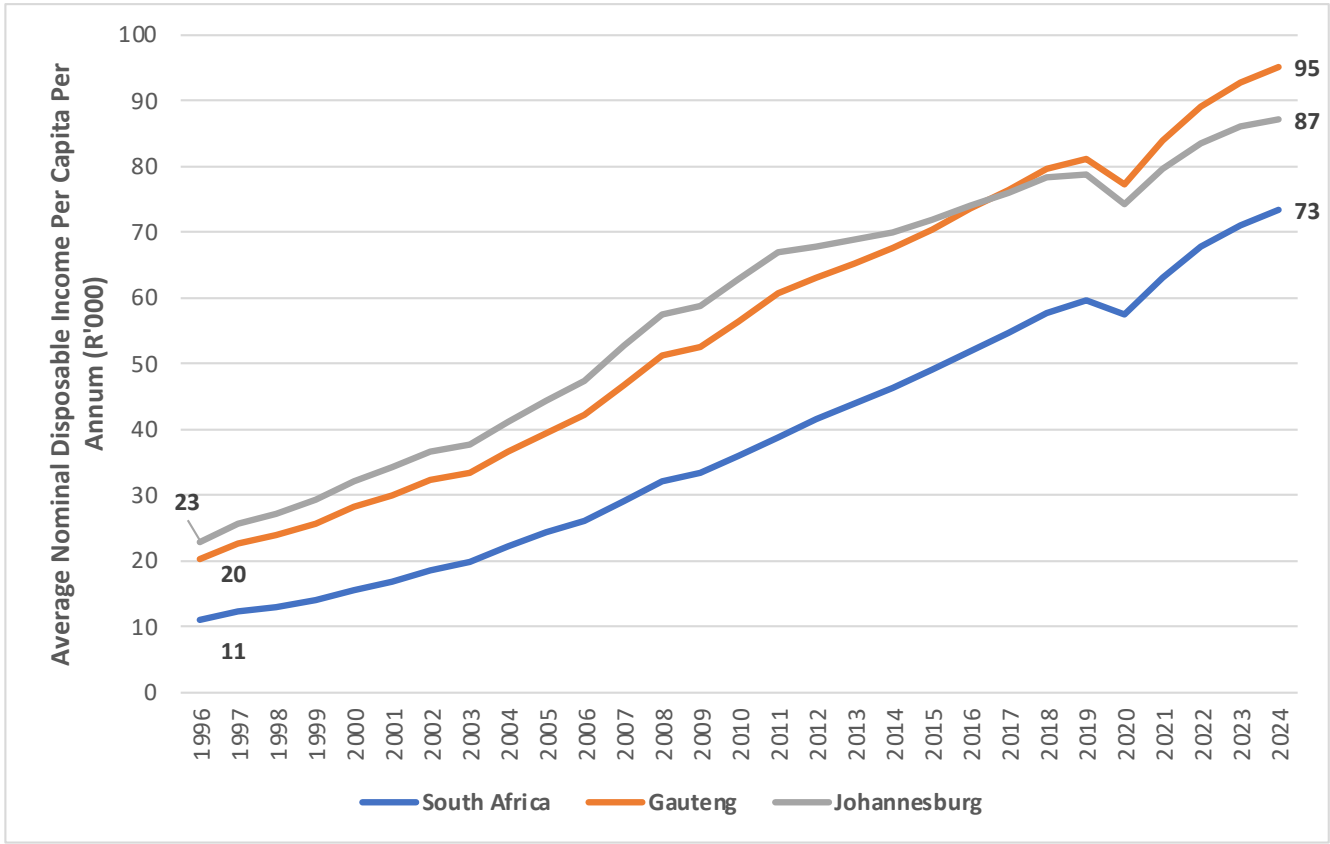


Data Source: IHS Markit Regional Explorer 2236 (2.6p)

In Figures 2.5 and 2.6, similar trends are evident in the nominal and real per-capita disposable incomes of South Africa, Gauteng, and Johannesburg. Between 1996 and 2024, the average nominal per-capita disposable income in Johannesburg increased from around R23,000 to R87,000; in Gauteng, from R20,000 to R95,000; and nationally, from R11,000 to R73,000.

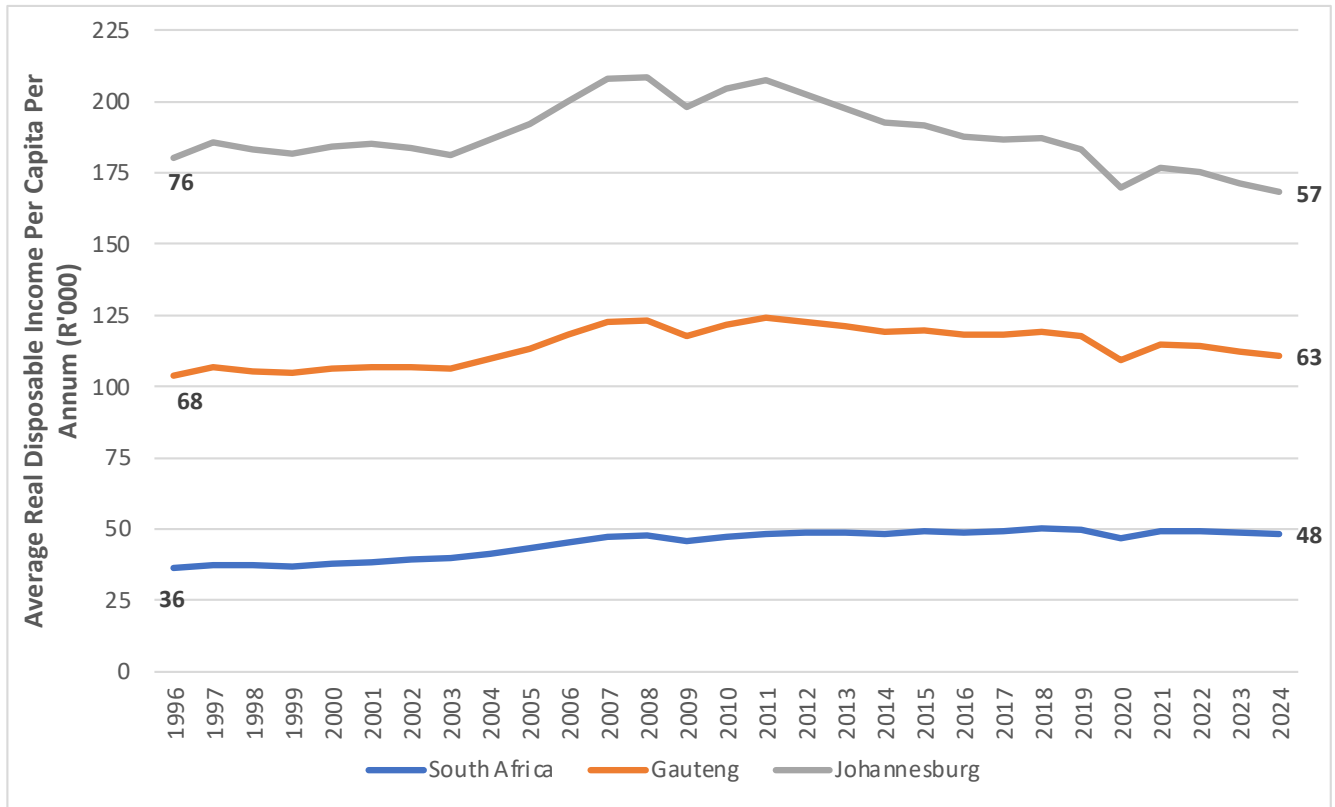
However, when looking at real per-capita disposable income – adjusted for inflation using constant 2015 prices – we can see that for Johannesburg and Gauteng the gains in disposable income leading up to the global financial crisis were eliminated, and have not recovered as of yet. For Johannesburg real per-capita disposable income declined from R76,000 in 1996 to R57,000 in 2024 and for Gauteng it declined from R68,000 to R63,000 over the same period. However, for South Africa real per-capita incomes continued to increase after the global financial crisis, albeit at a slower rate, rising from R36,000 in 1996 to R48,000 in 2024.

**FIGURE 2.5: AVERAGE NOMINAL DISPOSABLE INCOME PER CAPITA IN SOUTH AFRICA, GAUTENG AND JOHANNESBURG 1996-2024**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**FIGURE 2.6: AVERAGE REAL DISPOSABLE INCOME PER CAPITA IN SOUTH AFRICA, GAUTENG AND JOHANNESBURG 1996-2024**

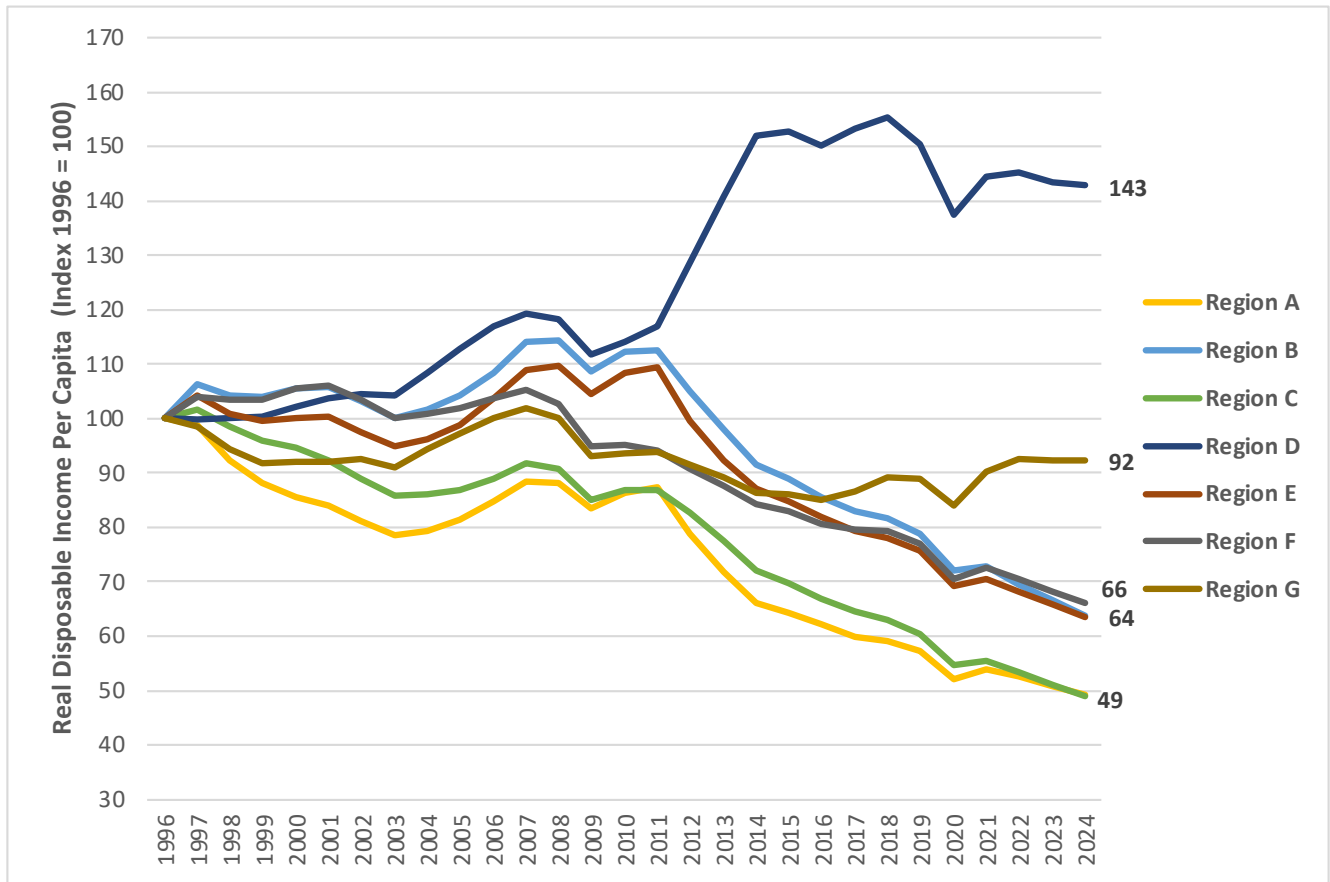


Data Source: IHS Markit Regional Explorer 2236 (2.6p)

On a sub-city level it is evident from Figure 2.7 that since 1996, only one of Johannesburg’s seven city regions (Region D, Soweto) saw growth in real per-capita disposable income. The rest saw a decline, with Region A (Midrand / Diepsloot) and Region C (Roodepoort) declining by around 50 percentage points.

These trends need to be interpreted against the background of significant inward-migration into the city and increased intra-city mobility as many South Africans were freed from the structures of Apartheid-era spatial planning. The resulting population shifts between regions points to a more integrated society. However, this integration also dilutes per-capita household income in areas receiving significant in-migration of poorer residents.

**FIGURE 2.7: TRENDS IN REAL PER-CAPITA DISPOSABLE INCOMES ACROSS JOHANNESBURG'S REGIONS 1996-2024**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Table 2.2 shows that in real terms disposable household income has fallen nationally, and, as well as for Gauteng and Johannesburg; while per-capita disposable fell for Gauteng and Johannesburg, but not for the country as a whole.

Table 2.2 also shows how per person disposable income differs across Johannesburg's regions, ranging from a high of R153,800 for Region B (Randburg / Rosebank) and a low of R51,700 for Region G (Deep South / Ennerdale / Orange Farm). As mentioned above, since 1996 only Region D (Soweto) saw disposable income growth per person, with all the other regions experiencing a decline. (It should be noted that declining disposable income for households in South Africa, contrasted with growing per-capita disposable income, is partly a function of the fact that the average number of people per household declined in South Africa, from 4.76 people per household in 1996 to 3.5 in 2024.)

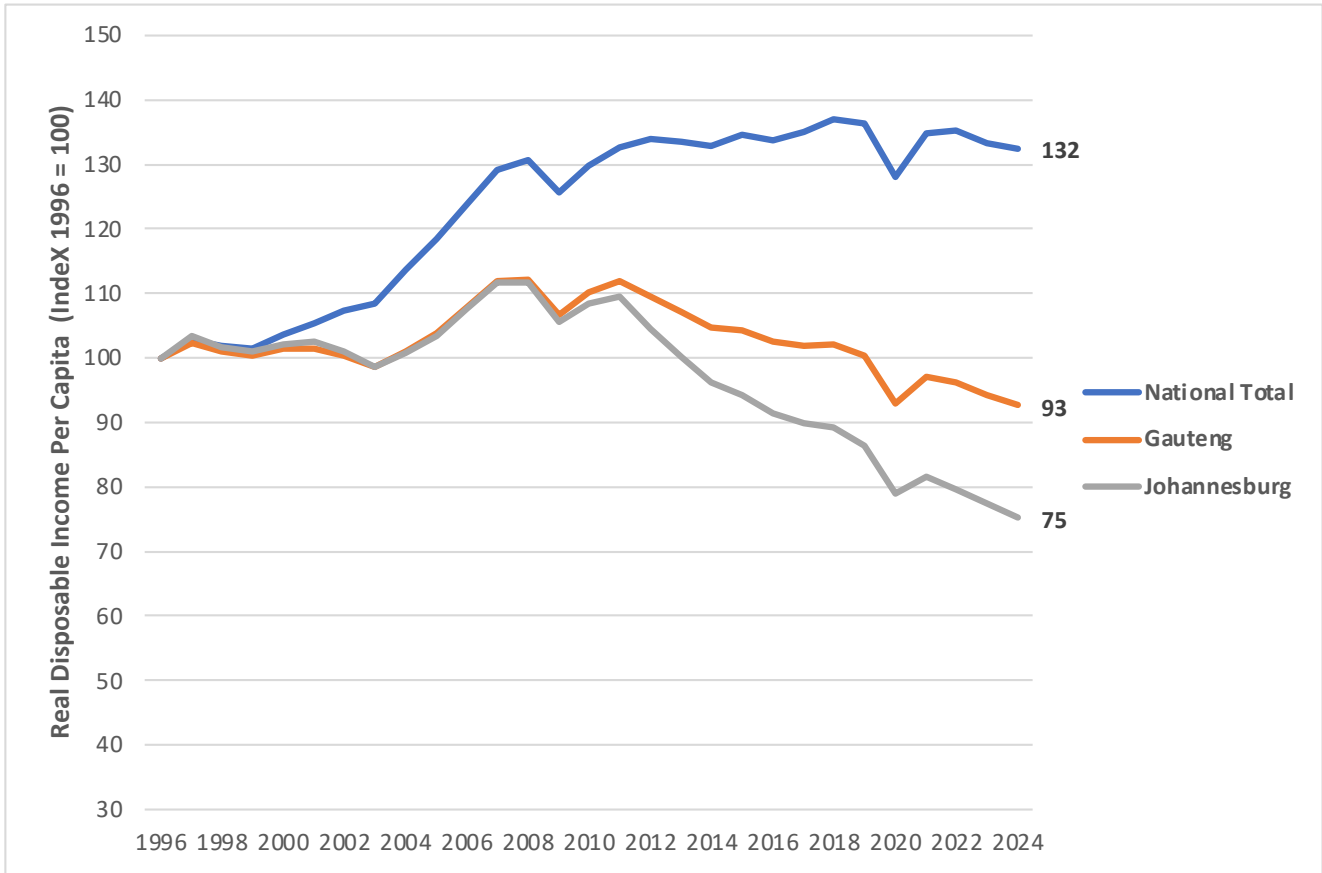
**TABLE 2.2: COMPARATIVE INDICATORS OF NOMINAL AND REAL DISPOSABLE INCOMES**

|   | <b>Average disposable income per household 2024 (R)</b> | <b>Average annual % change in real disposable income per household 1996-2024</b> | <b>Average disposable income per person 2024 (R)</b> | <b>Average annual % change in real disposable income per person 1996-2024</b> |
|---|---|--|--|---|
| South Africa                                    | 260,600   | -0.6%  | 73,400   | 1.0%  |
| Gauteng   | 301,300   | -1.0%  | 95,200   | -0.3%   |
| Johannesburg                                    | 274,700   | -1.6%  | 87,200   | -1.0%   |
| Region A (Midrand)                              | 236,900   | -3.16%   | 85,000   | -2.5%   |
| Region B (Randburg / Rosebank)                  | 450,962   | -1.51%   | 153,800  | -1.6%   |
| Region C (Roodepoort)                           | 301,000   | -2.52%   | 97,900   | -2.5%   |
| Region D (Soweto)                               | 227,100   | 0.28%  | 64,100   | 1.3%  |
| Region E (Sandton / Alexandra)                  | 352,200   | -1.7%  | 124,400  | -1.6%   |
| Region F (Inner City / Southern Joburg)         | 305,100   | -1.4%  | 91,800   | -1.5%   |
| Region G (Deep South / Ennerdale / Orange Farm) | 176,200   | -1.2%  | 51,700   | -0.3%   |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 2.8 reiterates the fact that per-capita disposable income has grown for the country as a whole, while declining for Gauteng (by 7%) and Johannesburg (by 25%).

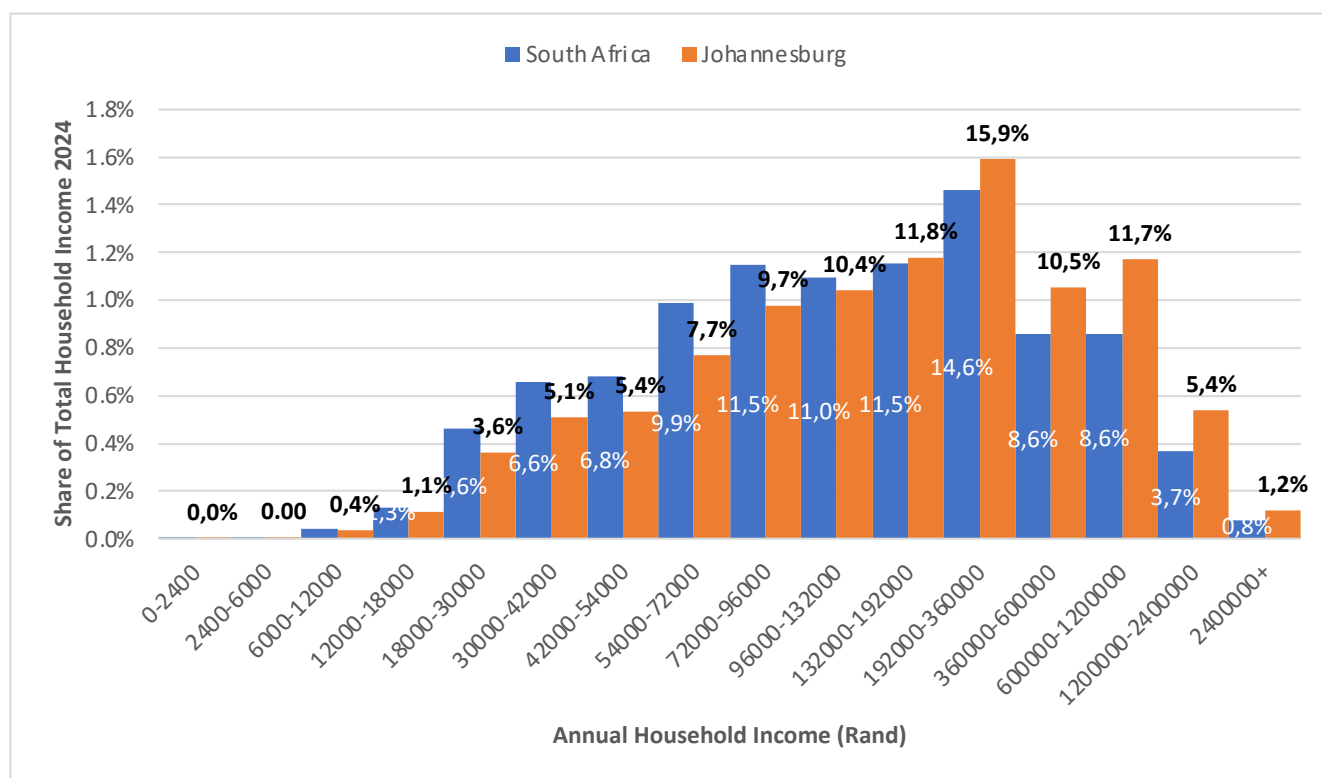
**FIGURE 2.8: COMPARATIVE CITY TRENDS IN REAL PER-CAPITA DISPOSABLE INCOME IN SOUTH AFRICA 1996-2024**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

In Figure 2.9 below, the 2024 household income distribution in Johannesburg is compared with that of South Africa. The data shows that Johannesburg has a similar proportion of low- to very low-income households (below R18,000 per household) – 1.5% in Johannesburg versus 2% nationally. Johannesburg has a lower proportion of low- to middle-income households (between R18,000 and R96,000), at 30.5%, compared to 39% across the country. For households earning between R96,000 and R192,000, the proportions are similar – 22.2% in Johannesburg versus 23% nationally. However, Johannesburg has a significantly larger share of higher-income households earning above R192,000, at 44.8%, compared to 36% nationally. Overall, in 2024, 41% of households nationwide earned less than R96,000, whereas only 33% of households in Johannesburg fall into this income bracket.

**FIGURE 2.9: COMPARATIVE DISTRIBUTION OF INCOME AMONG HOUSEHOLDS IN JOHANNESBURG IN 2024**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**TABLE 2.3: COMPARATIVE HOUSEHOLD INCOMES IN JOHANNESBURG’S REGIONS 2024**

| Income Brackets     | Region A            | Region B            | Region C   | Region D | Region E            | Region F                     | Region G                             |
|---------------------|---------------------|---------------------|------------|----------|---------------------|------------------------------|--------------------------------------|
| Income (rand) 2024  | Midrand / Diepsloot | Randburg / Rosebank | Roodepoort | Soweto   | Sandton / Alexandra | Inner City / Southern Joburg | Deep South / Ennerdale / Orange Farm |
| 0-2,400             | 0.0                 | 0.0                 | 0.0        | 0.0      | 0.0                 | 0.0                          | 0.0                                  |
| 2,400-6,000         | 0.1                 | 0.0                 | 0.1        | 0.0      | 0.0                 | 0.0                          | 0.1                                  |
| 6,000-12,000        | 0.5                 | 0.2                 | 0.4        | 0.3      | 0.3                 | 0.3                          | 0.5                                  |
| 12,000-18,000       | 1.4                 | 0.5                 | 1.2        | 1.0      | 0.9                 | 1.0                          | 1.4                                  |
| 18,000-30,000       | 4.4                 | 1.7                 | 3.7        | 3.5      | 2.8                 | 3.0                          | 4.9                                  |
| 30,000-42,000       | 6.0                 | 2.7                 | 5.0        | 5.1      | 4.0                 | 4.2                          | 7.0                                  |
| 42,000-54,000       | 6.3                 | 2.8                 | 5.2        | 5.4      | 4.3                 | 4.4                          | 7.2                                  |
| 54,000-72,000       | 8.9                 | 4.5                 | 7.2        | 8.1      | 6.3                 | 6.2                          | 10.5                                 |
| 72,000-96,000       | 11.1                | 6.2                 | 8.8        | 10.4     | 8.4                 | 8.4                          | 12.2                                 |
| 96,000-132,000      | 11.3                | 7.0                 | 9.0        | 11.5     | 9.4                 | 10.0                         | 12.2                                 |
| 132,000-192,000     | 11.6                | 9.2                 | 10.3       | 13.5     | 10.7                | 12.2                         | 13.0                                 |
| 192,000-360,000     | 14.4                | 16.0                | 15.1       | 17.8     | 15.3                | 18.2                         | 14.7                                 |
| 360,000-600,000     | 9.1                 | 14.6                | 11.7       | 9.8      | 12.0                | 11.9                         | 7.4                                  |
| 600,000-120,0000    | 9.8                 | 20.3                | 14.0       | 9.4      | 15.6                | 13.0                         | 6.1                                  |
| 1,200,000-2,400,000 | 4.1                 | 11.0                | 6.5        | 3.7      | 7.9                 | 6.0                          | 2.5                                  |
| 2,400,000+          | 0.9                 | 3.3                 | 1.7        | 0.3      | 2.1                 | 1.3                          | 0.4                                  |
| Total               | 100                 | 100                 | 100        | 100      | 100                 | 100                          | 100                                  |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Table 2.3 above compares household income for Johannesburg's regions. It is clear that Region B (Randburg / Rosebank) has the highest percentage of households with high incomes, whereas Region G (Deep South / Ennerdale / Orange Farm) has the highest percentage of households with the lowest incomes.

### 3. Johannesburg's economy and its performance in context

**Johannesburg does not operate in isolation from Gauteng, South Africa, or the global economy. Accurate and reliable economic information is crucial for effective planning. Such data empowers the municipality to develop policies that foster social development and economic growth for its residents, as well as for business and industry.**

Gross domestic product (GDP), a key indicator of economic performance, is used to compare regional and national economic statuses. GDP by region (GDP-R) represents the total value of all goods and services produced within a region over a year, including taxes and minus subsidies. GDP-R can be measured using either current prices or constant prices: current prices reflect the economy in actual rand, while constant prices adjust for inflation, capturing real growth in volume by fixing prices to a base year.

#### 3.1 Johannesburg in a global context

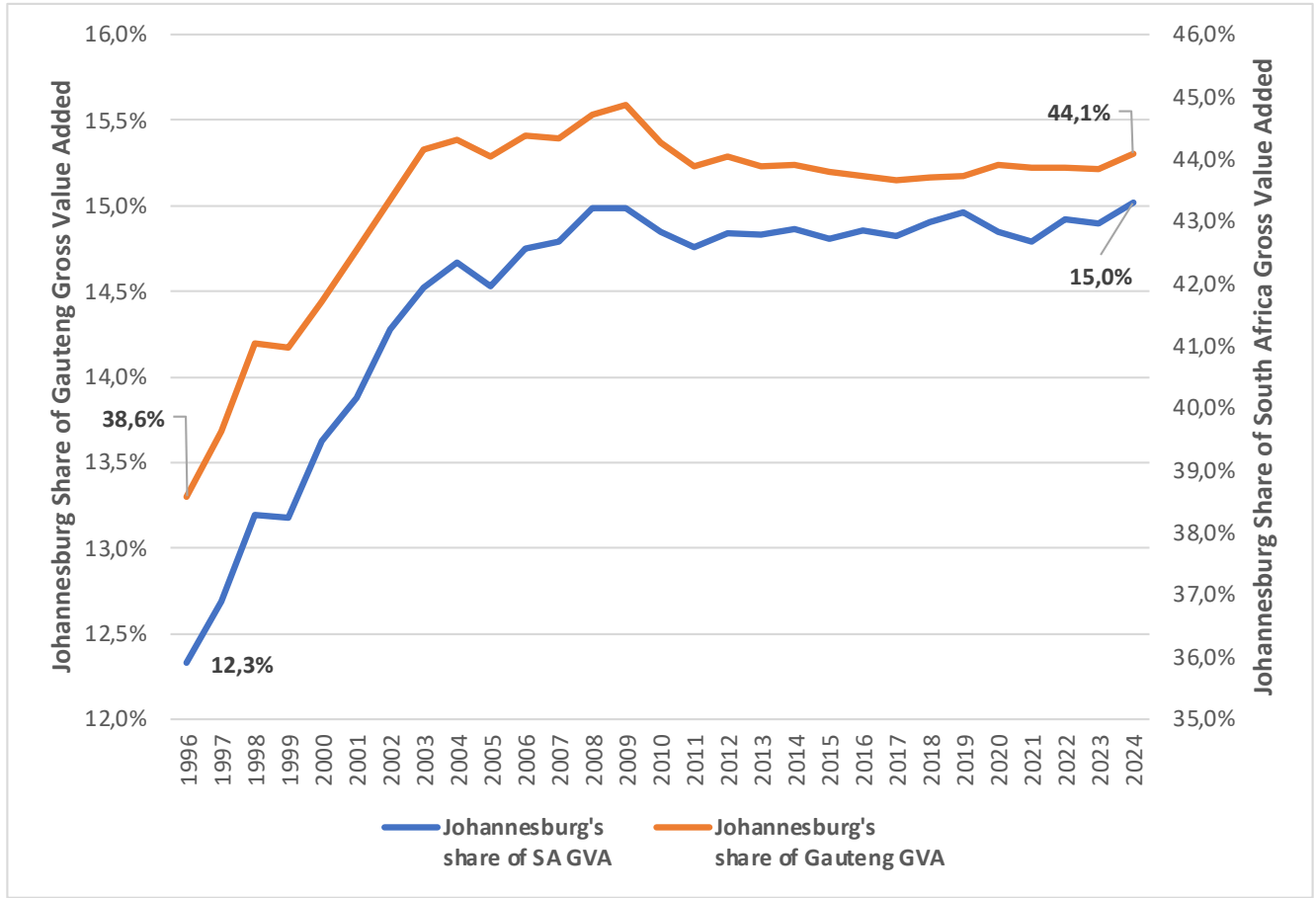
Johannesburg is not only the financial and economic hub of sub-Saharan Africa but also arguably the continent's most influential city economy. The city accounts for approximately 15% of South Africa's total economic output and 44% of Gauteng's GDP. Its economic size surpasses those of most of South Africa's neighbouring countries and is comparable to the economies of several African nations. Reflecting its significance as a corporate centre in Africa, Johannesburg hosts the South African headquarters for many multinational corporations, including those responsible for more than half of the top twenty global brands.

#### 3.2 Johannesburg in a national context

As figure 3.1 below illustrates, Johannesburg's share of Gauteng's GVA grew to 44% by 2024, from 41% in 1996. This increase in the share of the city's GVA reflects the cumulative effects of faster economic growth than the province.

The contribution of the city's economy to the national GVA began at around 12.3% in 1996, peaked at just below 15% in 2009 before dropping off slightly, and then rising again to reach 15.0% in 2024. Although there was a slight fall in the city's contribution to the national and provincial economies in 2008 and 2009 – during the global financial crisis, when the financial sector and investment flows were impacted – Johannesburg still remained the economic hub of the country and province.

