

QUARTERLY ECONOMIC AND BUSINESS REPORT- PIETERMARITZBURG and UMGUNGUNDLOVU DISTRICT



CLIVE COETZEE



INTRODUCTION

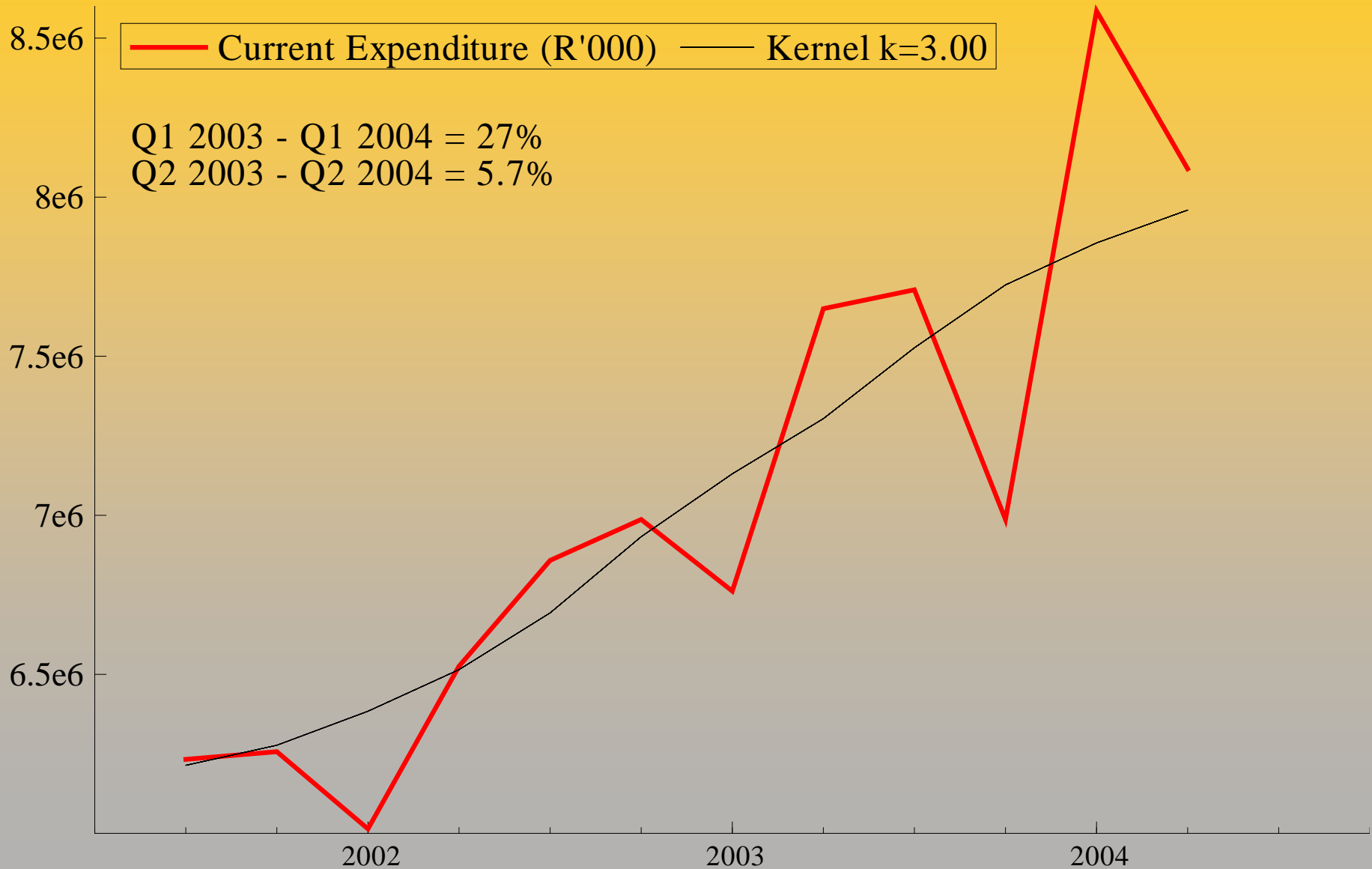
- Informed decision-making comes from a long tradition of guessing and then blaming others for inadequate results.

Scott Adams

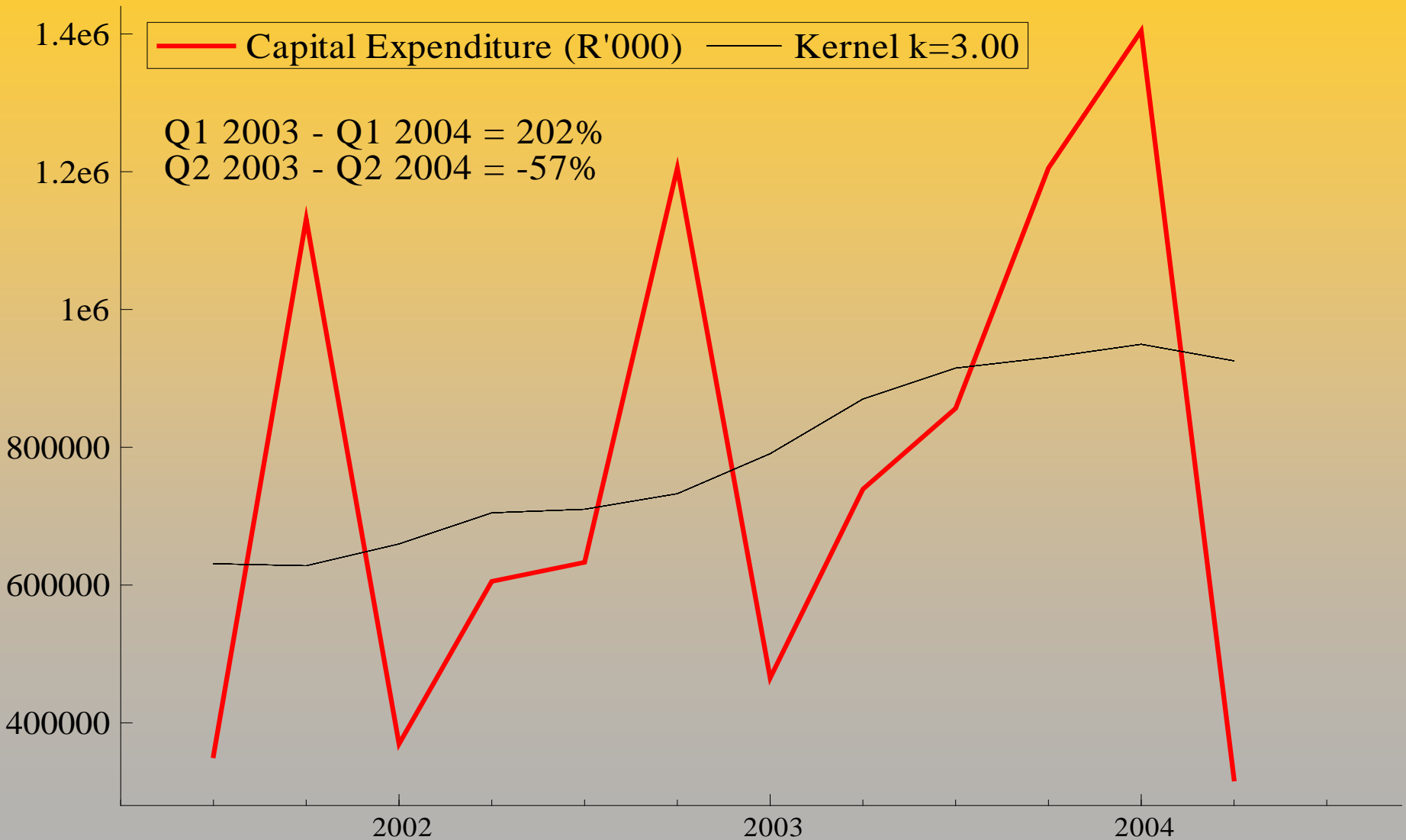
SCOPE OF THE PRESENTATION

- **BACKGROUND TO THE PROJECT**
- **METHODOLOGY**
- **INDIVIDUAL ECONOMIC INDICATORS**
- **ECONOMIC PERFORMANCE INDICATOR**
- **BUSINESS CONFIDENCE INDEX**
- **TRADING OF BUSINESSES**
- **SUMMARY AND CONCLUSIONS**
- **QUESTIONS AND ANSWERS**

PROVINCIAL GOVERNMENT EXPENDITURE IN KWAZULU-NATAL



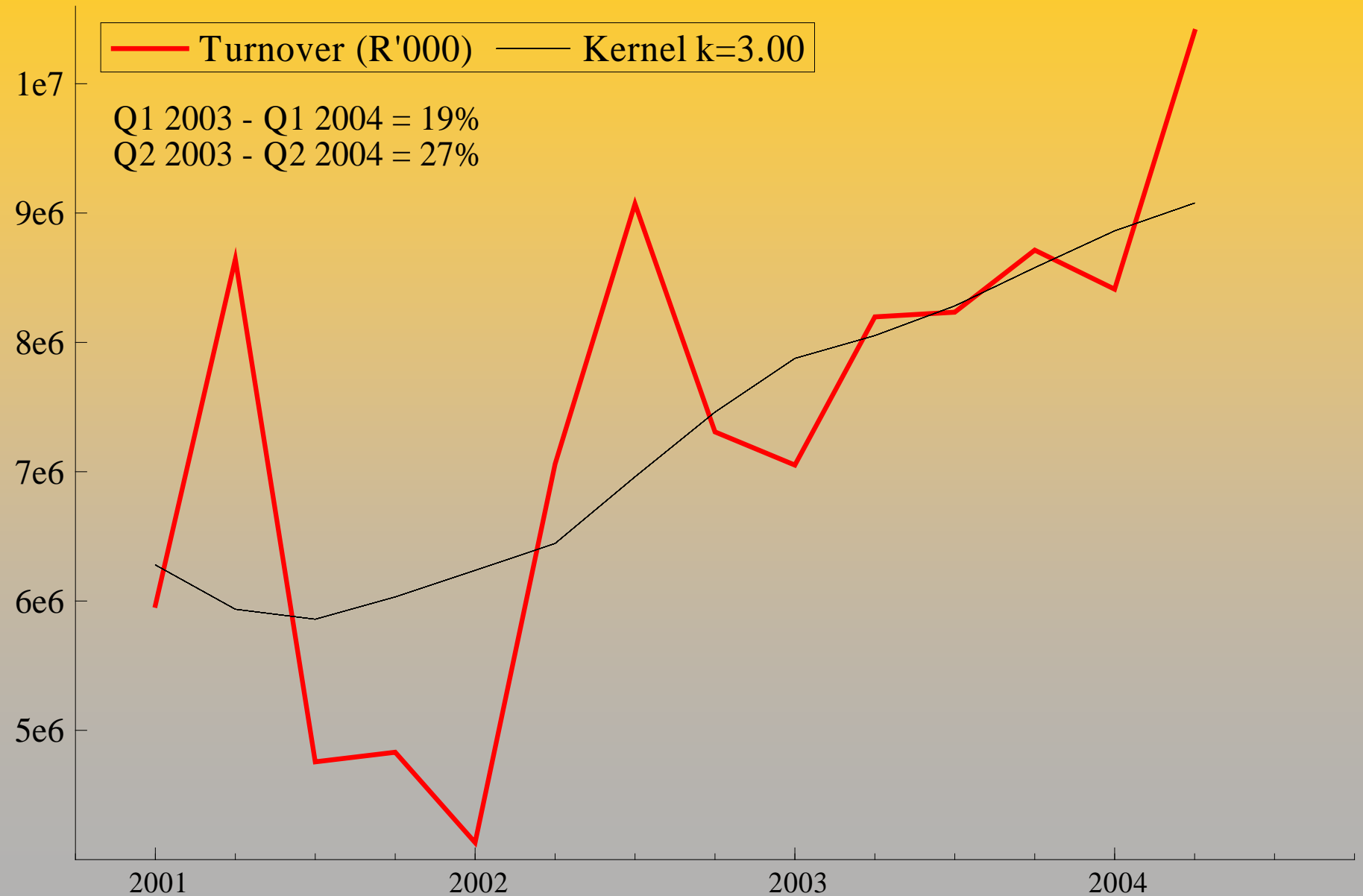
PROVINCIAL GOVERNMENT EXPENDITURE IN KWAZULU-NATAL



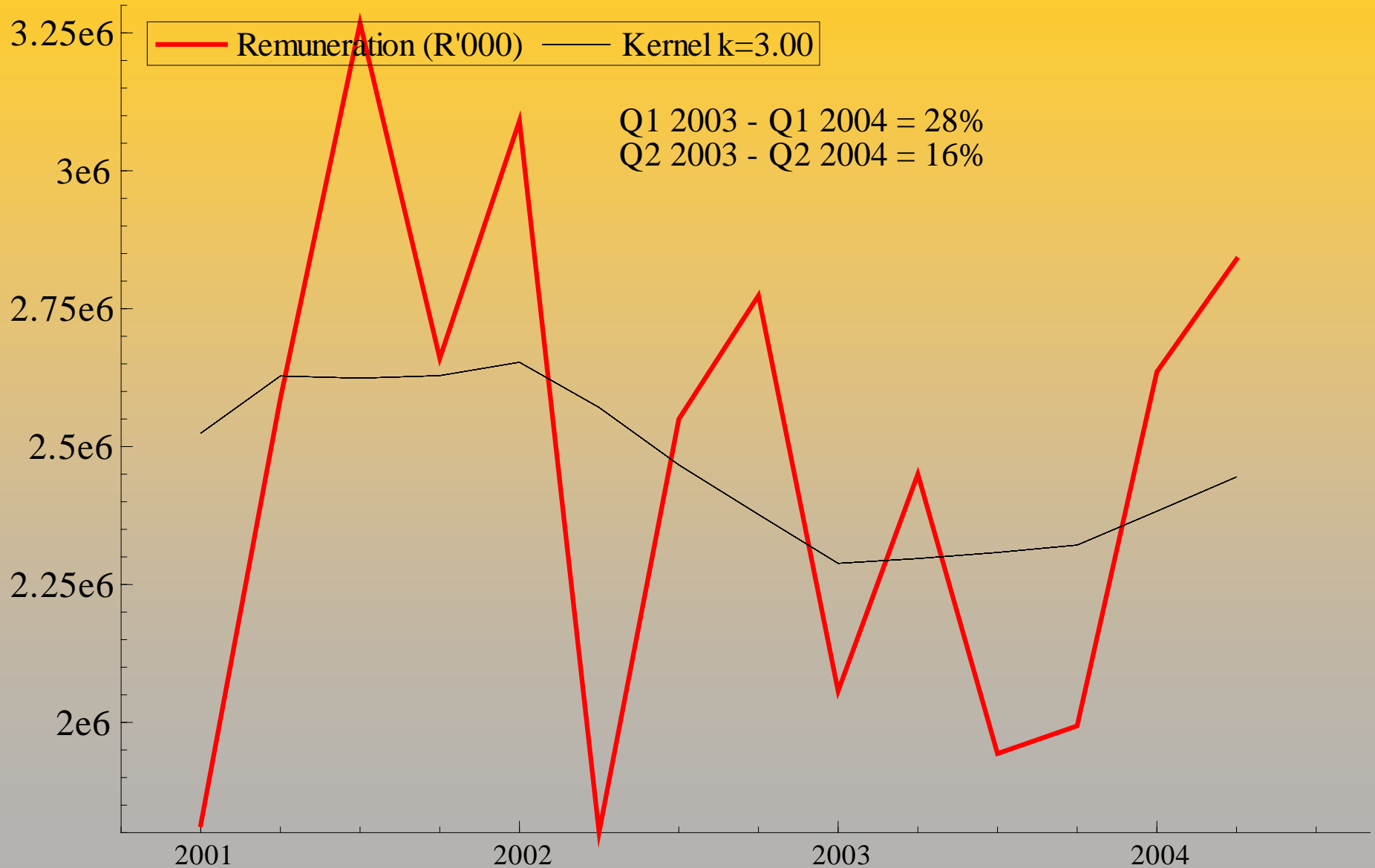
Expected expenditure on new construction works in 2004 and 2005 by the public sector according to level of government (R'000).

