



EASTERN CAPE  
DEVELOPMENT  
CORPORATION



# EASTERN CAPE ECONOMIC REVIEW & OUTLOOK

# Q4

2024

# EXECUTIVE SUMMARY

- GDP in Organisation for Economic Co-operation and Development (OECD) [countries] rose by 0.3% in 2024Q4, slightly down from 0.5% in the previous quarter, according to provisional estimates. The overall GDP growth rate also slowed for G7 in 2024Q4, from 0.5% to 0.4%, reflecting a mixed picture among G7 countries. Growth contracted in France, from 0.4% to -0.1%, and in Germany, from 0.1% to -0.2%. Growth slowed in the US, from 0.8% to 0.6%, driven by a decline in investment (flat in Q4 after 0.7% growth in Q3) and a 0.2% contraction in exports (following 2.3% growth in Q3). By contrast, growth accelerated notably in Japan, from 0.4% to 0.7%, mainly reflecting a positive contribution from net trade (exports minus imports), with imports of goods declining by 2.4% in Q4. Growth increased marginally in Canada (from 0.3% to 0.4%) and the United Kingdom (from 0.1% to 0.2%). Initial annual estimates indicate that OECD GDP growth slowed slightly to 1.7% in 2024, compared with 1.8% in 2023. Among the 28 OECD countries for which data is available, five recorded a GDP contraction in 2024. Growth slowed in ten countries, and it accelerated in 13 countries, with Costa Rica recording the highest annual growth in 2024 (4.3%).
- In 2024Q4, South Africa recorded a GDP growth of 0.6%, from a growth of -0.1% recorded in 2024Q3. The GDP growth forecast for 2025, 2026 and 2027 is at 1.4%, 1.8% and 2.0%, respectively according to SARB.
- The statistics disclosed that all the nine provinces in SA recorded a positive GDP growth in 2024Q4 from a negative GDP that provinces recorded in 2024Q3. The improvements were driven by among others the cease of loadshedding, positive business confidence in all sectors related to prevailing business conditions, and the implementation by the government of various supply-side structural reforms expected to address constraints on economic growth and stimulate investment.
- The business confidence in SA for wholesale increased to a high of 60 index points in 2024Q4 from 51 index points recorded in 2024Q3 showing a level of optimism in wholesale businesses about the state of the economy. The retail sector followed suit recording an improvement of 54 index points in 2024Q4, from 45 index points registered in 2024Q3, these developments confirmed a level of optimism in retail businesses. The loadshedding halt during the period impacted positively on the manufacturing sector as energy intensive sector, among other factors resulted in optimism and showed by an improvement of 36 index points in 2024Q4 up from a low of 28 index points recorded in 2024Q3. The building and construction sector also followed the same trajectory recorded an increase of 51 index points in 2024Q4 up from 41 index points recorded in the 2024Q3, indicating a level of optimism that businesses have about the prospects of their companies at the back of the positive economic climate during 2024Q4.
- Eastern Cape ranked last (ninth position) among provinces that recorded an increase in GDP growth of 0.3% (an increase from -0.1% recorded in 2024Q3). The GDP growth in the Eastern Cape was mainly driven by primary sector (Agriculture, forestry and fisheries grew by 83.2%) and tertiary (Wholesale and retail trade and Finance, real estate and business services) recorded an improved GDP growth.
- SA inflation was 3.2% in January 2025, slightly up from 3% recorded in December 2024. The main contributors to the 3.2% annual inflation rate were: housing and utilities, food and non-alcoholic beverages and restaurants and accommodation services. The Eastern Cape registered the 3rd highest CPI of 3.4% in January 2025, increased from 3.1% recorded in December 2024.
- South Africa's official unemployment rate has slightly decreased by 0.2%pt from 32.1% in 2024Q3 to 31.9% in 2024Q4. The unemployment rate in the Eastern Cape declined to 36.6% in 2024Q4 based on the narrow definition, a decrease of 0.6%pt compared to 37.2% recorded in 2024Q3 and increased to 47.6% in 2024Q4 from 47.4% in 2024Q3 based on the expanded definition.
- South Africa exports to the rest of the world improved from R515.5 billion in 2024Q3 to R520.6 billion in 2024Q4. Contrary, the Eastern Cape exports of commodities to the rest of the world showed a decline from R21.3 billion in 2024Q3 down to R16.6 billion recorded in 2024Q4, a 22% deterioration. The top four provincial export commodities were: Motor Vehicles, Wool, fine or coarse animal hair, Nuclear reactors, boilers and Edible fruit and nuts; peel of citrus.
- The Eastern Cape exports to all the regions have deteriorated as follows in 2024Q4, (except Antarctica) : Exports to Europe decreased by -27.1% registering R11.0 billion with a biggest market share of 66.6%, lagged by Asia recorded -11.3% decrease amounting to R2.4 billion with a market share of 14.5%, Africa deteriorated by -3.5% recording R2.2 billion with a market share of 13.3%, Americas registering -10.9% decline recording R868.4 million with a market share of 5.2% and Oceania registering -79.8% decline posting a least value of R46.5 million with a market share of 0.3% over the period under review.
- Eastern Cape is a net exporter to the African continent, having recorded a trade surplus of R1.6 billion in 2023Q4, to R1.1 billion in 2024Q4. The Eastern Cape commodity exports fluctuated from R2.4 billion in 2023Q4 to R2.2 billion in 2024Q4. Similarly, the import commodities fluctuated from R774.7 million in 2023Q4 to R1.1 billion in 2024Q4.
- The top three exports were Motor Vehicles, Iron and steel and Electrical machinery and equipment. Eastern Cape's exports to three African regions declined in 2024Q4 as follows except SADC, Northern Africa and Middle Africa: SACU (R1.1 billion), Eastern Africa (R263.8 million) and Western Africa (R159.7 million). The top export countries were Zimbabwe, Kenya and Ghana.
- Cargo handled by six out of eight ports in SA declined, the total cargo handled by all ports increased from 52.1 million metric tons in 2024Q3 up to 53.9 million metric tons in 2024Q4. Cargo handling largely took place in KwaZulu-Natal, Western Cape and Eastern Cape. Eastern Cape handled approximately 4.5 million metric tons of cargo, a decrease from the previous quarter accounting for 8.3% market share. All the Eastern Cape ports experienced a decline in cargo handling when compared to other ports in other provinces.
- The global FDI flows in 2024 increased by 11% to an estimated US\$1.4 trillion but fell by 8% when excluding flows through European conduit economies.
- SA foreign direct investment (FDI) recorded a total of US\$3,841.60 billion from 139 number of projects and a total of approximately 18 472 job opportunities were created around the country in the period between 2024Q1 and 2024Q4.
- A total of US\$ 142.70 million Foreign Direct Investments in the period between 2024Q1 and 2024Q4 were attracted by the Eastern Cape Province and a total of approximately 478 job opportunities were created into the provincial economy.