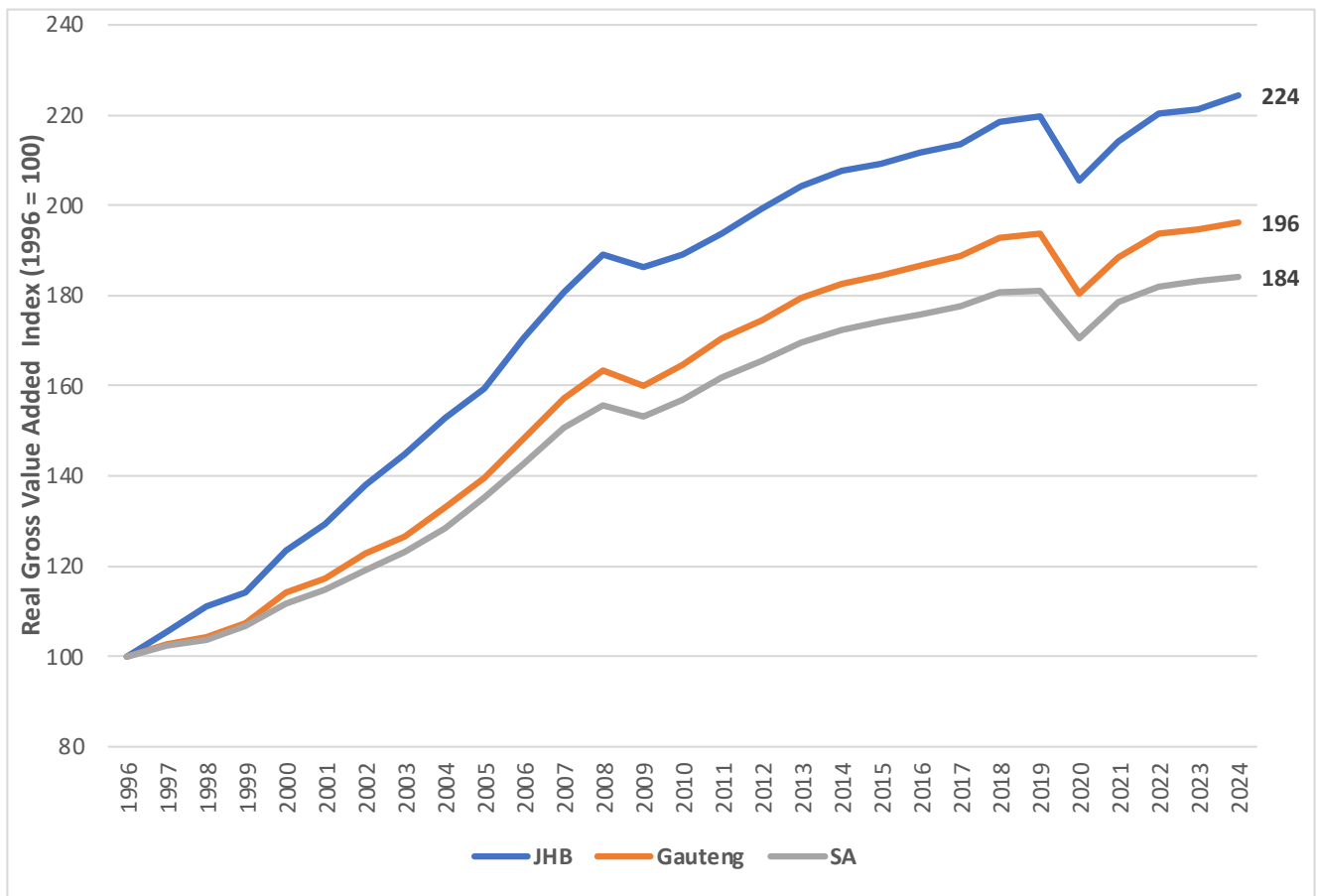
**FIGURE 3.1: TRENDS IN JOHANNESBURG'S SHARE OF NATIONAL AND PROVINCIAL REAL GVA**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)



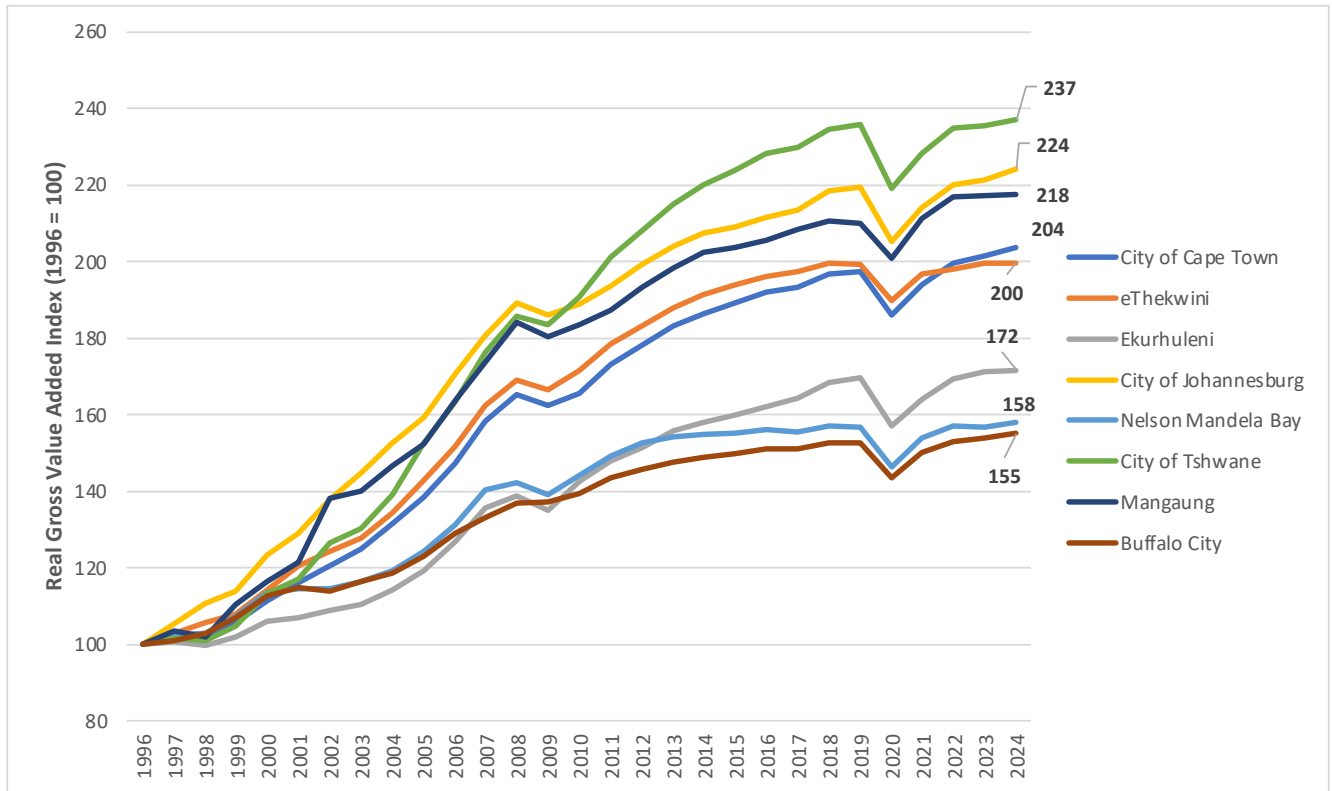
**FIGURE 3.2: RELATIVE PERFORMANCE OF REAL GVA IN SOUTH AFRICA, GAUTENG AND JOHANNESBURG**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

The relative performance of GVA for South Africa, Gauteng and Johannesburg in real terms between 1996 and 2024 is illustrated in figure 3.2 above. Output of the Johannesburg economy expanded by 124% over this period, with a notable decline of 6% in 2020, while Gauteng’s similarly grew by 96% in the same period, with a 7% decline in 2020. The South African economy expanded output by 84% over the same period, with a decline of 6% in 2020.

**FIGURE 3.3: RELATIVE PERFORMANCE OF REAL GVA OF SOUTH AFRICA'S METROS**



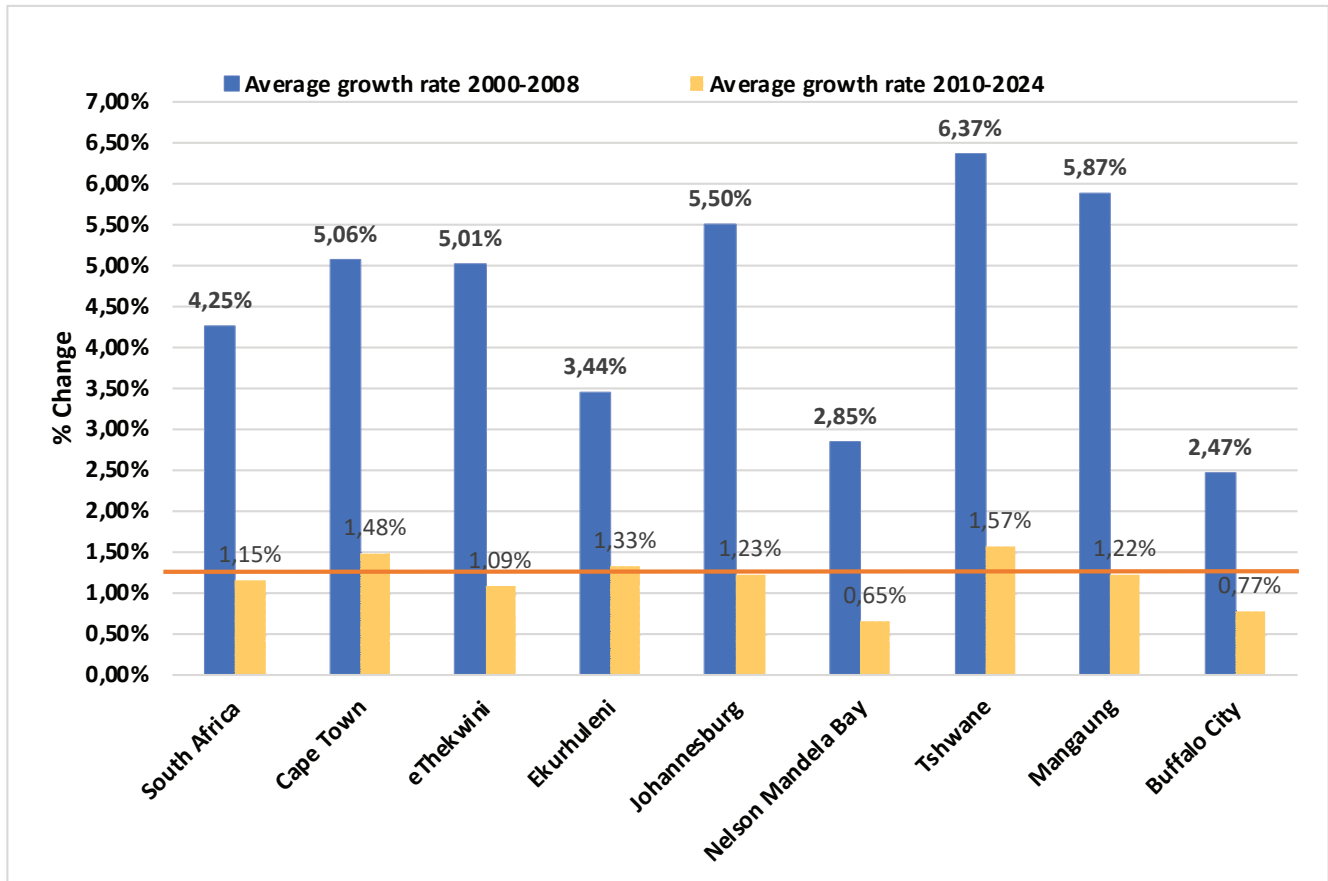
Data Source: IHS Markit Regional Explorer 2236 (2.6p)

The economic growth of South Africa's metropolitan economies, measured by Gross Value Added (GVA), is depicted in Figure 3.3. The data shows that Tshwane outperformed all other metros from 1996 to 2024, while Johannesburg ranked second, and Mangaung third.

Figure 3.3 also highlights a significant decline across all metros in 2020, reflecting the impact of the Covid-19 pandemic. Over the entire period, Buffalo City experienced the slowest growth, with a cumulative increase of 55%. This is substantially lower than Tshwane's performance of 137% cumulative growth from 1996 to 2024. Johannesburg's GVA expanded by 124%, Cape Town by 104%, and eThekweni by 100% over the same period.



**FIGURE 3.4: SA METROS: COMPARATIVE ECONOMIC GROWTH PERFORMANCE**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 3.4 compares the performance of different metros during two distinct growth phases: the high-growth period (2000-2008) and the low-growth period (2010-2024). During the high-growth phase, Johannesburg ranked third among its counterparts, behind Mangaung and Tshwane, in terms of average growth rate.

In the low-growth phase Johannesburg's average growth rate declined to 1.23%, down from 5.50% in the 2000-2008 period. During this period, Johannesburg's growth ranked fourth behind Tshwane (1.57%), Cape Town (1.48%) and Ekurhuleni (1.33%).



**MAP 1: CITY OF JOHANNESBURG'S SEVEN SUB-METRO REGIONS**

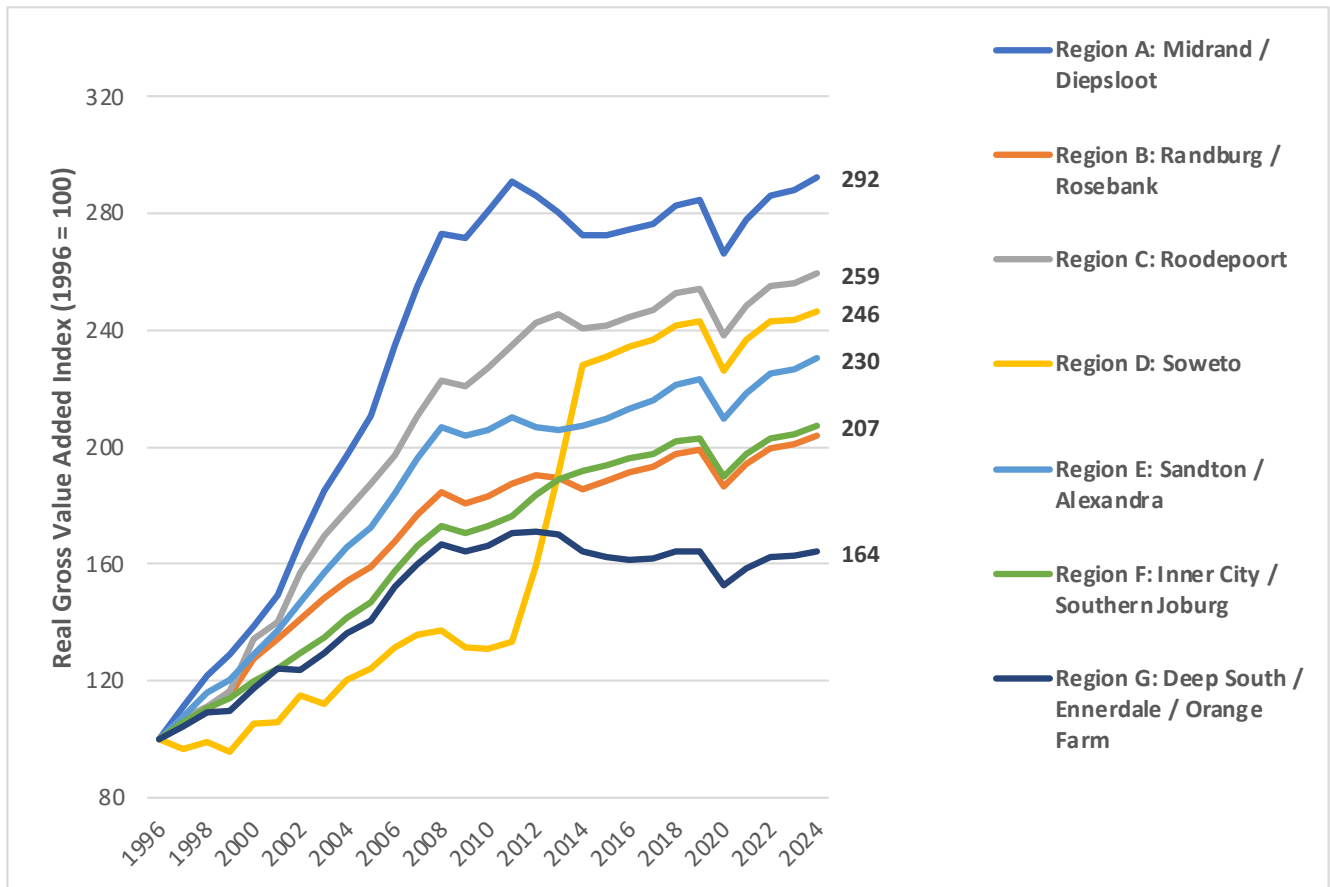


Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Map 1 illustrates the locations and relative sizes of Johannesburg's seven administrative sub-metro regions. Each sub-metro region possesses distinct characteristics shaped by its history and geography. These sub-metro regions reflect, to varying extents, the legacy of Apartheid, including spatial separation, unequal resource distribution, and evolving social, political, and economic conditions at both local and global levels.

Economic developments continue to influence the nature and outlook of each region's economy. Notably, the decline in economic reserves and gold production from the city's historic gold mines contrasts with the growth and diversification of the financial, business services, and trade sectors. These shifts are reflected in the economic performance disparities across the city sub-metro regions.

**FIGURE 3.5: RELATIVE PERFORMANCE OF REAL GVA IN JOHANNESBURG’S REGIONS**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 3.5 illustrates the output performance of Johannesburg’s seven regions, measured by real GVA, relative to 1996. The Midrand / Diepsloot area (Region A), located in the north of the city, achieved the highest cumulative growth, of 192% between 1996 and 2024. This was followed by Region C (159%), Region D (146%), and Region E (130%). Conversely, economic growth has been more subdued in Region G, where output increased by only 64% over the same period.

**FIGURE 3.6: RELATIVE PERFORMANCE OF REAL GVA IN SOUTH AFRICA'S METROS POST 2008**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 3.6 indicates the relative performance of real GVA in South Africa's metros during the low growth period (post 2008). There is a notable decline in all metros in 2020, after the impact of the Covid-19 pandemic. Johannesburg ranked fourth and has not performed well in comparative terms since the financial crisis, with the larger metros outperforming Johannesburg. Tshwane continued to outperform the other metros post-2008, growing its economy by 23% in the period 2008 to 2024.

**TABLE 3.1: RELATIVE SECTOR SIZE AND AVERAGE GROWTH PERFORMANCE DURING HIGH AND LOW GROWTH PHASES**

|   | Sector   | 2024 GVA (R thousands at Constant 2015 Prices) | Average Annual Growth: 1996 to 2009 | Average Annual Growth: 2010 to 2024 |
|---|--|--|-------------------------------------|-------------------------------------|
| P<br>R<br>I<br>M<br>A<br>R<br>Y           | Agriculture and hunting                              | 1 920 352                                      | 2,1%                                | 2,8%                                |
|   | Forestry and logging                                 | 76 904   | 2,8%                                | -1,1%                               |
|   | Fishing, operation of fish farms                     | 262 005  | -0,3%                               | 1,6%                                |
| S<br>E<br>C<br>O<br>N<br>D<br>A<br>R<br>Y | Mining of coal and lignite                           | 609 217  | 6,7%                                | -1,2%                               |
|   | Mining of gold and uranium ore                       | 2 386 443                                      | -5,4%                               | -5,5%                               |
|   | Mining of metal ores                                 | 2 911 590                                      | 8,7%                                | 2,4%                                |
|   | Other mining and quarrying (incl 22)                 | 1 237 727                                      | 9,7%                                | -1,1%                               |
|   | Food, beverages and tobacco products                 | 15 238 229                                     | 3,5%                                | 0,0%                                |
|   | Textiles, clothing and leather goods                 | 1 850 790                                      | 3,4%                                | -2,3%                               |
|   | Wood and wood products                               | 9 720 121                                      | 2,1%                                | -1,0%                               |
|   | Fuel, petroleum, chemical and rubber products        | 16 550 962                                     | 4,9%                                | -0,9%                               |
|   | Other non-metallic mineral products                  | 2 758 537                                      | -0,4%                               | -1,4%                               |
|   | Metal products, machinery and household appliances   | 16 984 133                                     | 4,4%                                | -0,6%                               |
|   | Electrical machinery and apparatus                   | 2 406 271                                      | 4,3%                                | 0,2%                                |
|   | Electronic, sound/vision, medical & other appliances | 2 535 461                                      | 2,8%                                | 1,9%                                |
|   | Transport equipment                                  | 4 406 970                                      | 4,9%                                | -1,1%                               |
|   | Furniture and other items NEC and recycling          | 12 649 891                                     | 2,1%                                | 0,0%                                |
|   | Electricity, gas, steam and hot water supply         | 13 508 289                                     | 1,2%                                | -0,8%                               |
|   | Collection, purification and distribution of water   | 1 753 528                                      | 2,9%                                | -3,1%                               |
|   | Construction   | 14 576 941                                     | 8,4%                                | -2,4%                               |
| T<br>E<br>R<br>T<br>I<br>A<br>R<br>Y      | Wholesale and commission trade                       | 31 447 297                                     | 4,0%                                | -0,4%                               |
|   | Retail trade and repairs of goods                    | 31 540 490                                     | 4,8%                                | 2,0%                                |
|   | Sale and repairs of motor vehicles, sale of fuel     | 9 641 629                                      | 6,4%                                | -0,1%                               |
|   | Hotels and restaurants                               | 5 867 527                                      | 3,0%                                | -2,1%                               |
|   | Land and Water transport                             | 20 852 741                                     | 6,9%                                | 0,5%                                |
|   | Air transport and transport supporting activities    | 7 376 687                                      | 5,4%                                | -3,8%                               |
|   | Post and telecommunication                           | 27 317 594                                     | 10,4%                               | 4,7%                                |
|   | Finance and Insurance                                | 88 670 534                                     | 9,7%                                | 2,9%                                |
|   | Real estate activities                               | 50 286 039                                     | 2,5%                                | 2,0%                                |
|   | Other business activities                            | 108 350 529                                    | 11,1%                               | 2,8%                                |
|   | Public administration and defence activities         | 21 693 076                                     | 2,7%                                | 1,1%                                |
|   | Education  | 21 412 111                                     | 3,3%                                | 1,7%                                |
|   | Health and social work                               | 45 781 280                                     | 4,8%                                | 1,7%                                |
|   | Other service activities                             | 37 576 160                                     | 1,7%                                | 2,2%                                |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

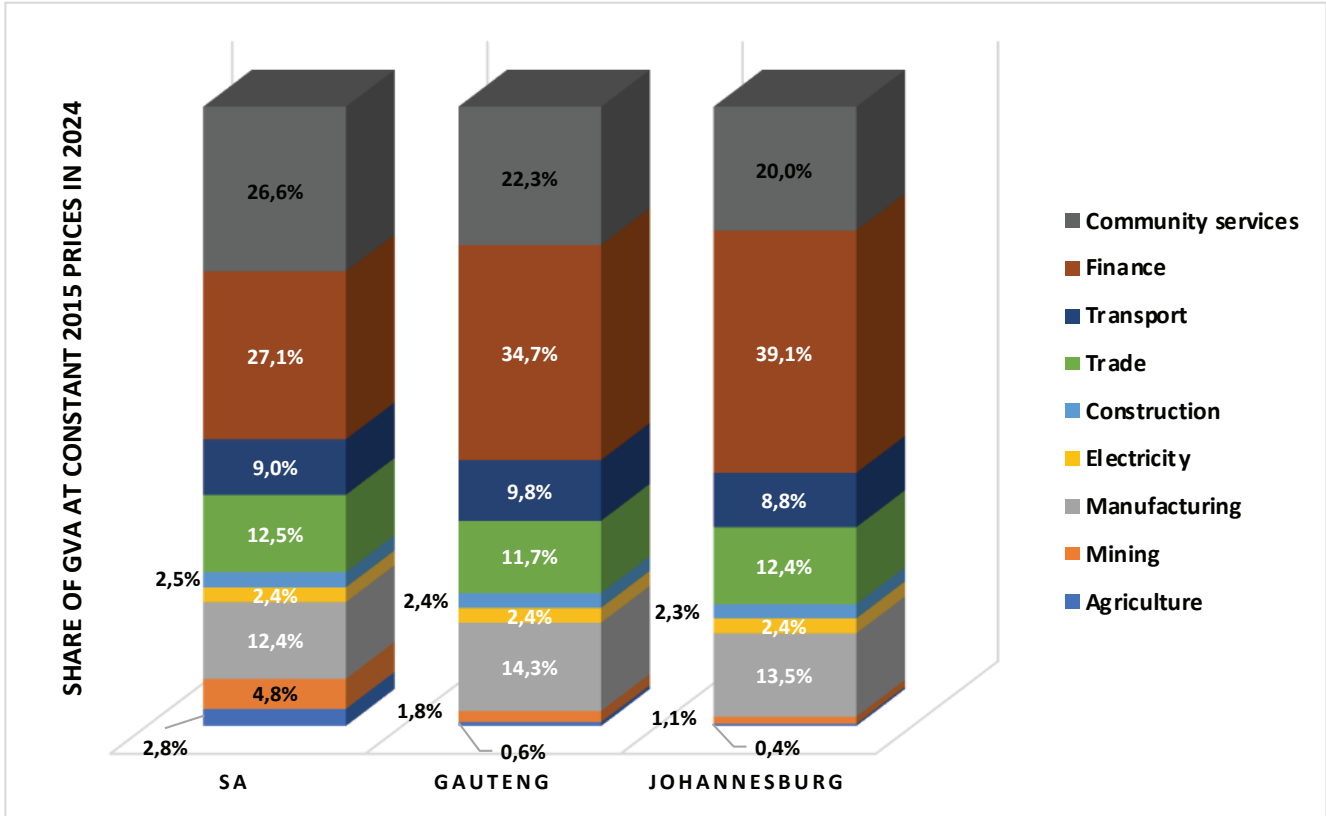
Table 3.1 provides a detailed overview of sector performance at a 34-sector level, focusing on relative size and average growth rates. The data shows that by 2024, the Tertiary sector (reflecting the service economy) had come to dominate Johannesburg’s output. Within this sector, the largest GVA in constant 2015 prices was generated by Other business activities, exceeding R108 billion, followed by Finance and insurance at over R88 billion.

It is clear from the table that the Primary sector constitutes a small proportion of the city’s economy. It is important to note that despite sometimes exhibiting high growth rates, the smaller sectors have a limited impact on the city’s overall growth, making growth in these areas less meaningful for Johannesburg’s economy, compared to the larger sectors.

The table indicates that during the high-growth period from 1996 to 2009, nearly all sectors experienced

positive and sometimes high average annual growth rates. However, in the low-growth phase from 2010 to 2024, many sectors faced declining fortunes, with very low or negative average growth rates. Nonetheless, it is important to recognise that the impact of sector-specific growth on the overall city economy is complex, influenced by inter-industry linkages and lagged effects, which warn against a simplistic interpretation of the performance of the various sectors and sub-sectors.

**FIGURE 3.7: COMPARATIVE SECTOR COMPOSITION OF REAL GVA IN SOUTH AFRICA, GAUTENG AND JOHANNESBURG**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

As shown in Figure 3.7, in 2024 the Finance sector was Johannesburg’s largest economic sector, accounting for 39.% of total GVA, followed by the Community services sector at 20%, and the Manufacturing sector at 13.5%. The sector that contributes the least to the economy of city is the Agriculture sector, with a contribution of 0.32% of the total GVA.

**TABLE 3.2: CHANGE IN JOHANNESBURG’S SECTOR SHARE OF GVA, 1996-2008 AND 2010-2024**

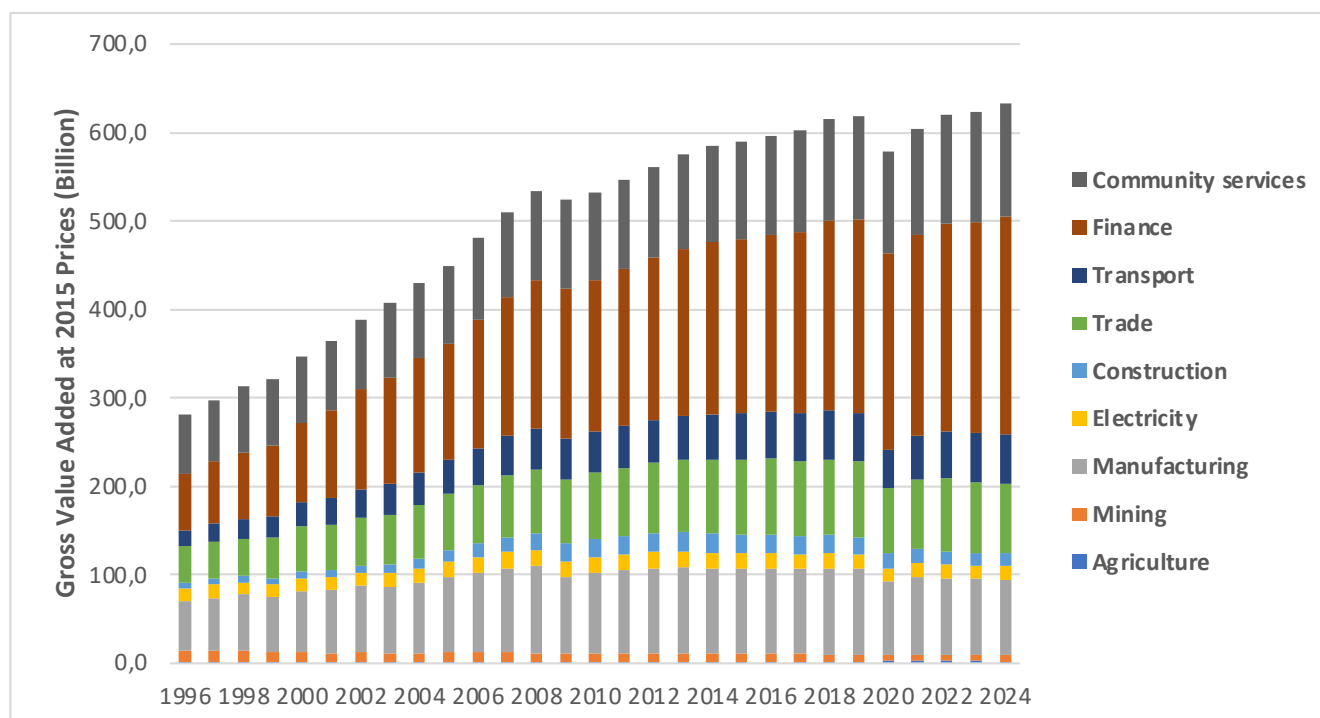
| Sectors              | 2008 compared to 1996 | 2024 compared to 2010 |
|----------------------|-----------------------|-----------------------|
| 1 Agriculture        | -0.12%                | 0.06%                 |
| 2 Mining             | -2.16%                | -0.66%                |
| 3 Manufacturing      | -1.14%                | -3.72%                |
| 4 Electricity        | -1.45%                | -0.94%                |
| 5 Construction       | -0.95%                | -1.53%                |
| 6 Trade              | -0.73%                | -1.62%                |
| 7 Transport          | 2.2%                  | -0.06%                |
| 8 Finance            | 8.4%                  | 7.02%                 |
| 9 Community services | -5.93%                | 1.33%                 |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Table 3.2 shows the changes in the structure of Johannesburg’s economy between 1996 and 2008, and from 2010 to 2024. For example, a 0.06% change for Agriculture during 2010–2024 indicates that this sector’s contribution to Johannesburg’s GVA increased by 0.06 percentage points compared to 2010.

As shown, the most significant change in 2008 compared to 1996 was in Community services, which declined by 5.93 percentage points as a share of Johannesburg’s GVA. Conversely, the Finance sector increased by 8.4 percentage points. During the low-growth period (2010–2024), Manufacturing was the hardest hit, losing 3.72 percentage points of its share in Johannesburg’s GVA. Meanwhile, Finance continued to grow in importance, gaining 7.02 percentage points.

**FIGURE 3.8: JOHANNESBURG’S REAL GVA BY MAJOR SECTORS 1996-2024**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

As indicated in figure 3.8, the Finance sector, which includes insurance and real estate activities, is generally a large contributor towards GVA.