<u>National Government, Provincial Governments and extra budgetary accounts</u>	2004	2005
Pietermaritzburg	104297	99600
Rest of district	8251	7443
<u>Municipalities</u>		
Pietermaritzburg	85357	95857
Rest of district	26180	24192
<u>Universities and technikons</u>		
Pietermaritzburg	3400	3400
Rest of district	0	0
<u>Government enterprises and corporations</u>		
Pietermaritzburg	224157	276147
Rest of district	163326	176839
<u>Total</u>	614968	683478
<u>% change</u>		11.14

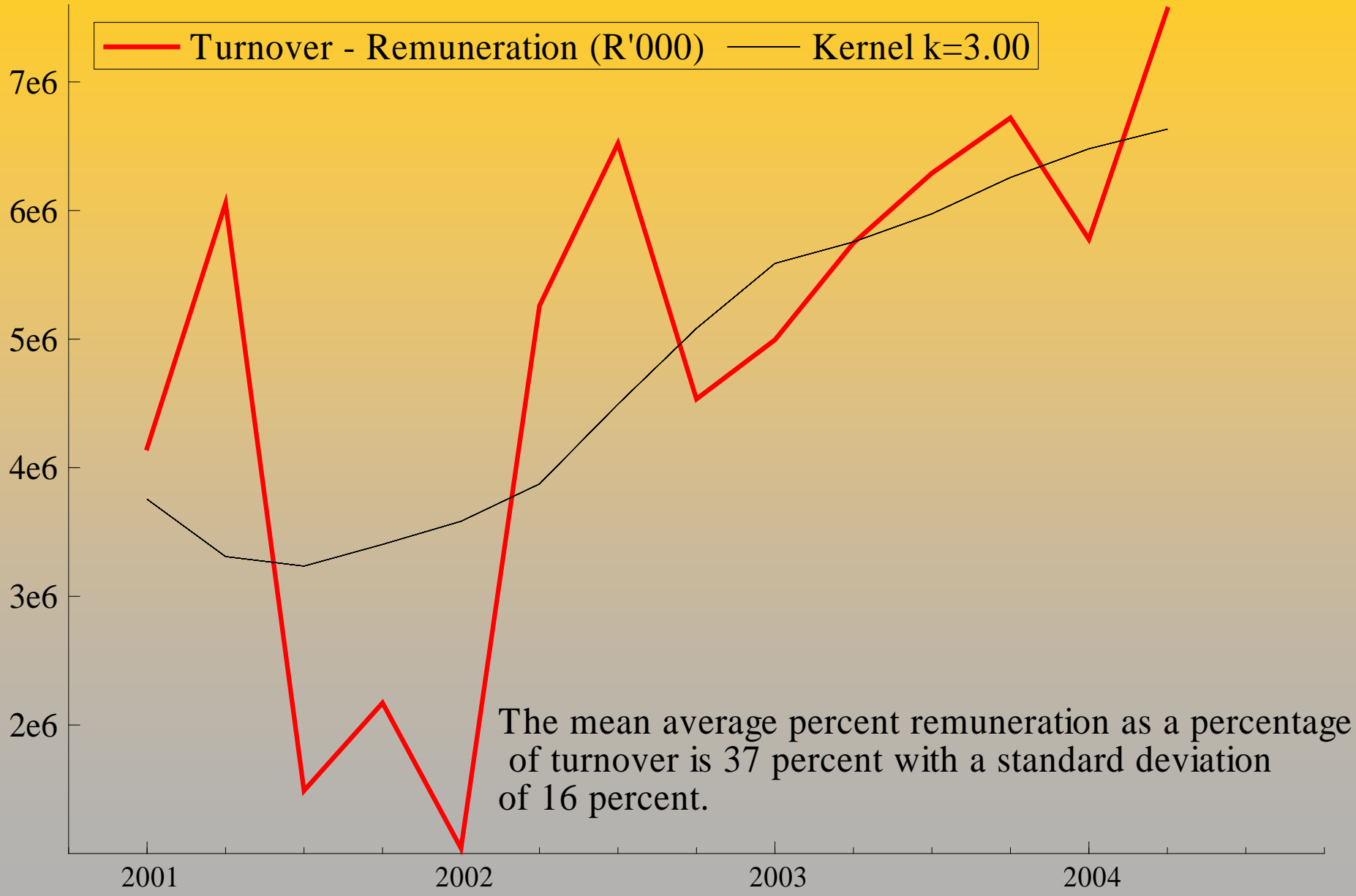
TURNOVER AND REMUNERATION





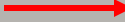
TURNOVER AND REMUNERATION



TURNOVER AND REMUNERATION



TURNOVER AND REMUNERATION

Sector	Number of firms in each Sector (Q)	Sector Total as Percentage of Overall Total
Agriculture, Forestry, Hunting	184	1.50
Farming	923	7.53
Mining	5	0.04
Quarrying	19	0.15
Manufacturing	838	6.84
Electricity, Gas & Water	106	0.86
Construction	1136	9.27
Educational Institutions	191	1.56
Catering & Accommodation	1179	9.62
Wholesale & Retail	2307	 18.82
Transport & Communications	299	2.44
Banks	10	0.08
Insurance	53	0.43
Pension & Medical Aid Funds	13	0.11
Real Estate & Business Service	3597	 29.34
Building Societies	2	0.02
Central Government	15	0.12
Local Government	24	0.20
Provincial Government	7	0.06
Social & Personal Services	1341	 10.94
Taxis	11	0.09
Total	12260	100.00

TURNOVER AND REMUNERATION

Area	Number of firms in each Area (Q)	Area Total as Percentage of Overall Total
Kz225 Ashburton	45	0.37
Kz225 Ashdown	27	0.22
Kz221 Cool Air	6	0.05
Kz226 Camperdown	313	2.55
Kz221 Dalton	113	0.92
Kz225 Edendale	201	1.64
Kz222 Hilton	213	1.74
Kz222 Howick	856	6.98
Kz225 Imbali	204	1.66
Kz224 Impendle	258	2.10
Kz222 Mount Michal	8	0.07
Kz223 Mooi River	327	2.67
Kz221 Mpolweni	2	0.02
Kz221 New Hanover	221	1.80
Kz222 Nottingham Road	129	1.05
Kz 225 Pietermaritzburg	8716	71.09
Kz226 Richmond	333	2.72
Kz225 Sobantu	42	0.34
Kz225 Vulindlela	71	0.58
Kz221 Wartburg	175	1.43
Total	12260	100.00

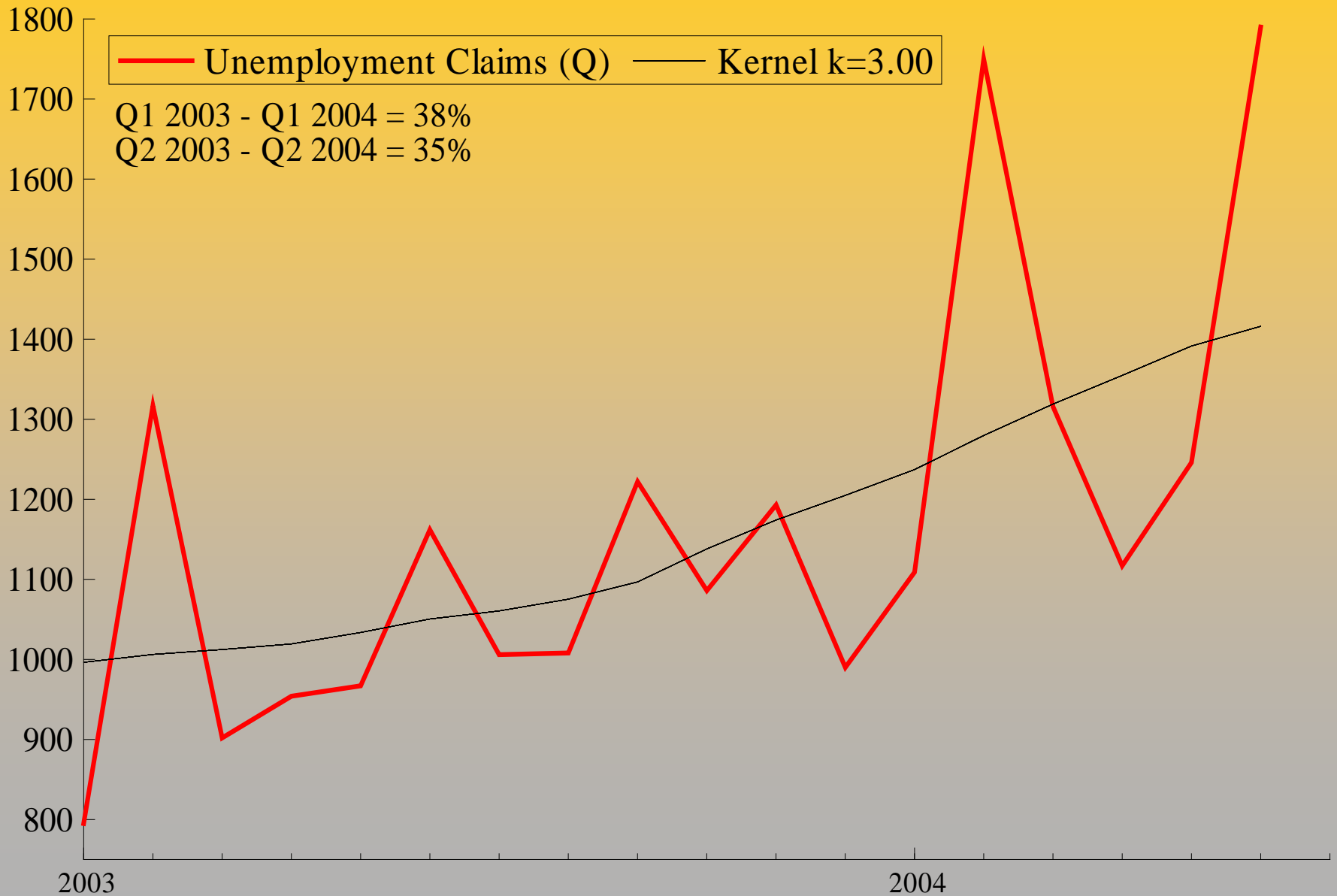
TURNOVER AND REMUNERATION

Sector	Sector remuneration as a percentage of total remuneration	Sector turnover as a percentage of total turnover
Agriculture, Forestry, Hunting	5.69	4.63
Farming	4.67	5.94
Mining	0.00	0.00
Quarrying	0.16	0.10
Manufacturing	14.18	→ 35.24
Electricity, Gas & Water	3.09	0.81
Construction	1.54	1.83
Educational Institutions	3.66	0.21
Catering & Accommodation	2.00	3.34
Wholesale & Retail	8.18	→ 23.47
Transport, Storage & Communion	2.31	2.39
Banks	1.37	2.02
Insurance	0.72	0.15
Pension & Medical Aid Funds	0.05	1.03
Real Estate & Business Service	16.78	→ 14.08
Building Societies	0.15	0.00
Central Government	7.16	0.08
Local Government	15.61	2.21
Provincial Government	9.91	0.14
Social & Personal Services	2.76	2.33
Taxis	0.01	0.00
Total	100.00	100.00

