



Province of KwaZulu-Natal  
Provincial Treasury  
IMES Unit

# THE KWAZULU NATAL ECONOMY – A PERFORMANCE OVERVIEW<sup>1</sup> UPDATE 14

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## **SUMMARY OF FINDINGS FOR KZN – 3<sup>rd</sup> QUARTER 2012**

GDPR at constant 2005 prices Non-seasonal adjusted quarter on quarter = **0.56**

GDPR at constant 2005 prices Non-seasonal adjusted year on year = **2.24**

GDPR at constant 2005 prices Seasonal adjusted quarter on quarter = **0.46**

GDPR at constant 2005 prices Seasonal adjusted year on year = **2.71**

## **NATIONAL GROSS DOMESTIC AND GROSS REGIONAL PRODUCT: 3<sup>rd</sup> QUARTER OF 2012**

The release of the 3<sup>rd</sup> quarter 2012 national GDP results and statistics by Statistics SA (May 2012) enables us to determine the national economic growth rate for the 3<sup>rd</sup> quarter of 2012. It further allows us to calculate and derive the gross regional product for KwaZulu-Natal for the 3<sup>rd</sup> quarter of 2012 and the various provincial sectors' economic growth rates. It must be noted that the national GDP-related calculations and values are based on published data, i.e., actual data. However, the quarterly gross regional product for KwaZulu-Natal and related calculations and values are based on a structural model developed by the author (working paper 1 dd 4 December 2008) and thus are estimates only.

### **NATIONAL GDP AND GROWTH RATES**

Table 1 indicates that the South African gross domestic product decreased by 0,62 per cent during the 3<sup>rd</sup> quarter of 2012 compared to an increase of 3.59 percent during the 2<sup>nd</sup> quarter of 2012 on a non-seasonal adjusted basis. This represents a 0.46 per cent seasonal adjusted and annualised increase during the 3<sup>rd</sup> quarter of 2012, which is lower than the 0.61 percent recorded during the 2<sup>nd</sup> quarter of 2012.

**Table 1: National GDP and Economic Growth Rate – Quarter-on-Quarter**

|   | 2011 q2      | 2011 q3      | 2011 q4       | 2012q1       | 2012q2       | 2012q3        |
|---|--------------|--------------|---------------|--------------|--------------|---------------|
| <b>Primary Industries</b>   | <b>18.50</b> | <b>-8.43</b> | <b>-13.57</b> | <b>0.39</b>  | <b>27.35</b> | <b>-10.99</b> |
| Agriculture, forestry and fishing                                 | 66.12        | -15.08       | -42.76        | 30.69        | 67.66        | -22.24        |
| Mining and quarrying  | 2.29         | -4.75        | 0.81          | -8.08        | 11.32        | -4.25         |
| <b>Secondary Industries</b>                                       | <b>2.19</b>  | <b>3.37</b>  | <b>1.35</b>   | <b>-5.67</b> | <b>3.16</b>  | <b>3.69</b>   |
| Manufacturing   | 2.53         | 3.98         | 1.06          | -6.23        | 3.86         | 4.15          |
| Electricity, gas and water  | 3.94         | 3.42         | -0.63         | -6.59        | 2.56         | 4.03          |
| Construction  | -0.47        | 0.26         | 4.12          | -2.28        | 0.15         | 1.16          |
| <b>Tertiary industries</b>  | <b>1.47</b>  | <b>2.10</b>  | <b>4.40</b>   | <b>-4.16</b> | <b>1.23</b>  | <b>1.33</b>   |
| Wholesale & retail trade; hotels & restaurants                    | 1.81         | 4.99         | 17.07         | -16.46       | 1.18         | 4.27          |
| Transport, storage and communication                              | 2.13         | 4.24         | 1.96          | -5.22        | 1.77         | 3.75          |
| Finance, real estate and business services                        | 0.68         | 0.97         | 1.24          | 0.96         | 0.48         | -0.43         |
| Personal services   | 0.82         | -0.34        | -0.28         | 1.74         | 2.08         | -0.44         |
| General government services                                       | 2.27         | 0.96         | 1.56          | -1.07        | 1.74         | 0.67          |
| <b>GDP at constant 2005 prices</b>                                | <b>2.94</b>  | <b>1.39</b>  | <b>2.28</b>   | <b>-4.07</b> | <b>3.59</b>  | <b>0.62</b>   |
| <b>GDP at constant 2005 prices (seasonal adjusted annualized)</b> | <b>0.39</b>  | <b>0.59</b>  | <b>0.85</b>   | <b>0.76</b>  | <b>0.61</b>  | <b>0.46</b>   |

Table 2 indicates the performance of the economy on an annual basis compared to table 1 which focus on the performance on a quarterly basis. Table 2 shows that the SA economy recorded an increase in growth during the 3<sup>rd</sup> quarter of 2012 both on a seasonal and non-seasonal adjusted year-on-year basis. The national economy clearly lost a lot of momentum during the 3<sup>rd</sup> quarter of 2012 compared to a year ago, i.e., the growth rate decreased by over 1 percent one during 2012.

Table 2 indicates that all the economic industries with the exception of the agriculture, forestry and fishing, electricity, gas and water and finance, real estate and business services industries recorded positive growth rates on an annual

basis during the 3<sup>rd</sup> quarter of 2012. It also appears that all of the tertiary sector industries recorded slower growth rates during the 3<sup>rd</sup> quarter of 2012 compared to the 2<sup>nd</sup> quarter of 2012. It thus seems that the labour unrest and political uncertainty since about two months ago is starting to unsettle and unnerve consumers.

**Table 2: National GDP and Economic Growth Rate – Year-on-Year**

|   | 2011q2      | 2011q3      | 2011q4      | 2012q1      | 2012q2      | 2012q3       |
|---|-------------|-------------|-------------|-------------|-------------|--------------|
| <b>Primary Industries</b>   | <b>3.06</b> | <b>2.05</b> | <b>1.81</b> | <b>3.61</b> | <b>7.12</b> | <b>-0.18</b> |
| Agriculture, forestry and fishing                                     | 1.09        | 2.67        | 3.35        | 7.36        | 8.35        | -0.77        |
| Mining and quarrying  | 12.79       | -0.33       | -1.49       | -6.61       | 1.63        | 2.16         |
| <b>Secondary Industries</b>   | <b>2.55</b> | <b>2.98</b> | <b>3.65</b> | <b>1.57</b> | <b>2.61</b> | <b>2.89</b>  |
| Manufacturing   | 2.90        | 3.46        | 4.28        | 1.70        | 3.01        | 3.18         |
| Electricity, gas and water  | 0.69        | -0.23       | -0.60       | -1.22       | -2.54       | -1.96        |
| Construction  | 1.32        | 1.72        | 2.00        | 2.48        | 3.12        | 4.05         |
| <b>Tertiary industries</b>  | <b>3.07</b> | <b>3.26</b> | <b>3.36</b> | <b>3.01</b> | <b>2.76</b> | <b>2.05</b>  |
| Wholesale & retail trade; hotels & restaurants                        | 3.68        | 4.13        | 4.66        | 4.21        | 3.57        | 2.86         |
| Transport, storage and communication                                  | 4.22        | 3.90        | 4.06        | 3.78        | 3.42        | 2.93         |
| Finance, real estate and business services                            | 1.18        | 1.81        | 1.08        | 1.19        | 0.99        | -0.41        |
| Personal services   | 2.04        | 1.08        | 1.56        | 1.26        | 2.52        | 2.41         |
| General government services   | 4.64        | 4.92        | 5.34        | 4.57        | 4.03        | 3.73         |
| <b>GDP at constant 2005 prices (non-seasonal adjusted annualized)</b> | <b>3.12</b> | <b>3.29</b> | <b>3.60</b> | <b>2.74</b> | <b>3.21</b> | <b>2.24</b>  |
| <b>GDP at constant 2005 prices (seasonal adjusted annualized)</b>     | <b>3.30</b> | <b>3.27</b> | <b>3.12</b> | <b>2.62</b> | <b>2.84</b> | <b>2.71</b>  |

Table 3 indicates the average sector contribution rates for the different economic sectors for the stated periods. It indicates that the contribution of the secondary sector declined from 2001 to 2011, whereas the contribution of the tertiary sector increased over the period. The massive relative decline in the construction sector and the inability of the sector to recover should be a significant cause of concern because it suggests a lack on investment activity in the provincial economy.