**TABLE 3.3: COMPARATIVE SECTORAL CONTRIBUTORS TO THE GROWTH IN JOHANNESBURG’S ECONOMY DURING HIGH AND LOW GROWTH PHASES**

| Major Sector       | Share of Absolute Growth in Real GVA between 2000 and 2008 | Share of Absolute Growth in Real GVA between 2010 and 2024 |
|--------------------|--|--|
| Agriculture        | 0.1%   | 0.65%  |
| Mining             | -0,8%  | -2.39%   |
| Manufacturing      | 14.9%  | -6.46%   |
| Electricity        | 1.6%   | -2.64%   |
| Construction       | 5.5%   | -5.87%   |
| Trade              | 11.2%  | 3.73%  |
| Transport          | 10.1%  | 9.09%  |
| Finance            | 40.0%  | 76.70%   |
| Community services | 17.6%  | 27.20%   |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Table 3.3 presents Johannesburg’s sectoral contributions to the city’s GVA growth in absolute terms across two periods: 2000-2008 and 2010-2024. During 2000-2008, the Finance sector was the major driver of GVA growth, contributing 40%. This was followed by Community services at 17.6% and Manufacturing at 14.9%.

In the period 2010-2024, the Finance sector continued to be the leading contributor, accounting for 76.70% of the overall GVA increase. The Community Services sector also played a significant role, contributing 27.20%. Conversely, several sectors exerted a negative impact on the economy during this period: Mining (-2.39%), Manufacturing (-6.46%), Electricity (-2.64%), and Construction (-5.87%).

The decline in manufacturing is particularly concerning, as it is a vital sector for developing upstream and downstream economic linkages, integrating into global and regional value chains, increasing competitiveness, creating jobs, boosting exports, and seizing opportunities for localisation of production.

**FIGURE 3.9: AVERAGE SECTOR GROWTH LESS JOHANNESBURG AVERAGE REAL GVA GROWTH 2010-2024 (%)**



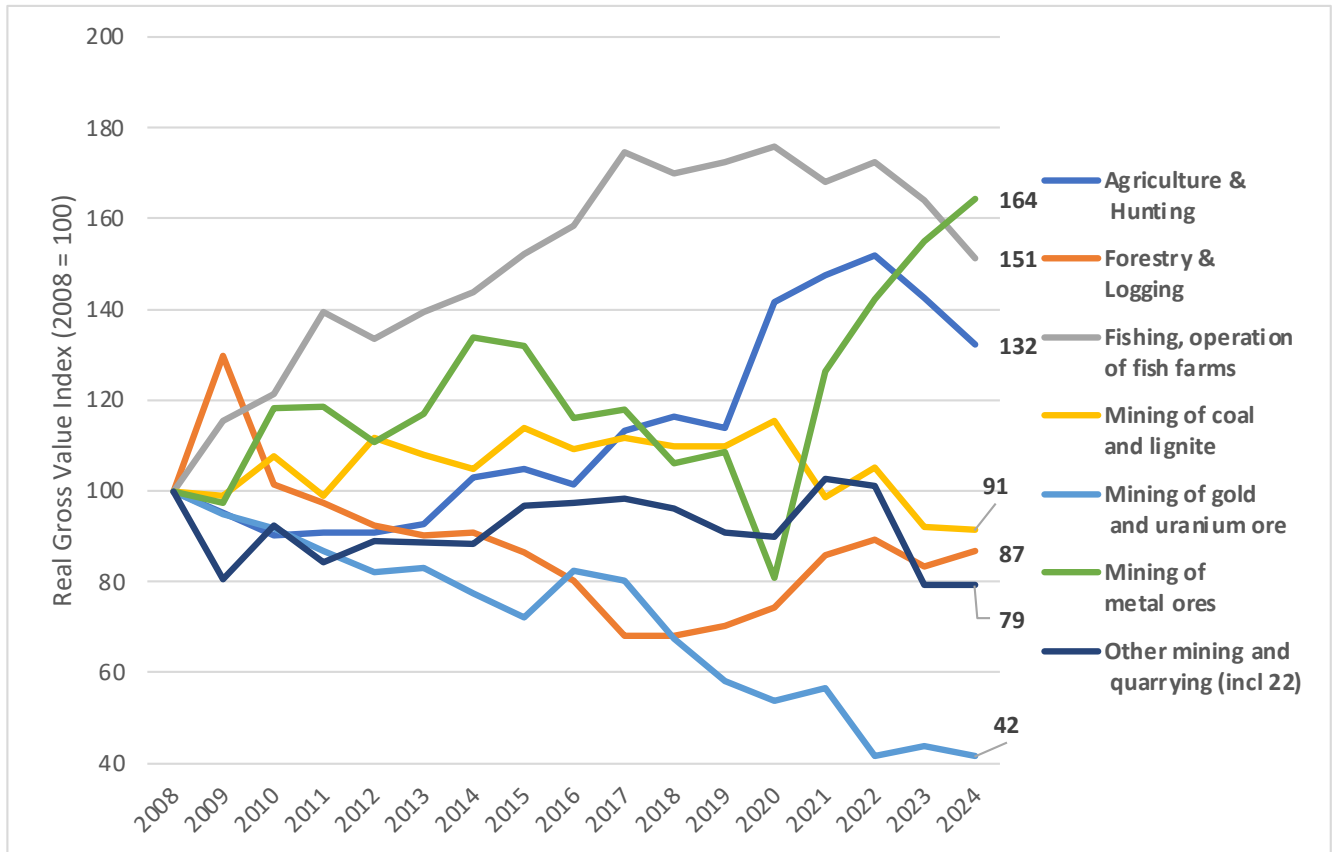
Data Source: IHS Markit Regional Explorer 2236 (2.6p)

When examining a detailed sectoral breakdown of Johannesburg’s economy, it is possible to identify sectors that have driven growth by achieving higher-than-average growth rates, as well as those that have lagged and slowed overall progress with lower-than-average growth rates. Figure 3.9 displays the results of this analysis.

In the period from 2010 to 2024, sectors such as Other service activities, Posts and telecommunications, and Finance and insurance emerged as key growth drivers. Conversely, sectors like Mining of coal and lignite, Forestry & logging, and Mining of gold and uranium ore exerted the strongest drag on the city’s economy during this period.

Overall, 22 sectors acted as drags on growth, while 12 sectors served as drivers of economic expansion. The tertiary sector performed better than the primary and secondary sectors during this timeframe.

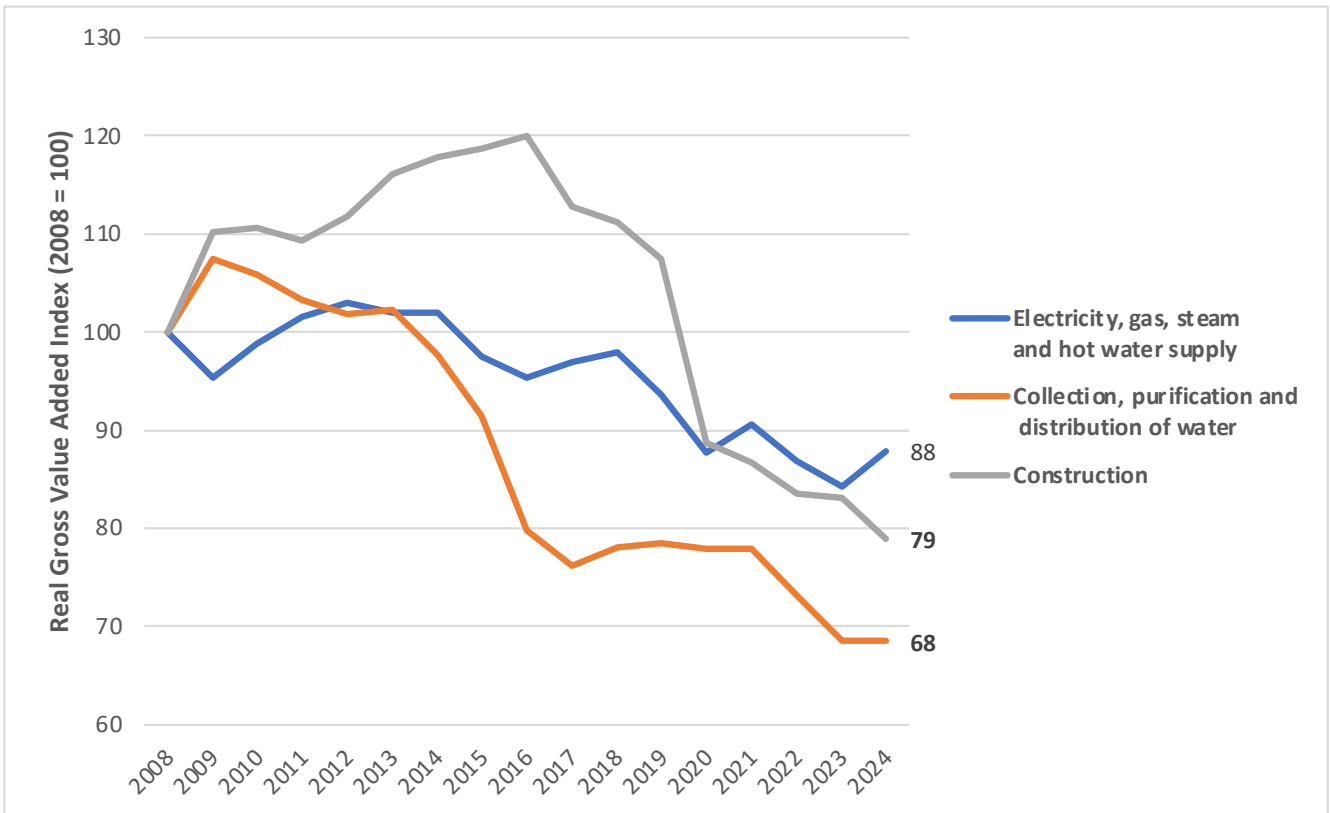
**FIGURE 3.10: RELATIVE PERFORMANCE OF REAL GVA OF JOHANNESBURG'S PRIMARY SECTORS**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

In Figure 3.10 the performance of the city's primary sector sub-sectors post 2008 through to 2024 is illustrated. The figure shows that four sectors had negative growth in that period: Other mining and quarrying (-21%), Mining of gold and uranium ore (-58%), Forestry and logging (-13%), and Mining of coal and lignite (-9%). The other primary sectors enjoyed positive growth: Fishing, operation of fish farms (51%), Agriculture and hunting (32%), Mining of metal ores (64%). It should be noted that Fishing and operation of fish farms is a very small sector in the context of the Johannesburg economy.

**FIGURE 3.11: RELATIVE PERFORMANCE OF REAL GVA OF JOHANNESBURG'S UTILITIES AND CONSTRUCTION**

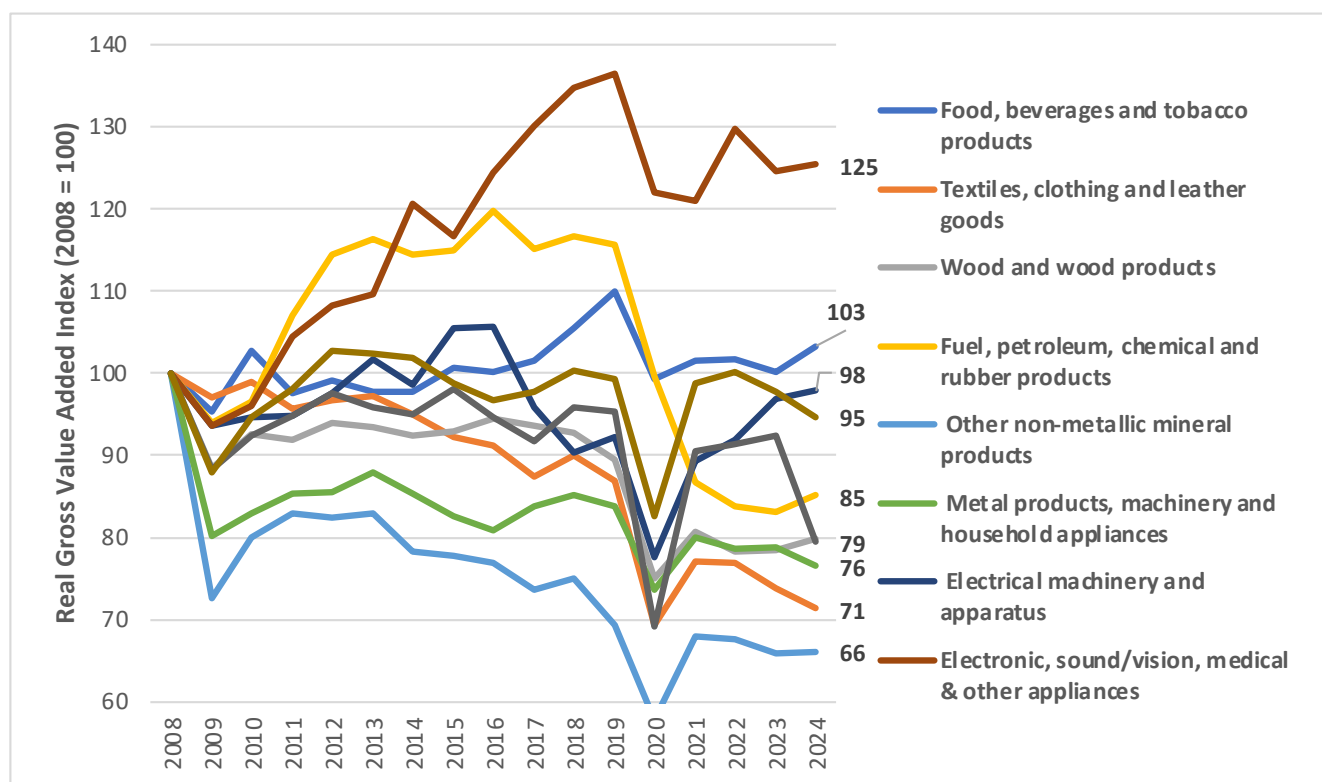


Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 3.11 shows that all sub-sectors under Utilities and construction experiences a decline in real GVA in the period 2008 to 2024: Electricity, gas, steam and hot water supply (-12%), Collection, purification and distribution of water (-32%), and Construction (-21%).



**FIGURE 3.12: RELATIVE PERFORMANCE OF THE REAL GVA OF JOHANNESBURG'S MANUFACTURING SUB-SECTORS**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Manufacturing is a vital sector in modern economies, with the potential to deepen and broaden the economic base while generating significant employment and skill transfer opportunities. Particularly, manufacturing linked to global and regional value chains, export markets, and localised production can significantly drive regional development.

Figure 3.12 shows the relative output growth of Johannesburg's manufacturing sub-sectors since the 2008 global financial crisis. Notably, real GVA in Electronic, sound/vision, medical, and other appliances grew the most, by 25% over this period. Food, beverages, and tobacco products experienced modest growth of just 3%.

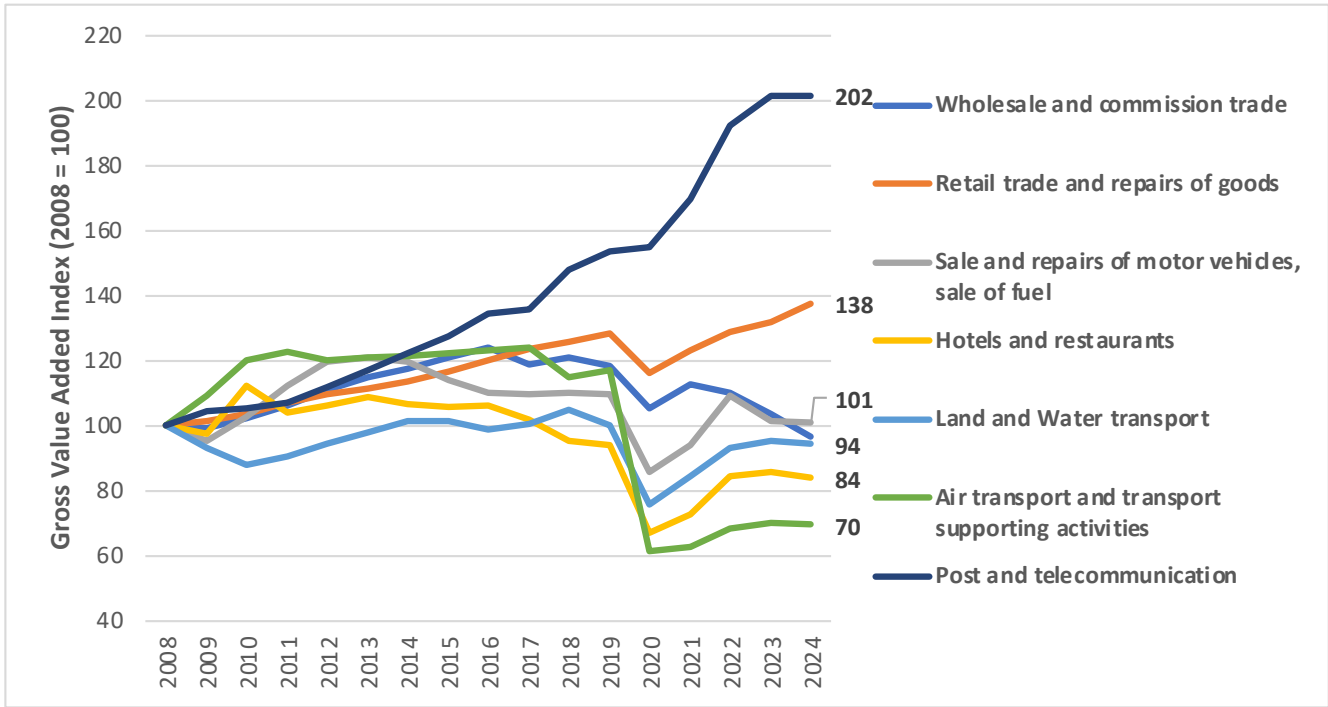
However, most other manufacturing sub-sectors experienced declines in GVA between 2008 and 2024:

- Fuel, petroleum, chemicals, and rubber products: -15%
- Textiles, clothing, and leather goods: -29%
- Wood and wood products: -20%
- Other non-metallic mineral products: -34%
- Metal products, machinery, and household appliances: -24%
- Electrical machinery and apparatus: -2%
- Transport equipment: -21%
- Furniture and other items (not elsewhere classified) and recycling: -5%

Thus, aside from the sectors that showed growth, the majority of Johannesburg's manufacturing sub-

sectors experienced a significant contraction over this period.

**FIGURE 3.13: RELATIVE PERFORMANCE OF REAL GVA OF JOHANNESBURG’S TRADE, TRANSPORT AND COMMUNICATIONS SECTORS**

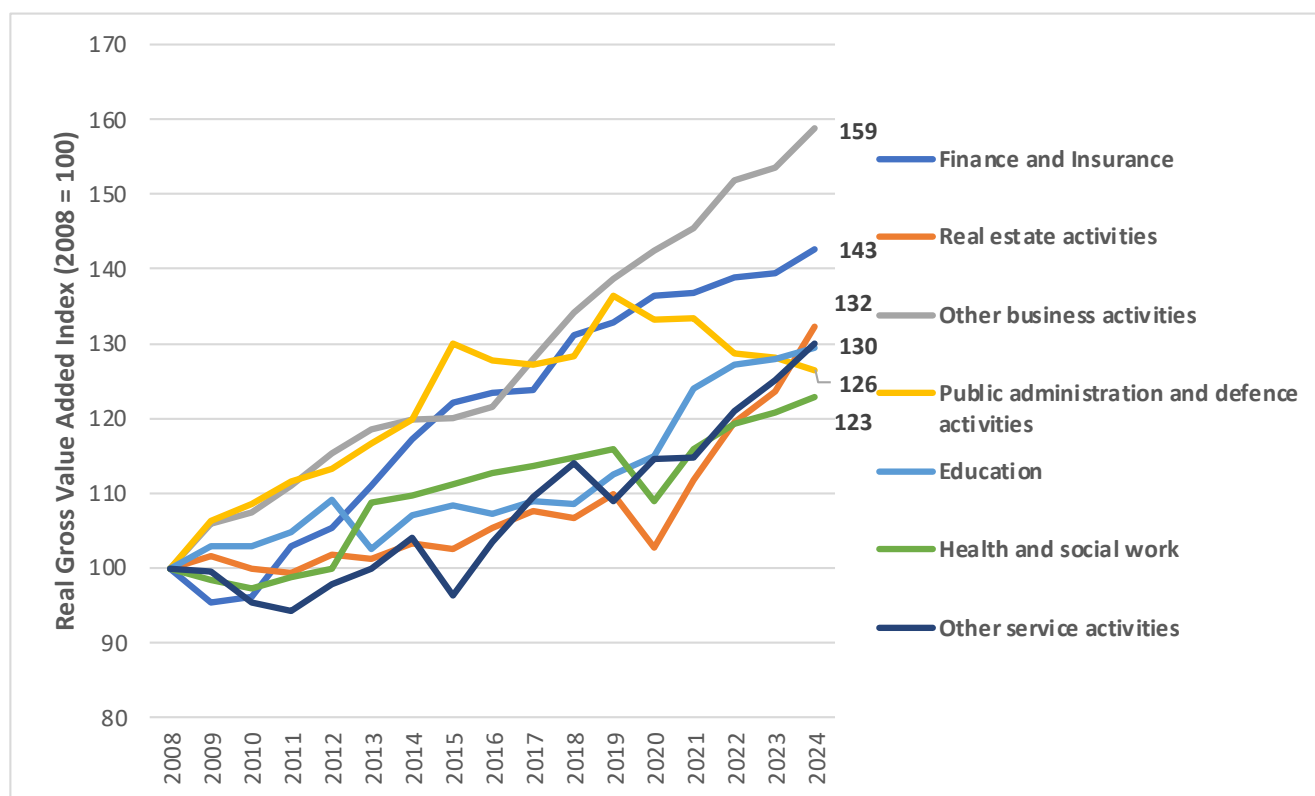


Data Source: IHS Markit Regional Explorer 2236 (2.6p)

As Figure 3.13 reveals, the trade sector experienced a general decline from 2008 to 2024, with four sub-sectors below the 2008 levels and only two above 2008 levels. Those that declined were Wholesale and commission trade (-3%), Hotels and restaurants (-16%), Land and Water transport (-6%), and Air transport and transport supporting activities (-30%); with Post and telecommunication (102%), Retail trade and repairs of goods (38%), and Sale and repairs of motor vehicles, sale of fuel (1%) showing an increase.



**FIGURE 3.14: RELATIVE PERFORMANCE OF REAL GVA OF JOHANNESBURG'S FINANCE, COMMUNITY AND PERSONAL SERVICES SECTORS**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

The Finance, community, and personal services sector grouping is the largest contributor to Johannesburg's economy, both in terms of output and employment. Its performance is therefore significant to the city's overall economic health. As shown in Figure 3.14, all sub-sectors within this grouping experienced growth in real GVA from 2008 to 2024, despite a dip during the Covid-19 pandemic.

The Finance sector saw its highest growth in 2019, at 4.5%, and its lowest in 2020, at -2.9%. The Community services sector – primarily comprising government – also had its peak growth in 2019, at 3.7%, with the lowest growth occurring in 2017 at -1.0%.

Between 2008 and 2024, these sub-sectors experienced substantial growth:

- Other business activities: 59%
- Finance and insurance: 43%
- Real estate activities: 32%
- Other service activities: 30%
- Education: 29%
- Public administration and defence: 26%
- Health and social work: 23%

### 3.3 Sector relative resilience

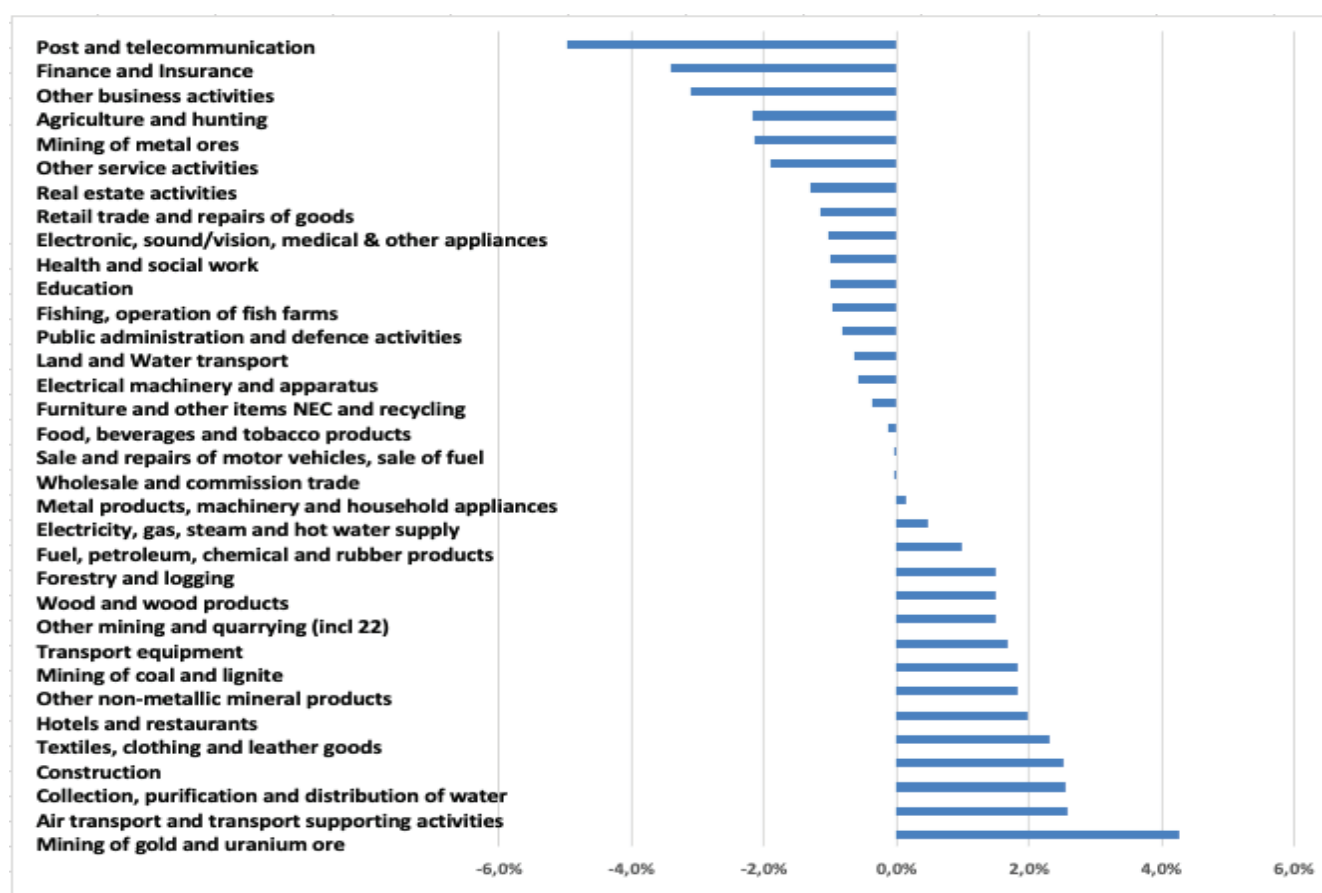
It is possible to assess the relative performance of Johannesburg's sectors compared to the same sectors at a national level. Analyzing this during the high growth-phase (2000-2008) and the low-growth phase

(2010–2024) provides insights into the resilience of these sectors.

The methodology involves subtracting the average annual growth rate of each sector at the national level from the corresponding rate at the city level. A positive result indicates that Johannesburg gained relative “market share” in that sector, suggesting a comparative advantage during the period. Conversely, a negative result indicates a loss of relative market share and a potential comparative disadvantage.

Figure 3.15 illustrates these outcomes, showing which industries in Johannesburg gained relative market share – most notably, Mining of gold and uranium ore from 2010 to 2024 – and which ones lost it, with Post and telecommunication experiencing the greatest relative decline over the same period.

**FIGURE 3.15: REVEALED ADVANTAGES OF JOHANNESBURG’S SECTORS (2010-2024)**

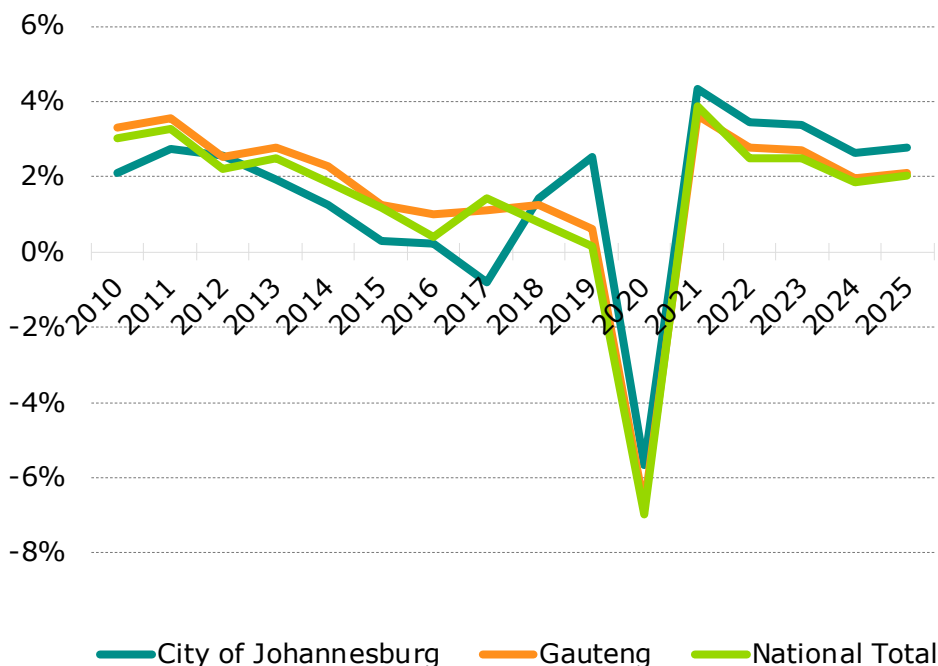


Data Source: IHS Markit Regional Explorer 2236 (2.6p)

### 3.4 Economic growth forecast

From 2020 to 2024 Johannesburg grew at an average annual rate of 2.23%, while during that period the average annual growth rate of Gauteng was 2.21% and for South Africa it was 1.93%. Figure 3.16 indicates that growth rates are generally similar for Johannesburg, Gauteng and South Africa and that on current trajectory one can expect low growth from all three, with Johannesburg slightly outpacing the other two.

