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Media Statement

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The City values the contribution of the Informal economy

The City of Johannesburg reaffirms its unwavering commitment to supporting and enabling the informal and township economy, recognising its immense creativity, innovation, and indispensable contribution to inclusive economic growth and job creation across the metropolitan area.

The informal sector is a critical pillar of livelihood sustenance in the City. According to estimates from Stats SA (Q2 2025), the informal sector in Johannesburg employs approximately 457,000 individuals, representing about 22.87% of total employment (excluding Agriculture). This vital contribution is further augmented by another 142,000 jobs generated by private households, demonstrating the central importance of informal trade and micro-enterprises, particularly in the townships.

The City is currently home to an estimated 66,225 micro and small enterprises, showcasing a dynamic and diversified economic landscape. Emerging entrepreneurial hubs in areas like Randburg and Alexandra are powerfully complementing Soweto's established position as a vibrant economic hotspot.

Speaking to this surge in activity, Mathopane Masha, Executive Director for Economic Development, emphasised the City's full recognition of this accelerating power. "This surge in township enterprise activity demonstrates that Johannesburg's economic strength is not confined to formal structures alone, but is driven aggressively from the ground up," said Masha.

Phaphedi Phukubje a senior economist from the department says within this thriving ecosystem, Soweto stands out as a critical economic hub for the Cultural and Creative Industries (CCIs).

"Leveraging its immense cultural capital and the distinct Kasi aesthetic, Soweto's entrepreneurs are converting heritage into economic value across music, fashion, visual arts, and digital services," he said.

He added: "Key initiatives like the Soweto Theatre, LoCrate Market, and the annual Kasiology Design Festival not only preserve cultural identity but also provide vital platforms for formalisation, job creation, and attracting cultural tourism to the region,"

The City's approach to the local economy is focused on enablement, not restriction. While the City regulates local trade, the objective is to nurture creativity, not stifle it. Economic regulation is fundamentally about creating safe, sustainable trading spaces, shedding light on the invisible economy, and unlocking greater value for small businesses. The convergence of township entrepreneurship and digital innovation is identified as a key accelerator for true, inclusive growth.

The City remains resolutely committed to nurturing informal and township-based enterprises through:

- The development of supportive policies and regulatory frameworks.
- The creation of an improved and safer trading environment.
- Increased opportunities for sustainable and inclusive economic growth.

The City of Johannesburg believes that by empowering these ground-level enterprises, it ensures that its economic strength truly reflects the diversity and dynamism of all its residents.

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Issued by the City of Johannesburg

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