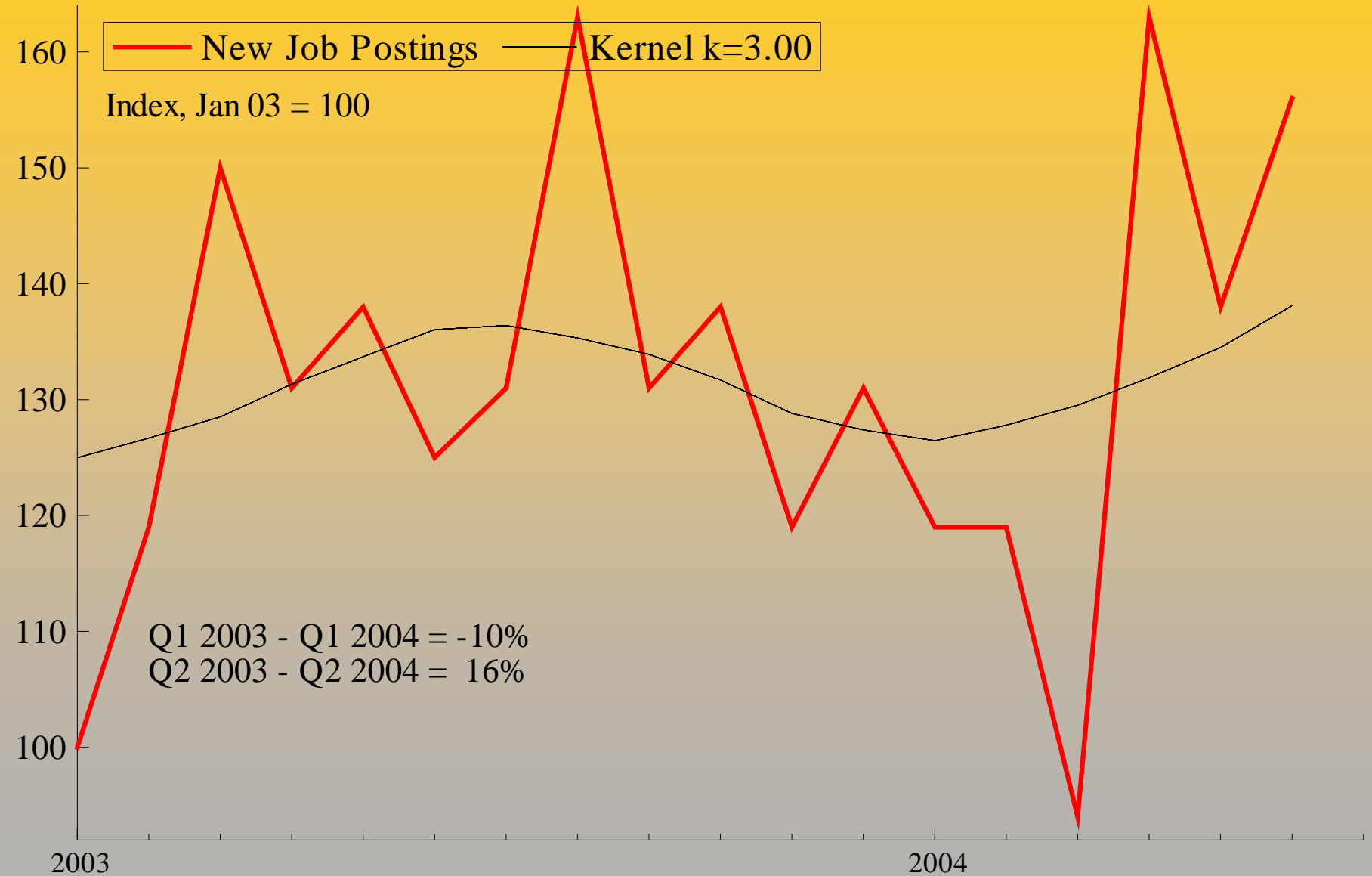
TURNOVER AND REMUNERATION

Area	Area remuneration as a percentage of total remuneration	Area turnover as a percentage of total turnover
Kz225 Ashburton	0.09	0.11
Kz225 Ashdown	0.00	0.00
Kz221 Cool Air	0.00	0.00
Kz226 Camperdown	1.38	2.89
Kz221 Dalton	0.82	1.10
Kz225 Edendale	0.56	0.83
Kz222 Hilton	0.79	0.77
Kz222 Howick	3.91	4.04
Kz225 Imbali	0.01	0.01
Kz22 Impendle	0.03	0.05
Kz 222 Mount Michal	0.05	0.00
Kz 223 Mooi River	0.85	1.79
Kz221 Mpolweni	0.00	0.01
Kz221 New Hanover	3.34	1.93
Kz222 Nottingham Road	0.74	0.98
Kz 225 Pietermaritzburg	→ 85.50	→ 83.20
Kz226 Richmond	1.51	1.23
Kz 225 Sobantu	0.00	0.00
Kz225 Vulindlela	0.00	0.00
Kz221 Wartburg	0.43	1.06
Total	100.00	100.00

LABOUR MARKET



LABOUR MARKET



LABOUR MARKET

Persons	2001	1996
Agriculture/Forestry/ Fishing	34443	26894
Community/Social/ Personal	42076	34276
Construction	8041	8811
Electricity/Gas/Water	1550	2345
Financial/Insurance/ Real Estate/Business	14795	12687
Manufacturing	26135	25352
Mining/Quarrying	550	567
Other	9	-
Private Households	19507	24946
Transport/Storage/ Communication	6782	8781
Undetermined	17602	39211
Wholesale/Retail	25563	18699

LABOUR MARKET

Persons	2001	1996
Clerks	17922	12842
Craft/Trade	18776	20733
Elementary	58285	55548
Legislators/Senior Officials	8802	5403
Unspecified/Not Economically Classified	0	-
Plant/Machine Operators	18634	16307
Professionals	12038	18438
Service Workers	19410	16253
Agricultural/Fishery	10730	-
Technicians	19002	10996
Undetermined	13455	

LABOUR MARKET

Persons (pm)	2001	1996
None	640706	465944
R1 - 400	59105	24845
R401 - 800	96571	119720
R801 - 1600	43892	31180
R1601 - 3200	38279	28036
R3201 - 6400	28068	35664
R6401 - 12800	13790	8151
R12801 - 25600	4427	1706
R25601 - 51200	1297	891
R51201 - 102400	941	330
R102401 - 204800	596	-
Over R204801	182	-

The total average monthly formal income was between **R 850 100 100** and **R910 000 000** during the two years between 2002 and 2004

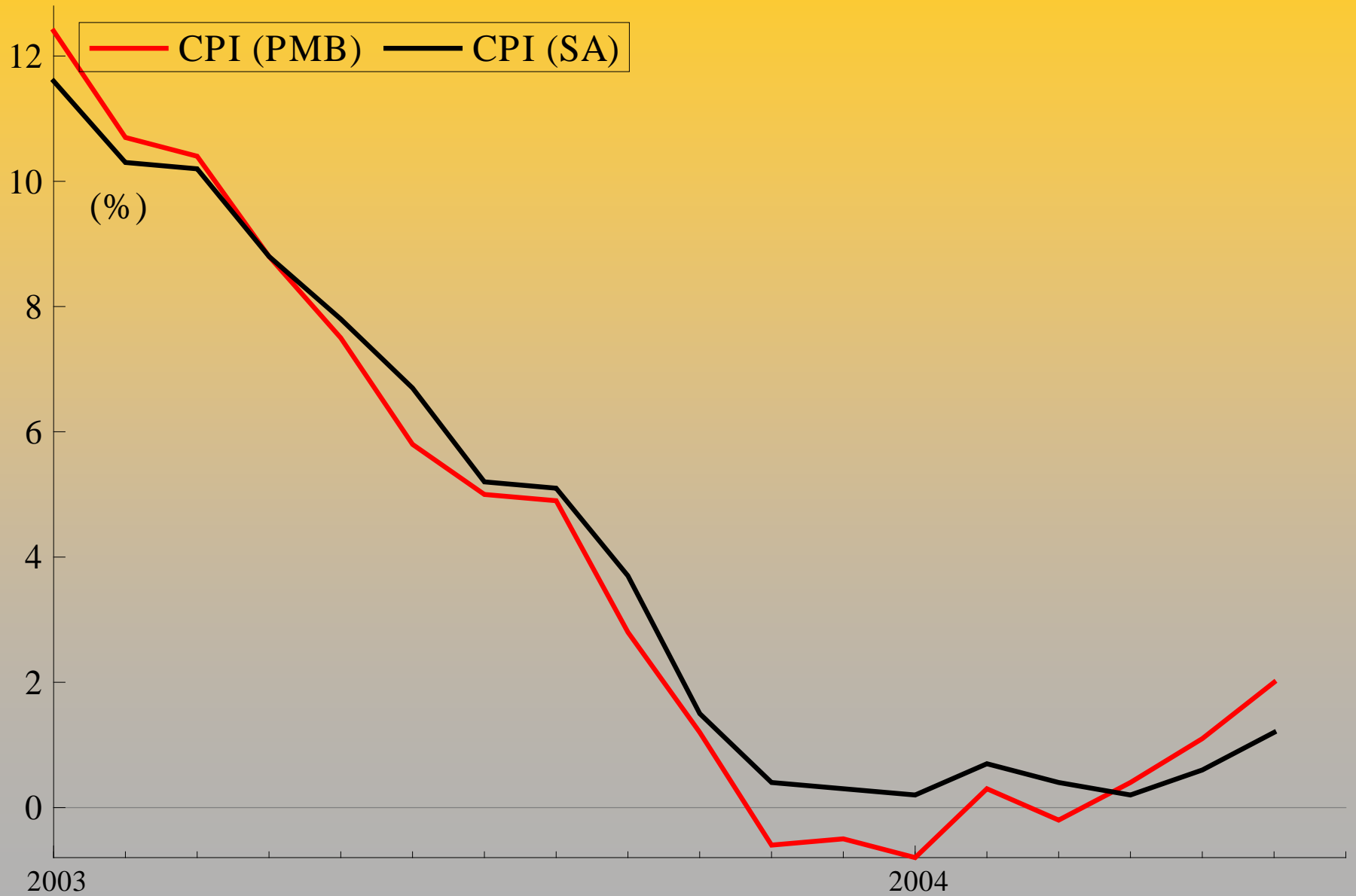
ANNUAL HOUSEHOLD INCOME & EXPENDITURE PATTERNS

Item (Total expenditure pa = **R15bil**)

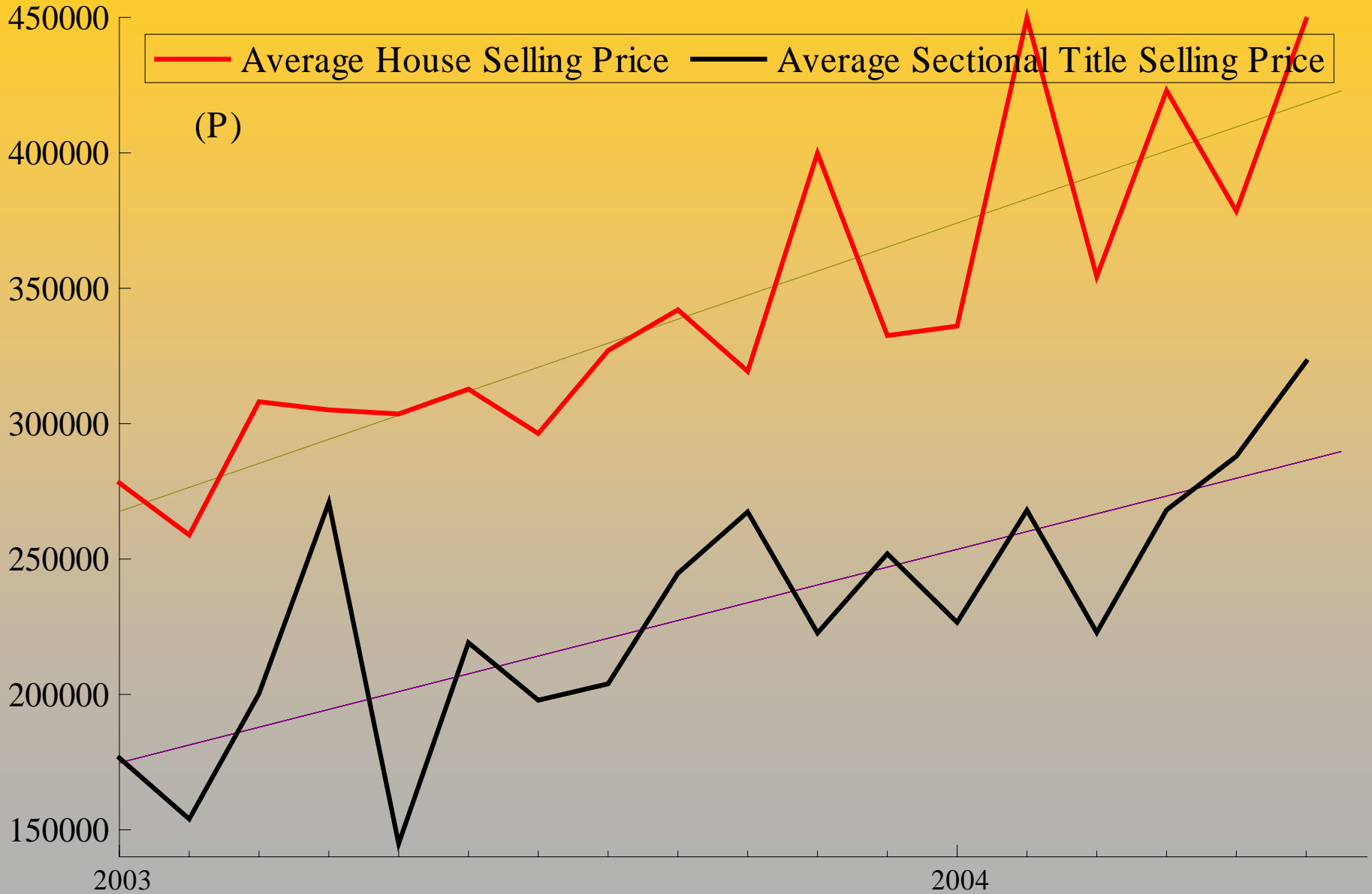
Item expenditure as % of total expenditure

Food	17.52
Drinks	1.04
Tobacco	2.33
Clothing	1.79
Footwear	0.72
Housing	14.68
Fuel and power	0.51
Furniture and equipment	1.32
Household operation	0.87
Servants	2.29
Medical services & requirements	2.38
Transport	8.42
Communications	2.17
Recreation, sport, etc	0.75
Reading matter	0.52
Education	4.23
Personal care	2.95
Restaurants, bars, etc	0.02
Holidays	19.98
Income tax	4.86
Other	10.66