**FIGURE 3.16: GDP – JOHANNESBURG, GAUTENG AND NATIONAL TOTAL 2010-2025 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

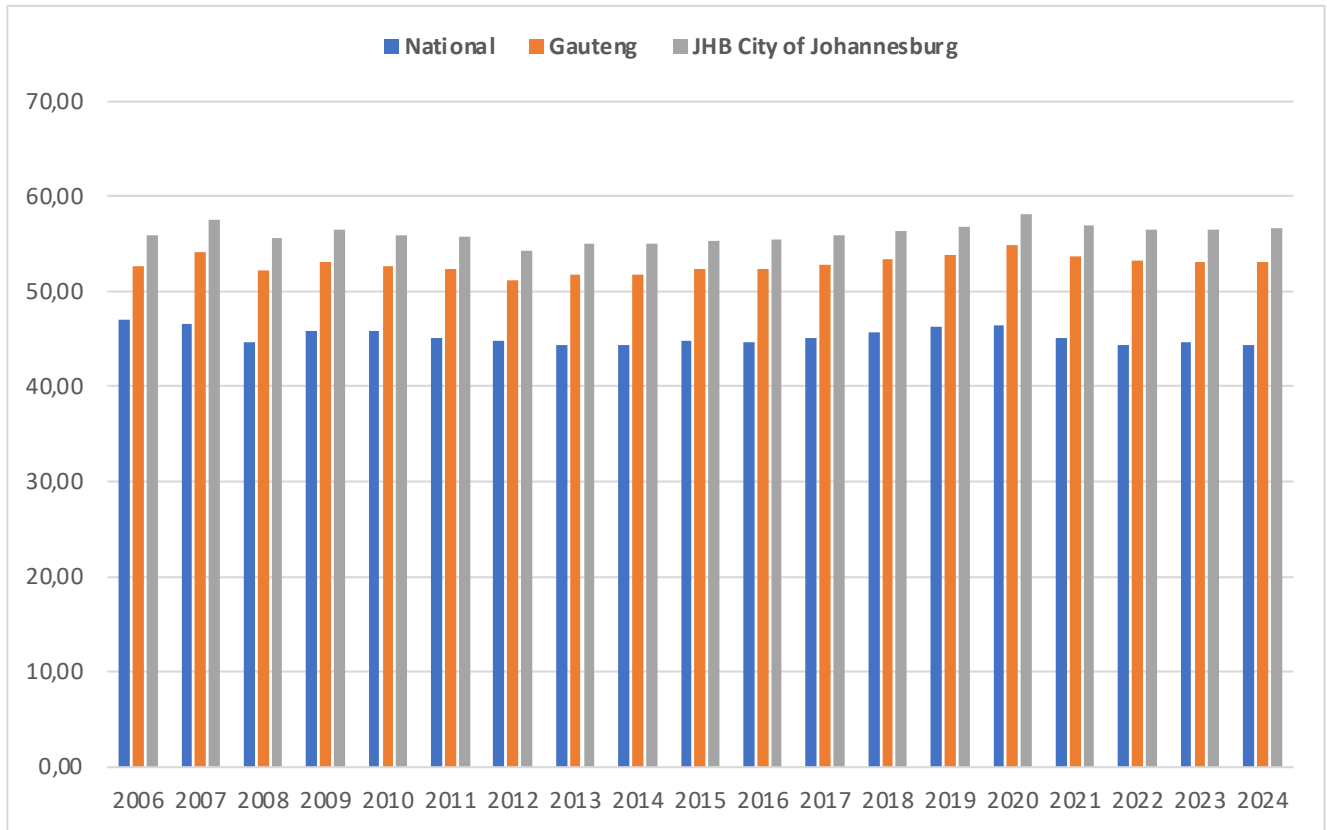
**TABLE 3.4: GROSS VALUE ADDED (GVA, R BILLIONS) SUB-METRO REGIONS OF COJ METROPOLITAN MUNICIPALITY, 2020 TO 2024, SHARE AND GROWTH**

|              | Share of metropolitan municipality (2024) | 2020 (Constant prices) | 2024 (Constant prices) | Average Annual growth |
|--------------|---|------------------------|------------------------|-----------------------|
| Region A     | 11.86%                                    | 68.2                   | 75.0                   | 2.38%                 |
| Region B     | 11.52%                                    | 66.6                   | 72.8                   | 2.26%                 |
| Region C     | 10.90%                                    | 63.2                   | 68.9                   | 2.20%                 |
| Region D     | 14.15%                                    | 82.2                   | 89.5                   | 2.17%                 |
| Region E     | 19.01%                                    | 109.3                  | 120.2                  | 2.43%                 |
| Region F     | 25.02%                                    | 144.8                  | 158.2                  | 2.23%                 |
| Region G     | 7.53%                                     | 44.2                   | 47.6                   | 1.91%                 |
| Johannesburg |   | 578.7                  | 632.2                  | 2.25%                 |

Source: IHS Markit Regional eXplorer version 2112

As Table 3.4 indicates, comparing the regions within Johannesburg, Region F (Inner City / Southern Joburg) makes the largest contribution to the city’s economy, while Region G (Deep South / Ennerdale / Orange Farm) makes the smallest contribution. Between 2020 and 2024 there was not a big difference in growth rate among the seven regions.

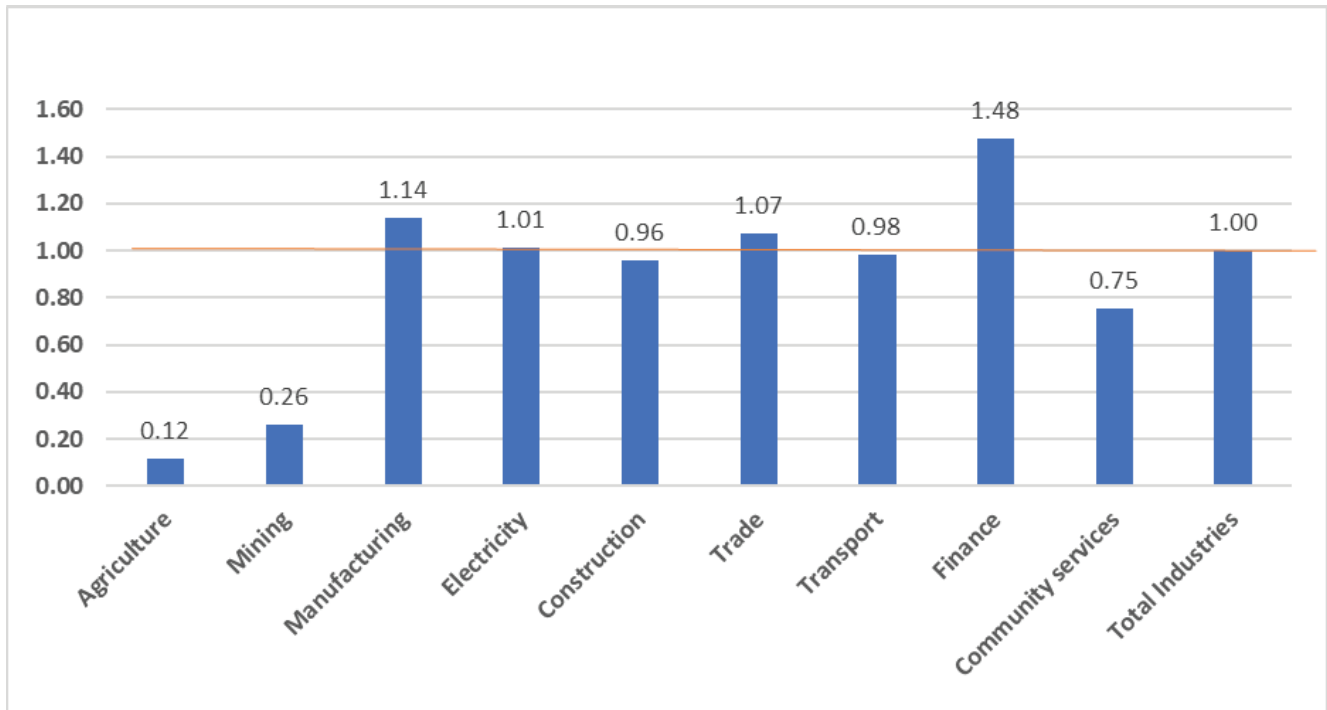
**FIGURE 3.17: TRESS INDEX: JOHANNESBURG, GAUTENG AND NATIONAL TOTAL, 2006-2024**



Source: IHS Markit Regional eXplorer version 2112

The Tress index (Figure 3.17) measures the degree of concentration of an area’s economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region. In 2024, Johannesburg’s Tress Index was estimated at 56.57, which is higher than the 53.13 of the province, 45.6 for South Africa as a whole, and what it was for Johannesburg in 1996 (50.64). This implies that Johannesburg is less diversified in terms of its economic activity spread than the national and provincial economies and what it has been in previous years.

**FIGURE 3.18: LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS (GVA TERMS), JOHANNESBURG RELATIVE TO SOUTH AFRICA 2024**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 3.18 shows that if the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector when comparing it to the South Africa economy as a whole. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy. Johannesburg has a comparative disadvantage when it comes to the Agriculture and Mining sectors. In general, mining is a very concentrated economic sector and Johannesburg does not have a lot of mining activity, with an LQ of only 0.26. While the LQ score is even less for Agriculture, at 0.12. Meanwhile, Johannesburg has a high comparative advantage in the Finance sector, with an LQ of 1.48.

## 4. Labour

The labour force includes all individuals of working age – those above a certain minimum age and below retirement – who are actively participating as workers. This encompasses people who are either employed or seeking employment. Another term for the labour force is the economically active population (EAP). Excluded from this group are students, retirees, stay-at-home parents, individuals in prisons or similar institutions, people engaged in jobs or professions with unreported income, and discouraged workers who have given up searching for work.

**TABLE 4.1: COMPARATIVE AGE COMPOSITION OF SOUTH AFRICA AND JOHANNESBURG POPULATIONS IN 2024**

| Age Group - years | % Share of South Africa's Population in 2024 | % Share of Johannesburg's Population in 2024 |
|-------------------|--|--|
| 00-04             | 9.3  | 7.8  |
| 05-19             | 26.8   | 22.2   |
| 20-34             | 24.0   | 25.7   |
| 35-54             | 26.0   | 30.3   |
| 55-64             | 7.2  | 7.9  |
| 65+               | 6.6  | 6.0  |

Source: IHS Markit Regional eXplorer version 2112

As mentioned in an earlier section 1.3 (A PROFILE OF JOHANNESBURG'S WORKING-AGE POPULATION), Stats SA defines the working-age population as individuals aged between 15 and 64. While this aligns with international norms at the lower age limit, many countries, following the International Labour Organisation (ILO) no longer apply an upper age limit.

A larger, stable working-age population can provide a significant boost to economic growth, as these individuals tend to have higher consumption expenditure, and a denser concentration can reduce dependency ratios by absorbing additional labour market entrants. In 2024, Johannesburg's working-age population was approximately 4.37 million, up from 4.03 million in 2020. The largest segment is the young working-age group (25–44 years), comprising about 2.2 million people or 36.6% of the total population. The next largest group is children and youth (0–14 years), numbering around 1.4 million and accounting for 22.8% of the total. The older working-age group (45–64 years) includes roughly 1.3 million people, or 20.5% of the total. The smallest segment is the retired/older age group (65+), with only 0.37 million individuals, representing 6.0%.

Recapping from section 1.3, South Africa's working-age population grew by 76% between 1996 and 2024, while Johannesburg's increased by 141% over the same period. Johannesburg's economically active population (EAP) reached 3.1 million in 2024, representing 50.4% of its total population of 6.13 million and roughly 12.06% of South Africa's total EAP. From 2010 to 2024, the annual growth rate of Johannesburg's EAP averaged 2.47%, slightly higher (+0.7 percentage points) than the country's growth rate for the same period. In 2010, 49.6% of Johannesburg's population was classified as economically active, rising to 50.4% in 2024. While South Africa's EAP increased by 116% from 1996 to 2024, Johannesburg's EAP grew by 174%, indicating an increasing labour force participation rate.

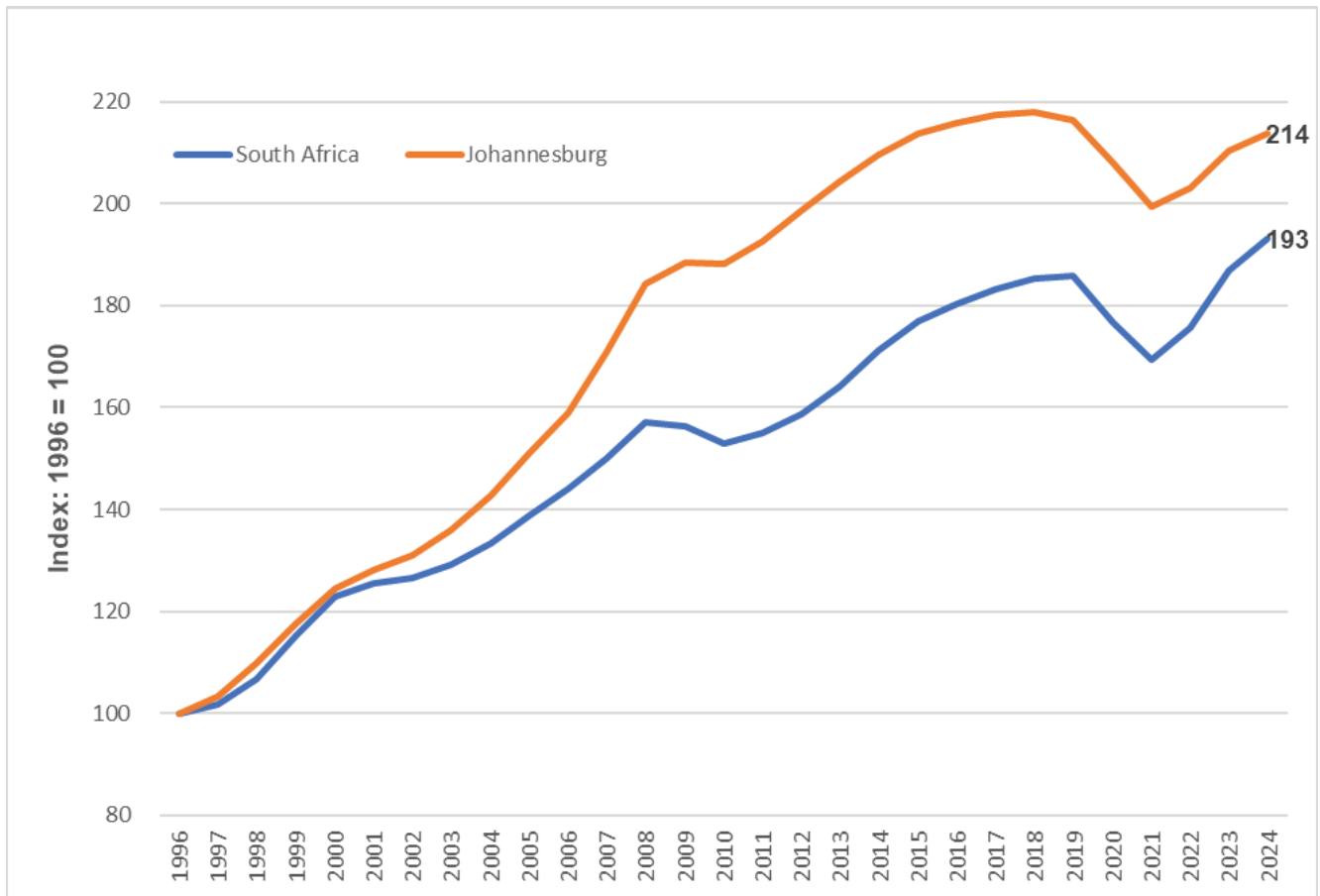
Employment data is crucial for assessing unemployment and understanding structural economic shifts. It also serves as a basis for calculating productivity, earnings per worker, and other key indicators. In 2024, around 2.06 million people in Johannesburg were employed, accounting for 11.95% of South Africa's total employment of 17.28 million. Compared to the other metros, Johannesburg provides the most jobs in Gauteng.

Of the 2.06 million employed, 1.69 million were employed formally – about 81.69% – while informal sector employment stood at 378,000, or 17.28%, having increased from 242,000 in 2010. Between 1996 and 2024, formal sector employment in Johannesburg grew from 887,000 to 1.69 million, reflecting a 90.1% increase. Nationwide, employment grew by 73.4% over the same period, averaging about 2.3% annually for Johannesburg and 2.1% for the country. Notably, following the 2008 global financial crisis, South Africa's overall employment levels declined in 2009 and 2010. Johannesburg, however, only experienced a

decline in 2010, while the city lost 49,380 jobs during the Covid-19 pandemic, in contrast to 632,056 jobs lost nationally.

Figure 4.1 illustrates the trends in total employment (both formal and informal) at the national and Johannesburg levels. Employment in Johannesburg increased by 114% from 966,512 in 1996 to over 2 million in 2024, compared with a 93% growth nationally. This translates to average annual growth rates of approximately 2.75% for Johannesburg and 2.38% for the country. As noted earlier, while national employment declined in 2009 and 2010 due to the global financial crisis, Johannesburg experienced a similar decline only in 2010.

**FIGURE 4.1: COMPARATIVE TRENDS IN NUMBER OF EMPLOYED IN SOUTH AFRICA AND JOHANNESBURG 1996-2024**

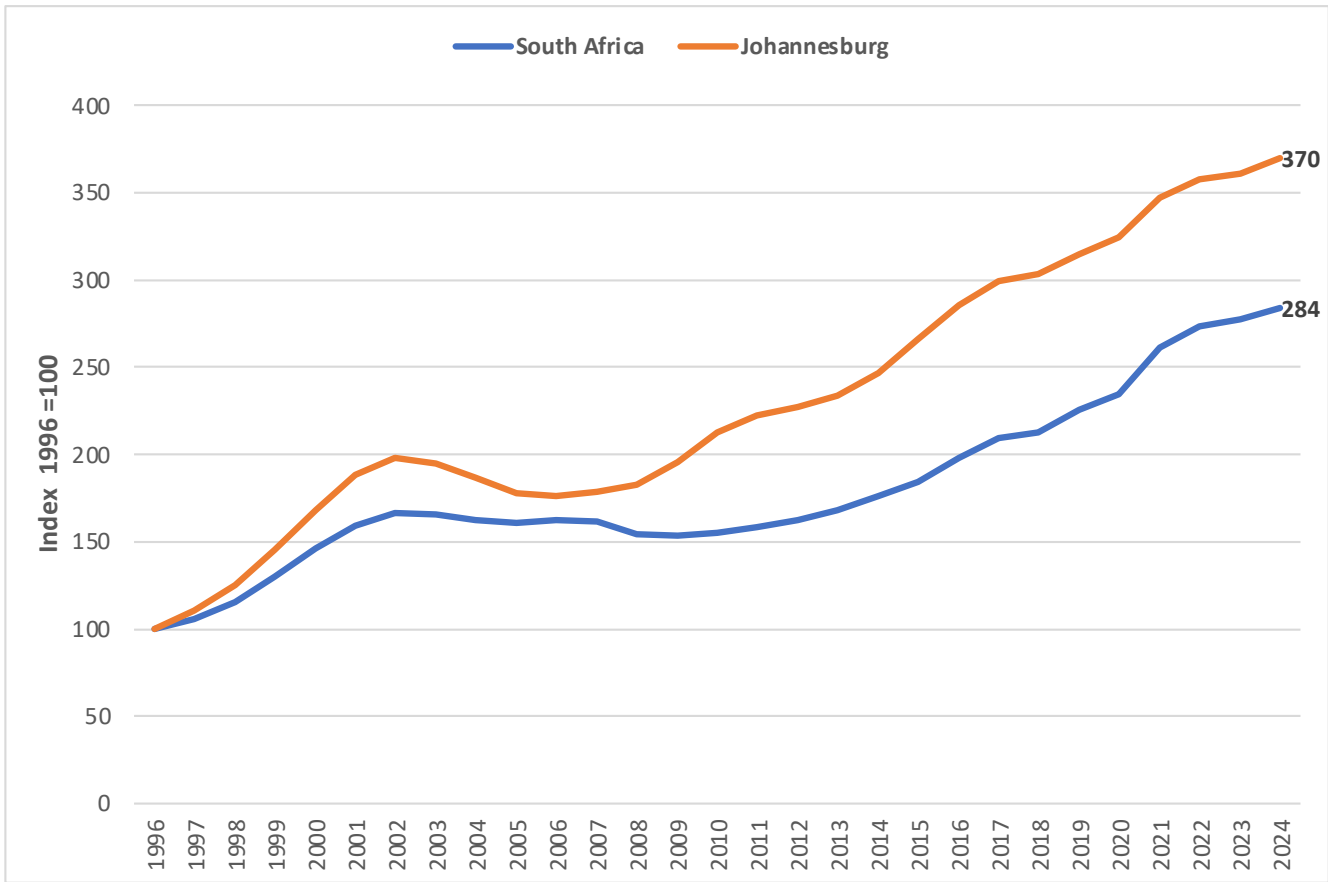


Data Source: IHS Markit Regional Explorer 2236 (2.6p)

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The “unemployed” comprise all persons above a specified age who during the reference period were:

- “Without work”, i.e. not in paid employment or self-employment;
- “Currently available for work”, i.e. were available for paid employment or self-employment during the reference period; and
- “Seeking work”, i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

**FIGURE 4.2: RELATIVE TRENDS IN THE NUMBER OF UNEMPLOYED PEOPLE IN SOUTH AFRICA AND JOHANNESBURG**

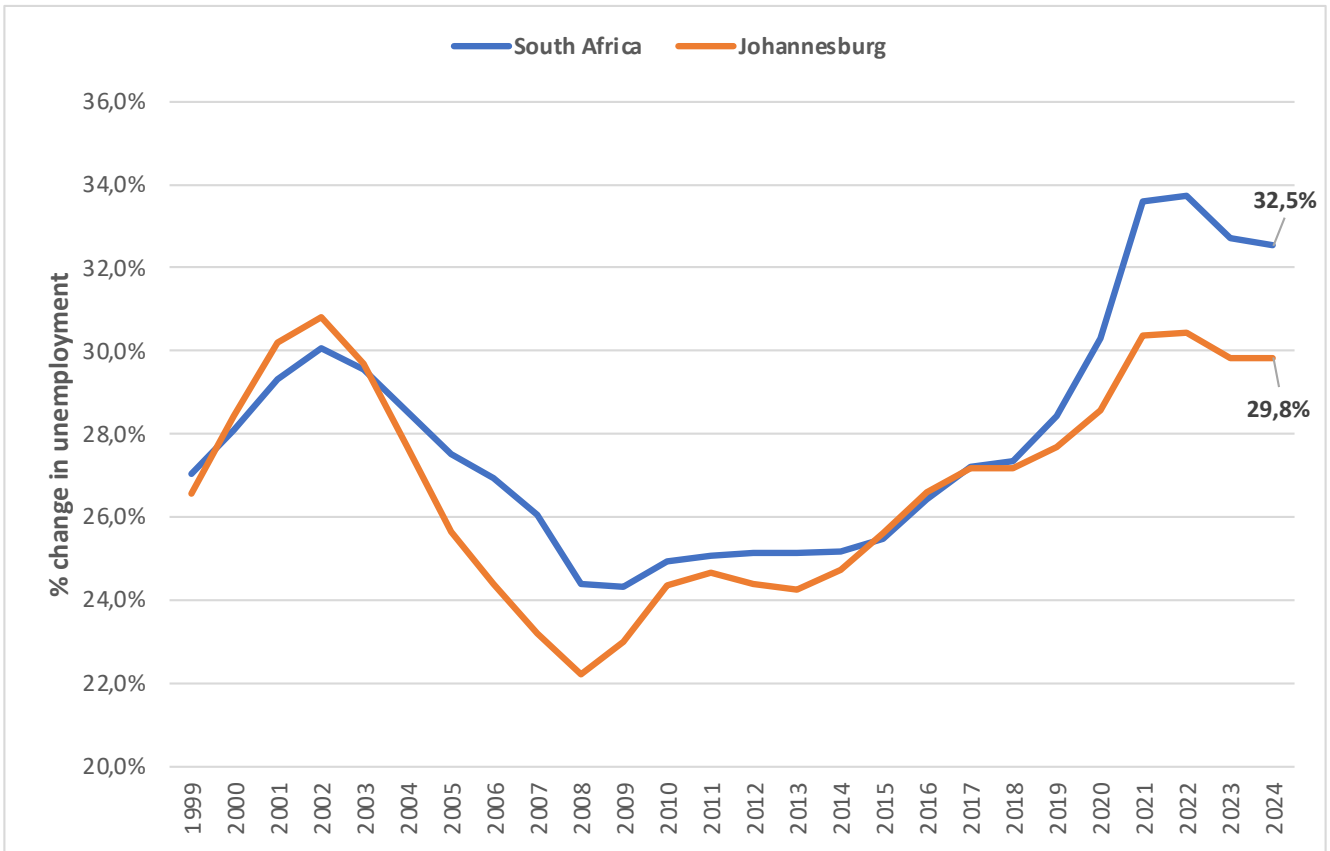


Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 4.2 shows the relative trends in the number of unemployed individuals in South Africa and Johannesburg. As per the official definition of unemployment, between 1996 and 2024 the number of unemployed people in South Africa increased by 184%, while in Johannesburg it rose by 270%.



**FIGURE 4.3: COMPARATIVE TRENDS IN THE OFFICIAL UNEMPLOYMENT RATES IN SOUTH AFRICA AND JOHANNESBURG**



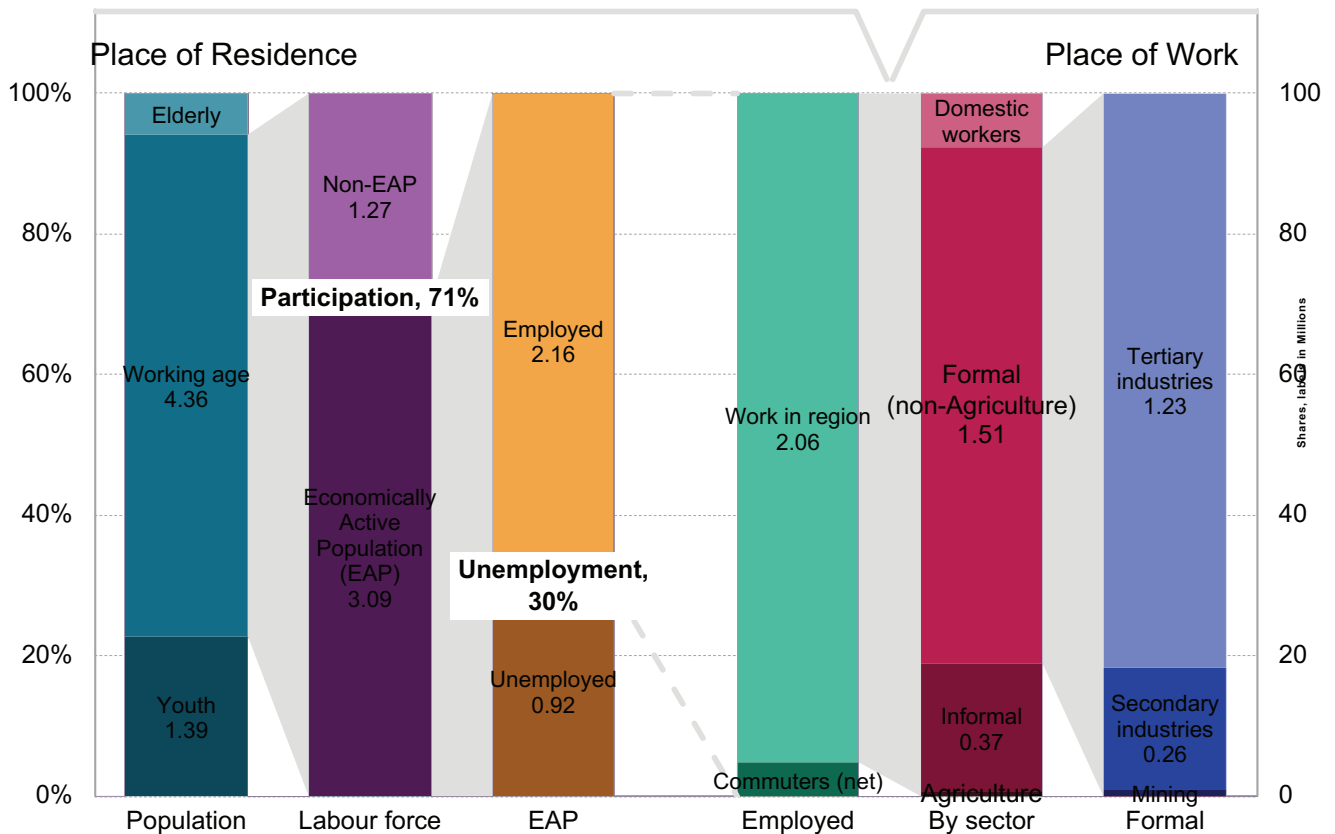
Source: IHS Markit Regional Explorer 2236 (2.6p)

In 2024, there were 922,611 people unemployed in Johannesburg, an increase of 392,316 from 529,295 in 2010. Between 2010 and 2024 Johannesburg had an average annual increase of 3.92% in the number of unemployed people, ending on 29.8% in 2024, as shown in Figure 4.3; while the unemployment rate for South Africa was 32.5% in 2024, which is an increase of 7.6 percentage points from 2010, when it was 24.9%.

Johannesburg has South Africa’s largest metropolitan population and is a major destination for both internal and cross-border migrants. This is primarily because it serves as the economic hub of Gauteng, the driving force of the national economy. Additionally, Johannesburg interacts closely with two other nearby metros – Tshwane and Ekurhuleni – and benefits from its proximity to neighbouring countries.

Moreover, more than any other metro, Johannesburg’s economy has consistently generated a substantial number of new employment opportunities each year. People seeking work across all skill levels – from professionals and skilled workers to semi- and unskilled labour – flock to the city in pursuit of employment.

**FIGURE 4.4: LABOUR GLIMPSE: JOHANNESBURG 2024 (NUMBERS IN MILLIONS)**



Source: IHS Markit Regional eXplorer version 2112

Reading from the leftmost bar of Figure 4.4, the total population of Johannesburg is 6.13 million. This can be divided into the working-age population – approximately 4.36 million – and the non-working-age population. The non-working-age group includes individuals aged 0–19 (youth) and those 65 and older (pensioners).

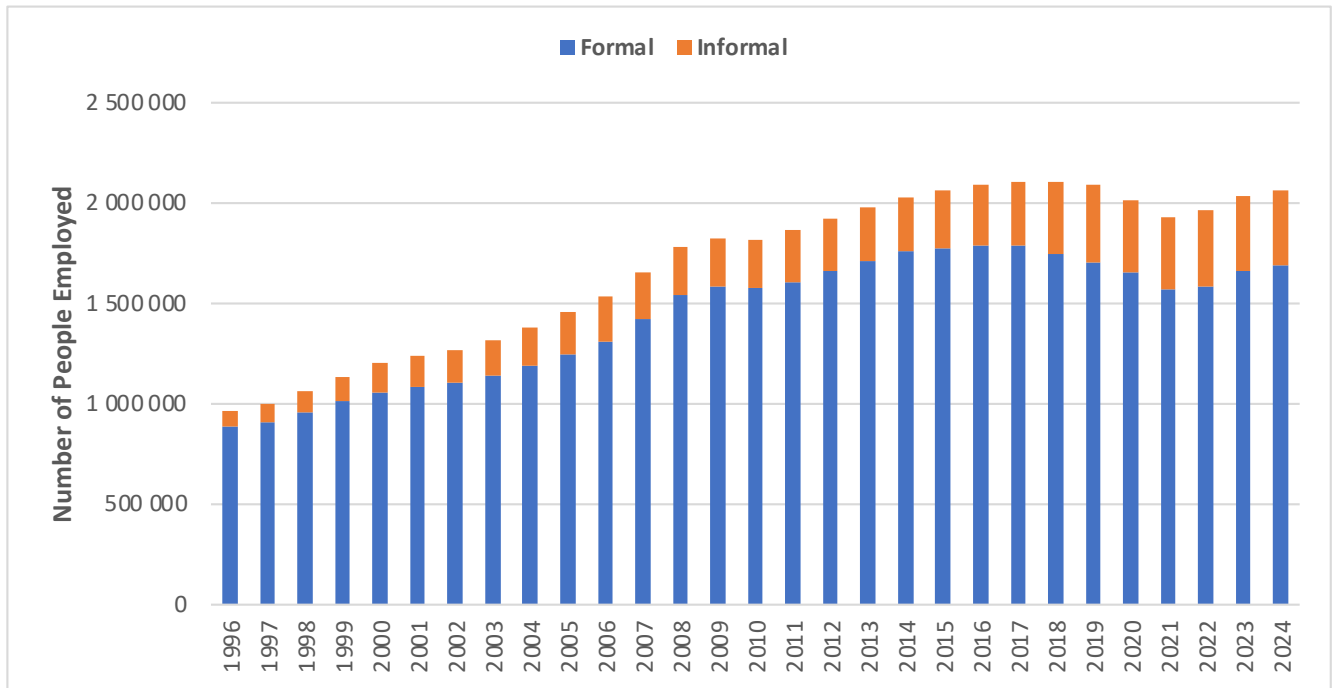
Of the working-age population, about 71% are participating in the labour force, meaning roughly 3.09 million residents are part of the economically active population (EAP). The remaining 29%, or approximately 1.27 million people, form the non-economically active population (NEAP), which includes full-time students at tertiary institutions, disabled individuals, and those who choose not to work.