**Table 3: Average National Sector Contribution – Per Period and Per Industry**

|  | 2001         | 2004         | 2007         | 2010         | 2011         |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Primary Industries</b>                      | <b>10.41</b> | <b>10.38</b> | <b>10.05</b> | <b>11.04</b> | <b>11.25</b> |
| Agriculture, forestry and fishing              | 28.86        | 29.46        | 29.09        | 28.89        | 29.41        |
| Mining and quarrying                           | 4.14         | 3.77         | 3.49         | 3.54         | 3.66         |
| <b>Secondary Industries</b>                    | <b>20.84</b> | <b>20.09</b> | <b>19.91</b> | <b>19.84</b> | <b>19.96</b> |
| Manufacturing                                  | 21.19        | 21.24        | 21.17        | 21.32        | 21.44        |
| Electricity, gas and water                     | 18.62        | 17.05        | 17.21        | 16.48        | 16.34        |
| Construction                                   | 20.11        | 14.64        | 14.40        | 14.62        | 14.76        |
| <b>Tertiary industries</b>                     | <b>15.65</b> | <b>15.69</b> | <b>15.84</b> | <b>15.90</b> | <b>15.88</b> |
| Wholesale & retail trade; hotels & restaurants | 16.83        | 16.99        | 17.02        | 17.25        | 17.26        |
| Transport , storage and communication          | 21.25        | 21.37        | 21.62        | 21.97        | 22.14        |
| Finance, real estate and business services     | 13.47        | 13.44        | 13.79        | 13.72        | 13.56        |
| Personal services                              | 16.34        | 16.34        | 16.28        | 16.35        | 16.32        |
| General government services                    | 13.80        | 13.61        | 13.63        | 13.81        | 13.87        |

Table 4 indicates the actual national GDP per economic sector for the stated periods.

**Table 4: National Quarterly GDP at Constant 2005 prices - Rand million**

|  | 2011q1         | 2011q2         | 2011q3         | 2011q4         | 2012q1         | 2012q2         | 2012q3         |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Primary Industries</b>                      | <b>33,568</b>  | <b>39,776</b>  | <b>36,425</b>  | <b>31,483</b>  | <b>31,607</b>  | <b>40,251</b>  | <b>35,829</b>  |
| Agriculture, forestry and fishing              | 8,522          | 14,156         | 12,021         | 6,881          | 8,993          | 15,078         | 11,725         |
| Mining and quarrying                           | 25,046         | 25,620         | 24,404         | 24,602         | 22,614         | 25,173         | 24,104         |
| <b>Secondary Industries</b>                    | <b>92,920</b>  | <b>94,956</b>  | <b>98,156</b>  | <b>99,483</b>  | <b>93,841</b>  | <b>96,810</b>  | <b>100,379</b> |
| Manufacturing                                  | 70,219         | 71,995         | 74,863         | 75,655         | 70,939         | 73,674         | 76,730         |
| Electricity, gas and water                     | 8,320          | 8,648          | 8,943          | 8,887          | 8,302          | 8,514          | 8,857          |
| Construction                                   | 14,381         | 14,313         | 14,350         | 14,941         | 14,600         | 14,622         | 14,792         |
| <b>Tertiary industries</b>                     | <b>284,115</b> | <b>288,294</b> | <b>294,344</b> | <b>307,306</b> | <b>294,515</b> | <b>298,127</b> | <b>302,088</b> |
| Wholesale & retail trade; hotels & restaurants | 54,260         | 55,243         | 57,999         | 67,902         | 56,728         | 57,397         | 59,848         |
| Transport , storage and communication          | 41,365         | 42,245         | 44,038         | 44,901         | 42,558         | 43,312         | 44,939         |
| Finance, real estate and business services     | 99,324         | 99,996         | 100,965        | 102,215        | 103,195        | 103,692        | 103,248        |
| Personal services                              | 25,968         | 26,180         | 26,092         | 26,020         | 26,472         | 27,023         | 26,903         |
| General government services                    | 63,198         | 64,630         | 65,250         | 66,268         | 65,562         | 66,703         | 67,150         |
| <b>GDPR at constant 2005 prices</b>            | <b>460,264</b> | <b>473,786</b> | <b>480,361</b> | <b>491,325</b> | <b>471,324</b> | <b>488,249</b> | <b>491,264</b> |

## ESTIMATED PROVINCIAL 2011 AND 2012 QUARTERLY GROSS REGIONAL PRODUCT

The per-sector estimated GDP-R up to the 3<sup>rd</sup> quarter of 2012 is displayed in table 5. It is evident that provincial GDP in absolute terms has increased during the first 9 months of 2012. The 3<sup>rd</sup> quarter 2012 GDP-R is a marginal improvement over the 3<sup>rd</sup> quarter 2011 GDP-R. What is also evident is that no one particular industry has recorded continues or substantial growth over the indicated 6 quarters. This is most probably statistical and seasonal related, but could also be indicative of short term uncertainty and volatility.

**Table 5: KZN GDP Quarter 2, 3 and 4 of 2011 and quarters 1, 2 and 3 of 2012 - Constant 2005 prices - Rand million**

| Industry                                       | 2011Q2        | 2011Q3        | 2011Q4        | 2012Q1        | 2012Q2        | 2012Q3        |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Primary Industries</b>                      | <b>5,101</b>  | <b>4,429</b>  | <b>2,924</b>  | <b>3,547</b>  | <b>5,464</b>  | <b>4,421</b>  |
| Agriculture, forestry and fishing              | 4,163         | 3,535         | 2,023         | 2,690         | 4,511         | 3,508         |
| Mining and quarrying                           | 938           | 894           | 901           | 857           | 954           | 913           |
| <b>Secondary Industries</b>                    | <b>18,963</b> | <b>19,631</b> | <b>19,879</b> | <b>18,830</b> | <b>19,458</b> | <b>20,198</b> |
| Manufacturing                                  | 15,438        | 16,052        | 16,222        | 15,313        | 15,903        | 16,562        |
| Electricity, gas and water                     | 1,413         | 1,461         | 1,452         | 1,343         | 1,377         | 1,432         |
| Construction                                   | 2,112         | 2,118         | 2,205         | 2,175         | 2,178         | 2,203         |
| <b>Tertiary industries</b>                     | <b>45,679</b> | <b>46,754</b> | <b>48,953</b> | <b>46,344</b> | <b>46,942</b> | <b>47,711</b> |
| Wholesale & retail trade; hotels & restaurants | 9,533         | 10,008        | 11,717        | 9,758         | 9,873         | 10,294        |
| Transport, storage and communication           | 9,352         | 9,749         | 9,940         | 9,503         | 9,671         | 10,035        |
| Finance, real estate and business services     | 13,560        | 13,692        | 13,861        | 13,629        | 13,695        | 13,636        |
| Personal services                              | 4,272         | 4,258         | 4,246         | 4,291         | 4,380         | 4,361         |
| General government services                    | 8,962         | 9,048         | 9,189         | 9,163         | 9,323         | 9,385         |
| <b>GDPR at constant 2005 prices</b>            | <b>77,957</b> | <b>79,138</b> | <b>80,342</b> | <b>77,040</b> | <b>80,459</b> | <b>80,910</b> |

Table 6 displays the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> quarters of 2011 and 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2012 quarter-on-quarter growth rates in GDP-R per the economic sector. The

provincial GDP **increased** in the 3<sup>rd</sup> quarter of 2012 by **0.56** per cent compared to an **increase** of **4.44** per cent on the 2<sup>nd</sup> quarter of 2012 on a non-seasonal adjusted basis. On a seasonal adjusted basis the provincial economy experienced an **increase** of **0.46** per cent during the 3<sup>rd</sup> quarter of 2012 compared to an **increase** of **0.61** per cent during the 2<sup>nd</sup> quarter of 2012.