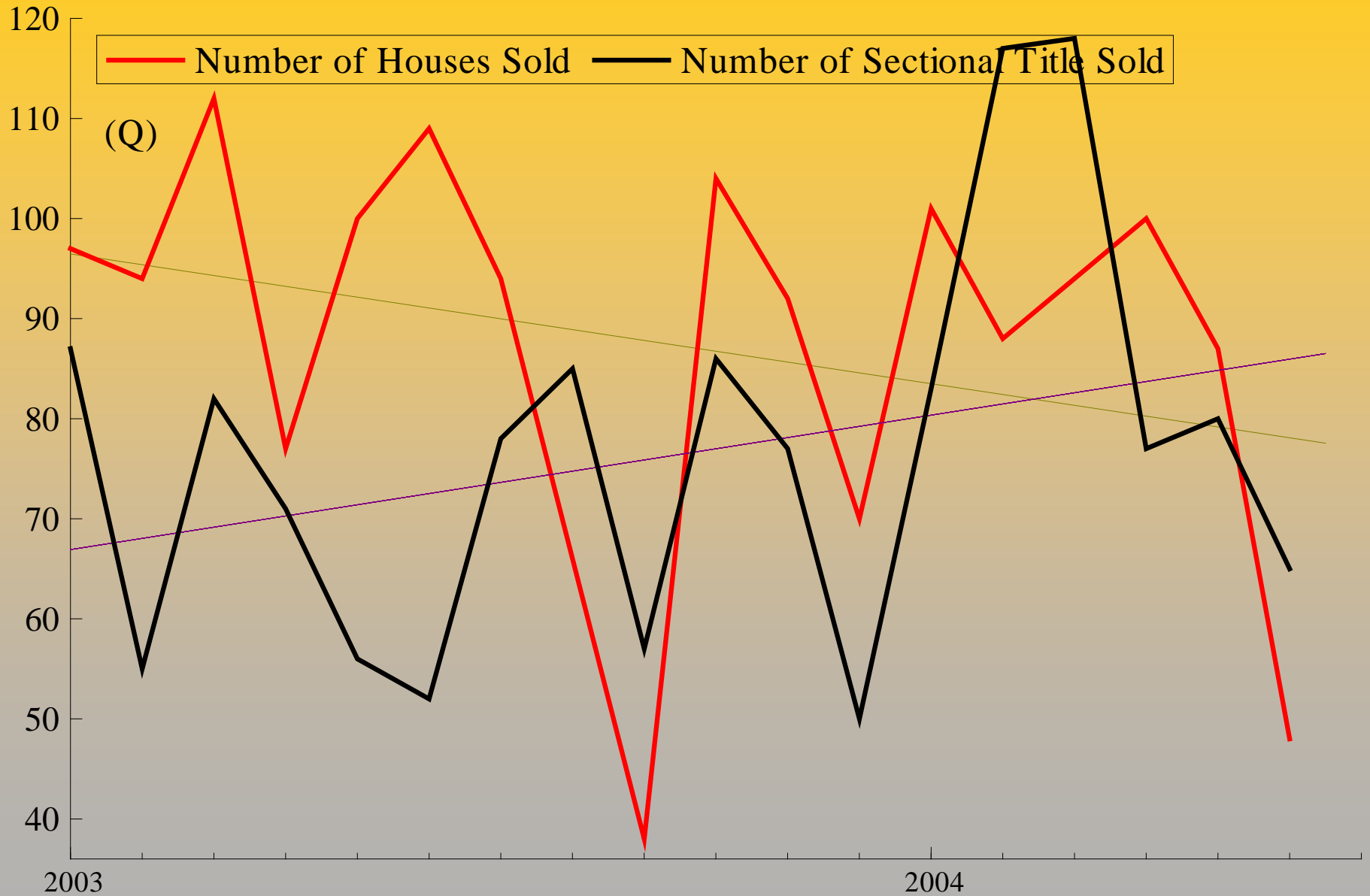
MONETARY SECTOR



RESIDENTIAL PROPERTY MARKET

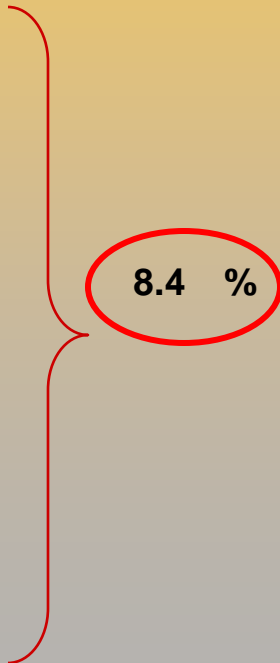


RESIDENTIAL PROPERTY MARKET

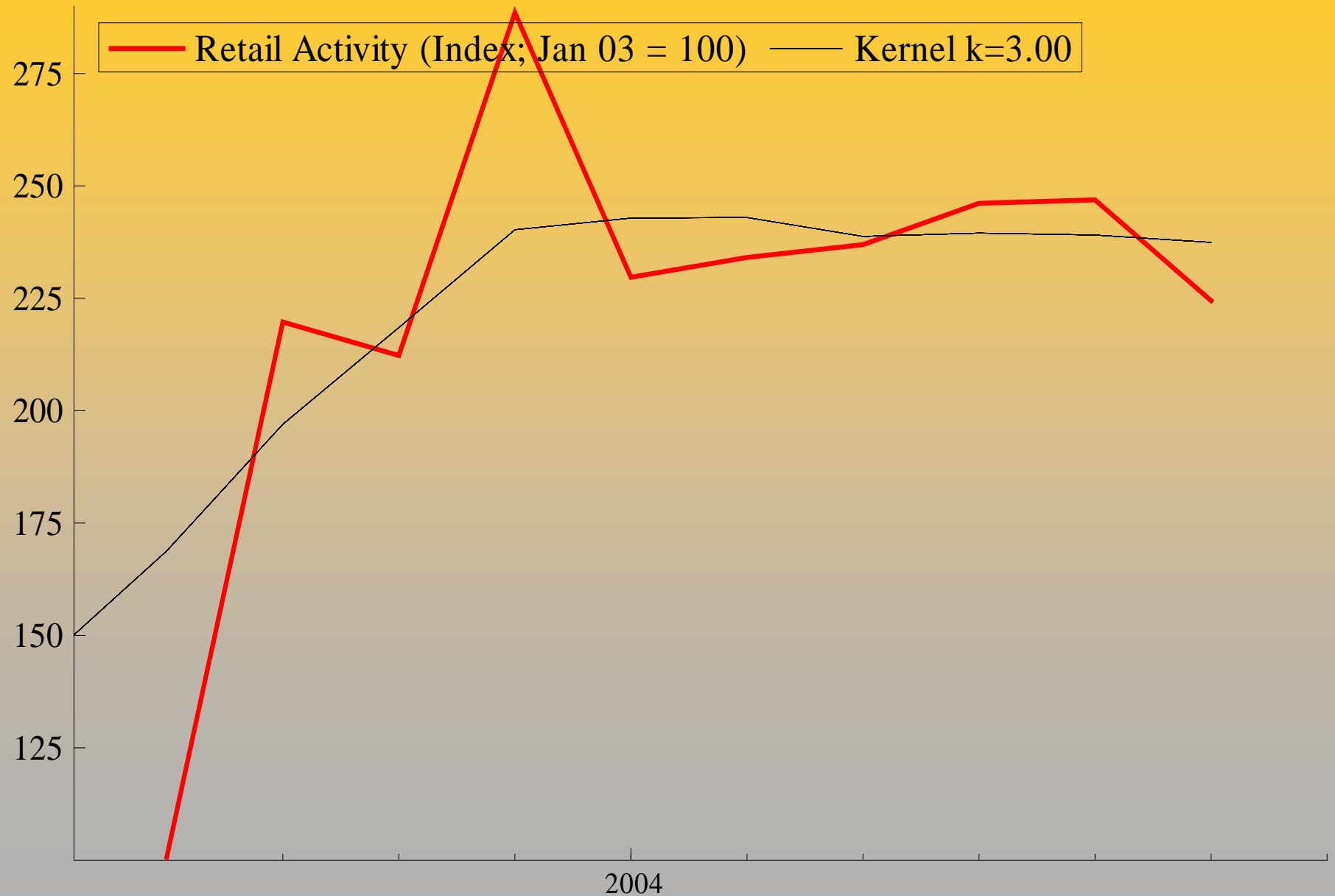


RESIDENTIAL PROPERTY MARKET

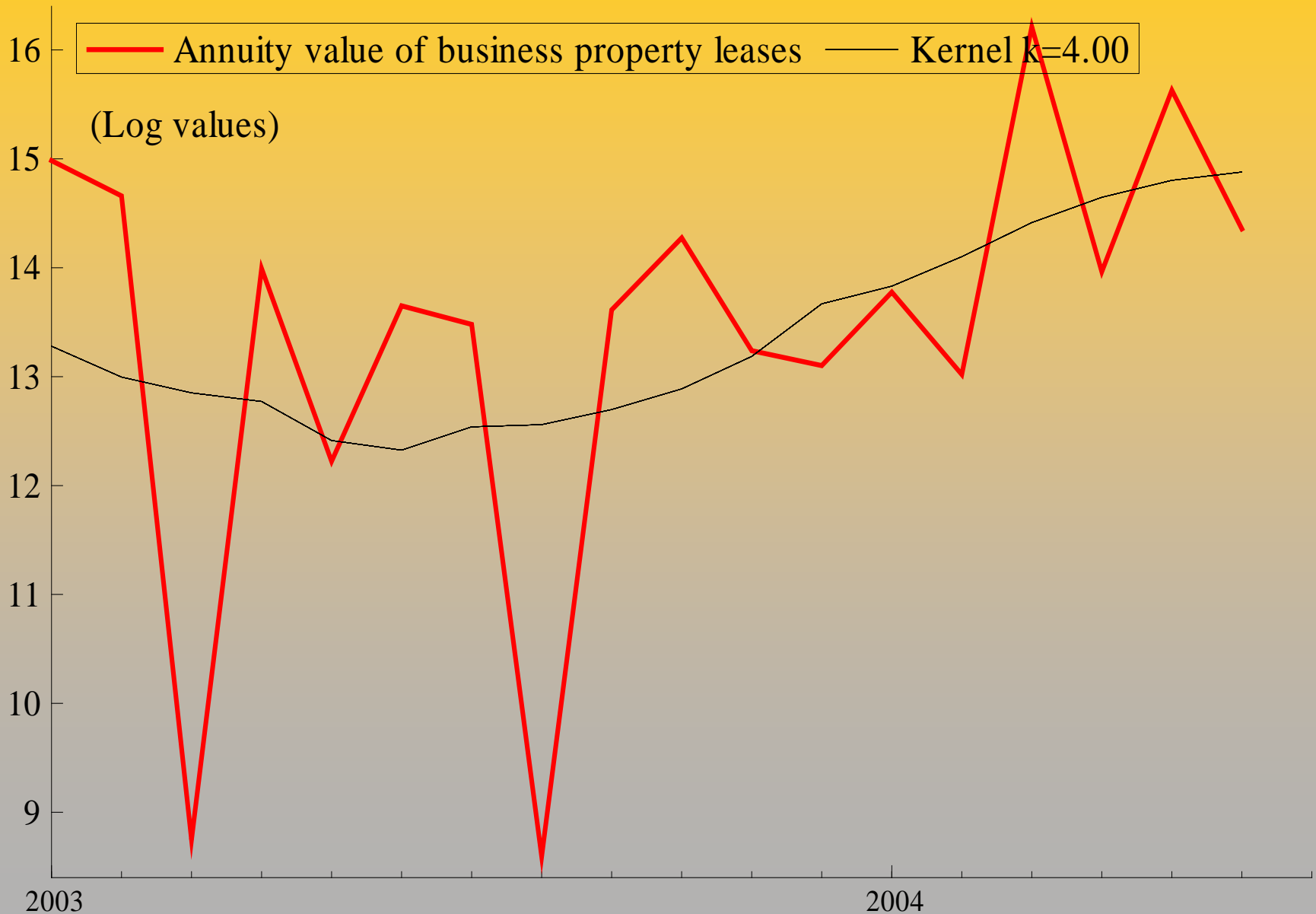
			Rands	Small	Medium	Big
	R	% change				
2002 Q4	308883		2002 Q4	193301	280447	465264
2003 Q1	338280	9.52	2003 Q1	198 546	307 737	518408
2003 Q2	371419	9.80	2003 Q2	208351	351146	606327
2003 Q3	405433	9.16	2003 Q3	280406	400089	599496
2003 Q4	440649	8.69	2003 Q4	286946	434350	627888
2004 Q1	475290	7.86	2004 Q1	293485	468610	656279
2004 Q2	499537	7.86	2004 Q2	312920	512805	636565