Within the EAP, approximately 922,000 are unemployed, resulting in an unemployment rate of 29.8%. (Note: these statistics are based on residents’ place of residence.)

Moving to the second bar from the right, the chart shows the breakdown of formal non-agriculture jobs in Johannesburg by industry – primary (mining), secondary, and tertiary. In 2024, the majority of formal non-agriculture employment – about 1.23 million jobs – was in tertiary industries.

Formal employment accounts for 81.7% of all jobs in Johannesburg. The difference between employment measured at the place of work and the residents employed in the area can be explained by net commuters who travel daily into Johannesburg for work.

**FIGURE 4.5: FORMAL AND INFORMAL CONTRIBUTIONS TO TOTAL EMPLOYMENT IN JOHANNESBURG**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

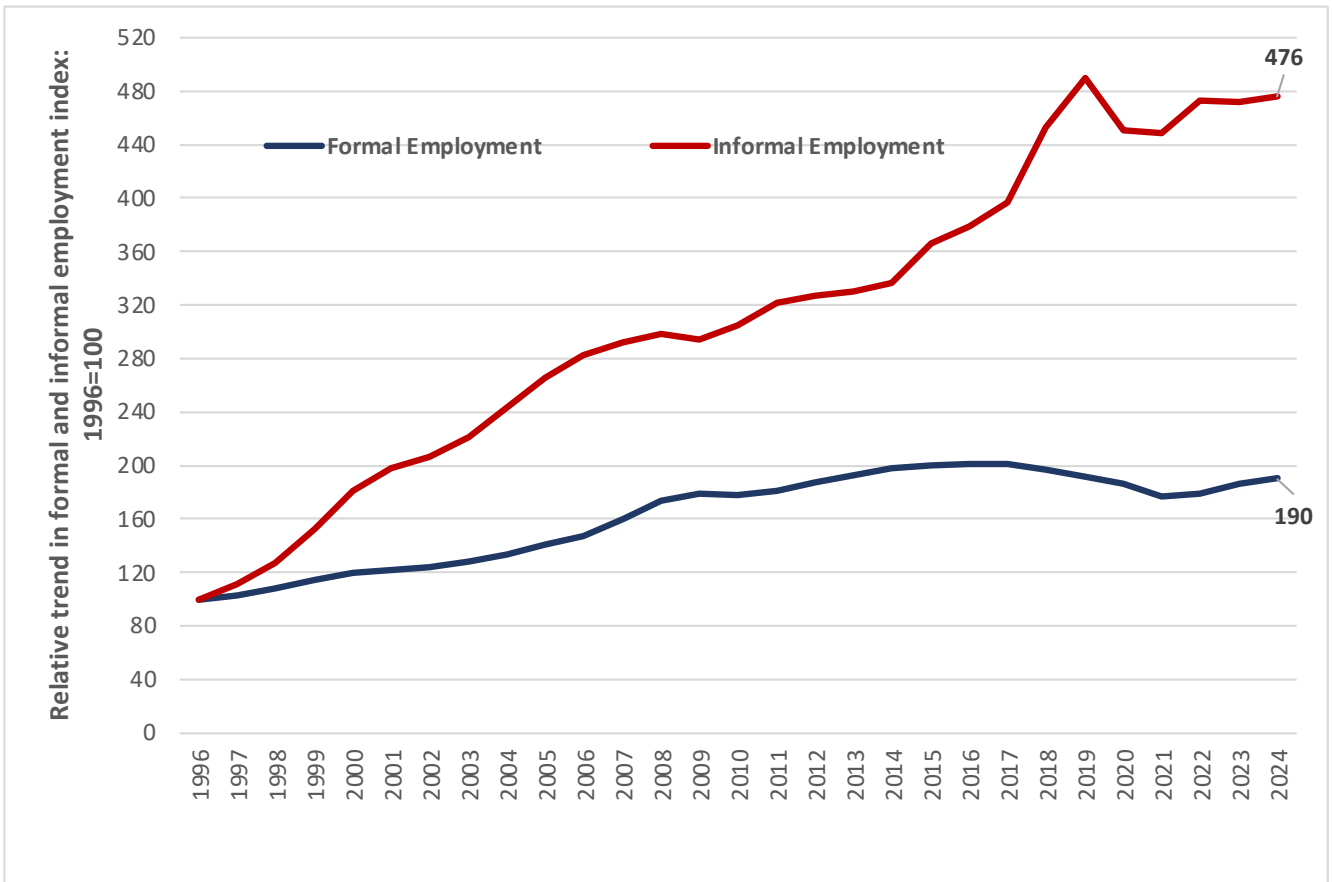
In Figure 4.5 total employment is broken down into formal and informal sector employment. In South Africa, formal employment refers to jobs in registered businesses and organisations that are officially recognised by government authorities. It is measured from the business side of the economy, where employment is recorded through formal payroll systems and official registers.

In contrast, informal employment is work that occurs within households or unregistered businesses where no formal structures or official records exist. It is measured from the household side, often based on surveys and estimations, because it cannot be tracked through formal business records.

Formal employment tends to be more stable and easier to measure, while informal employment is more difficult to quantify and regulate. Despite this, informal employment is a significant part of South Africa's economy and must be acknowledged and addressed in policymaking.

The number of formally employed people in Johannesburg counted 1,686,762 in 2024, which is about 81.7% of total employment, while the number of people employed in the informal sector counted around 378,000 (up from around 242,00 in 2010) or 18.3% of the total employment.

**FIGURE 4.6: RELATIVE PERFORMANCE OF FORMAL AND INFORMAL EMPLOYMENT IN JOHANNESBURG**

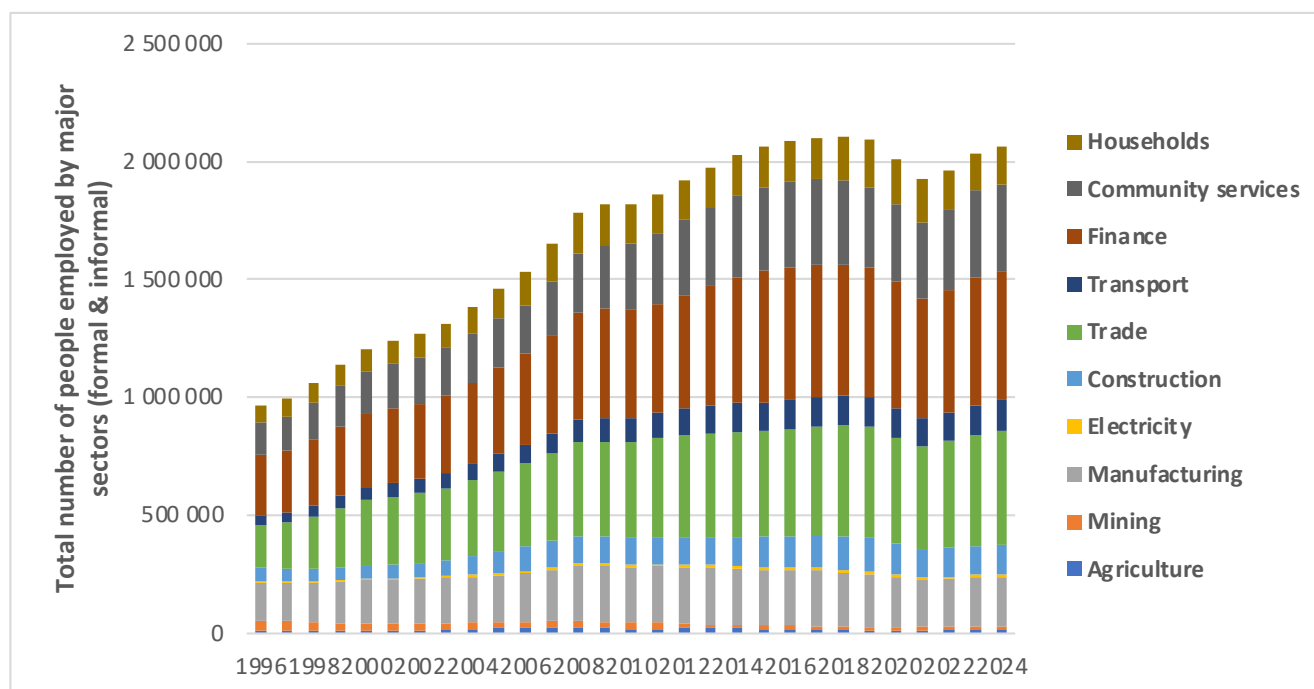


Source: IHS Markit Regional eXplorer version 2112

In Figure 4.6, it is evident that since 1996 informal employment has been rising at a faster pace than formal employment. In fact, informal employment increased by 376% between 1996 and 2024, while formal employment expanded by 90% over the same period. This picture suggests that the economy has not been growing fast enough to create enough formal employment opportunities for the rapidly growing population, forcing people into informal employment arrangements in small-scale and survivalist activities. It is also probable that the casualisation of jobs in the labour market explains part of the growth gap.



**FIGURE 4.7: TOTAL EMPLOYMENT BY MAJOR SECTORS IN JOHANNESBURG**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**TABLE 4.2: COMPOSITION OF TOTAL EMPLOYMENT IN JOHANNESBURG 2000 AND 2024**

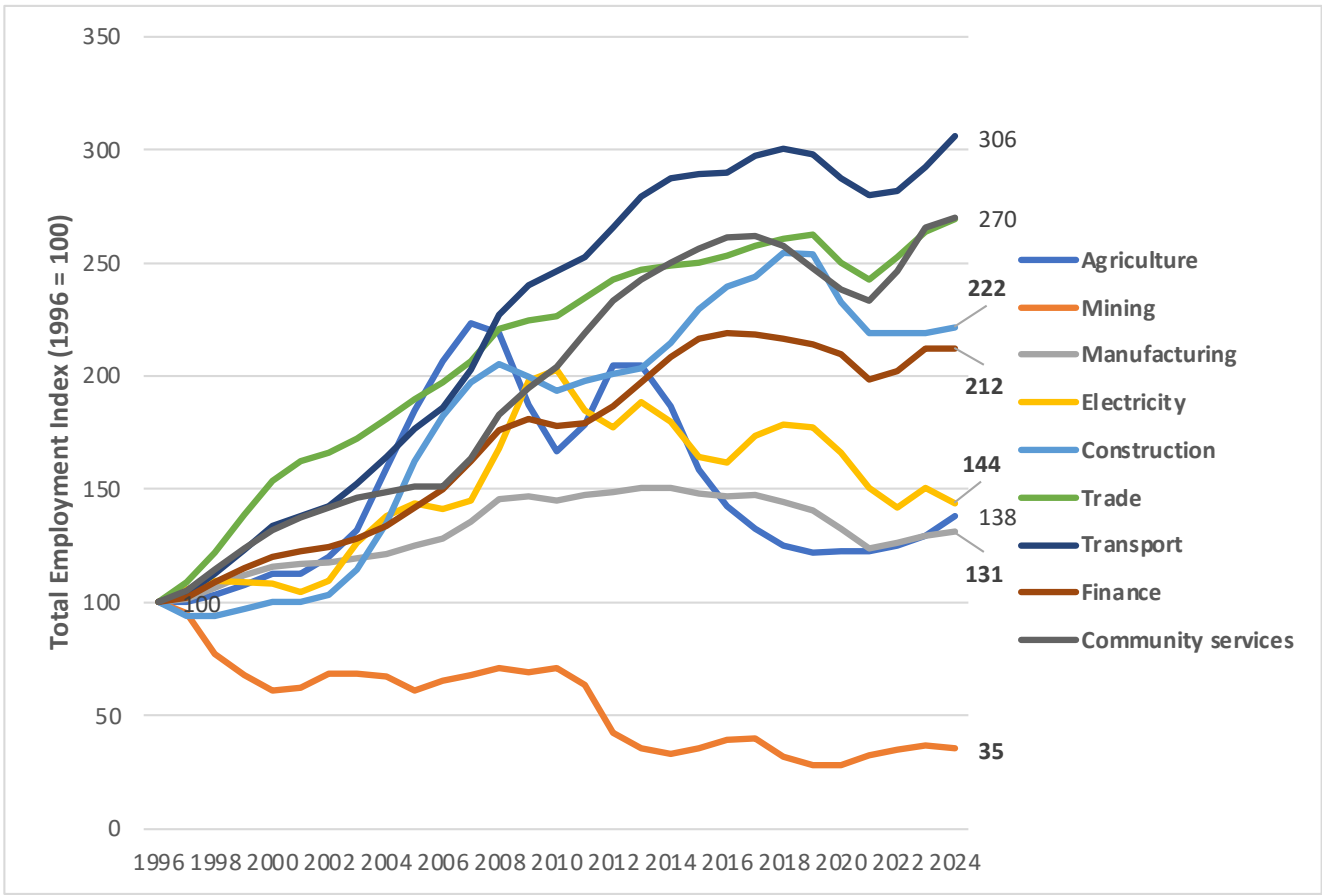
|                    | 2000<br>(Composition of total) | 2000<br>(Numbers employed) | 2024<br>(Composition of total) | 2024<br>(Numbers employed) |
|--------------------|--------------------------------|----------------------------|--------------------------------|----------------------------|
| Agriculture        | 1.2%                           | 10,943                     | 0.65%                          | 13,462                     |
| Mining             | 1.7%                           | 25,689                     | 0.72%                          | 14,887                     |
| Manufacturing      | 13.1%                          | 185,728                    | 10.18%                         | 210,242                    |
| Electricity        | 0.6%                           | 6,944                      | 0.45%                          | 9,240                      |
| Construction       | 6.5%                           | 56,597                     | 6.05%                          | 124,893                    |
| Trade              | 22.2%                          | 275,953                    | 23.4%                          | 483,649                    |
| Transport          | 5.4%                           | 57,050                     | 6.3%                           | 130,212                    |
| Finance            | 25.4%                          | 308,607                    | 26.4%                          | 545,172                    |
| Community services | 14.2%                          | 182,084                    | 18.1%                          | 373,702                    |
| Households         | 9.7%                           | 92,946                     | 7.7%                           | 159,264                    |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 4.7 and Table 4.2 show the employment share of the different sectors in Johannesburg’s economy and how these shares have changed over the years. While Agriculture and Mining have dropped sharply (as a share of the total), Community services enjoyed the highest growth as a share of the total.

In Johannesburg the economic sectors that recorded the largest share of employment in 2024 was the Finance sector, employing 545,172 people (26.4% of the total). The Trade sector, employing 483,649 (23.4%), employs the second-highest number of people, while the Agriculture sector, employing 13,462 people (0.65%), and the Electricity sector, employing 9,240 (0.45%), were the sectors with the lowest employment.

**FIGURE 4.8 RELATIVE TRENDS IN TOTAL EMPLOYMENT BY MAJOR SECTORS IN JOHANNESBURG**

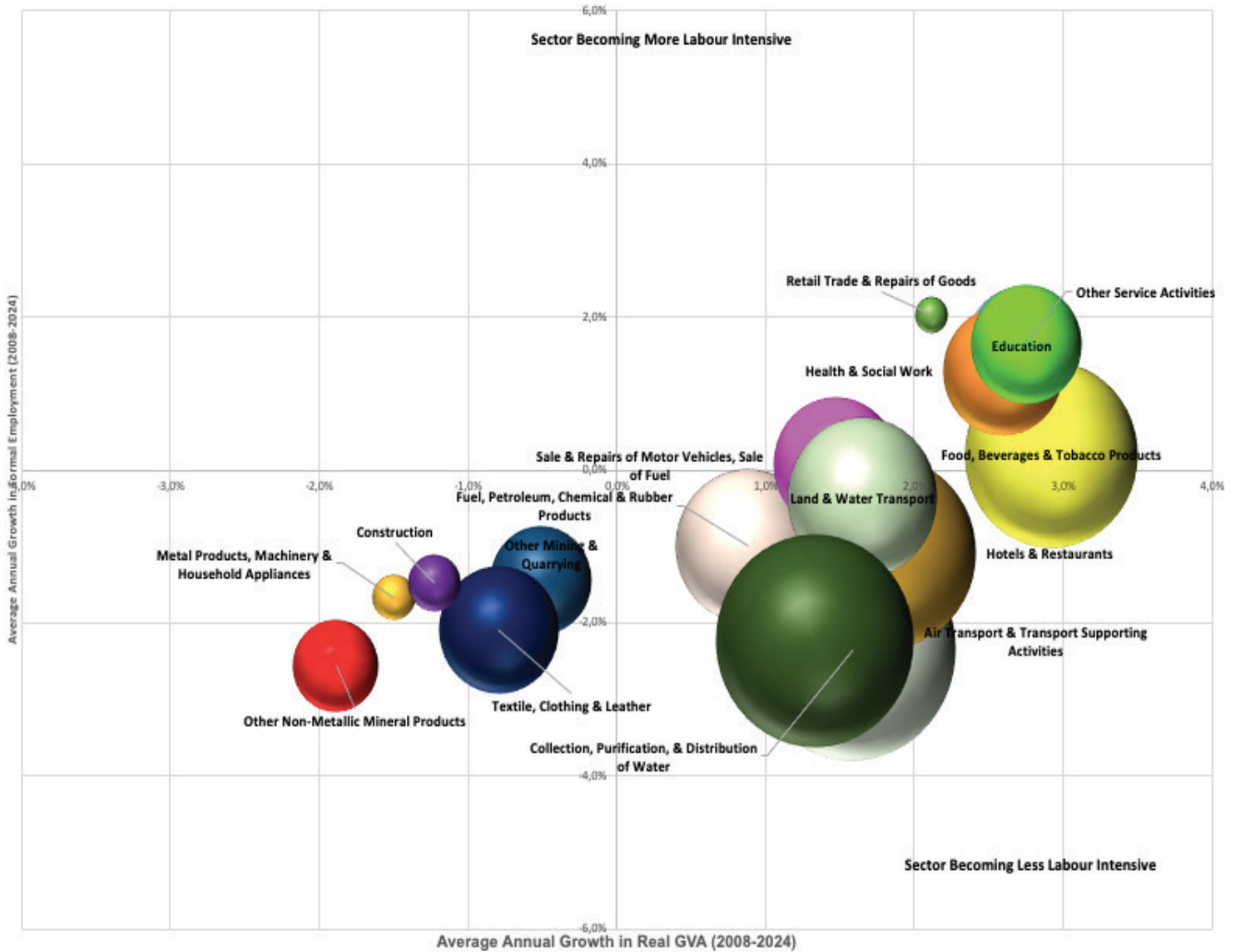


Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 4.8 shows relative employment trends by major sectors since 1996. A striking feature reflected in the figure is that since 1996 the employment level in the Mining has dropped by 65% by 2024. In contrast, employment in the Transport sector grew by 206%, Trade and Community services both grew by 170%, and Construction by 122%. Employment in the Agriculture sector was 38% higher in 2024 than in 1996, after peaking in 2007 at a level 25% above 1996 and declining since then.



**FIGURE 4.9: SECTOR TRENDS IN RESPECT OF FORMAL LABOUR INTENSITY IN JOHANNESBURG**



Source: IHS Markit Regional eXplorer version 2112

Some sectors of the city’s economy have experienced increasing (formal) labour intensity, as suggested by average annual formal employment growth rates that exceed average annual growth in real GVA over the same period. Others have experienced decreasing (formal) labour intensity. Figure 4.9 illustrates sector trends in respect of formal labour intensity in Johannesburg from 2008 to 2020. Sectors such as Education, and Health and social work have become more (formal) labour intensive, while sectors such as Real estate activities and Other service activities have become less (formal) labour intensive.

**TABLE 4.3: DETAILED BREAKDOWN OF FORMAL LABOUR INTENSITY TRENDS PER SECTOR IN JOHANNESBURG**

| Sector   | Average Annual GVA Growth (2008-2024) | Average Annual Employment Growth (2008-2024) | Formal Labour Intensity (Increasing (+) or Decreasing (-)) | Total Formal Employment (2024) |
|--|---------------------------------------|--|--|--------------------------------|
| Agriculture and Hunting                              | 1,8%                                  | -2,6%  | -4,4%  | 13 214                         |
| Forestry and Logging                                 | -0,9%                                 | -7,9%  | -7,0%  | 249                            |
| Mining of Coal and Lignite                           | -0,6%                                 | -4,1%  | -3,6%  | 722                            |
| Mining of Gold and Uranium Ore                       | -5,3%                                 | -6,3%  | -0,9%  | 7 885                          |
| Mining of Metal Ores                                 | 3,2%                                  | 1,0%   | -2,2%  | 2 245                          |
| Other Mining and Quarrying                           | -1,4%                                 | -0,5%  | 0,9%   | 4 034                          |
| Food, Beverages and Tobacco                          | 0,2%                                  | 2,9%   | 2,7%   | 36 259                         |
| Textile, Clothing and Leather Goods                  | -2,1%                                 | -0,8%  | 1,3%   | 10 558                         |
| Wood and Wood Products                               | -1,4%                                 | -3,0%  | -1,6%  | 18 013                         |
| Fuel, Petroleum, Chemical and Rubber Products        | -1,0%                                 | 0,9%   | 1,9%   | 32 759                         |
| Other Non-Metallic Mineral Products                  | -2,6%                                 | -1,9%  | 0,7%   | 8 344                          |
| Metal Products, Machinery and Household Appliances   | -1,7%                                 | -1,5%  | 0,2%   | 50 040                         |
| Electrical Machinery and Apparatus                   | -0,1%                                 | -2,8%  | -2,6%  | 4 086                          |
| Electrical, Sound/Vision, Medical & Other Appliances | 1,4%                                  | -2,0%  | -3,4%  | 4 799                          |
| Transport Equipment                                  | -1,4%                                 | -1,5%  | -0,1%  | 11 811                         |
| Furniture and Other Items NEC and Recycling          | -0,3%                                 | -2,5%  | -2,2%  | 9 648                          |
| Electricity, Gas, Steam and Hot Water Supply         | -0,8%                                 | -2,3%  | -1,5%  | 5 306                          |
| Collection, Purification and Distribution of Water   | -2,3%                                 | 1,6%   | 3,9%   | 3 934                          |
| Construction   | -1,5%                                 | -1,2%  | 0,2%   | 67 716                         |
| Wholesale and Commission Trade                       | -0,2%                                 | -4,8%  | -4,6%  | 21 957                         |
| Retail Trade and Repairs of Goods                    | 2,0%                                  | 2,1%   | 0,1%   | 186 343                        |
| Sale and Repairs of Motor Vehicles, Sale of Fuel     | 0,1%                                  | 1,5%   | 1,4%   | 64 445                         |
| Hotels and Restaurants                               | -1,1%                                 | 1,8%   | 2,9%   | 63 823                         |
| Land and Water Transport                             | -0,4%                                 | 1,7%   | 2,0%   | 49 640                         |
| Air Transport and Transport Supporting Activities    | -2,2%                                 | 1,3%   | 3,6%   | 15 938                         |
| Post and Telecommunication                           | 4,5%                                  | -0,8%  | -5,3%  | 20 941                         |
| Finance and Insurance                                | 2,2%                                  | -0,2%  | -2,4%  | 126 579                        |
| Real Estate Activities                               | 1,8%                                  | -1,9%  | -3,7%  | 14 209                         |
| Other Business Activities                            | 2,9%                                  | 1,3%   | -1,6%  | 353 248                        |
| Public Administration and Defence Activities         | 1,5%                                  | 0,0%   | -1,5%  | 51 974                         |
| Education  | 1,6%                                  | 2,7%   | 1,1%   | 85 585                         |
| Health and Social Work                               | 1,3%                                  | 2,6%   | 1,3%   | 108 321                        |
| Other Service Activities                             | 1,6%                                  | 2,7%   | 1,1%   | 72 871                         |

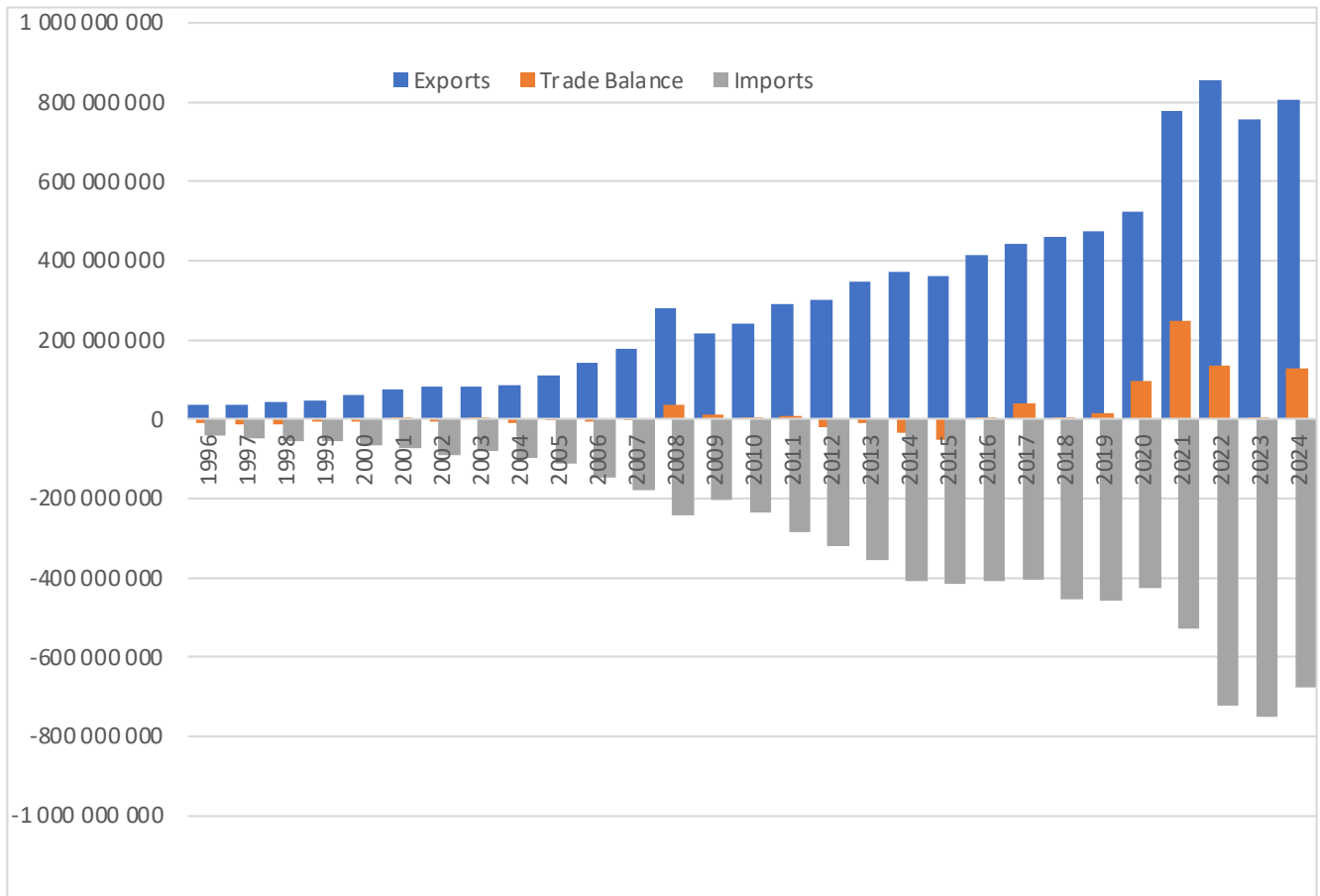
Source: IHS Markit Regional eXplorer version 2112

Table 4.3 provides detail in terms of formal labour intensity across 33 sectors. (Note: Fishing, operation of fish farms has been left out as there was no formal employment in this sector in 2024.) The colour coded heat map shaded from green to red indicates sectors with the strongest increase in labour intensity (dark green) and those with the most pronounced fall in labour intensity (dark red). The table indicates that over the period 2008 to 2024, 16 of the 33 sectors that make up the city’s economy experienced increasing labour intensity, while 17 sectors became less labour intensive.



## 5. Johannesburg's trade links with the rest of the world

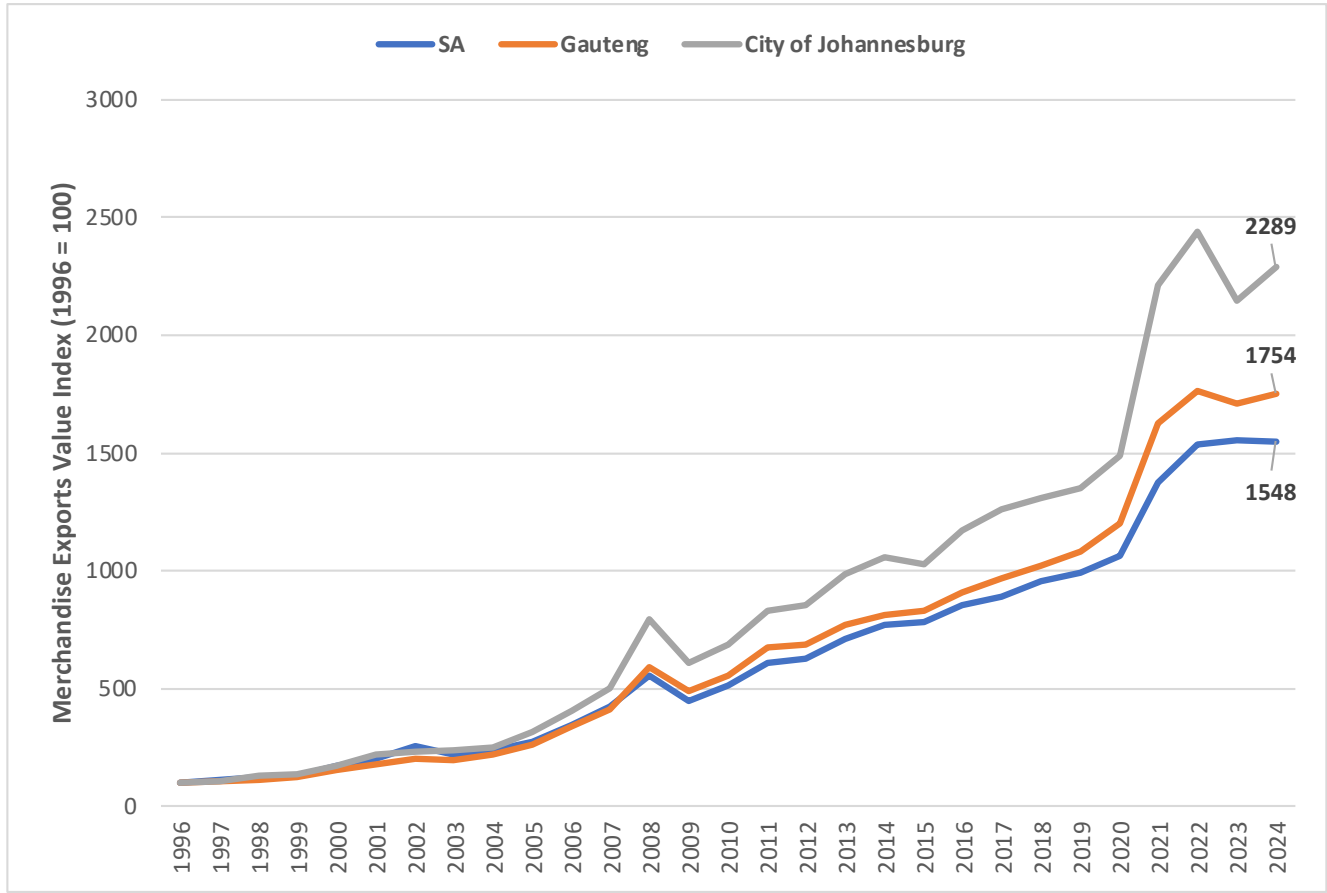
**FIGURE 5.1: JOHANNESBURG'S MERCHANDISE EXPORTS, IMPORTS AND TRADE BALANCE**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

In Figure 5.1, trends in the value of merchandise imports and exports are reflected, as well as the trade balance. The trade balance represents the difference between merchandise exports and merchandise imports. A positive trade balance (trade surplus) occurs when exports exceed imports and a negative trade balance (trade deficit) occurs when imports exceed exports. The figure reveals a generally steady increase in the value of Johannesburg's imports and exports from 1996. This is measured in current prices. The city's foreign trade balance peaked in 2008, i.e. just before the negative trade effects of the global financial crisis began to manifest themselves. The data indicates that imports increased from a value of R43 billion in 1996 to R676 billion in 2024, while exports increased from R35 billion to R805 billion during the same period. There was a slight trade deficit for much of the period 1996 to 2007. This was followed by a few years of trade surpluses before a trade deficit emerged once again for the city in 2012 to 2015. Since then, there has been a trade surplus, with highs in 2021 and 2022 (as a result of global Covid 19 lockdown rules that reduced imports due to restrictions) but then with another peak in 2024 at R129 billion.