The economic performance of the province deteriorated significantly during the 3<sup>rd</sup> quarter of 2012, similar than the national economy. It is not a particular optimistic picture which definitely does not bode well for the 4<sup>th</sup> quarter of 2013.

**Table 6: KZN GDP and Economic Growth Rate – Quarter-on-Quarter**

| Industry  | 2011Q2       | 2011Q3        | 2011Q4        | 2012Q1       | 2012Q2       | 2012Q3        |
|---|--------------|---------------|---------------|--------------|--------------|---------------|
| <b>Primary Industries</b>                               | <b>49.02</b> | <b>-13.18</b> | <b>-33.97</b> | <b>21.29</b> | <b>54.06</b> | <b>-19.10</b> |
| Agriculture, forestry and fishing                       | 66.12        | -15.08        | -42.76        | 32.96        | 67.66        | -22.24        |
| Mining and quarrying                                    | 2.29         | -4.75         | 0.81          | -4.93        | 11.32        | -4.25         |
| <b>Secondary Industries</b>                             | <b>2.29</b>  | <b>3.53</b>   | <b>1.26</b>   | <b>-5.28</b> | <b>3.33</b>  | <b>3.80</b>   |
| Manufacturing   | 2.53         | 3.98          | 1.06          | -5.61        | 3.86         | 4.15          |
| Electricity, gas and water                              | 3.94         | 3.42          | -0.63         | -7.53        | 2.56         | 4.03          |
| Construction  | -0.47        | 0.26          | 4.12          | -1.36        | 0.15         | 1.16          |
| <b>Tertiary industries</b>                              | <b>1.53</b>  | <b>2.35</b>   | <b>4.70</b>   | <b>-5.33</b> | <b>1.29</b>  | <b>1.64</b>   |
| Wholesale & retail trade; hotels & restaurants          | 1.81         | 4.99          | 17.07         | -16.72       | 1.18         | 4.27          |
| Transport, storage and communication                    | 2.13         | 4.24          | 1.96          | -4.40        | 1.77         | 3.75          |
| Finance, real estate and business services              | 0.68         | 0.97          | 1.24          | -1.68        | 0.48         | -0.43         |
| Personal services                                       | 0.82         | -0.34         | -0.28         | 1.05         | 2.08         | -0.44         |
| General government services                             | 2.27         | 0.96          | 1.56          | -0.28        | 1.74         | 0.67          |
| <b>GDPR at constant 2005 prices</b>                     | <b>3.96</b>  | <b>1.51</b>   | <b>1.52</b>   | <b>-4.11</b> | <b>4.44</b>  | <b>0.56</b>   |
| <b>GDPR at constant 2000 prices (seasonal adjusted)</b> | <b>0.39</b>  | <b>0.59</b>   | <b>0.85</b>   | <b>0.76</b>  | <b>0.61</b>  | <b>0.46</b>   |

Table 7 shows that the provincial economy recorded on a seasonal adjusted and annualised basis an **increase** of **2.71** per cent during the 3<sup>rd</sup> quarter of 2012

compared to an **increase** of **2.84** per cent during the 2<sup>nd</sup> quarter of 2012. The 3<sup>rd</sup> quarter 2012 annual growth rates both on a seasonal and non-seasonal adjusted basis indicate that economic activity is at worse levels than experienced during the 2<sup>nd</sup> quarter 2012. The annualised growth rates also indicate that the tertiary economic sectors continue to record positive growth rates but at levels worse than during the 2<sup>nd</sup> quarter of 2012. The manufacturing sector recorded good positive growth rates whilst the construction sectors showed robust growth.

**Table 7: KZN GDP and Economic Growth Rate – Year-on-Year**

| Industry  | 2011Q2      | 2011Q3       | 2011Q4       | 2012Q1       | 2012Q2      | 2012Q3      |
|---|-------------|--------------|--------------|--------------|-------------|-------------|
| <b>Primary Industries</b>   | <b>5.68</b> | <b>-0.91</b> | <b>-4.11</b> | <b>-2.93</b> | <b>2.29</b> | <b>5.27</b> |
| Agriculture, forestry and fishing                                     | 3.69        | -1.26        | -4.25        | -1.96        | 2.71        | 6.14        |
| Mining and quarrying  | 12.76       | 0.32         | -3.61        | -6.17        | 0.89        | 2.31        |
| <b>Secondary Industries</b>   | <b>2.92</b> | <b>3.32</b>  | <b>3.14</b>  | <b>1.90</b>  | <b>2.64</b> | <b>3.15</b> |
| Manufacturing   | 3.32        | 3.83         | 3.73         | 2.15         | 3.06        | 3.46        |
| Electricity, gas and water  | 0.69        | 0.23         | -0.98        | -1.72        | -2.87       | -1.73       |
| Construction  | 1.50        | 1.75         | 1.69         | 2.45         | 3.27        | 4.08        |
| <b>Tertiary industries</b>  | <b>2.97</b> | <b>3.34</b>  | <b>3.36</b>  | <b>3.14</b>  | <b>2.69</b> | <b>2.08</b> |
| Wholesale & retail trade; hotels & restaurants                        | 3.87        | 4.16         | 4.19         | 4.43         | 3.84        | 2.82        |
| Transport, storage and communication                                  | 4.13        | 4.08         | 4.08         | 3.71         | 3.24        | 2.99        |
| Finance, real estate and business services                            | 0.88        | 1.74         | 1.66         | 1.28         | 0.97        | 0.08        |
| Personal services   | 1.80        | 1.70         | 1.71         | 1.55         | 1.38        | 1.30        |
| General government services   | 4.55        | 4.93         | 5.11         | 4.69         | 4.03        | 3.67        |
| <b>GDP at constant 2005 prices (seasonal adjusted annualized)</b>     | <b>3.30</b> | <b>3.27</b>  | <b>3.12</b>  | <b>2.62</b>  | <b>2.84</b> | <b>2.71</b> |
| <b>GDP at constant 2005 prices (non-seasonal adjusted annualized)</b> | <b>3.12</b> | <b>3.29</b>  | <b>3.60</b>  | <b>2.74</b>  | <b>3.21</b> | <b>2.24</b> |

Table 8 indicates the average sector contribution rates for the different economic sectors for the stated periods. The structural behaviour of the provincial economy is very similar to the national economy in that the consumer related

sectors have shown strong relative growth. The relative long term trend of the manufacturing sector is still a great cause of concern.