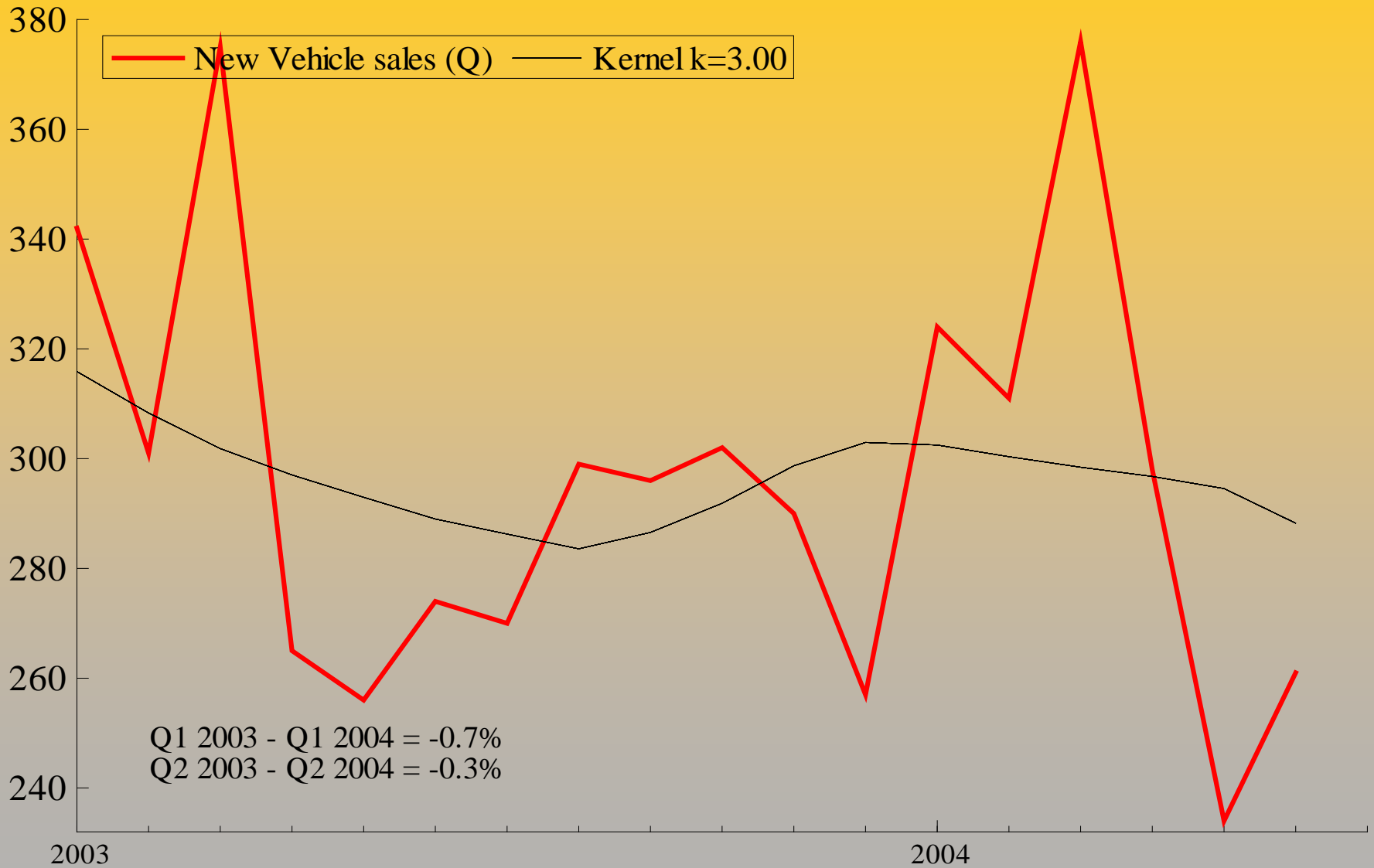
RETAIL ACTIVITY



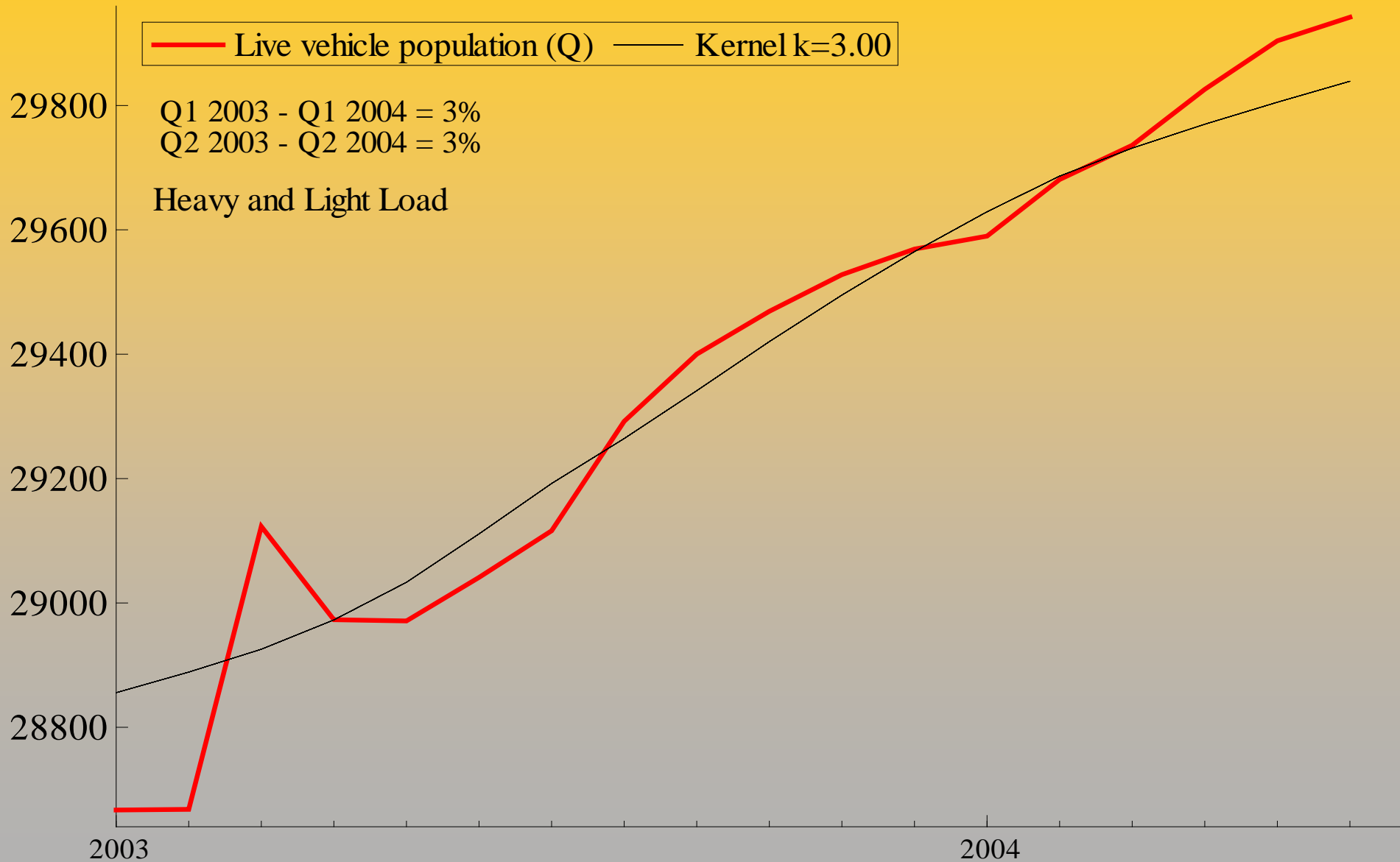
BUSINESS PROPERTY MARKET



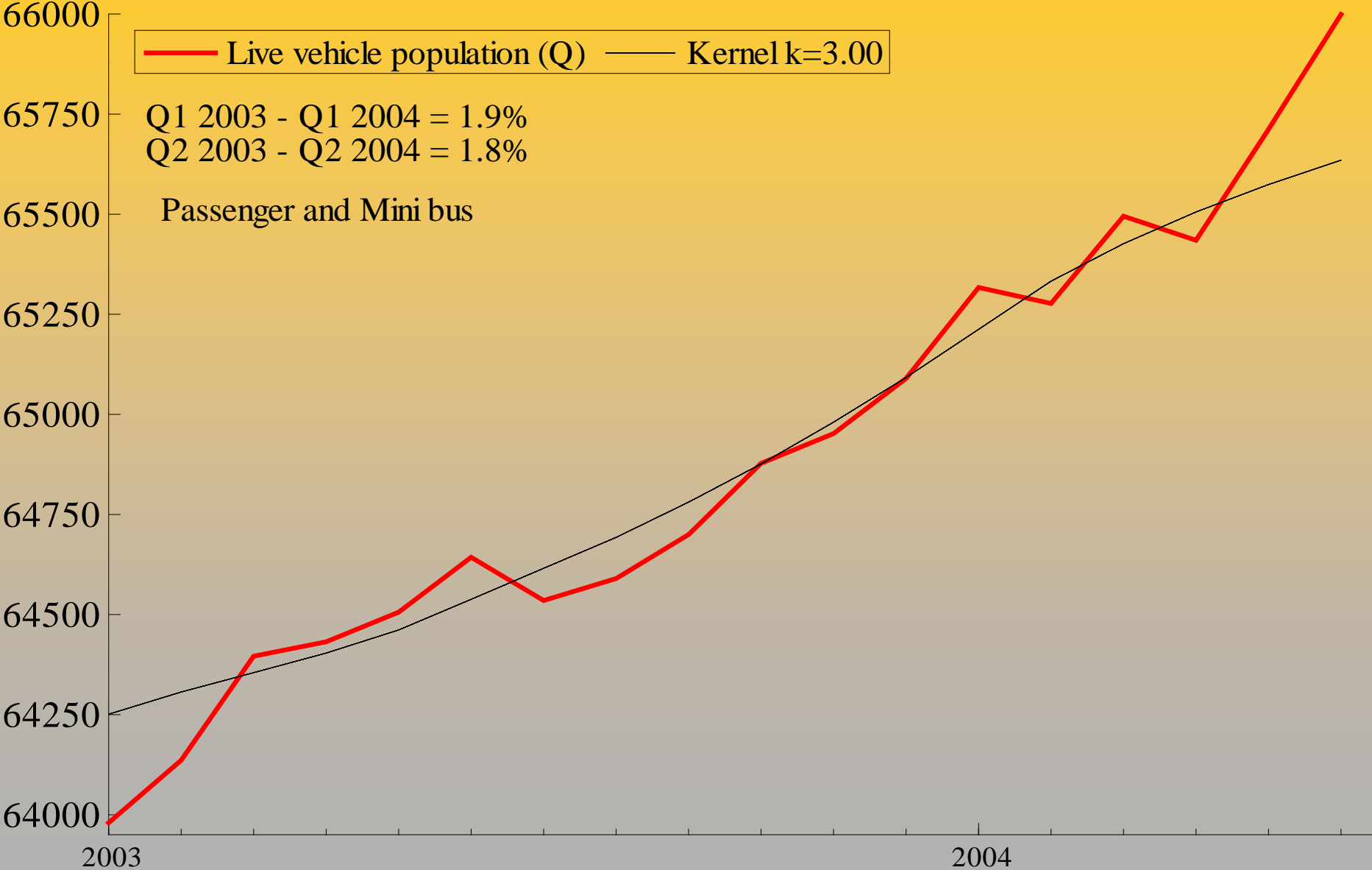
VEHICLE AND TRANSPORT SECTOR



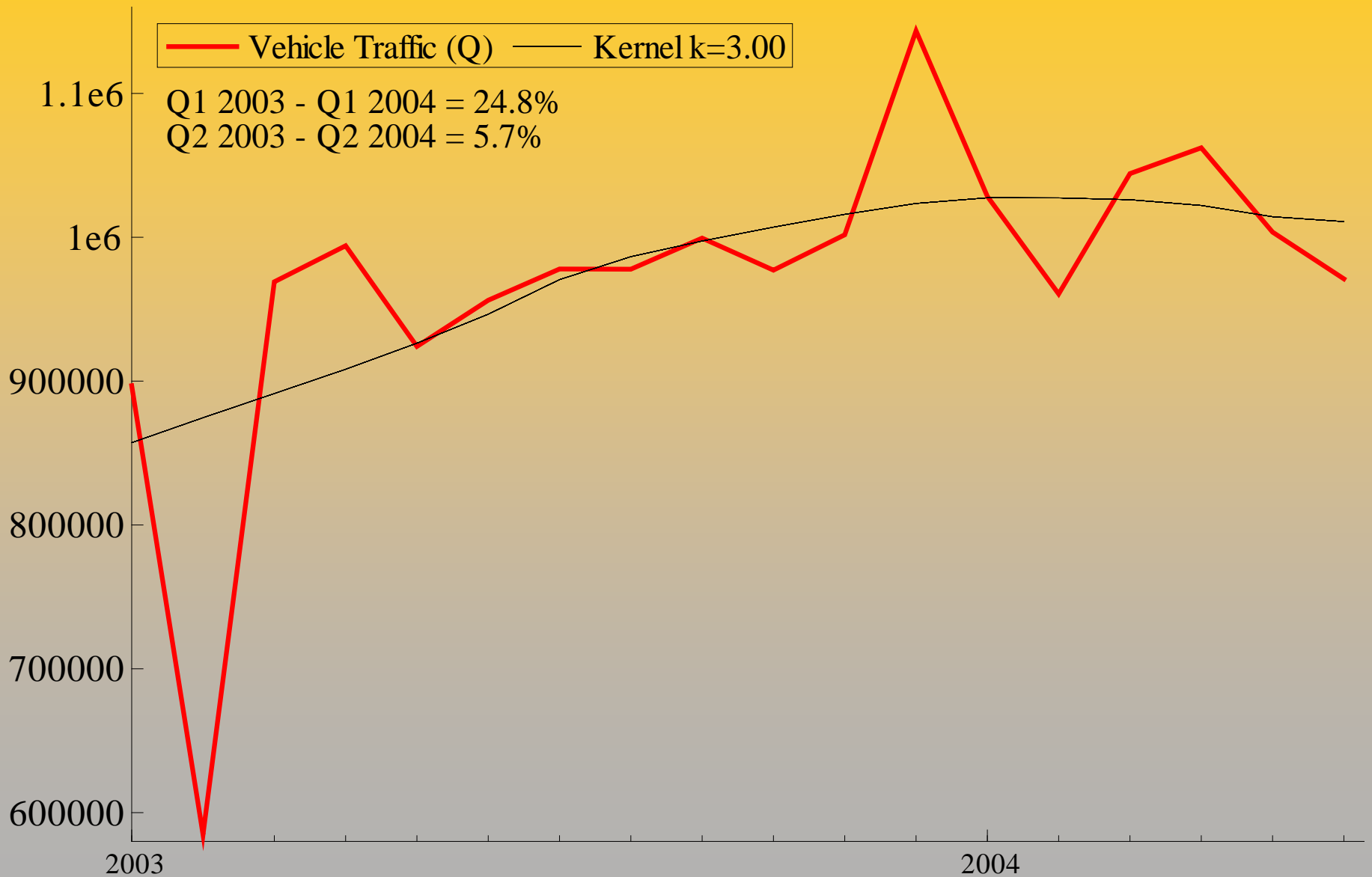
VEHICLE AND TRANSPORT SECTOR



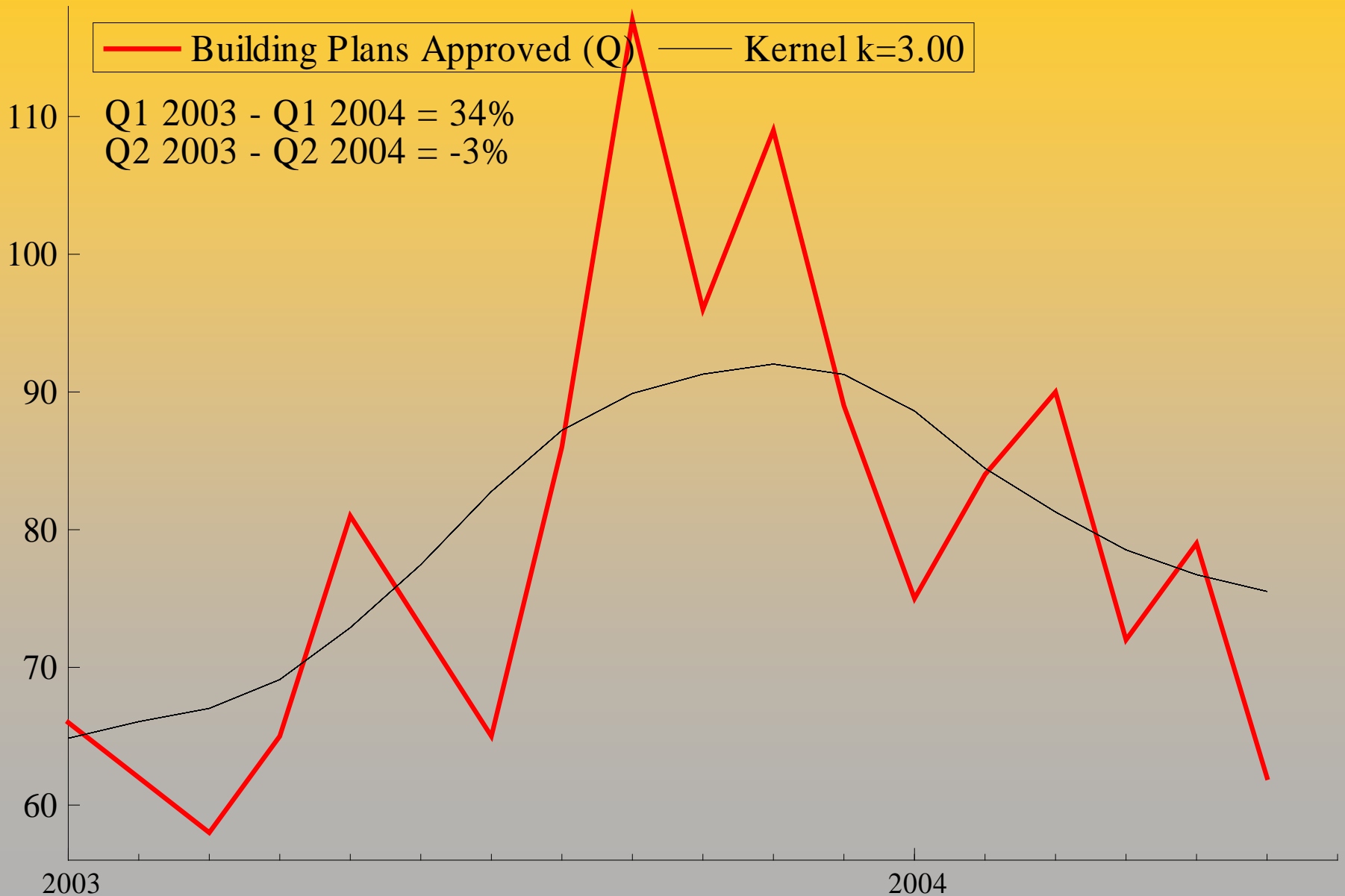
VEHICLE AND TRANSPORT SECTOR



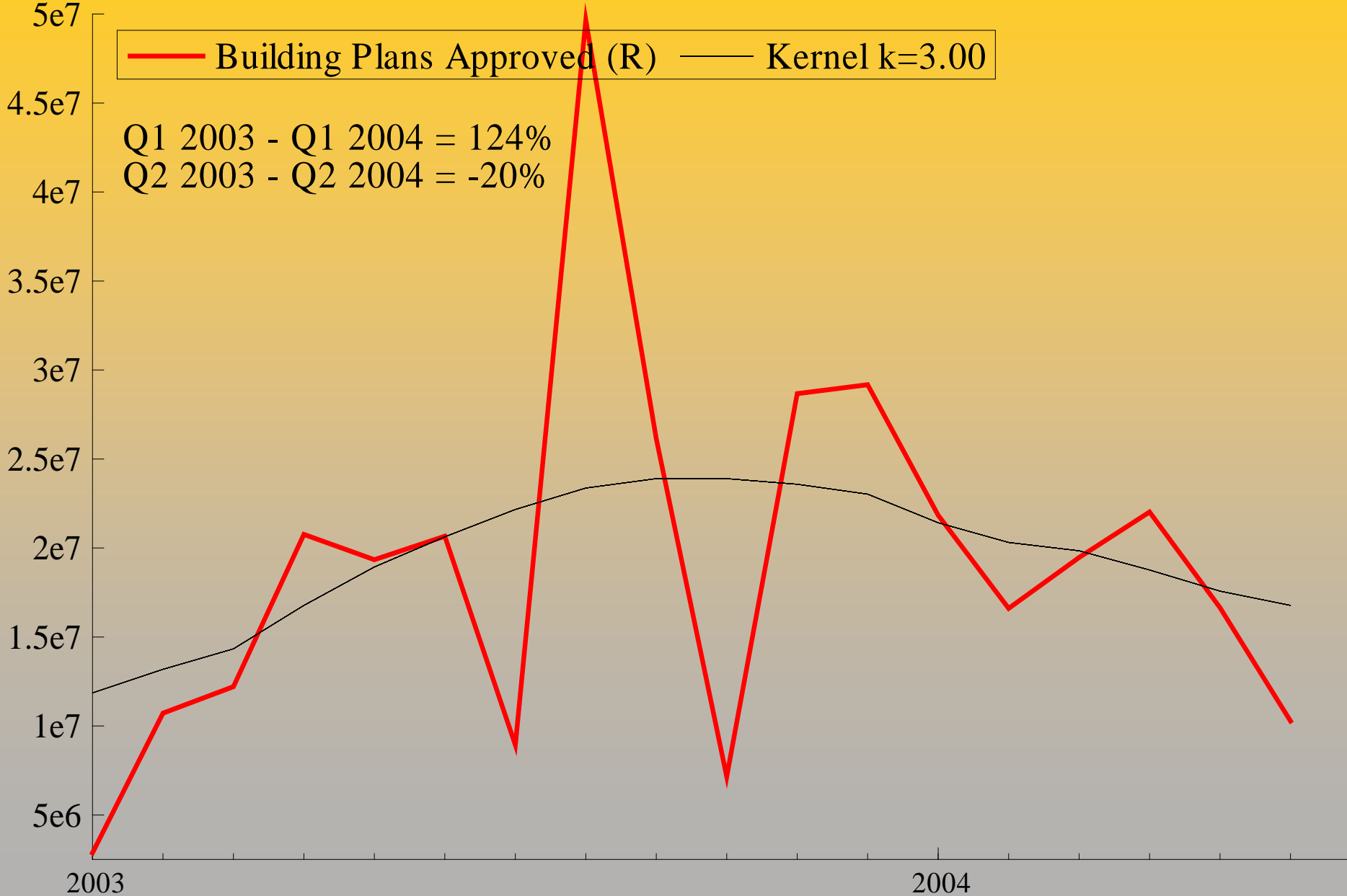
VEHICLE AND TRANSPORT SECTOR



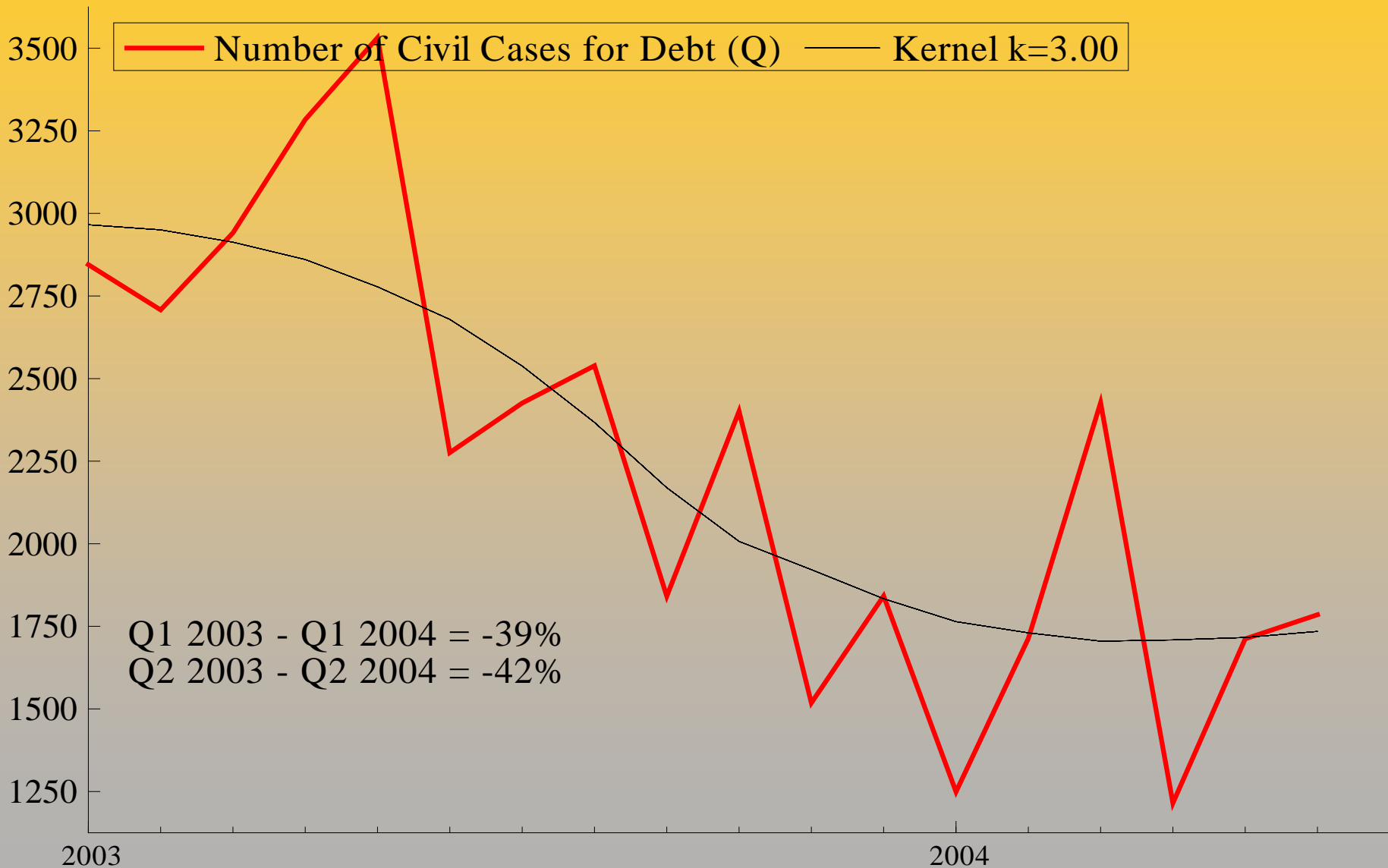
BUILDING AND DEVELOPMENT SECTOR



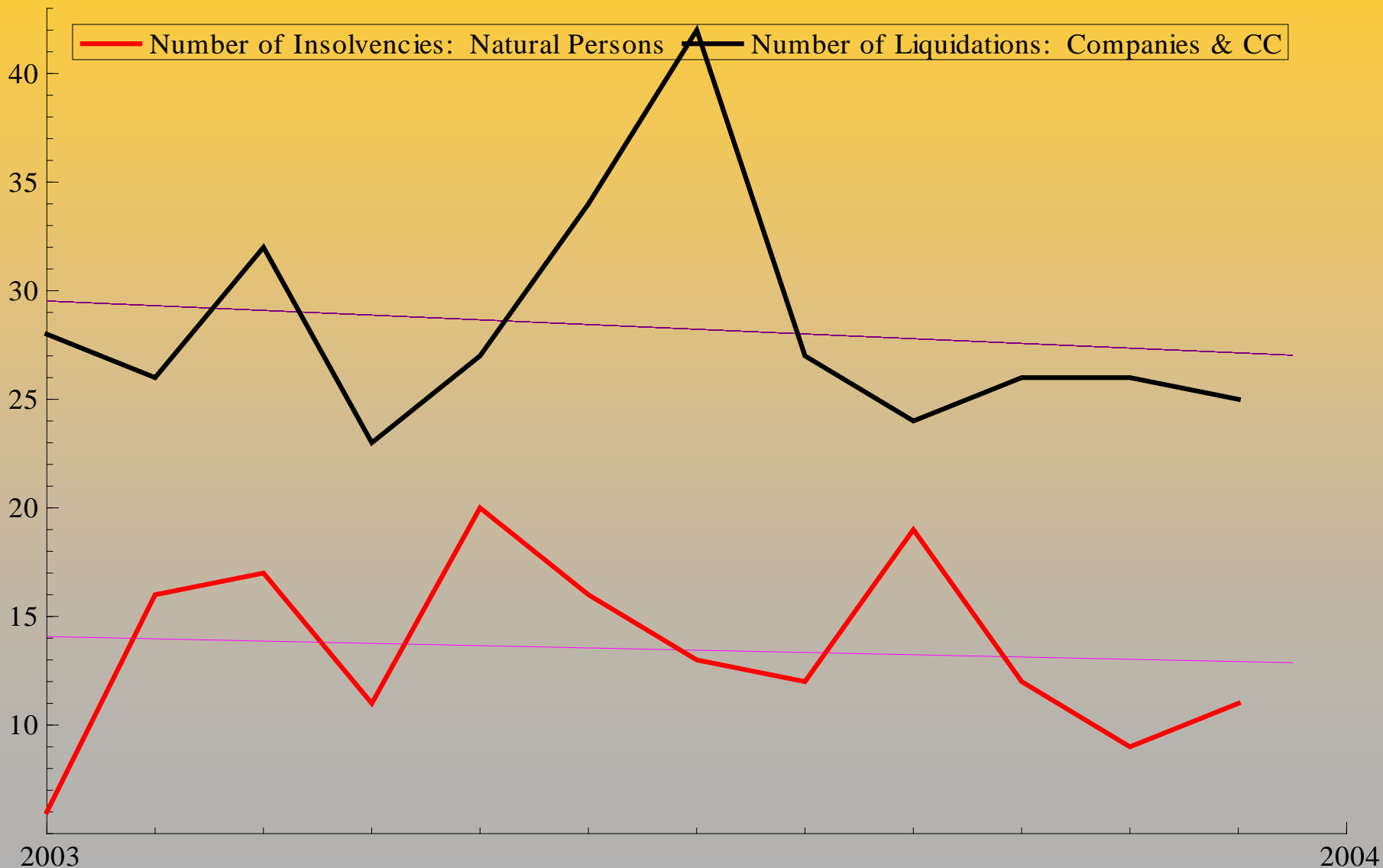
BUILDING AND DEVELOPMENT SECTOR



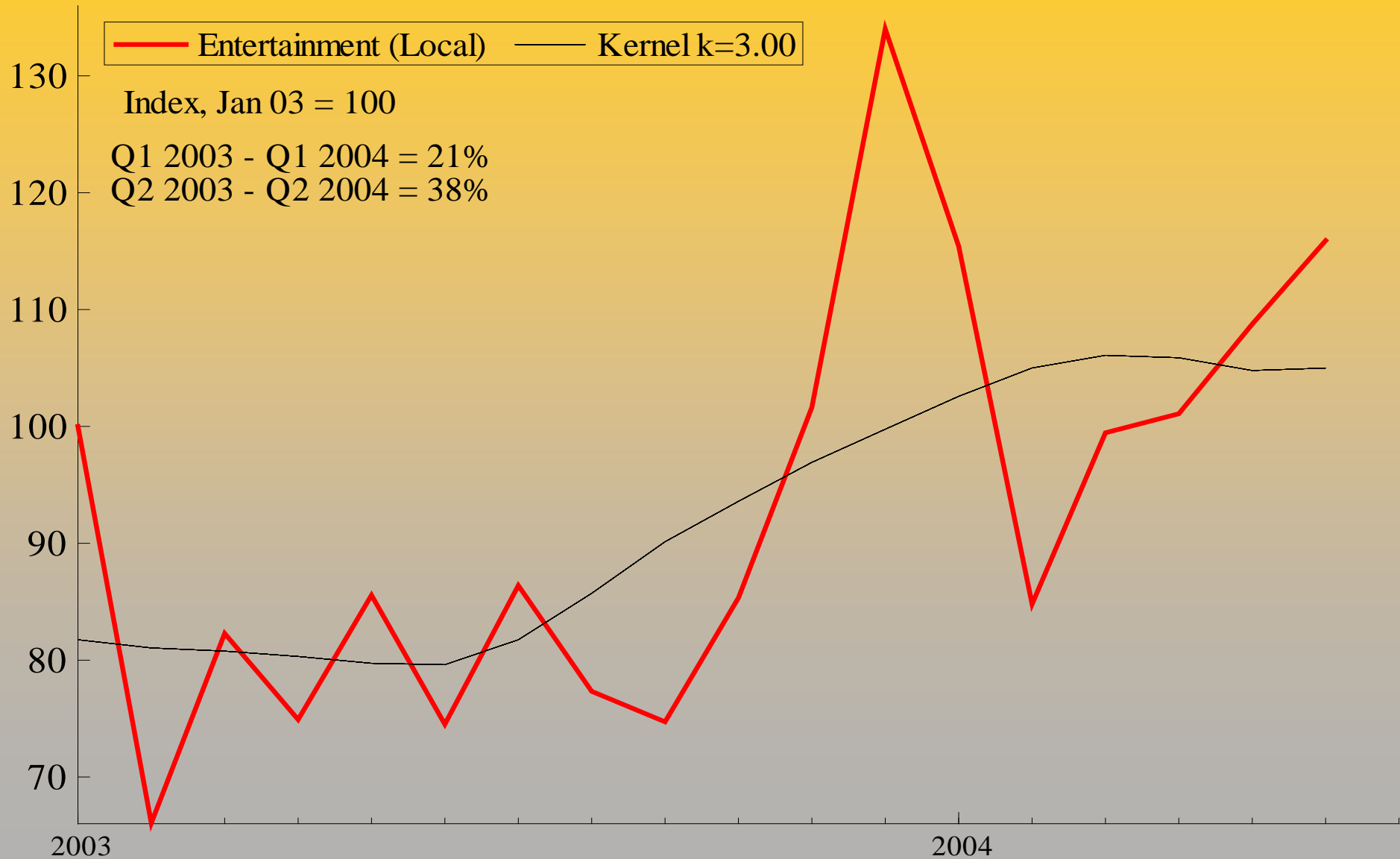
NUMBER OF CIVIL CASES FOR DEBT, LIQUIDATIONS & INSOLVENCIES



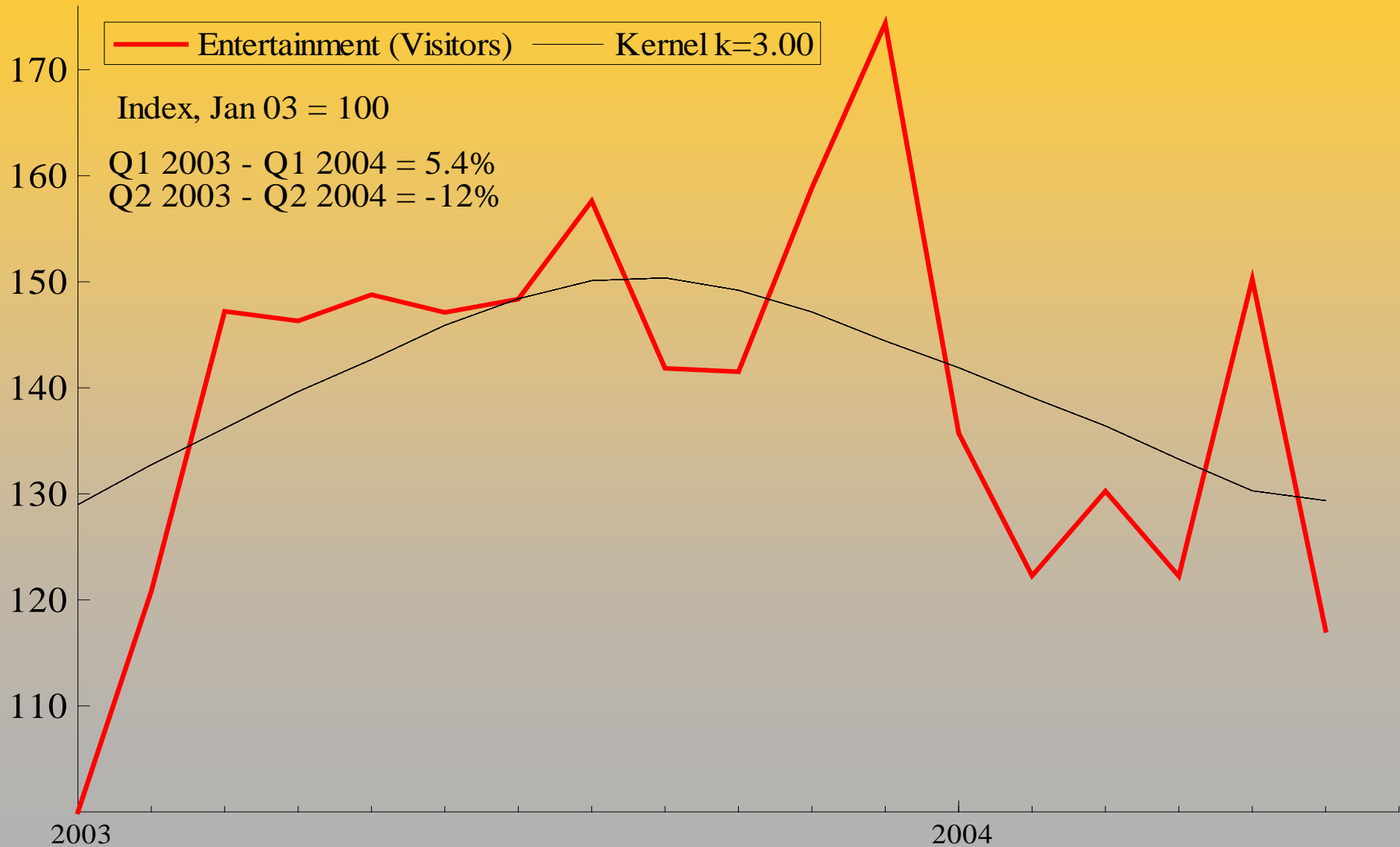
NUMBER OF CIVIL CASES FOR DEBT, LIQUIDATIONS & INSOLVENCIES



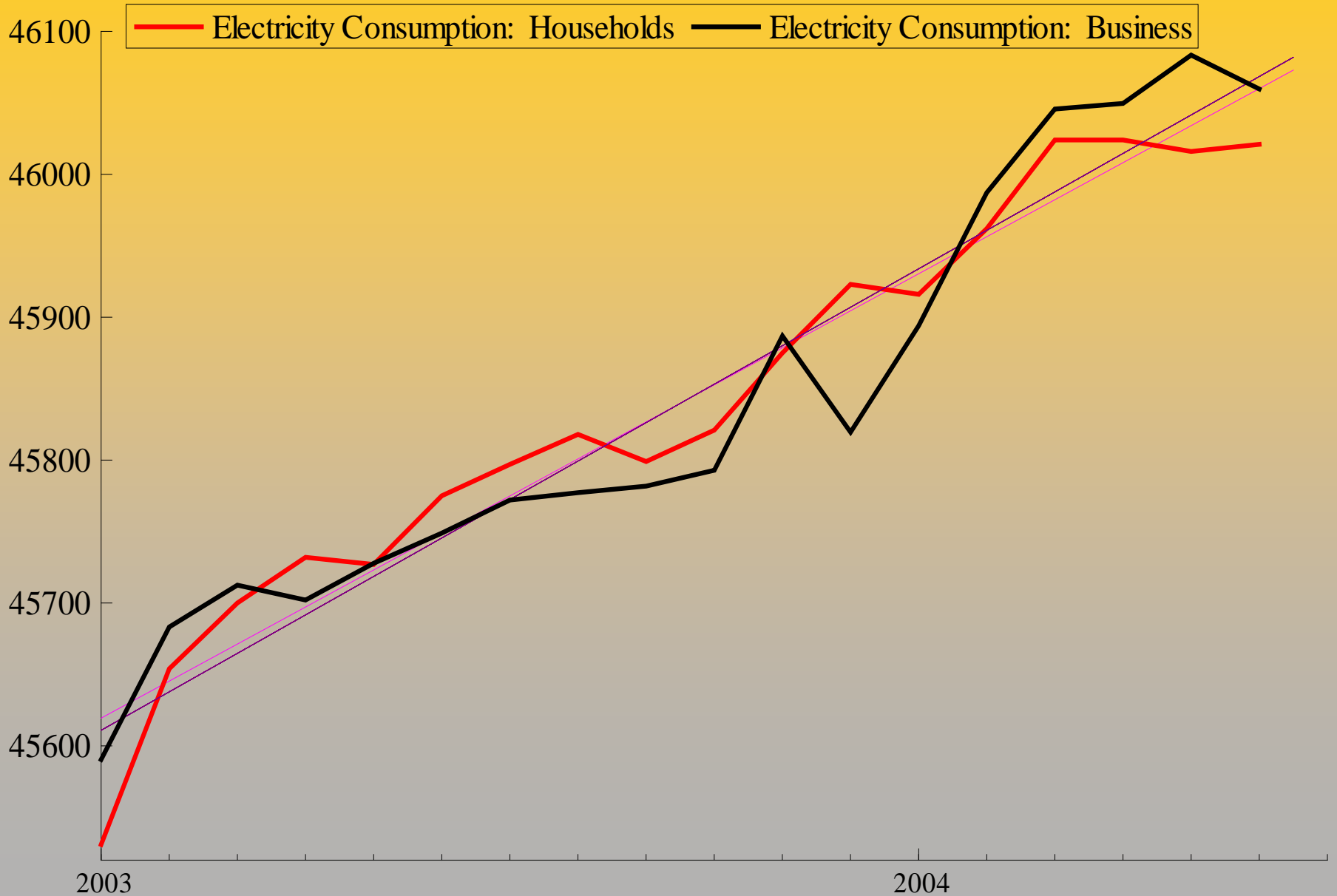
HOSPITALITY & ENTERTAINMENT SECTOR



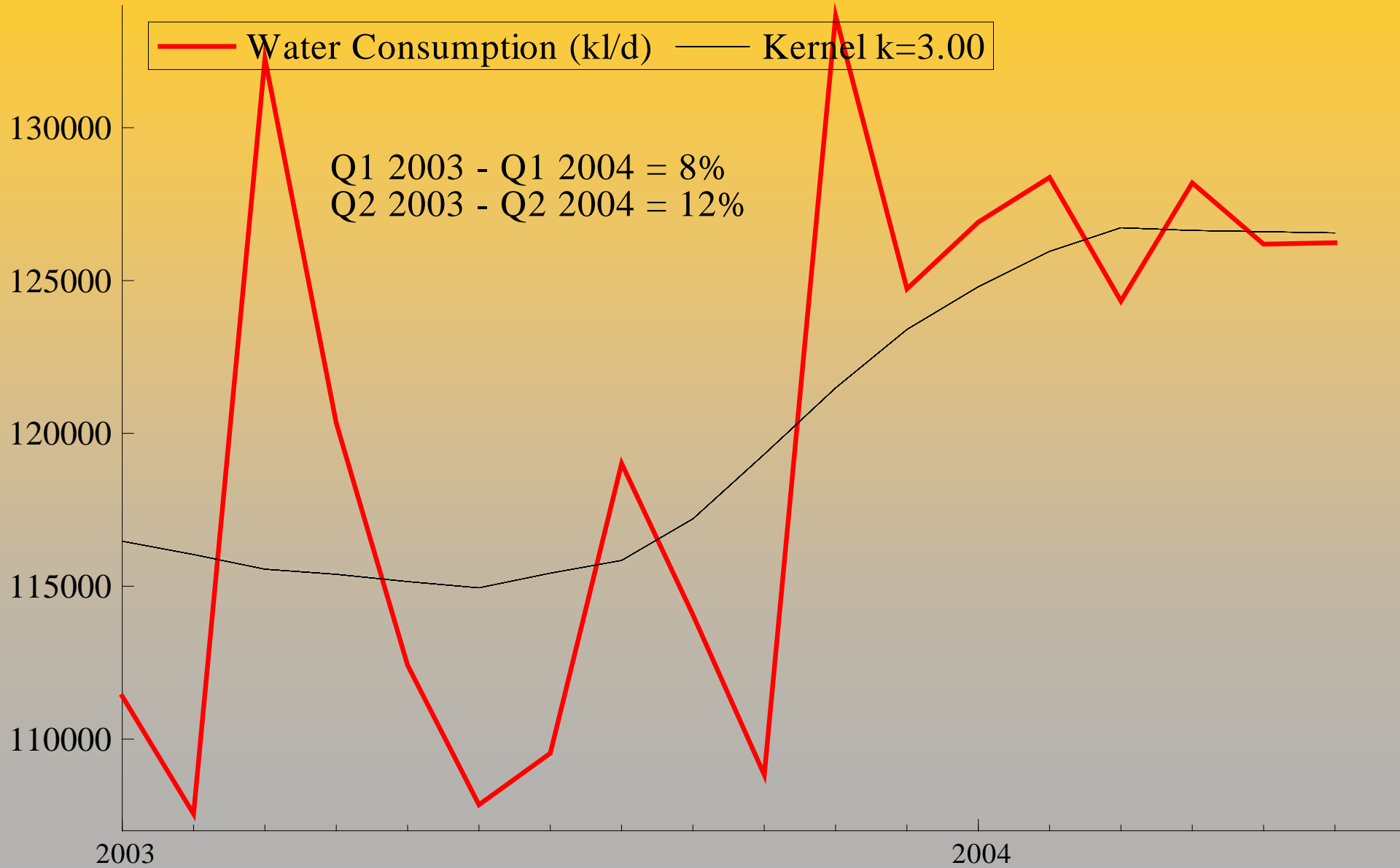