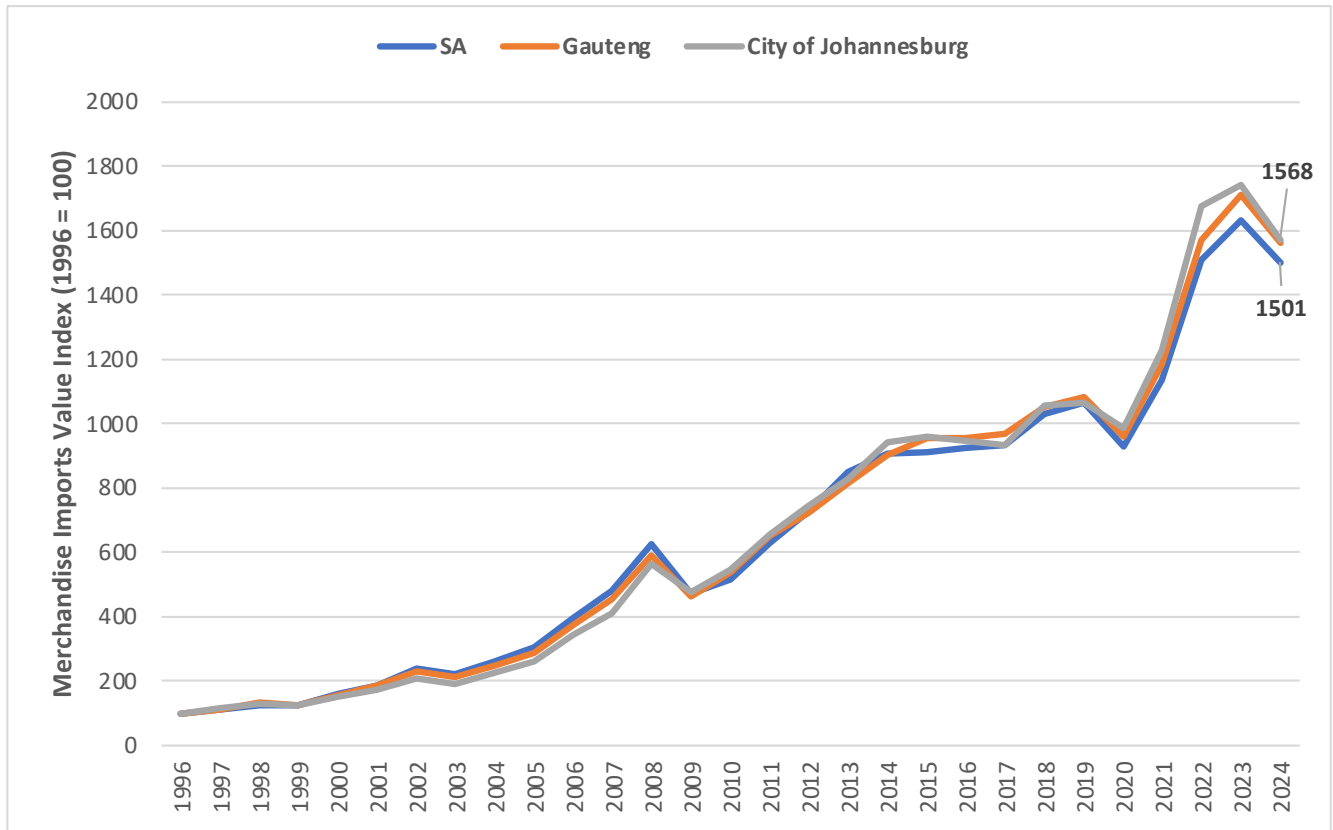
**FIGURE 5.2: RELATIVE TRENDS IN VALUE OF MERCHANDISE EXPORTS**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

In Figure 5.2 it is evident that the value of merchandise exports for Johannesburg have grown significantly more in comparative terms than either Gauteng or South Africa at large. The value of Johannesburg's exports were estimated to have increased (in current prices) by 2,189% between 1996 and 2024 – compared with 1,654% for Gauteng and 1,448% for South Africa. In terms of import values, Figure 5.3 indicates cumulative growth in imports from 1996-2024, for Johannesburg, Gauteng and South Africa, which were 1,468%, 1,456% and 1,401% respectively.

**FIGURE 5.3: RELATIVE TRENDS IN THE VALUE OF MERCHANDISE IMPORTS**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Of significance are changes in the regional pattern of Johannesburg’s import and export trade, as shown in Table 5.1 and Table 5.2. The structure of imports, exports and associated trade balances between Johannesburg and different world regions is provided for 1996 and 2024. Total import levels rose by 892% in that period, from R43 billion in 1996 to R676 billion in 2024. On the same basis exports rose by 2,189%, from R35 billion to R805 billion in 2024, with the largest trade surplus (R257 billion) recorded in 2021. (These figures are at current prices and do not take inflation into account.)

It is evident from Tables 5.1 and 5.2 that in 1996, Europe, Asia and North America were the major foreign trade partner regions for the city, being responsible for about 88% of total imports and 60% of total exports. By 2024 however, the pattern of foreign trade had shifted, with Asia and Africa rising in importance as city trade partner regions.

**TABLE 5.1: REGIONAL BREAKDOWN OF TRADE IN 1996 FOR JOHANNESBURG**

| Region           | 1996 (R)              |                       |                       |
|------------------|-----------------------|-----------------------|-----------------------|
|                  | Imports               | Exports               | Trade balance         |
| Africa           | 1,148,850,925         | 6,337,465,027         | 5,188,614,102         |
| Antarctic Region | 0                     | 3,084                 | 3,084                 |
| Asia             | 10,719,338,730        | 8,086,041,652         | -2,633,297,078        |
| Atlantic         | 738,325               | 508,333               | -229,992              |
| Central America  | 54,675,906            | 263,270,731           | 208,594,825           |
| Caribbean        | 46,730,253            | 16,967,394            | -29,762,859           |
| Europe           | 20,368,170,977        | 10,009,689,032        | -10,358,481,945       |
| Middle East      | 2,548,796,200         | 1,459,582,268         | -1,089,213,932        |
| North America    | 6,813,325,547         | 2,887,090,129         | -3,926,235,418        |
| Oceania          | 509,877,172           | 456,552,081           | -53,325,091           |
| South America    | 746,456,929           | 996,292,101           | 249,835,172           |
| Unallocated      | 158,066,505           | 4,653,570,010         | 4,495,503,505         |
| <b>Total</b>     | <b>43,115,027,469</b> | <b>35,167,031,842</b> | <b>-7,947,995,627</b> |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

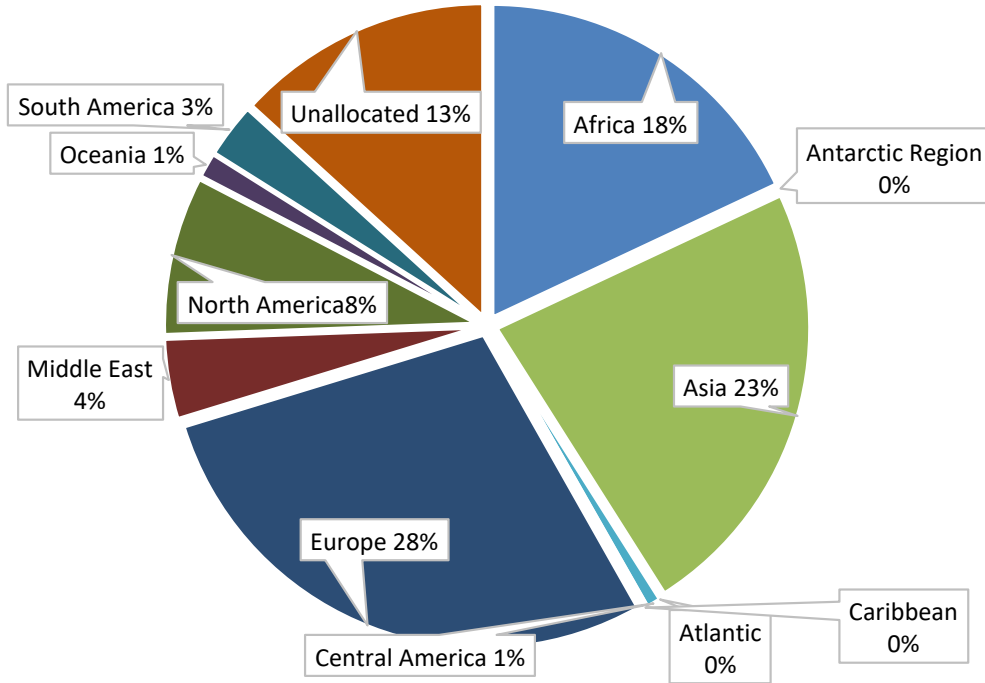
**TABLE 5.2: REGIONAL BREAKDOWN OF TRADE IN 2024 FOR JOHANNESBURG**

| Region           | 2024 (R)               |                        |                        |
|------------------|------------------------|------------------------|------------------------|
|                  | Imports                | Exports                | Trade balance          |
| Africa           | 75,189,462,673         | 216,737,425,634        | 141,547,962,961        |
| Antarctic Region | 0                      | 347,945                | 347,945                |
| Asia             | 290,531,226,592        | 352,975,364,663        | 62,444,138,071         |
| Atlantic         | 593,928                | 14,183,187             | 13,589,259             |
| Central America  | 4,855,156,279          | 1,235,407,437          | -3,619,748,842         |
| Caribbean        | 487,974,938            | 845,553,806            | 357,578,868            |
| Europe           | 153,711,305,220        | 139,363,732,250        | -14,347,572,970        |
| Middle East      | 91,745,350,185         | 19,216,095,941         | -72,529,254,244        |
| North America    | 36,159,097,177         | 59,498,621,920         | 23,339,524,743         |
| Oceania          | 3,766,411,257          | 4,022,424,437          | 256,013,180            |
| South America    | 12,439,309,604         | 4,160,497,815          | -8,278,811,789         |
| Unallocated      | 7,331,440,831          | 6,812,370,317          | -519,070,514           |
| Africa           | 75,189,462,673         | 216,737,425,634        | 128,664,696,668        |
| <b>Total</b>     | <b>676,217,328,684</b> | <b>804,882,025,352</b> | <b>141,547,962,961</b> |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**FIGURE 5.4: REGIONAL DESTINATIONS OF JOHANNESBURG’S MERCHANDISE EXPORTS IN 1996**

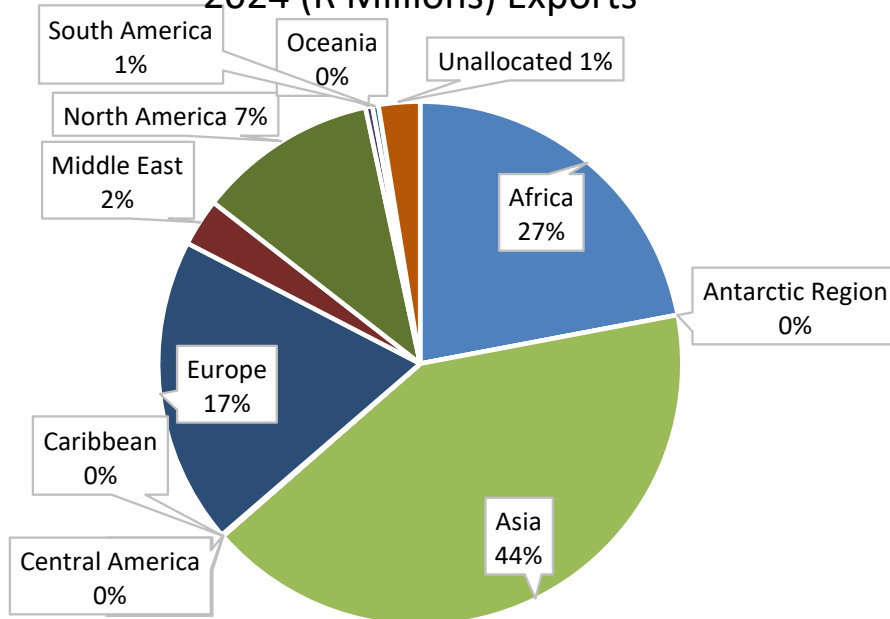
**1996 (R Millions) Exports**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**FIGURE 5.5: REGIONAL DESTINATIONS OF JOHANNESBURG’S MERCHANDISE EXPORTS IN 2024**

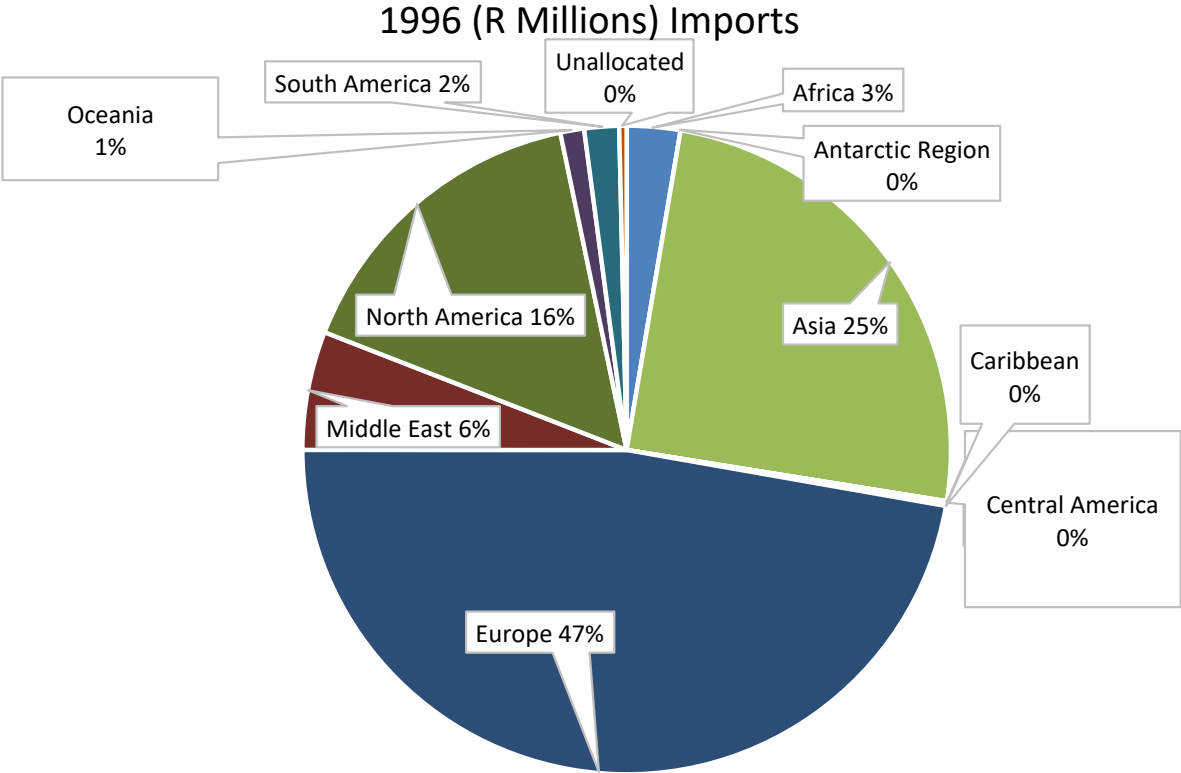
**2024 (R Millions) Exports**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

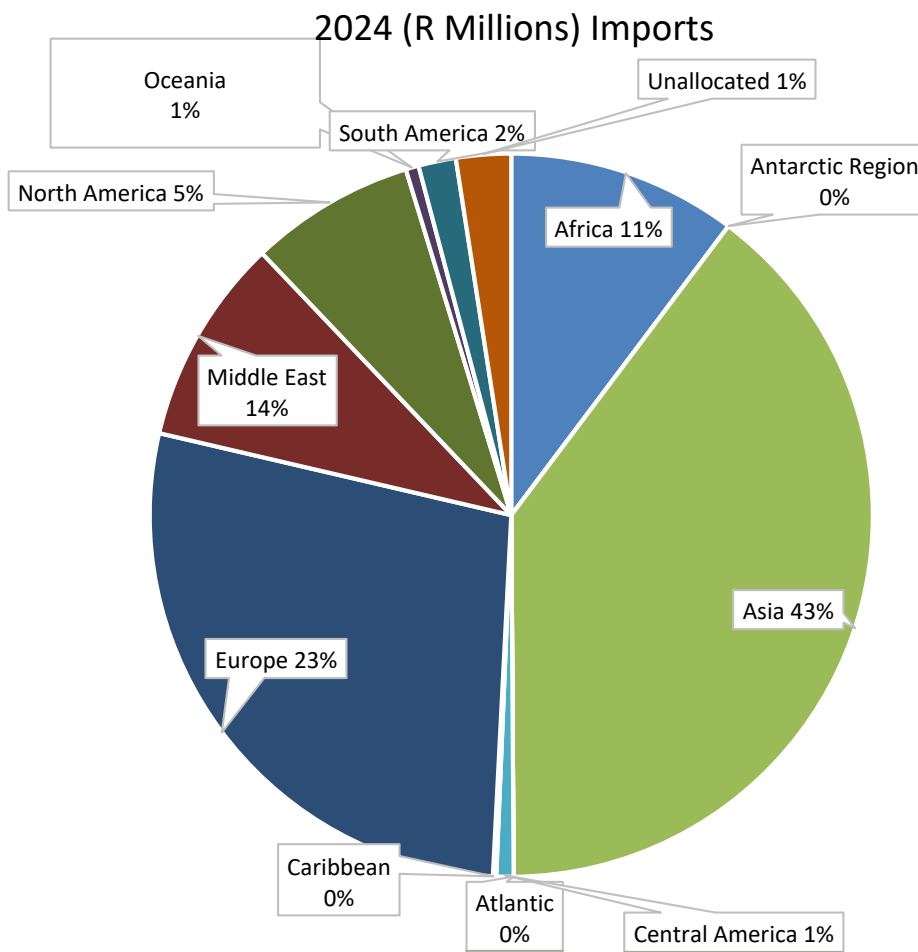
A comparison of Figure 5.4 and Figure 5.5 provides further evidence of the regional shifts in Johannesburg's export markets between 1996 and 2024. The most significant of these was a marked increase in the share of exports going to Asia (from 23% to 44%) and a notable decline in the relative importance of exports to European markets, which dropped from a 28% share to a 17% share. There was also a relative decline in exports to South America (from 3% to 1%). South Africa's post-1994 democratic trade dividend is also evident in the growth in trade with the rest of the African continent. Trade with the African region rose from 18% of the city's exports in 1996 to 27% by 2024.

**FIGURE 5.6: REGIONAL ORIGIN OF MERCHANDISE IMPORTS IN 1996**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**FIGURE 5.7: REGIONAL ORIGIN OF MERCHANDISE IMPORTS IN 2024**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

In terms of importance of different world regions as sources of imports for Johannesburg, there are also clear shifts in the data between 1996 and 2024. Comparing Figure 5.6 and Figure 5.7 it can be seen that the share of total imports from Europe fell by more than half, from 47% to 23%, while the share of imports from North America dropped from 16% to 5%. Over the same period, the share of imports from Asia rose from 25% to 43%, and those from Africa increased from 3% to 11%. Imports from the Middle East rose in share from 6% to 14%, and for South America remained at 2%. This data clearly illustrates the rising importance of South-South trade in the city's export and import economy.



## 6. A focus on tourism

**Tourism is a vital sector of the economy, with significant potential to generate service jobs and income for local communities. Growth in the tourism industry creates demand for goods and services, which in turn stimulates the development of both large and small businesses within the hospitality sector, as well as associated industries such as food, transportation, communication, and recreation.**

Although Johannesburg may not possess the scenic appeal of coastal or mountain destinations like eThekweni or Cape Town, it remains the country's vibrant economic heartland and has played a prominent role in South Africa's economic and social history. The city is also a key regional centre for economic, financial, and business services, as well as a major air travel access point and transport hub. Additionally, Johannesburg features iconic landmarks from different eras, reflecting its rich contribution to the nation's social and economic past and present.

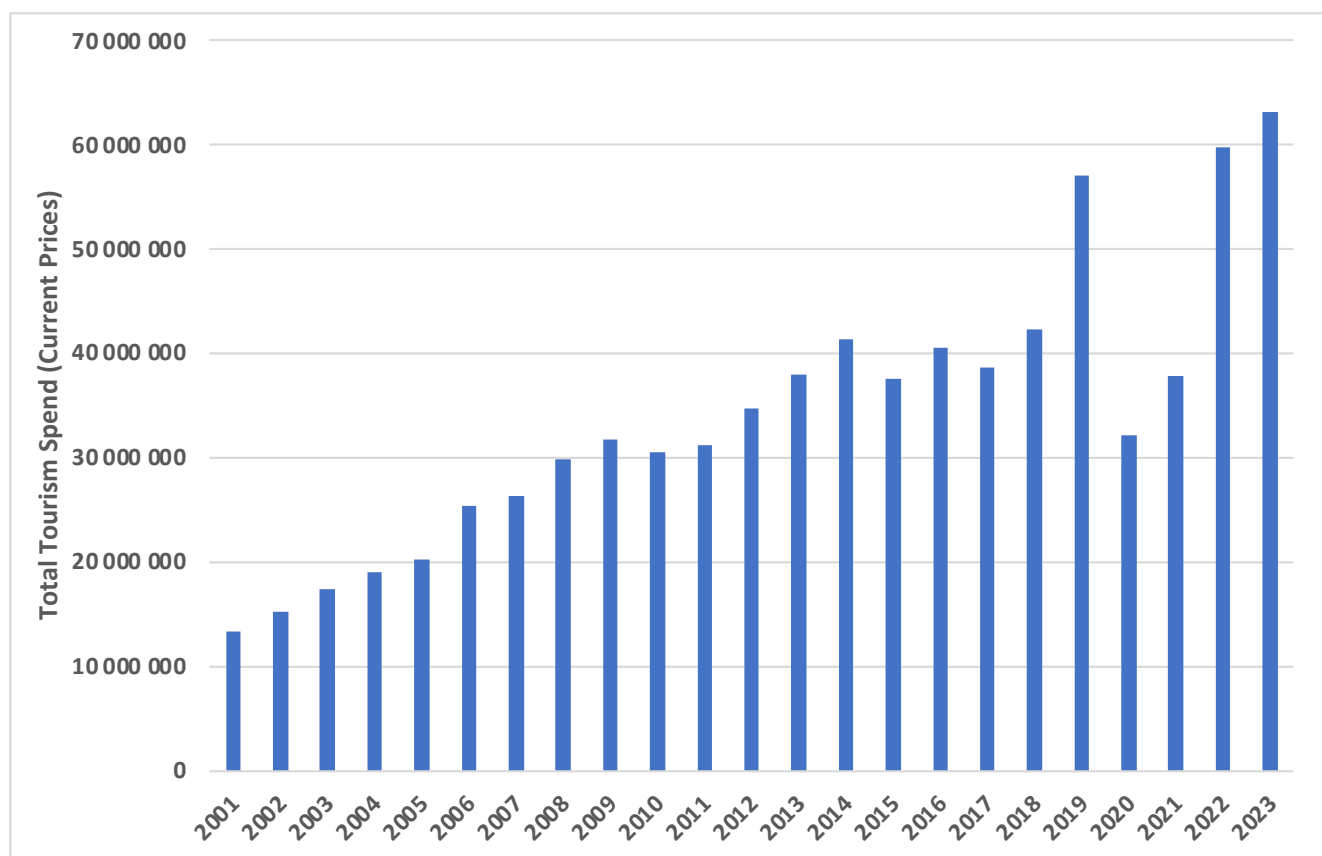
Tourism in Johannesburg includes visitors who stay in the city upon arriving in South Africa, often en route to other provinces or neighbouring countries; those travelling for business; visitors visiting family and friends; and travelers interested in sporting and leisure activities.

Tourism can be broadly defined as the organisation and operation of leisure activities, trips, or visits to places of interest that are non-commercial in nature. Whether visiting relatives or friends, traveling for business, holidaying, or undertaking medical or religious trips – all these activities fall under tourism. According to the United Nations World Tourism Organisation, a trip is defined as travel from a person’s usual residence until they return home (a round trip).

For analysis purposes, IHS focuses on overnight trips made by adult visitors (over 18 years). These trips are measured by the number of persons, rather than households or groups. The main purposes of such overnight trips are categorized as:

- Leisure / holiday
- Business
- Visits to friends and relatives
- Other (medical, religious, etc.)

**FIGURE 6.1: TOTAL TOURISM SPEND (R1,000, CURRENT PRICES) IN JHB**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

In their Tourism Satellite Account, Stats SA defines tourism spending as all expenditure by visitors for their trip to a specific region. This excludes capital expenditure and the shopping expenses of traders (referred to as shuttle trade). The amounts are presented at current prices, meaning inflation has not been adjusted for. It is important to note that this measure of spending reflects nominal expenditure during trips, not the contribution to GDP.

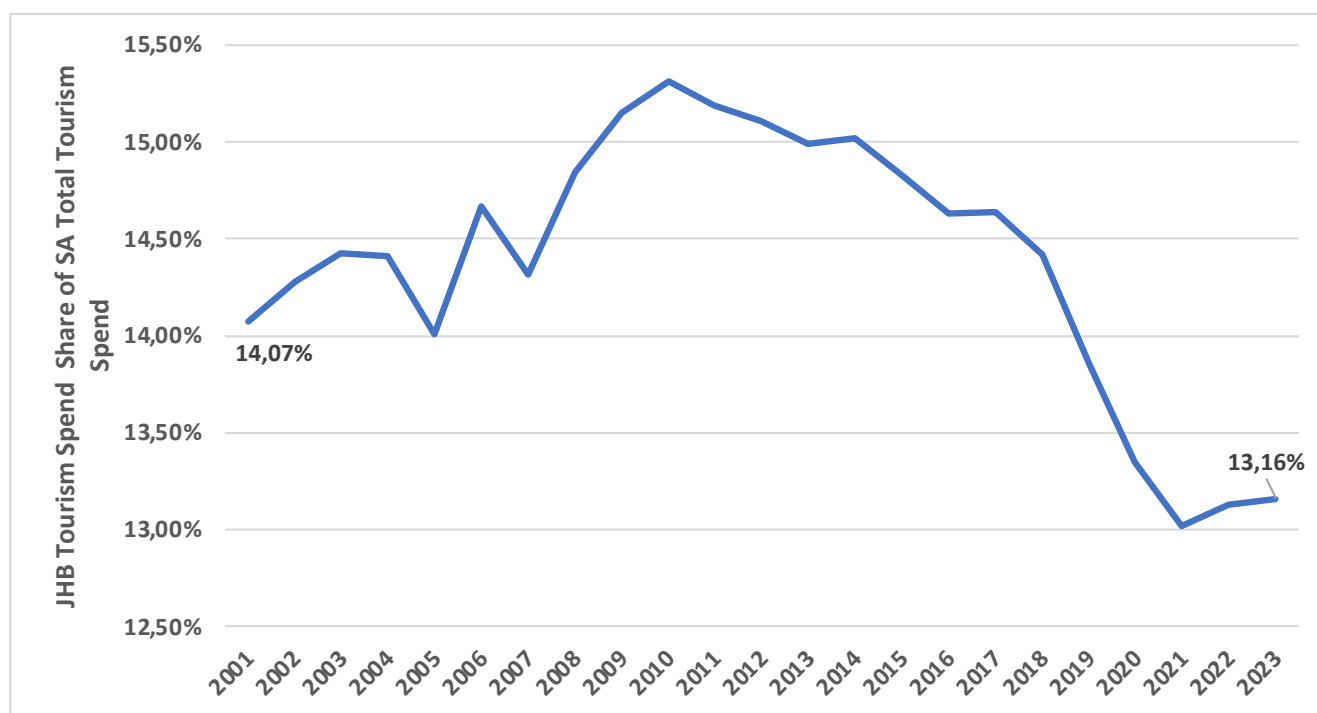
Figure 6.1 shows that due to Covid-19 Johannesburg experienced a sharp decline in total tourism spending, dropping to R17.5 billion in 2020, followed by a dramatic rebound to R40 billion in 2021. The drop in 2020 was driven by lockdowns and travel restrictions imposed by the government, affecting both domestic and international travelers. The 2020 level is comparable to figures from 2003, while the 2021 spike reflects the easing of restrictions.

Johannesburg’s share of national tourism spend is illustrated in Figure 6.2. Between 2001 and 2023, three notable trends emerge:

1. A slight decline in Johannesburg’s share, from 14.6% in 2001 to 14.4% in 2005, indicating that tourism spend was growing more rapidly across the country than in the city during this period.
2. From 2006 to 2012, the city’s share increased, suggesting that tourism expenditure in Johannesburg grew faster than the national average.
3. From 2014 onward, the city’s share plateaued, reflecting similar growth rates for tourism in Johannesburg and across the country.

However, in 2020, Johannesburg’s share of national tourism spend dropped significantly from 15.4% in 2014 to 13.4%, primarily because most domestic tourism was conducted by locals, whose spending power is generally lower compared to international tourists.

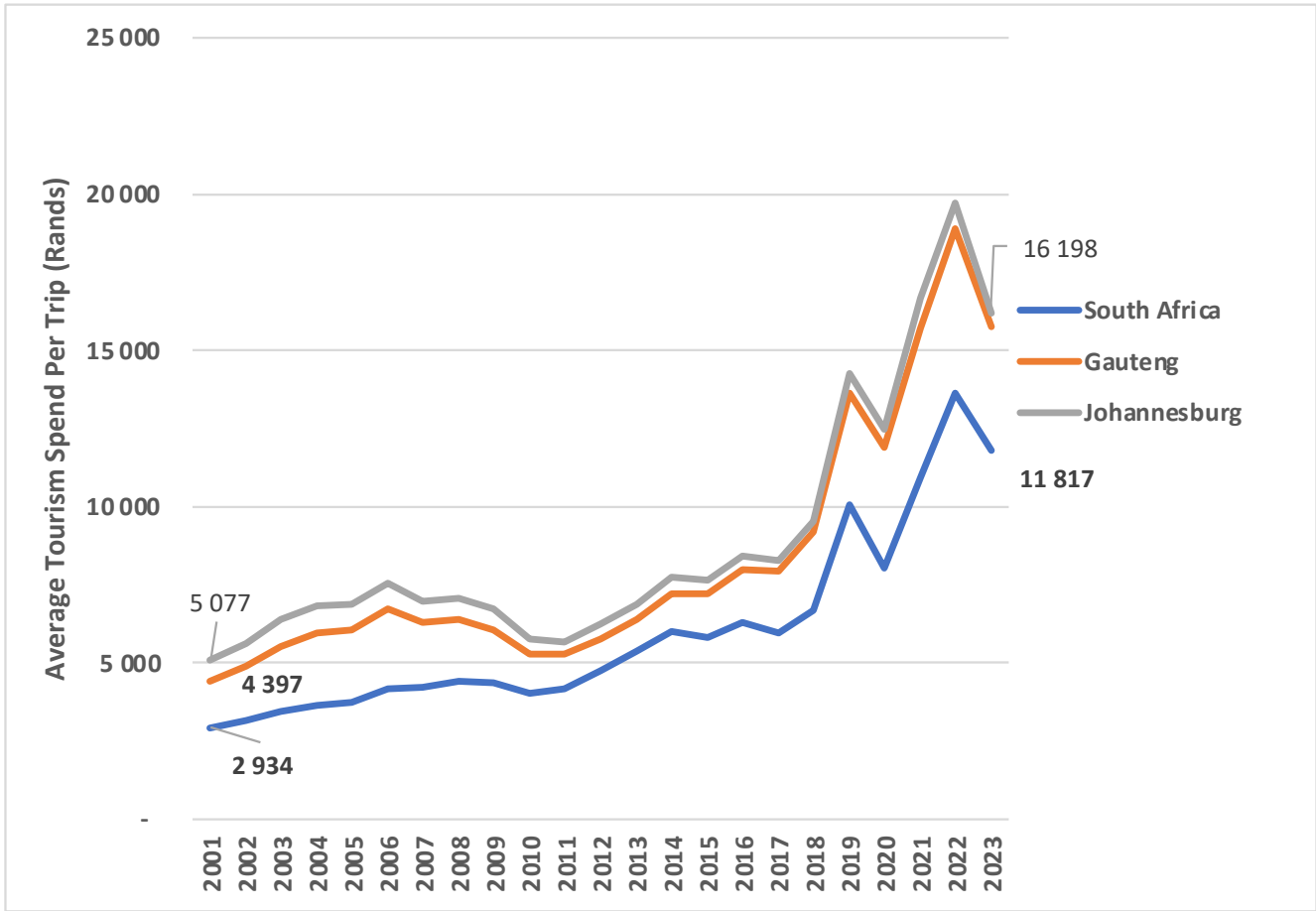
**FIGURE 6.2: TOURISM SPEND IN JOHANNESBURG AS A SHARE OF TOTAL TOURISM SPEND IN SOUTH AFRICA**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 6.3 illustrates the average tourism spend per trip for South Africa, Gauteng and Johannesburg. In 2023 tourist spend per trip in Johannesburg averaged R16,198. In Gauteng, average spend per trip in 2023 was R15,736, while for South Africa it was R11,817. Interestingly in the previous year (2022) average spend per trip was higher for all three, at R19,696 for Johannesburg, R18,874 for Gauteng and R13,651 for South Africa. The city continues to earn more tourist spend per trip on average than Gauteng or South Africa.