**Table 8: Average Provincial Sector Contribution – Per Period and Per Industry**

|  | 2001         | 2004         | 2007         | 2010         | 2011         |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Primary Industries</b>                      | <b>6.30</b>  | <b>6.09</b>  | <b>5.10</b>  | <b>5.17</b>  | <b>5.10</b>  |
| Agriculture, forestry and fishing              | 4.43         | 4.45         | 3.77         | 4.01         | 3.93         |
| Mining and quarrying                           | 1.87         | 1.64         | 1.33         | 1.17         | 1.17         |
| <b>Secondary Industries</b>                    | <b>27.11</b> | <b>25.81</b> | <b>26.16</b> | <b>24.69</b> | <b>24.54</b> |
| Manufacturing                                  | 22.22        | 21.50        | 21.69        | 20.01        | 19.95        |
| Electricity, gas and water                     | 2.34         | 2.22         | 2.19         | 1.88         | 1.83         |
| Construction                                   | 2.54         | 2.09         | 2.29         | 2.81         | 2.77         |
| <b>Tertiary industries</b>                     | <b>55.34</b> | <b>57.23</b> | <b>57.90</b> | <b>59.68</b> | <b>59.79</b> |
| Wholesale & retail trade; hotels & restaurants | 12.64        | 12.84        | 13.03        | 12.89        | 13.03        |
| Transport , storage and communication          | 10.57        | 11.74        | 11.72        | 12.22        | 12.31        |
| Finance, real estate and business services     | 14.42        | 15.58        | 16.63        | 17.64        | 17.48        |
| Personal services                              | 5.78         | 5.78         | 5.63         | 5.50         | 5.44         |
| General government services                    | 11.94        | 11.29        | 10.88        | 11.42        | 11.53        |

## INTERPRETATION OF THE GDP STATS

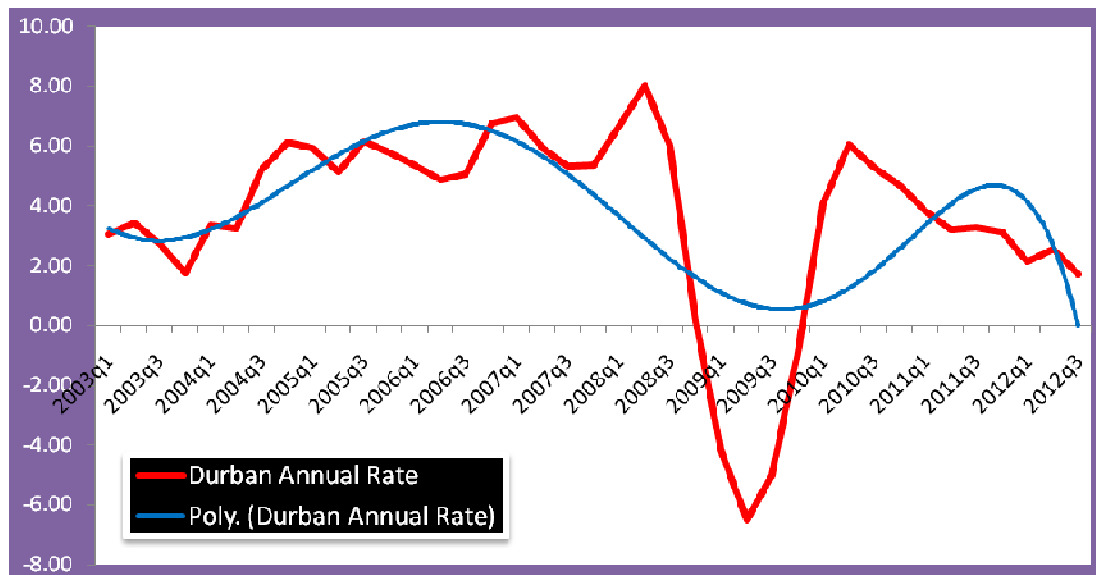
The growth data for the third quarter reflect a reasonably broad-based slowdown. The data especially reflects the slowdown under way in the retail sector because of consumer demand growth being under pressure. The growth performance has been unsurprisingly bad with very little optimism for the remainder of 2012.

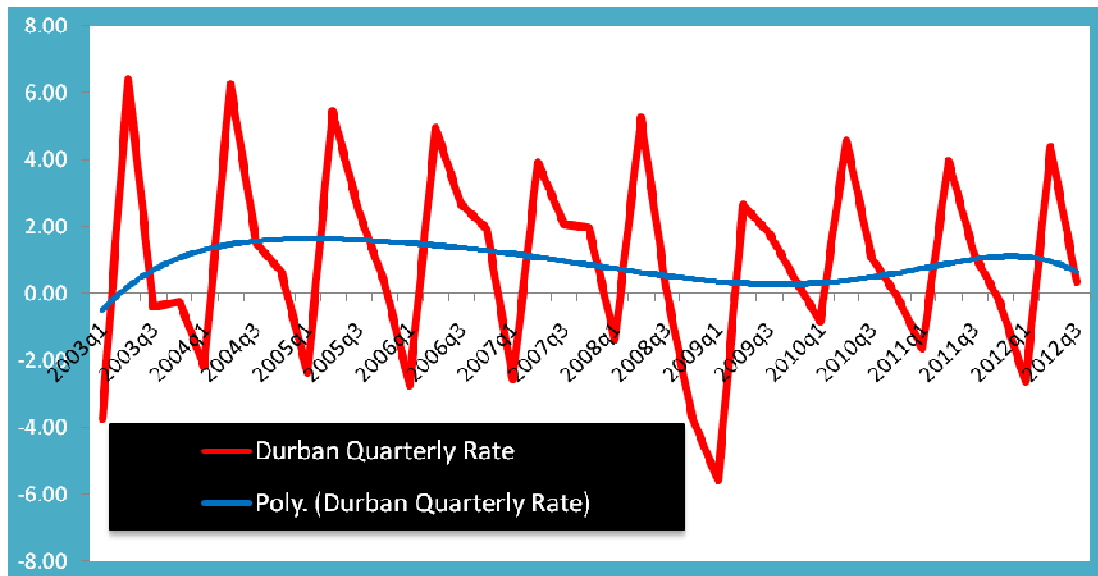
The growth picture for 2012 seems also much worse than initially expected, mainly because of internal or domestic risks and uncertainties. These risks and uncertainties are not likely to leave the system during 2013 suggestion very similar growth patterns for 2013 than in 2012.