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# Global Economic Performance

# Global Economic Performance

Gross domestic product (GDP) in Economic Co-operation and Development (OECD) rose by 0.3% in the fourth quarter of 2024, slightly down from 0.5% in the previous quarter, according to provisional estimates. Quarterly OECD GDP growth rates have remained relatively stable over the past two years.

The overall GDP growth rate also slowed for G7 in Q4 2024, from 0.5% to 0.4%, reflecting a mixed picture among G7 countries. Growth contracted in France, from 0.4% to -0.1%, and in Germany, from 0.1% to -0.2%. The contraction in France partly reflected a return to normal economic conditions after the Paris Olympic and Paralympic Games, which had boosted growth in Q3, as reported by the French statistical office. The main factors weighing on French growth were a rise in imports of goods, which increased by 0.6% in Q4, compared with a contraction of 0.6% in Q3, and destocking. In Germany, the main reason for the slowdown was that “exports were significantly lower than in the previous quarter”, according to preliminary information published by the German statistical office. Growth slowed in the United States, from 0.8% to 0.6%, driven by a decline in investment (flat in Q4 after 0.7% growth in Q3) and a 0.2% contraction in exports (following 2.3% growth in Q3). Real GDP in Italy remained stable in the last two quarters. By contrast, growth accelerated notably in Japan, from 0.4% to 0.7%, mainly reflecting a positive contribution from net trade (exports minus imports), with imports of goods declining by 2.4% in Q4. Growth increased marginally in Canada (from 0.3% to 0.4%) and the United Kingdom (from 0.1% to 0.2%).