**FIGURE 6.3: TRENDS IN THE AVERAGE SPEND PER TRIP (R) FOR SOUTH AFRICA, GAUTENG AND JOHANNESBURG**



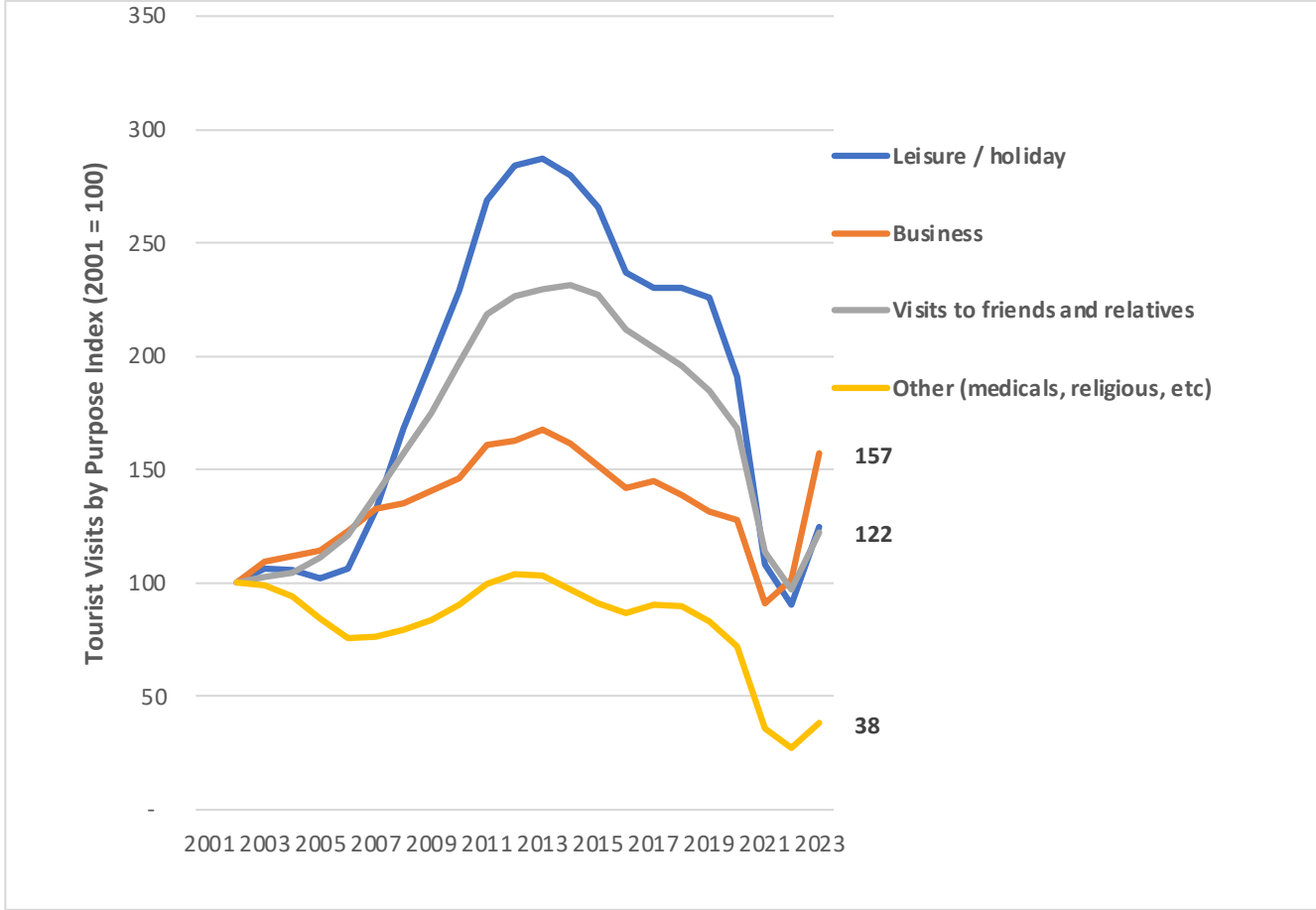
Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Figure 6.4 illustrates the relative change in different categories of tourist visits to Johannesburg since 2001. Cumulative growth over the period 2001 to 2023 shows that trips for “leisure and holiday purposes” declined greatly during Covid-19, before recovering somewhat to reach 60% above the 2001 figure. Trips



for “visits to friends and relatives” increased by 58%, and “visits for business purposes” increased by 103% from 2001 to 2023. Meanwhile, the trip category “other purposes – medical, religious etc.” saw a 56% decline in 2023 compared to the figure in 2001, seemingly having not fully recovered since the Covid-19 restrictions that limited religious gatherings.

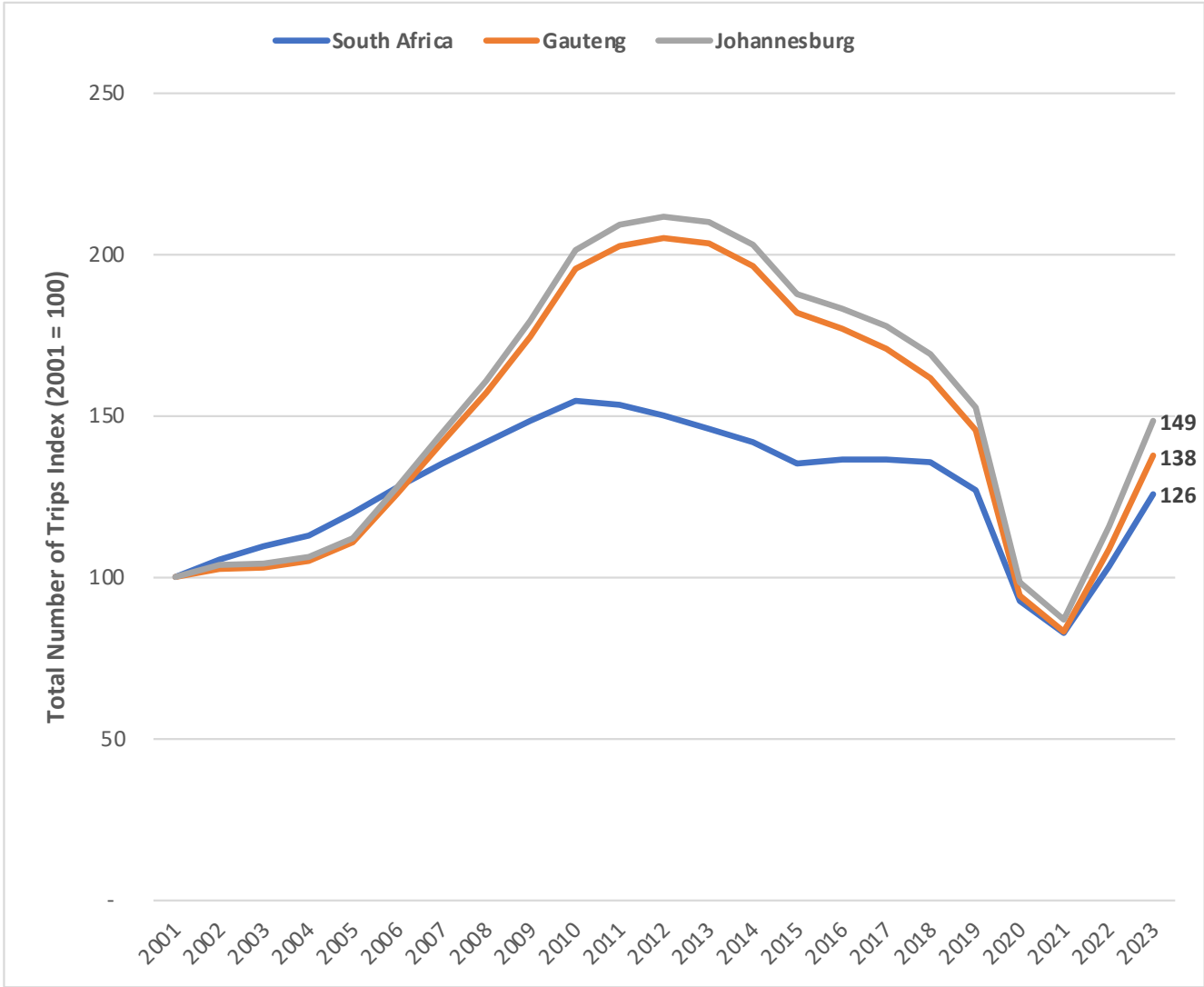
**FIGURE 6.4: RELATIVE TRENDS IN THE NUMBER OF TOURISM TRIPS TO JOHANNESBURG BY PURPOSE**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

In Figure 6.5 it can be seen that from 2001 to 2023 the relative growth in tourism trips for Johannesburg was better than for either Gauteng or Johannesburg. During this period the growth in total tourism trips in South Africa, Gauteng and Johannesburg followed a similar path of peaking from 2010 to 2012, with some decline thereafter and then rapid decline during Covid-19, for it to recover somewhat in 2022 and 2023. In 2023 the number of trips for Johannesburg, Gauteng and South Africa were up 49%, 38%, and 26% respectively compared to 2001.

**FIGURE 6.5: RELATIVE TRENDS IN THE TOTAL NUMBER OF TOURIST TRIPS FOR SOUTH AFRICA, GAUTENG AND JOHANNESBURG**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

A bed night is the tourism industry measurement of one night away from home on a single person trip. As shown in Table 6.1 total bed nights for domestic tourists peaked in 2010 at approximately 15 million, and then declined from there to reach a low of 1.9 million in 2021 to recover somewhat to 3.3 million in 2023. Between 2001 and 2023, the total number of bed nights spent by all tourists reached a low of 5.8 million in 2021, due to Covid-19 lockdowns, before recovering to 19.4 million by 2023. While annual international bed nights increased by an impressive 238.4% between 2001 and 2023, annual domestic bed nights declined by 66.7% (-66.7%). Figure 6.6 shows the number of tourists, by origin, to Johannesburg, from 2001 to 2023. As a total this peaked in 2012 at around 5.6 million, before dropping off mainly due to a decline in domestic tourists. After a big drop in 2021 and 2021 due to Covid-19, numbers recovered somewhat in 2023 to reach some 3.9 million tourists.

**TABLE 6.1 TOTAL BED NIGHTS BY ORIGIN 2001-2023**

| Year                          | International bed nights (total) | Domestic bed nights (total) | Total bed nights for domestic & international |
|-------------------------------|----------------------------------|-----------------------------|---|
| 2001                          | 4,747,986                        | 10,053,031                  | 14,801,016                                    |
| 2002                          | 5,370,075                        | 10,892,092                  | 16,262,167                                    |
| 2003                          | 5,230,996                        | 11,430,282                  | 16,661,278                                    |
| 2004                          | 5,118,658                        | 11,443,046                  | 16,561,704                                    |
| 2005                          | 5,319,844                        | 12,385,113                  | 17,704,957                                    |
| 2006                          | 5,750,352                        | 12,815,646                  | 18,565,998                                    |
| 2007                          | 6,206,201                        | 13,589,375                  | 19,795,576                                    |
| 2008                          | 6,863,891                        | 14,204,578                  | 21,068,469                                    |
| 2009                          | 7,565,141                        | 14,821,727                  | 22,386,867                                    |
| 2010                          | 9,020,245                        | 14,991,984                  | 24,012,229                                    |
| 2011                          | 9,317,812                        | 14,782,777                  | 24,100,589                                    |
| 2012                          | 9,995,037                        | 14,310,847                  | 24,305,884                                    |
| 2013                          | 10,471,694                       | 13,993,650                  | 24,465,344                                    |
| 2014                          | 11,291,368                       | 13,421,437                  | 24,712,805                                    |
| 2015                          | 11,338,596                       | 12,608,700                  | 23,947,296                                    |
| 2016                          | 14,085,477                       | 10,315,334                  | 24,400,811                                    |
| 2017                          | 15,976,504                       | 8,412,560                   | 24,389,064                                    |
| 2018                          | 16,351,634                       | 6,189,507                   | 22,541,141                                    |
| 2019                          | 15,026,454                       | 4,032,085                   | 19,058,539                                    |
| 2020                          | 4,779,051                        | 2,209,615                   | 6,988,666                                     |
| 2021                          | 3,923,841                        | 1,883,348                   | 5,807,190                                     |
| 2022                          | 10,028,914                       | 2,316,167                   | 12,345,082                                    |
| 2023                          | 16,065,670                       | 3,344,112                   | 19,409,782                                    |
| % Increase/decrease 2001-2023 | 238.4%                           | -66.7%                      | 31.1%   |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

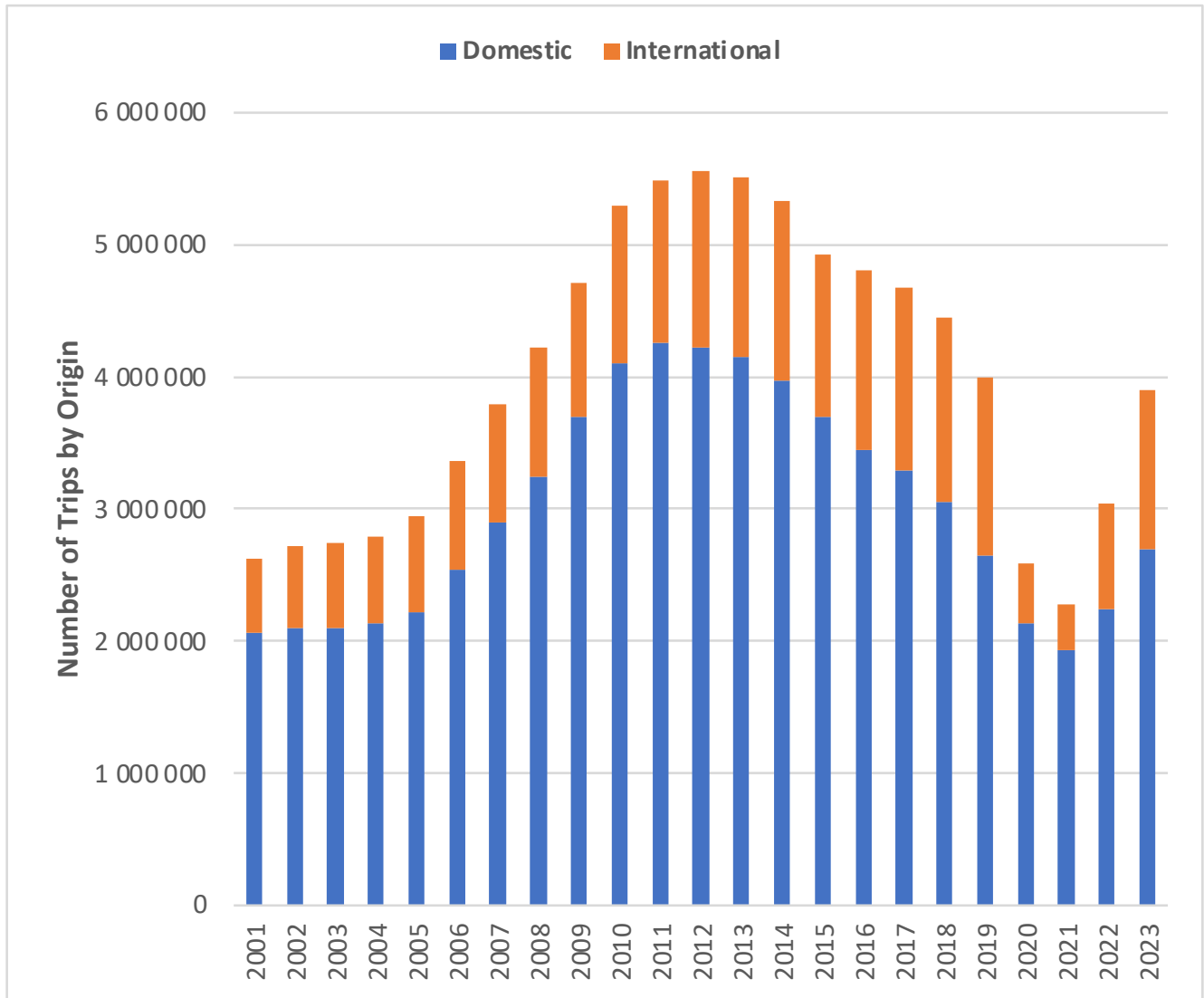
**TABLE 6.2: AVERAGE DURATION OF INTERNATIONAL AND DOMESTIC TOURIST TRIPS**

Table 6.2 presents the average bed night per tourist for each year from 2001 to 2023. It is clear that while the average number of nights tourists spent in Johannesburg steadily decreased for domestic tourists, from 2014 it steadily increased for international tourists to reach 13.3 nights per tourist in 2023.

| <b>Year</b> | <b>International bed nights/trip</b> | <b>Domestic bed nights/trip</b> |
|-------------|--------------------------------------|---------------------------------|
| 2001        | 8.4                                  | 4.9                             |
| 2002        | 8.5                                  | 5.2                             |
| 2003        | 8.2                                  | 5.4                             |
| 2004        | 7.8                                  | 5.4                             |
| 2005        | 7.3                                  | 5.6                             |
| 2006        | 7.0                                  | 5.1                             |
| 2007        | 6.9                                  | 4.7                             |
| 2008        | 7.1                                  | 4.4                             |
| 2009        | 7.4                                  | 4.0                             |
| 2010        | 7.6                                  | 3.7                             |
| 2011        | 7.6                                  | 3.5                             |
| 2012        | 7.5                                  | 3.4                             |
| 2013        | 7.7                                  | 3.4                             |
| 2014        | 8.3                                  | 3.4                             |
| 2015        | 9.2                                  | 3.4                             |
| 2016        | 10.3                                 | 3.0                             |
| 2017        | 11.6                                 | 2.6                             |
| 2018        | 11.8                                 | 2.0                             |
| 2019        | 11.2                                 | 1.5                             |
| 2020        | 10.7                                 | 1.0                             |
| 2021        | 11.7                                 | 1.0                             |
| 2022        | 12.6                                 | 1.0                             |
| 2023        | 13.3                                 | 1.2                             |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

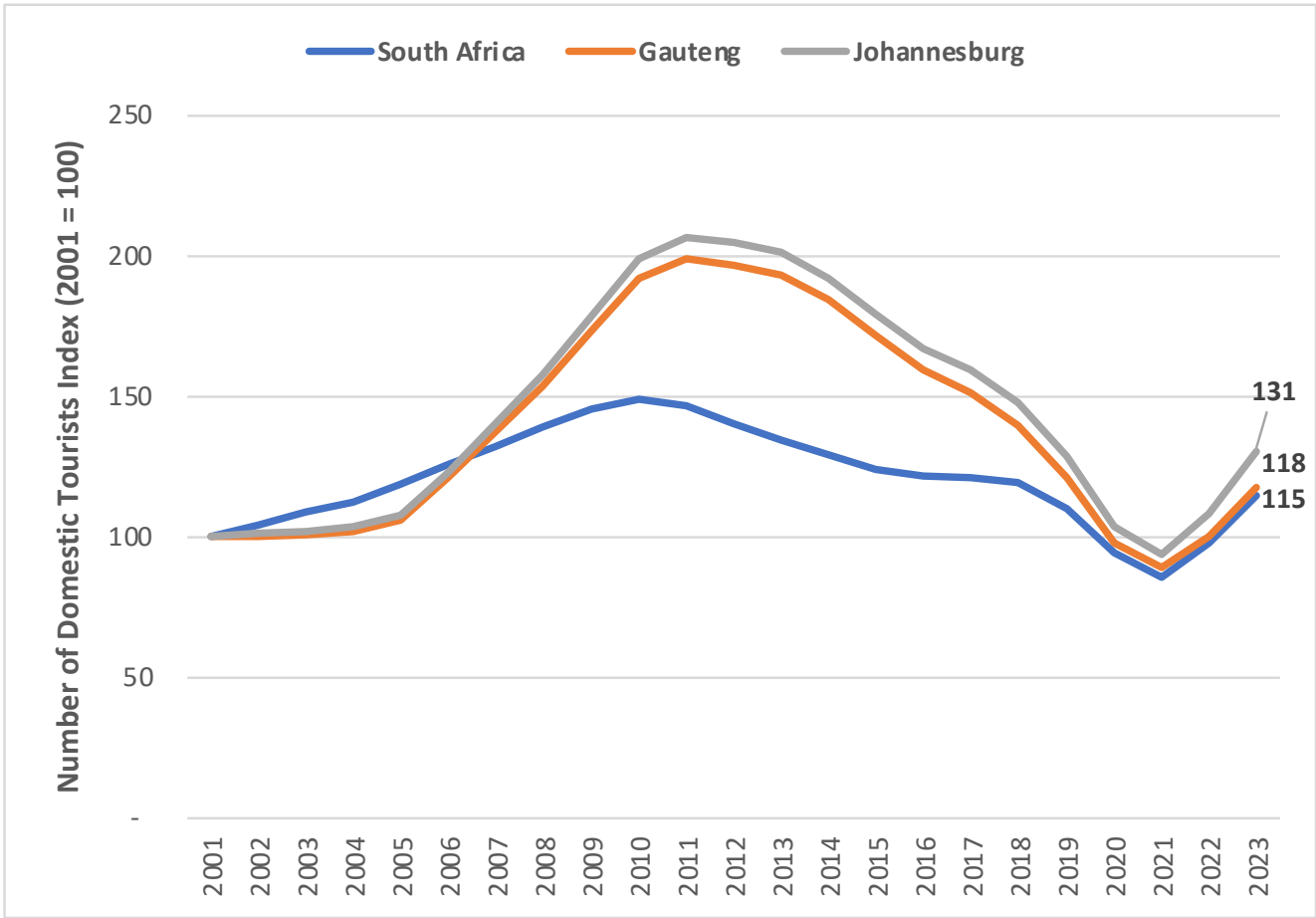
**FIGURE 6.6: NUMBER OF TOURISM TRIPS TO JOHANNESBURG BY ORIGIN**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

In Figure 6.7 and Figure 6.8 relative trends in domestic and international tourist trips to Johannesburg, Gauteng and South Africa are examined since 2001. One can discern a peak from 2010-2012 in domestic trips, before dropping gradually and then greatly with Covid-19 in 2020 and 2021, and then recovering somewhat in 2022 and 2023. Compared to 2001, in 2023 Johannesburg, Gauteng, and South Africa experienced a 15%, 18%, and 31% increase in tourist trips respectively.

**FIGURE 6.7: RELATIVE TRENDS IN THE NUMBER OF DOMESTIC TOURIST TRIPS TO SOUTH AFRICA, GAUTENG AND JOHANNESBURG**



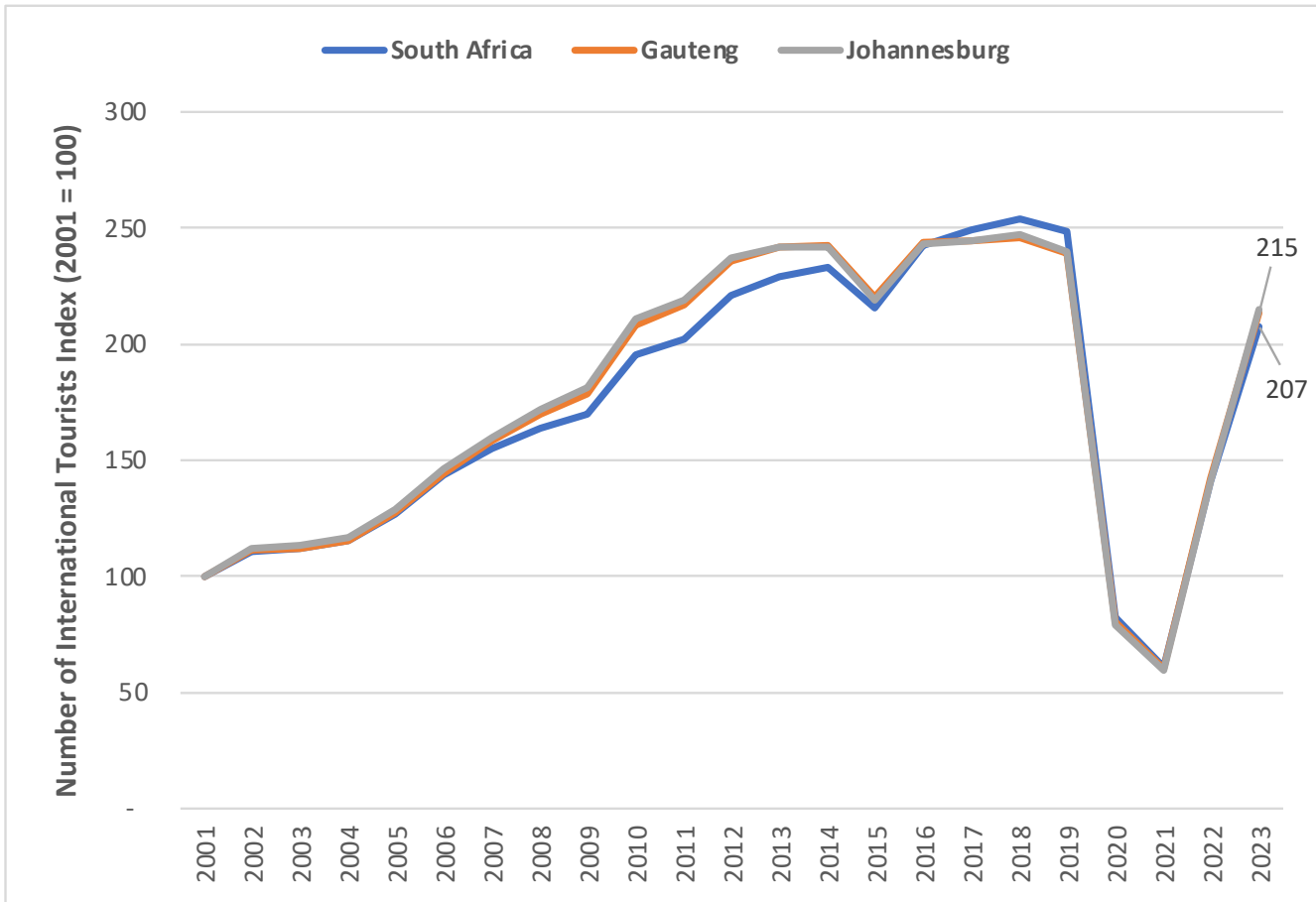
Data Source: IHS Markit Regional Explorer 2236 (2.6p)



In Figure 6.8, the relative growth in international tourism to Johannesburg, Gauteng and South Africa since 2001 is compared. It is clear that numbers rose steadily through to 2018 and 2019, before falling sharply in 2020. In 2018 inbound international tourist trips peaked in Johannesburg at 1.39 million, 147% above 2001 levels, while for South Africa they also peaked in 2018, at 9.94 million trips, 154% above 2001 levels.

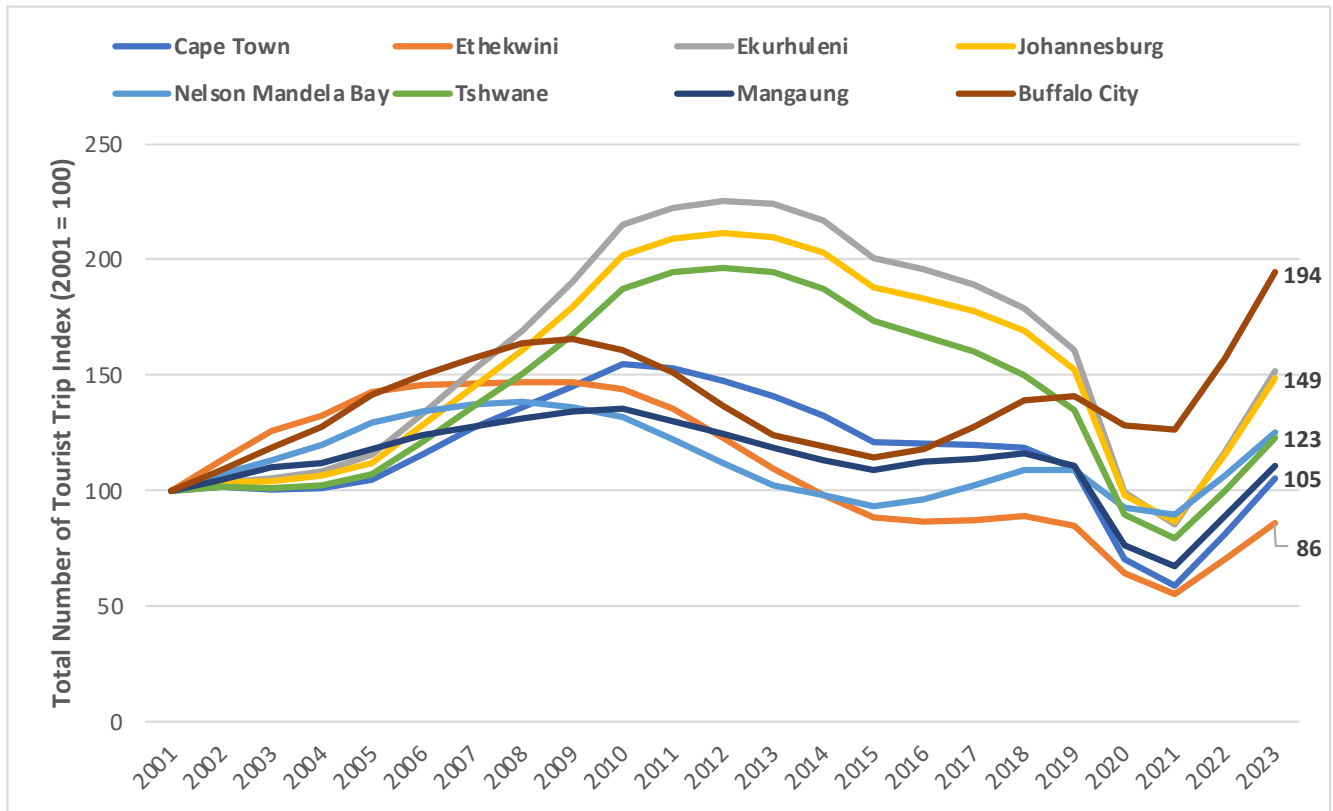
However, one can also discern a marked decline in 2015 in international inbound trips to Johannesburg, Gauteng and South Africa, before the recovery, leading to the peak in 2018. The sharp decline in visits recorded in 2015 could well have been caused by the introduction of new visa rules by the South African authorities in that year, which made international travel to South Africa more burdensome. These visa rules included provisions which required foreigners travelling to South Africa to apply for visas in person at South Africa embassies abroad to have their biometric data captured; and for children to carry unabridged birth certificates showing the names of both parents.