## CITY GDP STATS

### Ethekwini Municipal Area

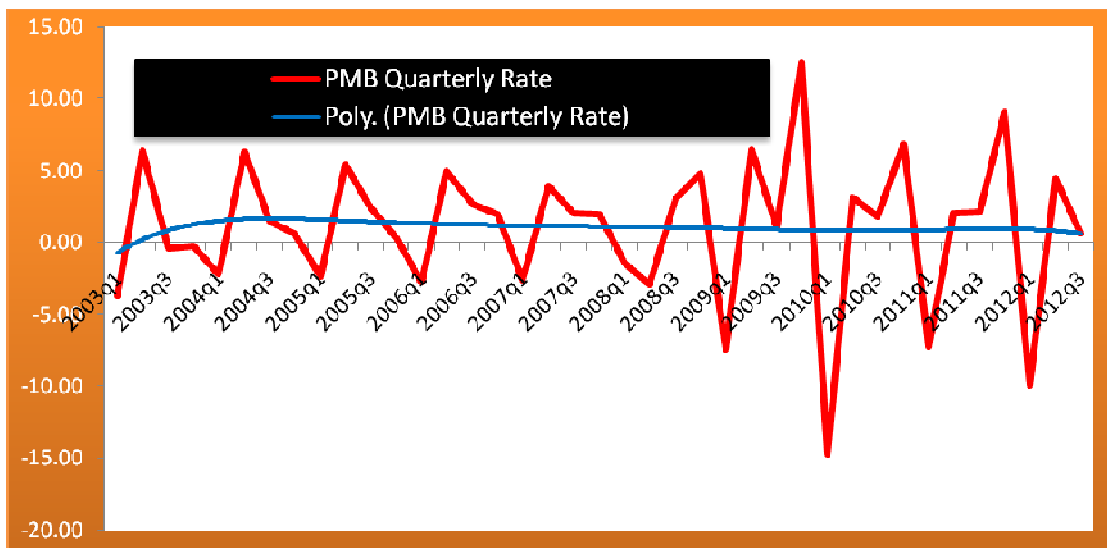
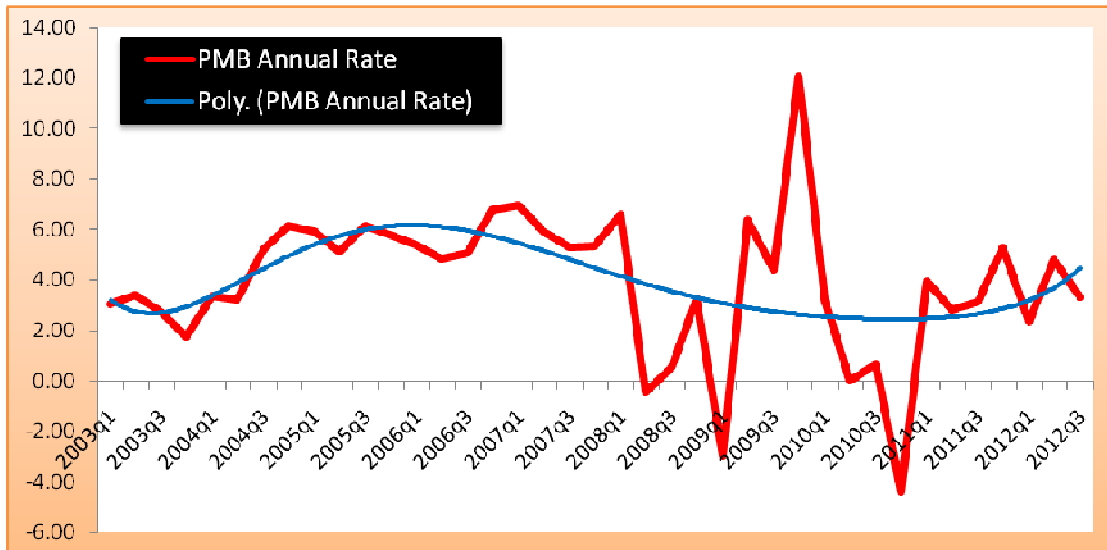
|         | Durban Quarterly GDP | Durban Quarterly Rate | Durban Annual Rate |
|---------|----------------------|-----------------------|--------------------|
| 2008 q4 | R 42,216,896,244     | -3.69                 | 0.11               |
| 2009 q1 | R 39,860,448,554     | -5.58                 | -4.15              |
| 2009 q2 | R 40,912,677,175     | 2.64                  | -6.52              |
| 2009 q3 | R 41,643,804,735     | 1.79                  | -5.00              |
| 2009 q4 | R 41,843,099,998     | 0.48                  | -0.89              |
| 2010 q1 | R 41,483,748,935     | -0.86                 | 4.07               |
| 2010 q2 | R 43,382,555,591     | 4.58                  | 6.04               |
| 2010 q3 | R 43,848,481,202     | 1.07                  | 5.29               |
| 2010 q4 | R 43,808,215,392     | -0.09                 | 4.70               |
| 2011 q1 | R 43,075,641,709     | -1.67                 | 3.84               |
| 2011 q2 | R 44,777,840,995     | 3.95                  | 3.22               |
| 2011 q3 | R 45,288,646,347     | 1.14                  | 3.28               |
| 2011 q4 | R 45,185,941,285     | -0.23                 | 3.14               |
| 2012 q1 | R 43,998,288,644     | -2.63                 | 2.14               |
| 2012 q2 | R 45,918,712,528     | 4.36                  | 2.55               |
| 2012 q3 | R 46,070,852,210     | 0.33                  | 1.73               |





## Msunduzi Municipal Area

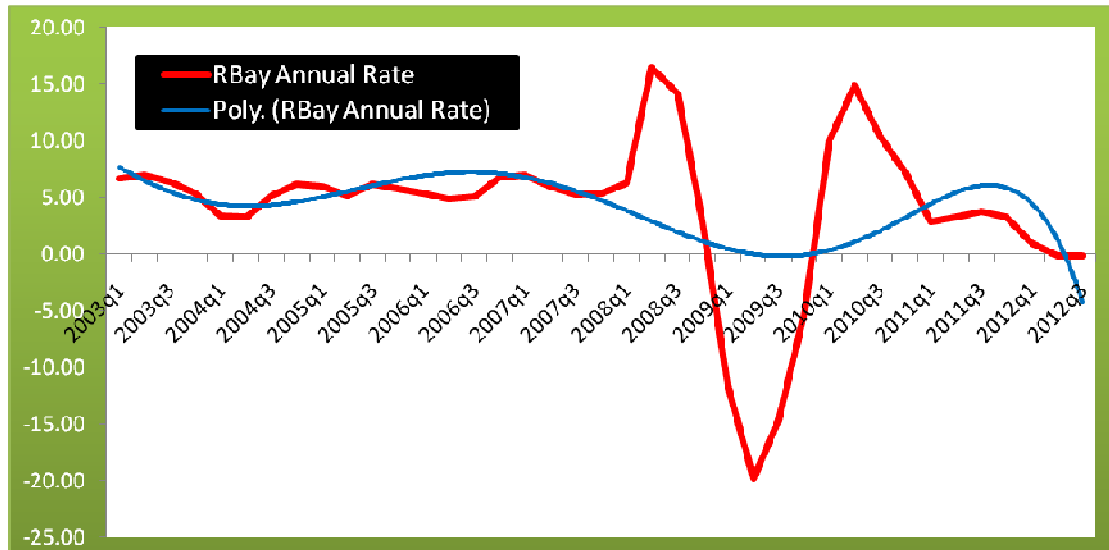
|         | Pietermaritzburg Quarterly GDP | Pietermaritzburg Quarterly Rate | Pietermaritzburg Annual Rate |
|---------|--------------------------------|---------------------------------|------------------------------|
| 2008 q4 | R 6,113,142,409                | 4.79                            | 3.30                         |
| 2009 q1 | R 5,659,660,814                | -7.42                           | -2.95                        |
| 2009 q2 | R 6,022,517,272                | 6.41                            | 6.38                         |
| 2009 q3 | R 6,090,377,201                | 1.13                            | 4.40                         |
| 2009 q4 | R 6,851,922,685                | 12.50                           | 12.09                        |
| 2010 q1 | R 5,842,552,430                | -14.73                          | 3.23                         |
| 2010 q2 | R 6,023,637,317                | 3.10                            | 0.02                         |
| 2010 q3 | R 6,130,881,073                | 1.78                            | 0.67                         |
| 2010 q4 | R 6,551,261,563                | 6.86                            | -4.39                        |
| 2011 q1 | R 6,074,116,327                | -7.28                           | 3.96                         |
| 2011 q2 | R 6,195,425,692                | 2.00                            | 2.85                         |
| 2011 q3 | R 6,324,616,823                | 2.09                            | 3.16                         |
| 2011 q4 | R 6,898,599,802                | 9.08                            | 5.30                         |
| 2012q1  | R 6,215,866,824                | -9.90                           | 2.33                         |
| 2012 q2 | R 6,494,578,597                | 4.48                            | 4.83                         |
| 2012 q3 | R 6,536,755,780                | 0.65                            | 3.35                         |