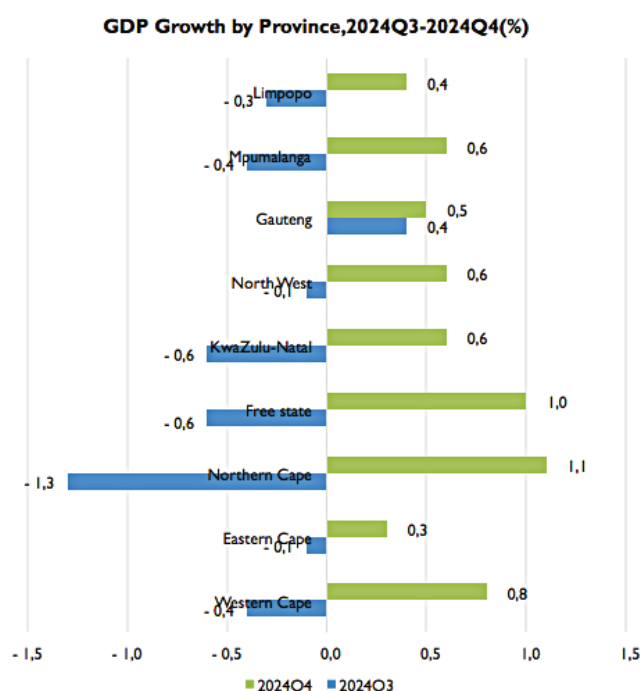
Among other OECD economies for which data is available, Ireland recorded the largest fall in GDP in Q4 (-1.3%), followed by Mexico and Norway (-0.6% in both countries). Portugal recorded the highest quarter-on-quarter growth rate in Q4 (1.5%), followed by Costa Rica (1.4%) and Poland (1.3%). Initial annual estimates indicate that OECD GDP growth slowed slightly to 1.7% in 2024, compared with 1.8% in 2023. Among the 28 OECD countries for which data is available, five recorded a GDP contraction in 2024. Growth slowed in ten countries, and it accelerated in 13 countries, with Costa Rica recording the highest annual growth in 2024 (4.3%).

## Overview of South Africa Economic Performance

The GDP growth rates per province in South Africa between 2024Q3 and 2024Q4 are shown in figure 1. The statistics disclosed that all the nine provinces in South Africa recorded a positive GDP growth in 2024Q4 from a negative GDP that provinces recorded in 2024Q3. The following industries contributed to the increase in GDP registered in 2024Q4 such as: The agriculture industry was the main driver of growth, followed by finance, trade and Household final consumption also contributing to an improved growth. In 2024Q4, South Africa recorded a GDP growth of 0.6%, from a growth of -0.1% recorded in 2024Q3. The improvements were driven by among others the cease of loadshedding, positive business confidence in all sectors related to prevailing business conditions, and the implementation by the government of various supply-side structural reforms expected to address constraints on economic growth and stimulate investment. The GDP growth forecast for 2025, 2026 and 2027 is at 1.4%, 1.8% and 2.0%, respectively according to SARB.

The highest provincial real GDP improvement in 2024Q4 were recorded by Northern Cape of 1.1% (improved from -1.3% registered in 2024Q3), trailed by Free State with 1.0% (increased from -0.6% recorded in 2024Q3), Western Cape recorded a 0.8% growth (an increase from -0.4% registered in 2024Q3), KwaZulu Natal, Mpumalanga and North West with a tie of 0.6% growth, Gauteng posted 0.5% growth (up from 0.4% recorded in 2024Q3), and Limpopo posted 0.4% growth (improved from -0.3% posted in 2024Q3). Eastern Cape ranked last (ninth position) among provinces that recorded an increase in GDP growth of 0.3% (an increase from -0.1% recorded in 2024Q3). The GDP growth in the Eastern Cape was mainly driven by primary sector (Agriculture, forestry and fisheries grew by 83.2%) and tertiary (Wholesale and retail trade and Finance, real estate and business services) recorded an improved GDP growth (see figure 1 below).