**FIGURE 6.8: RELATIVE TRENDS IN THE NUMBER OF INTERNATIONAL TOURIST TRIPS TO SOUTH AFRICA, GAUTENG AND JOHANNESBURG**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**FIGURE 6.9: RELATIVE TRENDS IN THE NUMBER OF TOURIST TRIPS FOR ALL SOUTH AFRICAN METROS**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

In Figure 6.9, the relative growth trend in total tourist trips since 2001 is reflected for all South Africa's metros. It can be seen that the strongest percentage growth in inbound tourism occurred in Buffalo City (at 94% growth in 2023 compared to 2001), followed by Ekurhuleni (52% growth) and Johannesburg (49% growth). As can be seen in the figure, tourist trips peaked for many metros in 2010 (the year of the FIFA World Cup). In the case of Johannesburg the peak was in 2012, representing a gain of 112% from the 2001 level. The data suggests that over the period 2001-2023, eThekweni was the poorest performer, with inbound tourism trips declining 14% (-14%). While in 2023 annual inbound tourist trips to Mangaung, Tshwane, Nelson Mandela Bay and Cape Town increased by 11%, 23%, 25%, and 5% respectively compared to 2001.

The average spend per tourist trip in each metro is reflected in Table 6.3. The table shows that between 2001 and 2023 eThekweni and Buffalo City had the highest increase in average tourism spend, at 375% and 457% respectively, while average tourist spend per trip in Johannesburg rose by 219% over the same period. It is evident from the table that the aggregate economic impact of the recent slowdown in growth in numbers of tourist trips has been mitigated to some extent by increases in the nominal Rand value of tourism spend per trip. Looking at the nominal spend, Cape Town is the leader in 2023, with R27,249, followed by eThekweni on R21,814. Johannesburg had an average tourist spend of R16,198 in 2023.

**TABLE 6.3: TRENDS IN THE AVERAGE AMOUNT SPENT BY TOURISTS TO EACH METRO (R)**

| Year                   | Cape Town) | eThekweni | Ekurhuleni | JHB    | Nelson Mandela Bay | Tshwane | Mangaung | Buffalo City |
|------------------------|------------|-----------|------------|--------|--------------------|---------|----------|--------------|
| 2001                   | 5,959      | 4,596     | 5,412      | 5,077  | 3,247              | 3,563   | 2,512    | 1,782        |
| 2002                   | 6,850      | 4,708     | 5,789      | 5,628  | 3,259              | 4,167   | 2,541    | 1,758        |
| 2003                   | 7,773      | 4,733     | 6,433      | 6,389  | 3,449              | 4,765   | 2,686    | 1,833        |
| 2004                   | 8,509      | 4,844     | 6,703      | 6,831  | 3,459              | 5,250   | 2,893    | 1,790        |
| 2005                   | 8,797      | 4,972     | 6,519      | 6,884  | 3,573              | 5,604   | 3,092    | 1,801        |
| 2006                   | 9,476      | 5,692     | 7,320      | 7,556  | 4,309              | 6,356   | 3,858    | 2,128        |
| 2007                   | 9,396      | 6,129     | 6,959      | 6,954  | 4,790              | 5,958   | 3,901    | 2,238        |
| 2008                   | 9,416      | 6,733     | 6,808      | 7,097  | 4,809              | 6,129   | 4,284    | 2,715        |
| 2009                   | 9,167      | 6,726     | 6,521      | 6,737  | 5,155              | 5,735   | 4,407    | 2,282        |
| 2010                   | 8,433      | 6,311     | 5,917      | 5,787  | 5,138              | 4,933   | 3,967    | 2,270        |
| 2011                   | 9,031      | 6,860     | 5,941      | 5,693  | 5,521              | 4,956   | 4,241    | 2,420        |
| 2012                   | 10,362     | 8,344     | 6,581      | 6,247  | 7,039              | 5,453   | 4,887    | 3,089        |
| 2013                   | 12,029     | 10,072    | 7,296      | 6,895  | 8,329              | 6,058   | 5,578    | 3,716        |
| 2014                   | 13,843     | 12,095    | 8,245      | 7,766  | 9,409              | 6,843   | 6,352    | 4,207        |
| 2015                   | 14,230     | 12,287    | 8,528      | 7,640  | 8,998              | 6,741   | 6,150    | 3,937        |
| 2016                   | 15,571     | 13,636    | 9,457      | 8,442  | 9,526              | 7,594   | 6,582    | 4,204        |
| 2017                   | 15,012     | 12,735    | 9,707      | 8,277  | 8,519              | 7,500   | 6,275    | 3,687        |
| 2018                   | 16,474     | 13,710    | 11,134     | 9,517  | 8,905              | 8,736   | 6,755    | 4,897        |
| 2019                   | 23,455     | 19,631    | 15,624     | 14,248 | 12,559             | 13,243  | 9,721    | 8,635        |
| 2020                   | 20,900     | 14,889    | 14,720     | 12,472 | 8,800              | 11,112  | 7,411    | 6,733        |
| 2021                   | 29,019     | 20,457    | 19,951     | 16,673 | 11,151             | 14,777  | 10,146   | 9,618        |
| 2022                   | 32,808     | 25,041    | 22,361     | 19,696 | 14,335             | 18,504  | 12,361   | 11,703       |
| 2023                   | 27,249     | 21,814    | 18,375     | 16,198 | 12,764             | 15,686  | 10,812   | 9,934        |
| Total Growth 2001-2023 | 357%       | 375%      | 240%       | 219%   | 293%               | 340%    | 330%     | 457%         |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

Table 6.4 reflects the estimated total value of tourism spend in each metro as a percentage of their respective GDP. Tourism is most important to Buffalo City, constituting 13.5% of its GDP in 2023, followed by Cape Town (6.9%) and Ekurhuleni (6.8%). The data suggests tourism is least important to the economy of Nelson Mandela Bay (5.4%)

**TABLE 6.4: TOTAL ESTIMATED TOURISM SPEND PER METRO AS A SHARE OF THEIR GDP**

| Year           | Cape Town | eThekweni | Ekurhuleni | JHB  | Nelson Mandela Bay | Tshwane | Mangaung | Buffalo City |
|----------------|-----------|-----------|------------|------|--------------------|---------|----------|--------------|
| 2001           | 8.3       | 9.1%      | 7.7%       | 7.9% | 5.5%               | 7.2%    | 8.8%     | 6.2%         |
| 2002           | 8.2%      | 9.0%      | 7.4%       | 7.5% | 5.5%               | 7.0%    | 7.2%     | 6.2%         |
| 2003           | 8.4%      | 9.2%      | 7.8%       | 7.7% | 5.5%               | 7.3%    | 7.5%     | 6.3%         |
| 2004           | 8.2%      | 8.9%      | 7.6%       | 7.5% | 5.4%               | 7.2%    | 7.5%     | 6.1%         |
| 2005           | 8.0%      | 8.8%      | 7.2%       | 7.2% | 5.5%               | 6.9%    | 7.6%     | 6.2%         |
| 2006           | 8.5%      | 9.3%      | 8.4%       | 8.1% | 6.3%               | 7.8%    | 8.3%     | 7.0%         |
| 2007           | 8.1%      | 8.8%      | 8.1%       | 7.5% | 6.1%               | 7.3%    | 7.7%     | 6.7%         |
| 2008           | 8.1%      | 8.6%      | 8.0%       | 7.6% | 6.0%               | 7.3%    | 7.9%     | 8.2%         |
| 2009           | 8.0%      | 8.2%      | 8.1%       | 7.5% | 5.8%               | 7.1%    | 7.8%     | 6.2%         |
| 2010           | 7.2%      | 7.1%      | 7.4%       | 6.7% | 5.1%               | 6.2%    | 6.5%     | 5.5%         |
| 2011           | 7.0%      | 6.6%      | 7.1%       | 6.3% | 4.8%               | 5.8%    | 6.2%     | 5.1%         |
| 2012           | 7.2%      | 6.7%      | 7.5%       | 6.6% | 5.1%               | 6.0%    | 6.6%     | 5.4%         |
| 2013           | 7.3%      | 6.7%      | 7.6%       | 6.7% | 5.1%               | 6.1%    | 6.6%     | 5.5%         |
| 2014           | 7.4%      | 6.7%      | 7.7%       | 6.8% | 5.2%               | 6.1%    | 6.7%     | 5.6%         |
| 2015           | 6.5%      | 5.7%      | 6.8%       | 5.8% | 4.4%               | 5.2%    | 5.8%     | 4.7%         |
| 2016           | 6.6%      | 5.8%      | 6.8%       | 5.8% | 4.6%               | 5.3%    | 6.0%     | 4.8%         |
| 2017           | 6.0%      | 5.1%      | 6.3%       | 5.2% | 4.1%               | 4.7%    | 5.4%     | 4.3%         |
| 2018           | 6.2%      | 5.3%      | 6.5%       | 5.3% | 4.3%               | 4.8%    | 5.7%     | 6.0%         |
| 2019           | 7.8%      | 7.0%      | 7.7%       | 6.8% | 5.9%               | 6.3%    | 7.3%     | 10.3%        |
| 2020           | 4.5%      | 4.1%      | 4.6%       | 4.0% | 3.7%               | 3.6%    | 3.9%     | 7.5%         |
| 2021           | 4.8%      | 4.4%      | 4.8%       | 4.2% | 4.0%               | 3.9%    | 4.2%     | 9.6%         |
| 2022           | 6.9%      | 6.5%      | 6.8%       | 6.2% | 5.9%               | 5.7%    | 6.5%     | 13.7%        |
| 2023           | 6.9%      | 6.5%      | 6.8%       | 6.1% | 5.7%               | 5.6%    | 6.7%     | 13.5%        |
| Ave. 2001-2023 | 7.5%      | 7.5%      | 7.5%       | 6.9% | 5.4%               | 6.4%    | 7.0%     | 7.3%         |

Data Source: IHS Markit Regional Explorer 2236 (2.6p)

## 7. Johannesburg's performance in relation to human development and poverty reduction

A number of indicators are commonly used to gauge progress and comparative performance on human development. The ones employed here are:

1 *The Human Development Index (HDI)*. This is a composite relative index used to compare human development across populations or regions. The HDI is the combination of three basic outcome dimensions of human development: life expectancy at birth; adult literacy; and GDP per capita. The HDI assumes a maximum value of one, which indicates a very high level of human development, and a minimum value of zero, indicating no human development. In the context of the "development diamond" illustrated in Figure 7.1 and Figure 7.2, the inverse of the HDI is used to harmonise with the other indicators where lower values reflect better performance. For example, if a country has an HDI of 0.75, its inverse HDI would be  $1 / 0.75 = 1.33$ .

2 *The Gini coefficient*. This is a summary statistic of income inequality, which varies from 0 to 1. A value equal to zero means that incomes are distributed in a perfectly equal manner. If the Gini coefficient is equal to 1, income is completely inequitable, with one individual in the population earning all the income, whereas everyone else earns nothing.

3 *The percentage of the population living below the lower poverty-line*. The lower poverty-line is defined by Stats SA as the level of consumption that includes both food and essential non-food items but requires that individuals sacrifice some food items in order to obtain the non-food items.

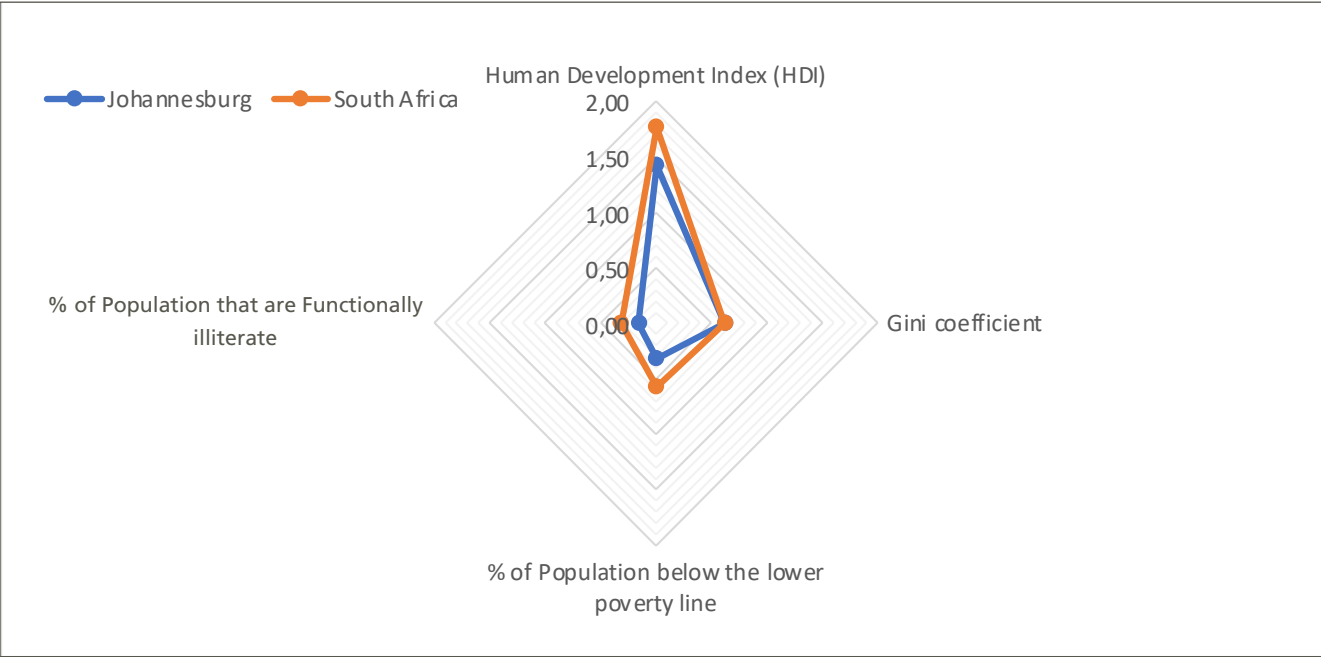
4 The percentage of the population that is *functionally illiterate*. The functional literacy rate of those aged 20+ measures the number of people in a region who have completed their primary education (grade 7) and are thus deemed functionally literate. If someone is functionally illiterate, they are assumed not to have a level of reading and writing skills to enable them to manage daily life and employment.

Johannesburg's comparative performance on human development is explored with the assistance of the above four indicators. In Figures 7.1 and 7.2 Johannesburg's performance on human development is compared to South Africa's, and its progress examined over the 27-year period from 1996 to 2023. A so-called "development diamond" approach is used to examine the data. The quality of performance on human development is reflected in the dimensions of the "diamond".

Figure 7.1 and Figure 7.2 show that development in Johannesburg for both 1996 and in 2023 was better than it was for South Africa. (Note: the smaller the diamond the more developed the region.) However, while South Africa's HDI improved from 0.57 (inverse: 1.75) in 1996 to 0.67 (inverse: 1.49) in 2023, Johannesburg's remained static at 0.7 (inverse: 1.42). Across all other indicators there has been an improvement for both Johannesburg and South Africa since 1996. As indicated in Table 7.1. South Africa and Johannesburg have greatly reduced illiteracy rates since 1996, as well as lower poverty levels and a slightly improved Gini coefficient. As per Table 7.2, South Africa and Johannesburg have also achieved improved infrastructure linked to poverty reduction, with the exception of formal refuse removal for Johannesburg, which was at 90.2% of households in 2023 compared to 94.8% in 1996. Figure 7.4 and Figure 7.5 are graphic representations of these statistics, with a larger pentagon indicating improved infrastructure, showing Johannesburg to have better infrastructure than South Africa as whole, with improved infrastructure for both in 2023 compared to 1996.

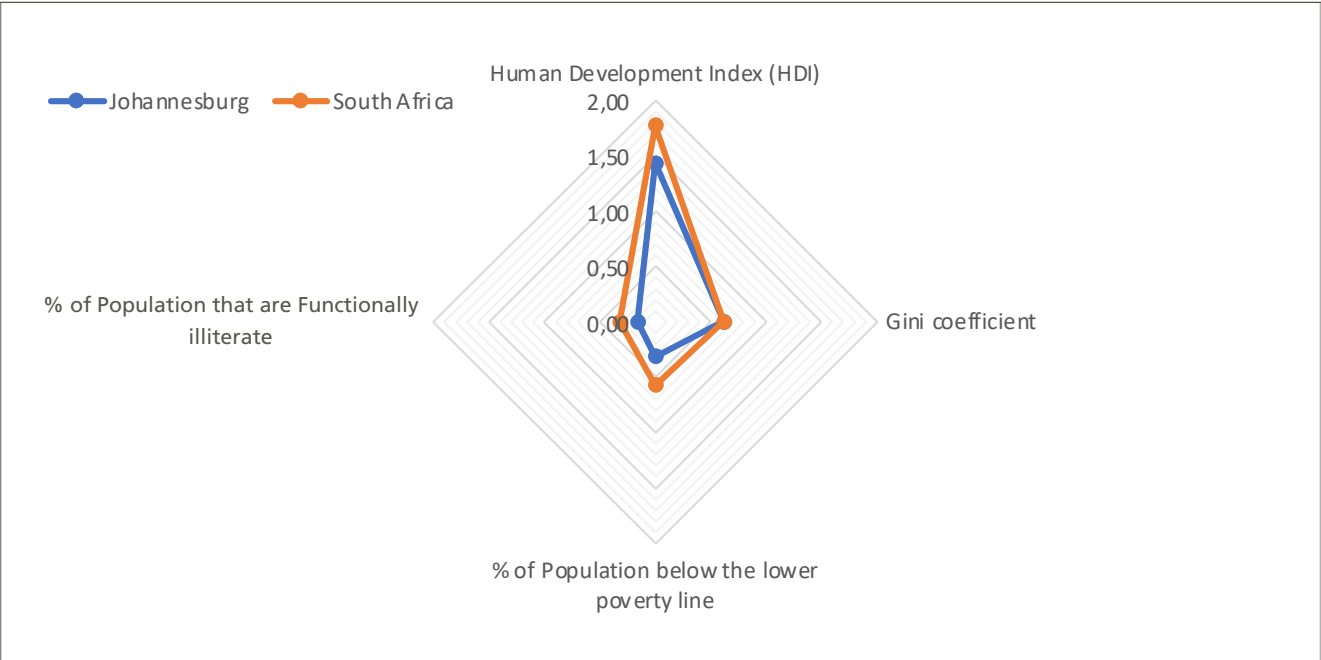
In Figure 7.3, we can see which sub-metro regions have the highest HDI and which the lowest. While there is a fair similarity among them, Region B (Randburg / Rosebank) is clearly the most developed, whereas Region D (Soweto) lags somewhat in human development, with Region G (Deep South / Ennerdale / Orange Farm) clearly the least developed.

**FIGURE 7.1: COMPARATIVE “DEVELOPMENT DIAMONDS” FOR SOUTH AFRICA AND JOHANNESBURG 1996**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**FIGURE 7.2: COMPARATIVE “DEVELOPMENT DIAMONDS” FOR SOUTH AFRICA AND JOHANNESBURG 2023**



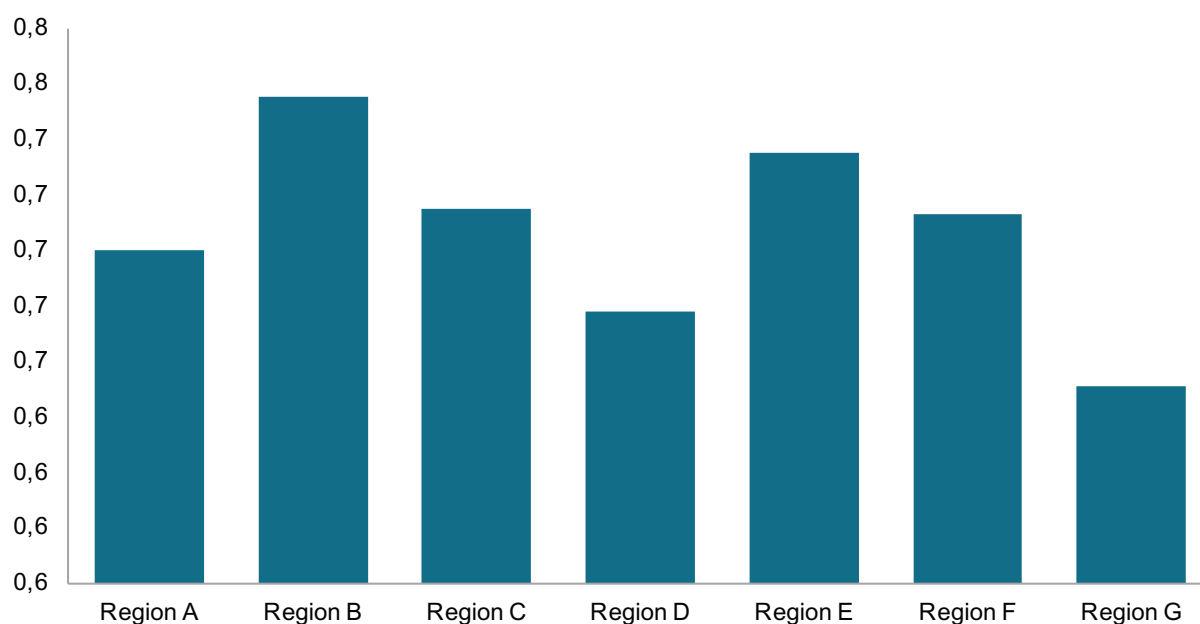
Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**TABLE 7.1: COMPARATIVE PERFORMANCE OF SOUTH AFRICA AND JOHANNESBURG IN RELATION TO INDICATORS OF HUMAN DEVELOPMENT**

| Indicator   | 1996         |              | 2023         |              |
|---|--------------|--------------|--------------|--------------|
|   | South Africa | Johannesburg | South Africa | Johannesburg |
| Human Development Index (HDI)                         | 0.57         | 0.7          | 0.67         | 0.7          |
| Gini coefficient                                      | 0.62         | 0.62         | 0.61         | 0.59         |
| Share below the lower poverty line (Stats SA defined) | 56.5%        | 32.6         | 48.2%        | 28.7%        |
| Share of population that are functionally illiterate  | 31.5%        | 15.5%        | 9.8%         | 4.3%         |

Data Source: IHS Markit Regional Explorer 2236 (2.6%p)

**FIGURE 7.3: HUMAN DEVELOPMENT INDEX (HDI) SUB-METRO REGIONS OF JOHANNESBURG 2024**



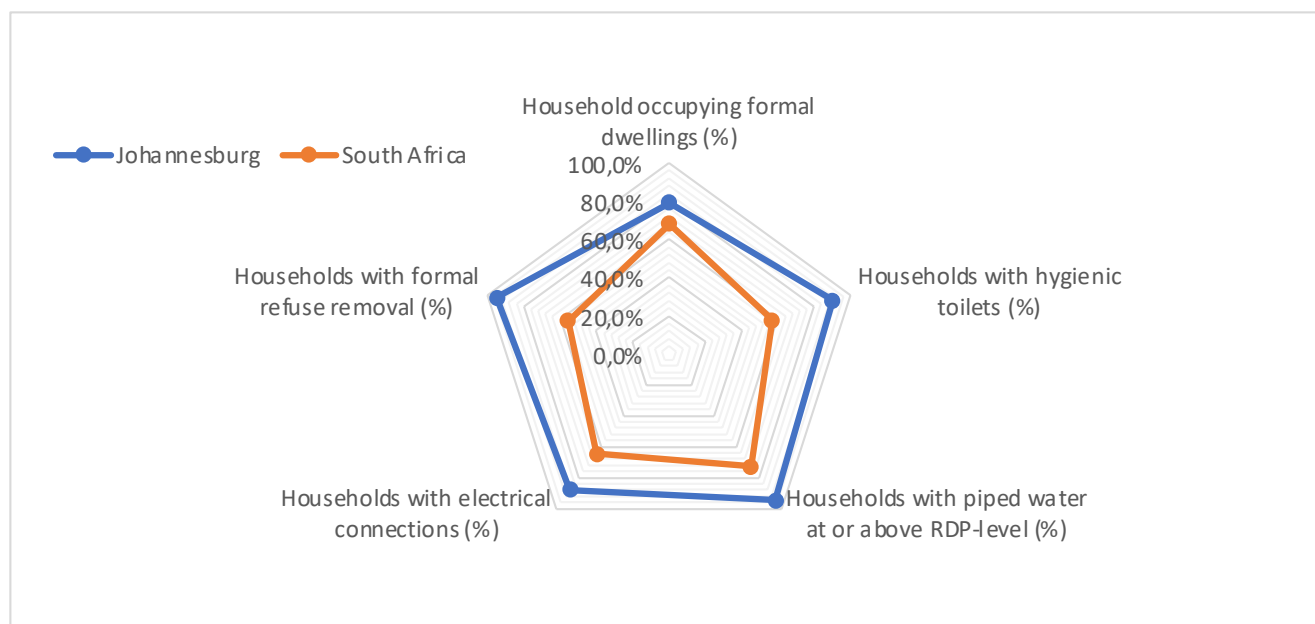
Data Source: IHS Markit Regional Explorer 2236 (2.6%p)

**TABLE 7.2: COMPARATIVE PERFORMANCE OF SOUTH AFRICA AND JOHANNESBURG IN RELATION TO INDICATORS LINKED TO HOUSEHOLD INFRASTRUCTURE**

| Indicator  | 1996         |              | 2023         |              |
|--|--------------|--------------|--------------|--------------|
|  | South Africa | Johannesburg | South Africa | Johannesburg |
| Share of household occupying formal dwellings                  | 68.2%        | 79.2%        | 83.4%        | 80.8%        |
| Share of households with Hygienic toilets (%)                  | 56.7%        | 89.9%        | 84.7%        | 97.0%        |
| Share of households with piped water at or above RDP-level (%) | 73.1%        | 94.9%        | 90.2%        | 99.5%        |
| Share of households with electrical connections (%)            | 64.5%        | 87.8%        | 94.4%        | 92.8%        |
| Share of households with formal refuse removal (%)             | 55.6%        | 94.8%        | 62.9%        | 90.2%        |

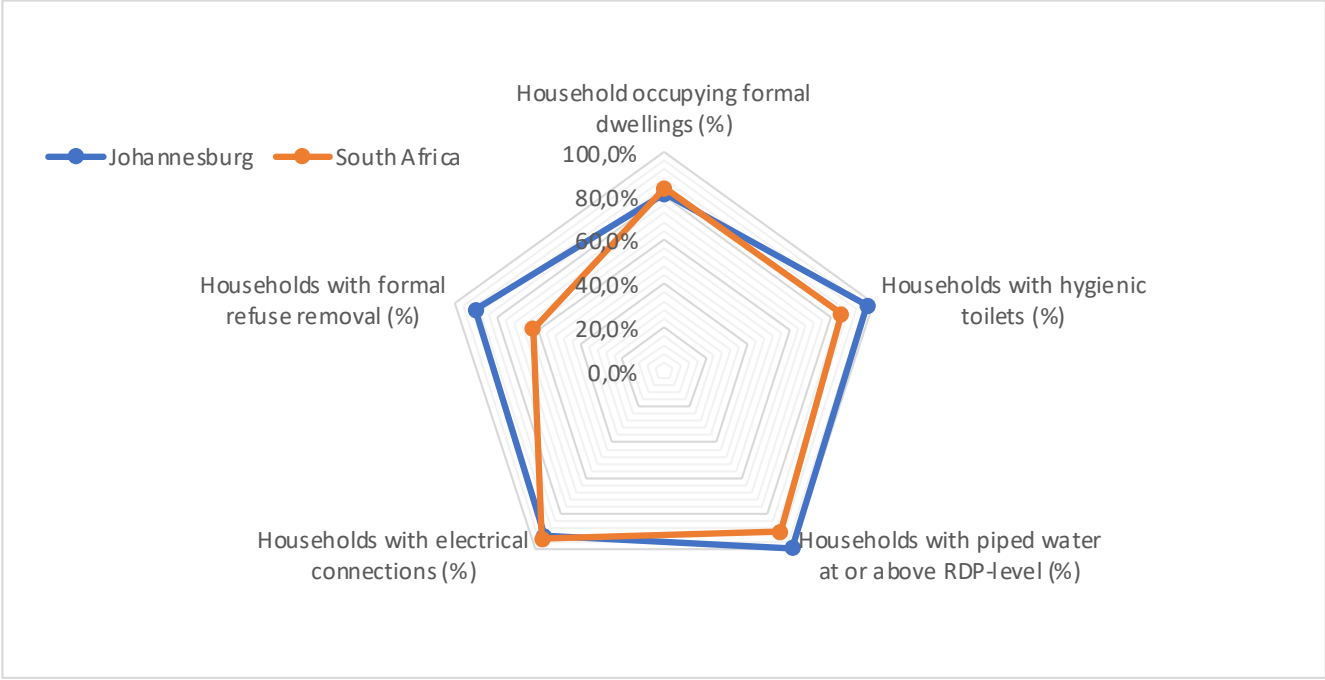
Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**FIGURE 7.4: COMPARATIVE PERFORMANCE IN RELATION TO HOUSEHOLD INFRASTRUCTURE FOR SOUTH AFRICA AND JOHANNESBURG 1996**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)

**FIGURE 7.5: COMPARATIVE PERFORMANCE IN RELATION TO HOUSEHOLD INFRASTRUCTURE FOR SOUTH AFRICA AND JOHANNESBURG 2023**



Data Source: IHS Markit Regional Explorer 2236 (2.6p)



## 8. Concluding observations

**Due to its geographic location as a gateway to sub-Saharan Africa, along with its population density and significant proportion of working-age individuals, Johannesburg continues to serve as South Africa's economic center. At present, it accounts for 14.75% of the nation's economic output. Nevertheless, similar to the broader country, severe unemployment hampers Johannesburg's growth prospects. Although the unemployment rate in Johannesburg stands at 29.8%, which is lower than the national average, it remains alarmingly high.**

Since the impact of the global financial crisis in 2008, the growth of Johannesburg has significantly decelerated, remaining subdued, with an additional setback caused by the Covid-19 pandemic in 2020. In summary, the period from 2000 to 2008 represented a phase of robust economic growth for both the country and Johannesburg, whereas the years from 2010 to 2024 have been characterized by low growth; during the former period, Johannesburg experienced an average annual GVA growth of 5.50%, while in the latter period, this figure dropped to a mere 1.23%.

Considering Johannesburg's low employment rate and sluggish economic growth, it is essential to examine the economic structure across various sectors. By 2024, the services sector, which includes finance and trade, had come to dominate Johannesburg's economy, while the primary sector (encompassing mining and agriculture) and the secondary sector (manufacturing) have fallen behind. This situation raises concerns, as the primary and secondary sectors are crucial for generating mass employment. Policymakers should contemplate strategies to encourage investment from manufacturers and miners in Johannesburg, recognising that these sectors are essential for economic growth, job creation, and infrastructure development. They utilise natural resources, convert raw materials into finished products, and foster industrialisation. A robust primary and secondary sector is vital for ensuring economic stability, diversification, and sustainable advancement.

On a more positive note, Johannesburg demonstrates superior human development outcomes compared to the national average, maintaining a stable Human Development Index (HDI) of 0.7 from 1996 to 2023. Considering that Johannesburg's population has increased by 120% during this timeframe, it is remarkable that this moderate level of human development has been maintained. Additionally, Johannesburg exhibits lower rates of poverty, income inequality, and functional illiteracy in comparison to the overall situation in South Africa. Moreover, access to household infrastructure, such as formal housing, sanitary toilets, piped water, electricity, and waste removal services, has significantly improved from 1996 to 2023.

With its favourable climate, developed infrastructure, and its strategic geographic and economic position at the center of the nation, Johannesburg has the potential to overcome the challenges of sluggish economic growth and reach the heights of its vast capabilities. To realise this potential, it will be essential for Johannesburg to draw investment into its primary and secondary sectors. This is crucial not only for the city itself but also for South Africa, considering Johannesburg's importance to the national economy.

**City of Johannesburg**  
Economic Development Policy and Planning

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