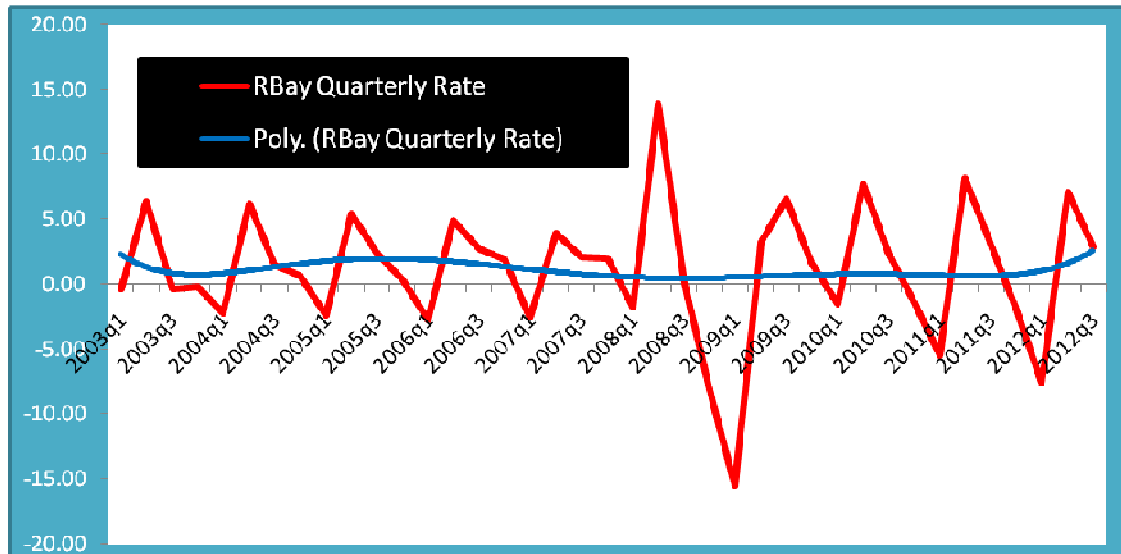


## Mhlathuze Municipal Area

|         | Richards Bay Quarterly GDP | Richards Bay Quarterly Rate | Richards Bay Annual Rate |
|---------|----------------------------|-----------------------------|--------------------------|
| 2008 q4 | R 4,697,622,985            | -8.11                       | 2.88                     |
| 2009 q1 | R 3,967,767,505            | -15.54                      | -11.56                   |
| 2009 q2 | R 4,095,354,083            | 3.22                        | -19.85                   |
| 2009 q3 | R 4,364,863,018            | 6.58                        | -14.62                   |
| 2009 q4 | R 4,436,174,088            | 1.63                        | -5.57                    |
| 2010 q1 | R 4,367,198,909            | -1.55                       | 10.07                    |

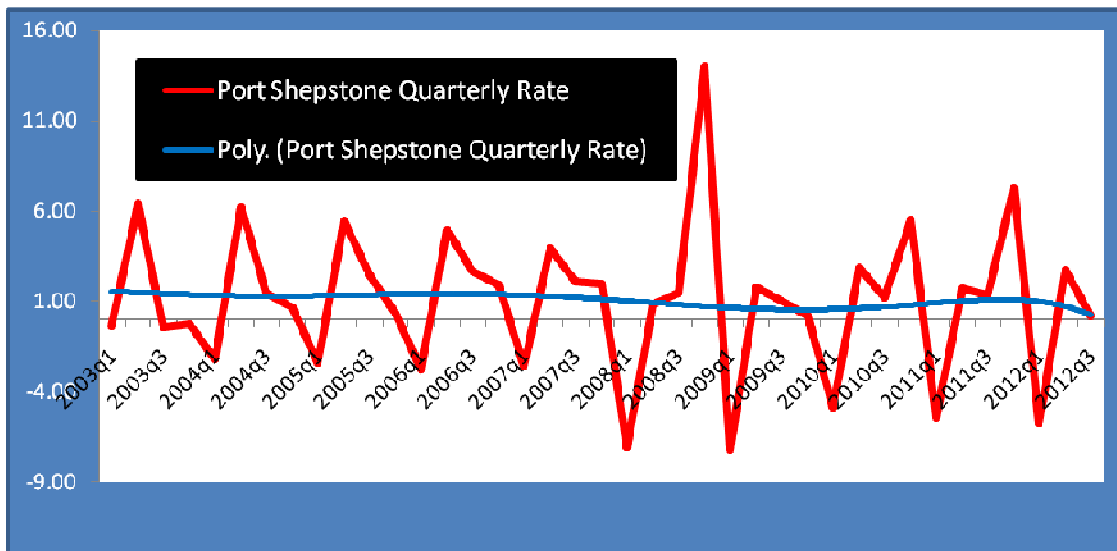
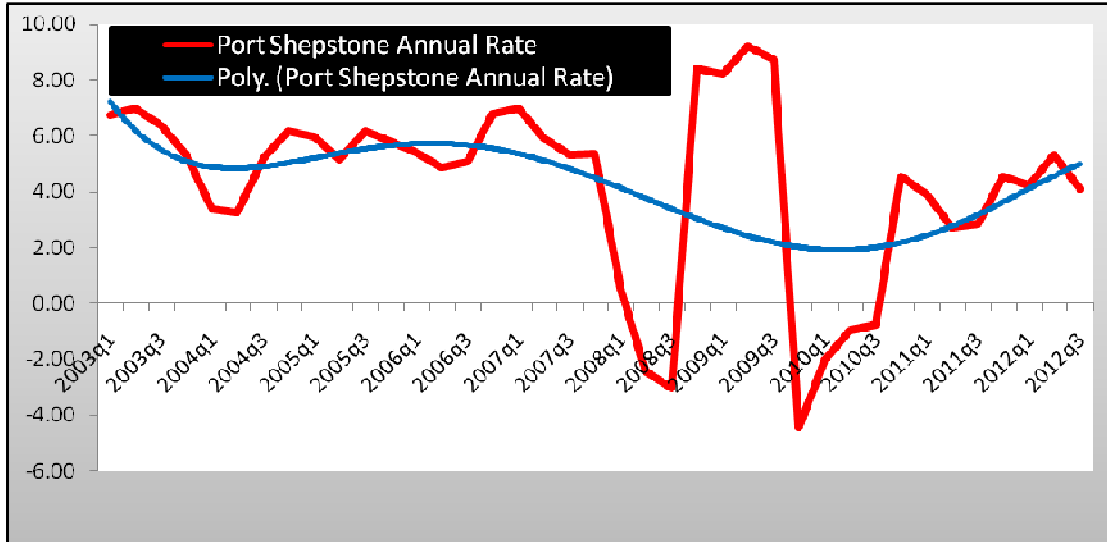
|         |                 |       |       |
|---------|-----------------|-------|-------|
| 2010 q2 | R 4,706,158,777 | 7.76  | 14.91 |
| 2010 q3 | R 4,821,779,223 | 2.46  | 10.47 |
| 2010 q4 | R 4,754,411,441 | -1.40 | 7.17  |
| 2011 q1 | R 4,491,828,222 | -5.52 | 2.85  |
| 2011 q2 | R 4,860,535,948 | 8.21  | 3.28  |
| 2011 q3 | R 5,005,615,038 | 2.98  | 3.81  |
| 2011 q4 | R 4,907,767,995 | -1.95 | 3.23  |
| 2012 q1 | R 4,534,020,284 | -7.62 | 0.94  |
| 2012 q2 | R 4,855,583,773 | 7.09  | -0.10 |
| 2012 q3 | R 4,996,545,334 | 2.90  | -0.18 |