Figure 1: GDP Growth by Province, 2024Q3-2024Q4(%)



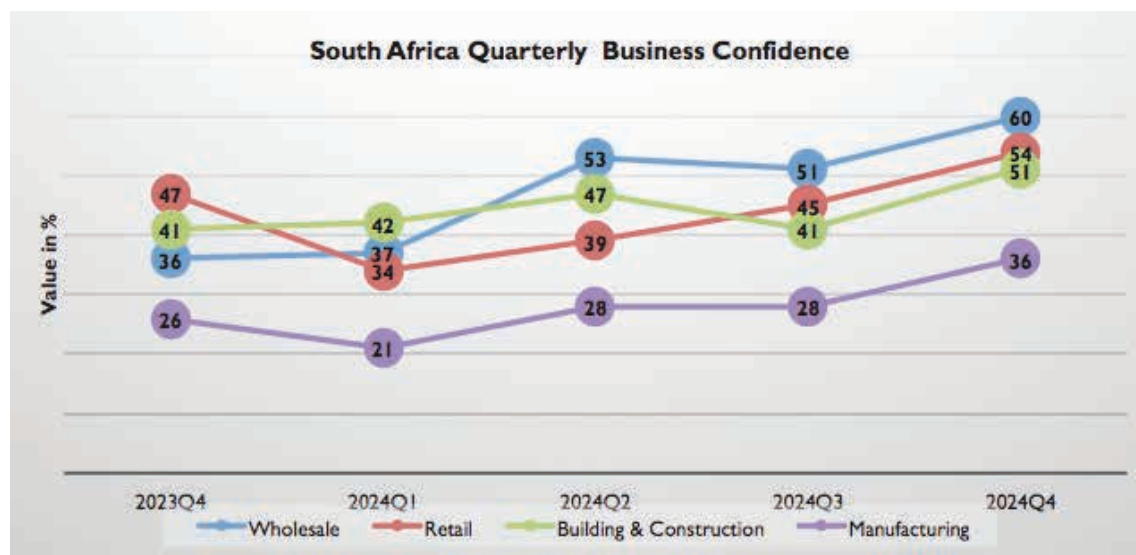
Source: Quantec estimates



## Business Confidence

According to the Bureau of Economic Research survey, business confidence in South Africa for wholesale increased to a high of 60 index points in 2024Q4 from 51 index points recorded in 2024Q3. These developments demonstrate a level of optimism in wholesale businesses as the loadshedding was paused from quarter two in the country, slowdown in inflation even below the 3% minimum target range which resulted in first cut in interest rates from September 2024, November 2024 and January 2025, slowdown in oil prices and stronger rand against the dollar, positive economic growth from negative recorded in 2024Q3 during the period under review. The retail sector followed suit recording an improvement of 54 index points in 2024Q4, from 45 index points registered in 2024Q3, these developments confirmed a level of optimism in retail businesses. The loadshedding halt during the period impacted positively on the manufacturing sector as energy intensive sector, among other factors resulted in optimism and showed by an improvement of 36 index points in 2024Q4 up from a low of 28 index points recorded in 2024Q3. The building and construction sector also followed the same trajectory recorded an increase of 51 index points in 2024Q4 up from 41 index points recorded in the 2024Q3, indicating a level of optimism that businesses have about the prospects of their companies at the back of the positive economic climate during quarter four (see figure 2 below).

Figure 2: South Africa Cape Business confidence, 2023Q4–2024Q4.