HOSPITALITY & ENTERTAINMENT SECTOR



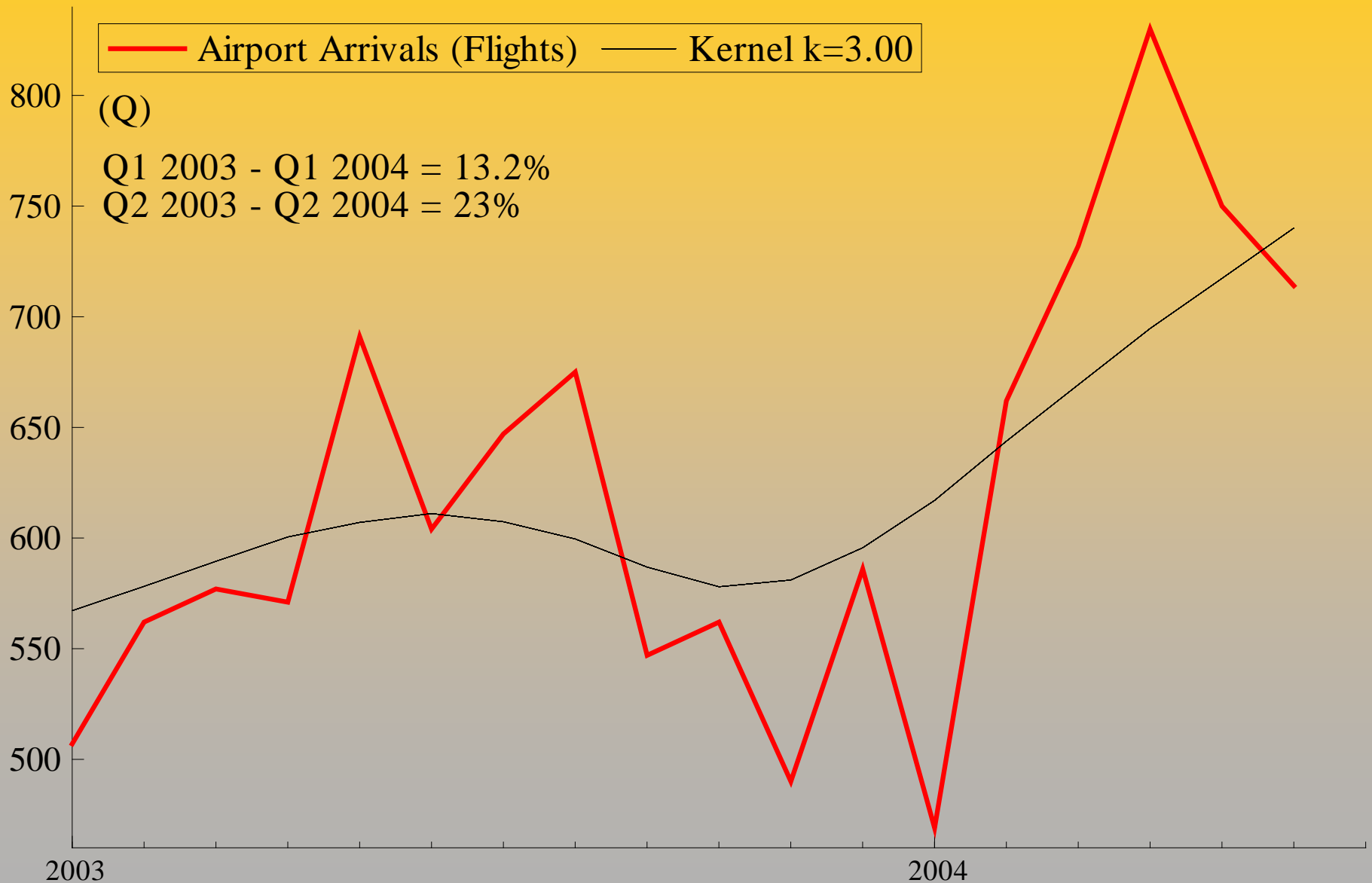
ELECTRICITY CONSUMPTION



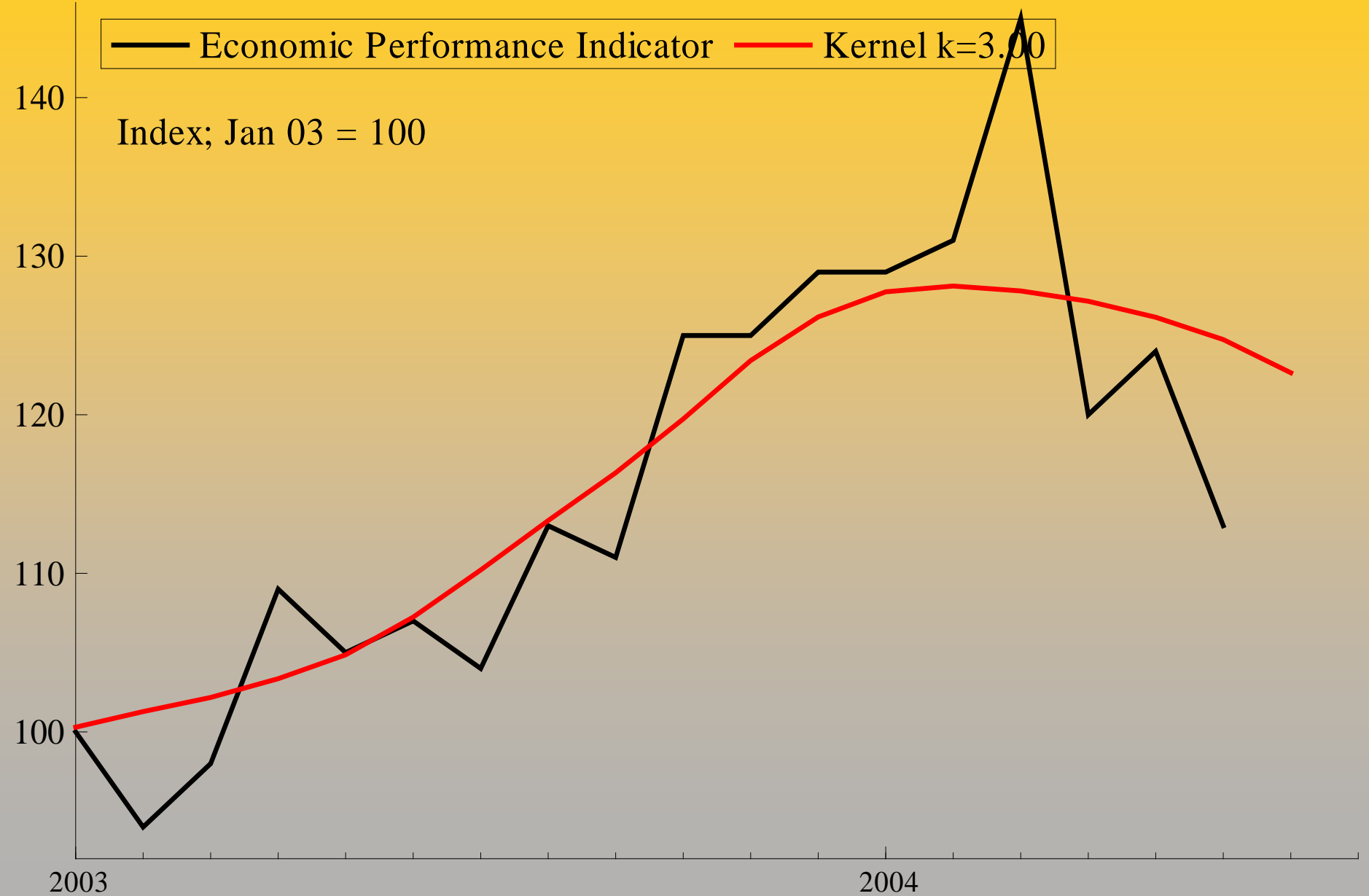
WATER CONSUMPTION



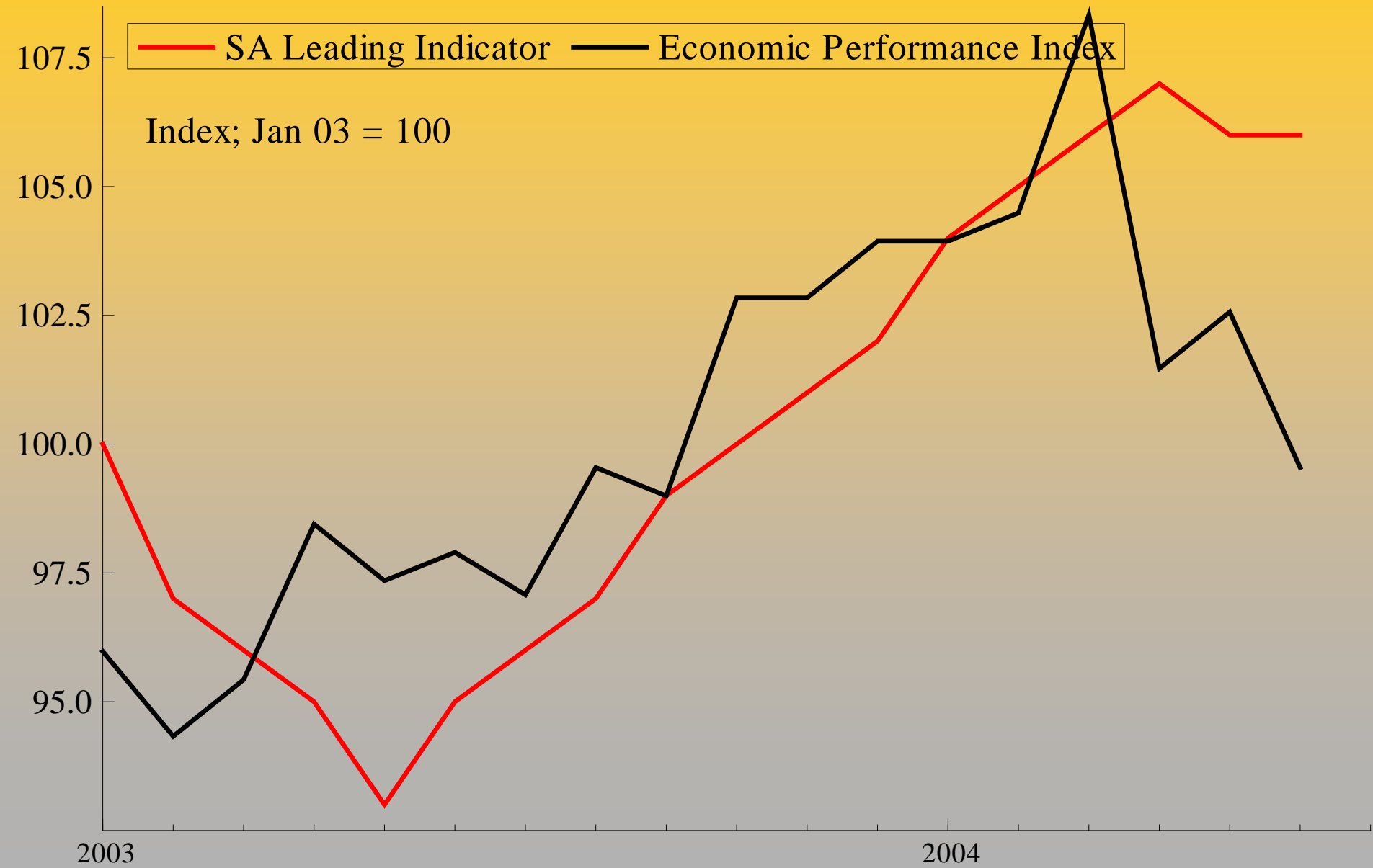
AIRPORT ARRIVALS AND DEPARTURES



ECONOMIC PERFORMANCE INDICATOR



ECONOMIC PERFORMANCE INDICATOR



BUSINESS CONFIDENCE SURVEY

Industry by sector in which your business operates?	Percent of total score
Agriculture	3.85%
Manufacturing	13.85%
Wholesale Trade	0,77%
Retail Trade	10%
Services (Medical, Legal, Financial)	14.62%
Hotels, Bed & Breakfasts, Meander	21.54%
Communications/Utilities	0.77%
Real Estate Services	2.31%
Construction	3.08%
Restaurant,	2.31%
Other	23.08%

BUSINESS CONFIDENCE SURVEY

What is the % labour cost to total cost of your company?

Percent of total score

Less than Ogive

0%	1.54%	1.54%
15%	16.16%	17.70%
25%	25.39%	43.09%
35%	13.04%	56.13%
45%	2.31%	58.44%
55%	9.23%	67.67%