## Hibiscus Coast Municipal Area

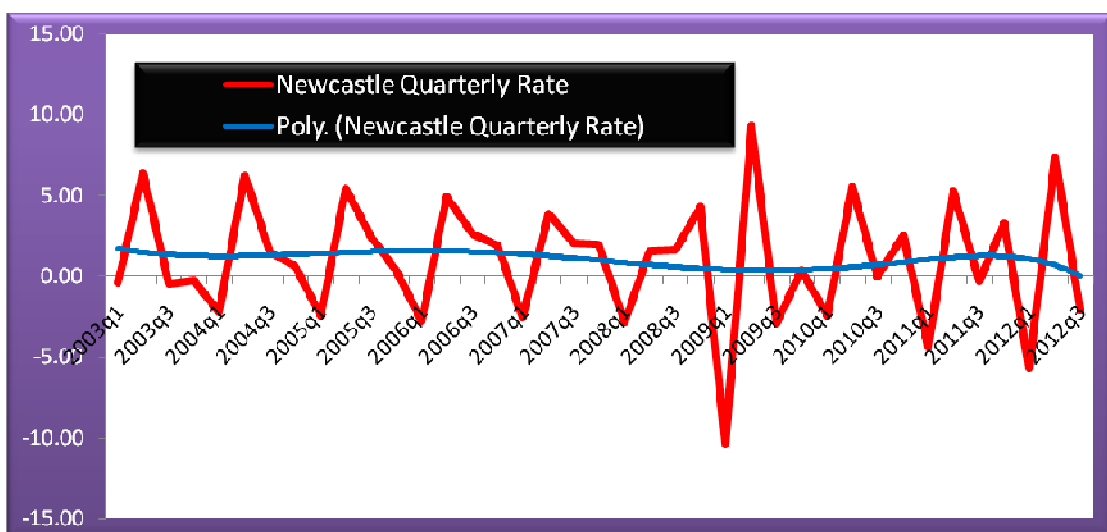
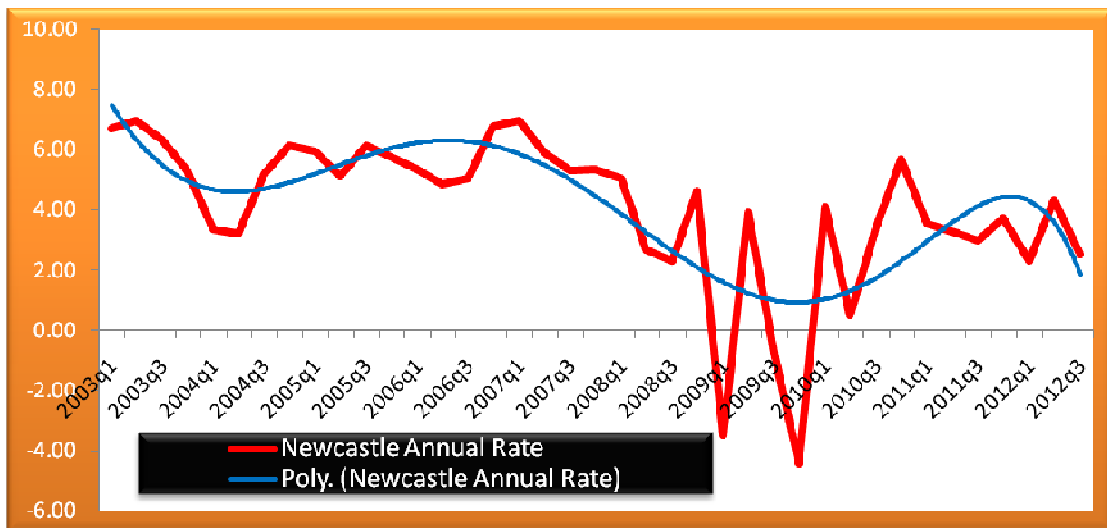
|         | Port Shepstone Quarterly GDP | Port Shepstone Quarterly Rate | Port Shepstone Annual Rate |
|---------|------------------------------|-------------------------------|----------------------------|
| 2008 q4 | R 2,439,030,019              | 14.01                         | 8.40                       |
| 2009 q1 | R 2,262,381,195              | -7.24                         | 8.20                       |
| 2009 q2 | R 2,302,850,971              | 1.79                          | 9.20                       |
| 2009 q3 | R 2,325,920,338              | 1.00                          | 8.72                       |
| 2009 q4 | R 2,330,003,326              | 0.18                          | -4.47                      |
| 2010 q1 | R 2,216,347,178              | -4.88                         | -2.03                      |
| 2010 q2 | R 2,280,101,416              | 2.88                          | -0.99                      |
| 2010 q3 | R 2,307,994,460              | 1.22                          | -0.77                      |
| 2010 q4 | R 2,435,396,432              | 5.52                          | 4.52                       |
| 2011 q1 | R 2,302,412,952              | -5.46                         | 3.88                       |
| 2011 q2 | R 2,341,569,003              | 1.70                          | 2.70                       |
| 2011 q3 | R 2,372,925,276              | 1.34                          | 2.81                       |
| 2011 q4 | R 2,546,265,139              | 7.30                          | 4.55                       |
| 2012 q1 | R 2,399,363,081              | -5.77                         | 4.21                       |
| 2012 q2 | R 2,465,706,140              | 2.77                          | 5.30                       |
| 2012 q3 | R 2,470,170,644              | 0.18                          | 4.10                       |



## Newcastle Municipal Area

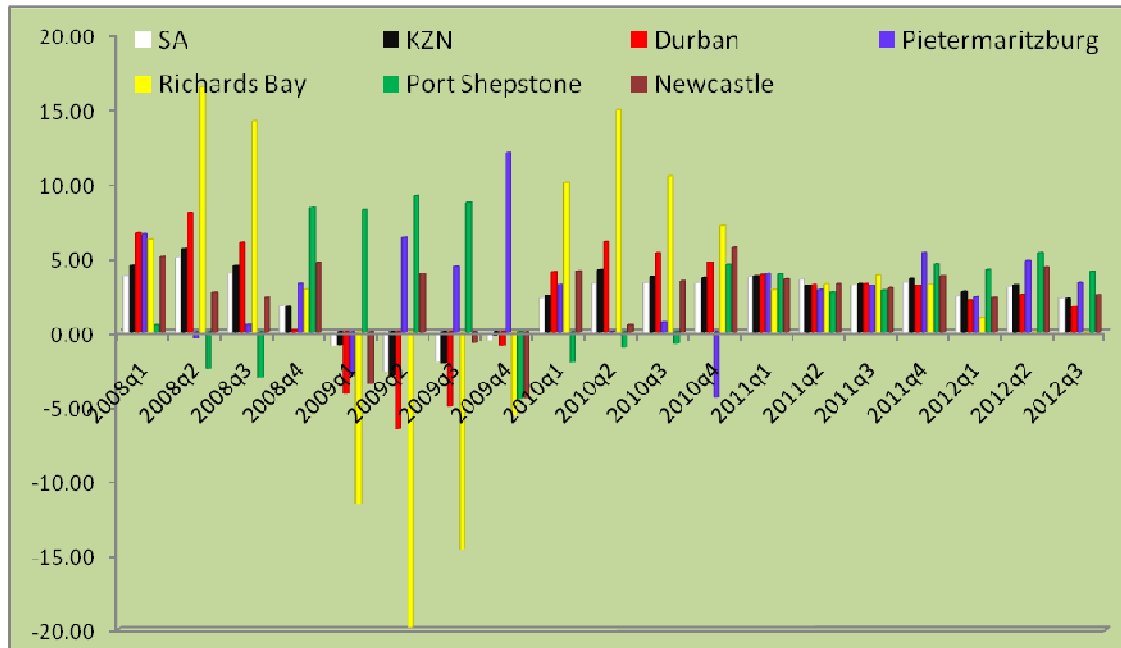
|         | Newcastle Quarterly GDP | Newcastle Quarterly Rate | Newcastle Annual Rate |
|---------|-------------------------|--------------------------|-----------------------|
| 2008 q4 | R 2,185,833,997         | 4.31                     | 4.64                  |
| 2009 q1 | R 1,958,405,745         | -10.40                   | -3.49                 |
| 2009 q2 | R 2,141,909,833         | 9.37                     | 3.94                  |
| 2009 q3 | R 2,080,443,495         | -2.87                    | -0.72                 |
| 2009 q4 | R 2,089,134,349         | 0.42                     | -4.42                 |
| 2010 q1 | R 2,038,911,864         | -2.40                    | 4.11                  |

|         |                 |       |      |
|---------|-----------------|-------|------|
| 2010 q2 | R 2,152,825,209 | 5.59  | 0.51 |
| 2010 q3 | R 2,152,411,127 | -0.02 | 3.46 |
| 2010 q4 | R 2,208,302,472 | 2.60  | 5.70 |
| 2011 q1 | R 2,111,680,324 | -4.38 | 3.57 |
| 2011 q2 | R 2,223,433,858 | 5.29  | 3.28 |
| 2011 q3 | R 2,216,391,041 | -0.32 | 2.97 |
| 2011 q4 | R 2,291,181,772 | 3.37  | 3.75 |
| 2012 q1 | R 2,160,363,918 | -5.71 | 2.31 |
| 2012 q2 | R 2,320,420,393 | 7.41  | 4.36 |
| 2012 q3 | R 2,272,448,147 | -2.07 | 2.53 |



## Comparative Regional Statistics

| Comparative <b>Growth Rates</b> Non Seasonal Annual Rate |             |             |             |                      |                 |                   |             |
|--|-------------|-------------|-------------|----------------------|-----------------|-------------------|-------------|
|  | SA          | KZN         | Durban      | Pietermaritz<br>burg | Richards<br>Bay | Port<br>Shepstone | Newcastle   |
| <b>2008q1</b>  | 3.77        | 4.46        | 6.66        | 6.59                 | 6.26            | 0.50              | 5.07        |
| <b>2008q2</b>  | 5.05        | 5.61        | 8.02        | -0.42                | 16.48           | -2.44             | 2.69        |
| <b>2008q3</b>  | 3.95        | 4.44        | 6.00        | 0.53                 | 14.17           | -3.04             | 2.30        |
| <b>2008q4</b>  | 1.81        | 1.75        | 0.11        | 3.30                 | 2.88            | 8.40              | 4.64        |
| <b>2009q1</b>  | -0.89       | -0.86       | -4.15       | -2.95                | -11.56          | 8.20              | -3.49       |
| <b>2009q2</b>  | -2.66       | -2.94       | -6.52       | 6.38                 | -19.85          | 9.20              | 3.94        |
| <b>2009q3</b>  | -1.99       | -2.10       | -5.00       | 4.40                 | -14.62          | 8.72              | -0.72       |
| <b>2009q4</b>  | -0.55       | -0.20       | -0.89       | 12.09                | -5.57           | -4.47             | -4.42       |
| <b>2010q1</b>  | 2.29        | 2.45        | 4.07        | 3.23                 | 10.07           | -2.03             | 4.11        |
| <b>2010q2</b>  | 3.32        | 4.19        | 6.04        | 0.02                 | 14.91           | -0.99             | 0.51        |
| <b>2010q3</b>  | 3.35        | 3.71        | 5.29        | 0.67                 | 10.47           | -0.77             | 3.46        |
| <b>2010q4</b>  | 3.35        | 3.65        | 4.70        | -4.39                | 7.17            | 4.52              | 5.70        |
| <b>2011q1</b>  | 3.73        | 3.74        | 3.84        | 3.96                 | 2.85            | 3.88              | 3.57        |
| <b>2011q2</b>  | 3.56        | 3.12        | 3.22        | 2.85                 | 3.28            | 2.70              | 3.28        |
| <b>2011q3</b>  | 3.17        | 3.29        | 3.28        | 3.16                 | 3.81            | 2.81              | 2.97        |
| <b>2011q4</b>  | 3.38        | 3.60        | 3.14        | 5.30                 | 3.23            | 4.55              | 3.75        |
| <b>2012q1</b>  | 2.40        | 2.74        | 2.14        | 2.33                 | 0.94            | 4.21              | 2.31        |
| <b>2012q2</b>  | 3.05        | 3.21        | 2.55        | 4.83                 | -0.10           | 5.30              | 4.36        |
| <b>2012q3</b>  | 2.27        | 2.24        | 1.73        | 3.35                 | -0.18           | 4.10              | 2.53        |
| <b>Average</b>   | <b>2.23</b> | <b>2.43</b> | <b>2.33</b> | <b>2.91</b>          | <b>2.35</b>     | <b>2.81</b>       | <b>2.45</b> |



| Comparative <b>Contribution Rates</b> Non Seasonal Annual Rate |       |        |                  |              |           |                |
|--|-------|--------|------------------|--------------|-----------|----------------|
|  | Urban | Durban | Pietermaritzburg | Richards Bay | Newcastle | Port Shepstone |
| <b>2008q1</b>  | 78.73 | 58.44  | 8.20             | 6.30         | 2.85      | 2.94           |
| <b>2008q2</b>  | 78.53 | 58.54  | 7.57             | 6.83         | 2.76      | 2.82           |
| <b>2008q3</b>  | 78.20 | 58.09  | 7.73             | 6.77         | 2.78      | 2.83           |
| <b>2008q4</b>  | 76.90 | 56.31  | 8.15             | 6.27         | 2.92      | 3.25           |
| <b>2009q1</b>  | 76.13 | 56.50  | 8.02             | 5.62         | 2.78      | 3.21           |
| <b>2009q2</b>  | 76.46 | 56.39  | 8.30             | 5.64         | 2.95      | 3.17           |
| <b>2009q3</b>  | 76.48 | 56.37  | 8.24             | 5.91         | 2.82      | 3.15           |
| <b>2009q4</b>  | 76.92 | 55.92  | 9.16             | 5.93         | 2.79      | 3.11           |
| <b>2010q1</b>  | 77.40 | 57.39  | 8.08             | 6.04         | 2.82      | 3.07           |
| <b>2010q2</b>  | 77.45 | 57.39  | 7.97             | 6.23         | 2.85      | 3.02           |
| <b>2010q3</b>  | 77.35 | 57.23  | 8.00             | 6.29         | 2.81      | 3.01           |
| <b>2010q4</b>  | 77.06 | 56.49  | 8.45             | 6.13         | 2.85      | 3.14           |
| <b>2011q1</b>  | 77.42 | 57.44  | 8.10             | 5.99         | 2.82      | 3.07           |
| <b>2011q2</b>  | 77.48 | 57.44  | 7.95             | 6.23         | 2.85      | 3.00           |
| <b>2011q3</b>  | 77.34 | 57.23  | 7.99             | 6.33         | 2.80      | 3.00           |
| <b>2011q4</b>  | 76.96 | 56.24  | 8.59             | 6.11         | 2.85      | 3.17           |
| <b>2012q1</b>  | 76.98 | 57.11  | 8.07             | 5.89         | 2.80      | 3.11           |
| <b>2012q2</b>  | 77.13 | 57.07  | 8.07             | 6.03         | 2.88      | 3.06           |
| <b>2012q3</b>  | 77.06 | 56.94  | 8.08             | 6.18         | 2.81      | 3.05           |
| <b>Average</b>   | 77.26 | 57.08  | 8.14             | 6.14         | 2.83      | 3.06           |