65%	8.46%	76.13%
75%	8.46%	84.59%
85%	3.08%	87.67%

BUSINESS CONFIDENCE SURVEY

Your company is currently operating on ...% capacity?

Percent of total score

Less than Ogive

15%	6.93%	6.93%
25%	3.39%	10.32%
35%	8.70%	19.02%
45%	6.92%	25.94%
55%	8.46%	34.40%
65%	8.46%	42.86%
75%	10.77%	53.63%
85%	20.00%	73.63%
100%	9.23%	82.86%

BUSINESS CONFIDENCE SURVEY

As a percentage, what wage/salary increases do you expect for the year (nominal terms)?

	Percent of total score	Less than Ogive
4% and Less	3.85%	3.85%
5%	12.31%	16.16%
6%	16.92%	33.08%
7%	16.92%	50.00%
8%	20.77%	70.77%
9%	1.54%	72.31%
10%	21.54%	93.85%
11%	1.54%	95.39%
12 and Greater	0.77%	96.16%

BUSINESS CONFIDENCE SURVEY

As a percentage, what turnover increases do you expect for the year (nominal terms)?

	Percent of total score	Less than Ogive
1% and Less	7.69%	7.69%
2%	5.38%	13.07%
3%	3.08%	16.15%
4%	0.77%	16.92%
5%	13.85%	30.77%
6%	3.85%	34.62%
7%	5.38%	40.00%
8%	5.38%	45.38%
9%	1.54%	46.92%
10%	22.31%	69.23%
11% and Greater	23.85%	93.08%

BUSINESS CONFIDENCE SURVEY

Present business/trading conditions are?	Percent of total score	Less than Ogive
Excellent	10.77%	10.77%
Good	39.23%	50.00%
Fair	36.92%	86.92%
Poor	8.46%	95.38%
Very poor	3.08%	98.46%

BUSINESS CONFIDENCE SURVEY

Your expected sales performance over the next three months?

Percent of total score

Less than Ogive

Much better

7.69%

7.69%

Better

43.85%

51.54%

Same

36.15%

87.69%

Worse

3.08%

90.77%

Much worse

3.08%

93.85%

SUMMURY AND CONCLUSIONS

Pietermaritzburg and the uMgungundlovu District have achieved remarkable growth in economic activity during 2003 and the first two quarters of 2004. Business confidence is also very favorable at present. Both these two facts bode extremely well for Pietermaritzburg and the uMgungundlovu District.