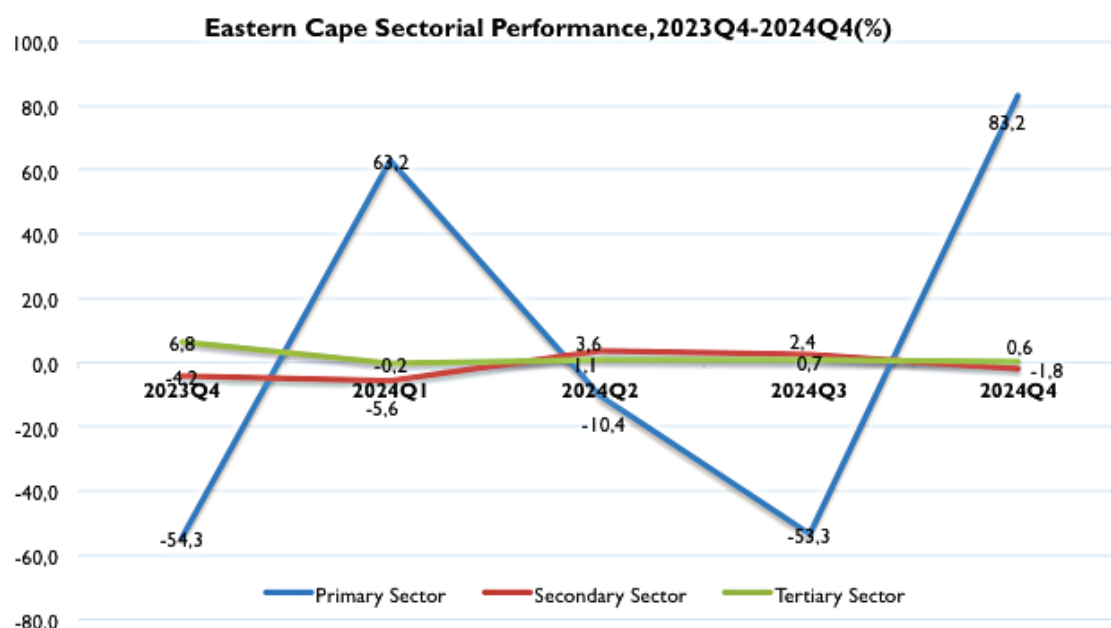


Source: Quantec EasyData and Own Calculation, 2025

## Eastern Cape Quarterly Performance

A detailed overview of sector performance in the Eastern Cape from 2023Q4 to 2024Q4 are displayed in figure 3. The primary sector demonstrated growth from -15.3% in 2024Q3 to 83.2% in 2024Q4 contributing positively to the provincial GDP growth in 2024Q4 and some of the tertiary sector industries. The following primary sector industries registered a significant growth: Agriculture, forestry and fisheries. Also, certain tertiary sector industries recorded growth such as Wholesale and retail trade and Finance, real estate and business services. All the secondary sector industries recorded a decline in GDP in 2024Q4.

Figure 3: Eastern Cape Sectorial Performance, 2023Q4–2024Q4(%)



Source: Quantec estimates

A comprehensive breakdown of industry performance in the Eastern Cape between 2024Q2 to 2024Q4 are shown in table 1 below. The data reveals that it is the primary sector and some of the tertiary sector industries that experienced growth in 2024Q4 such as Agriculture, forestry and fisheries, Wholesale and retail trade and Finance, real estate and business services.

The main contributors to the Eastern Cape economic growth in 2024Q4 were the agriculture, forestry and fisheries industry significantly improved by 18.3%, Wholesale and retail trade improved by 1.4% and Finance, real estate and business services Electricity increased by 0.7%.

Table 1: Eastern Cape Industry GVA Growth, 2024Q2-2024Q4 (Values in %)

Industries	Quarter-on-Quarter Change			Year-on-Year Change		
	2024Q2	2024Q3	2024Q4	2024Q2	2024Q3	2024Q4
Agriculture, forestry and fisheries	-2.9	-19.1	18.3	-12.3	-12.0	6.5
Mining and quarry	-0.7	0.8	-0.3	0.2	1.6	-1.4
Manufacturing	0.9	0.5	-0.3	-1.7	0.4	-0.1
Electricity and water	1.8	0.8	-2.0	3.5	4.1	0.0
Construction	0.2	0.7	-0.4	-7.6	-3.5	-2.3
Wholesale and retail trade	0.8	-0.6	1.4	-1.4	-1.8	2.3
Transport and communication	-3.0	-0.4	-0.9	0.1	-1.0	-4.9
Finance, real estate and business services	1.4	0.8	0.7	2.8	2.6	2.6
Community, social and other services	0.0	0.4	-0.4	1.5	1.1	-0.1
General government services	0.3	-0.1	-0.4	0.1	-0.5	-0.3

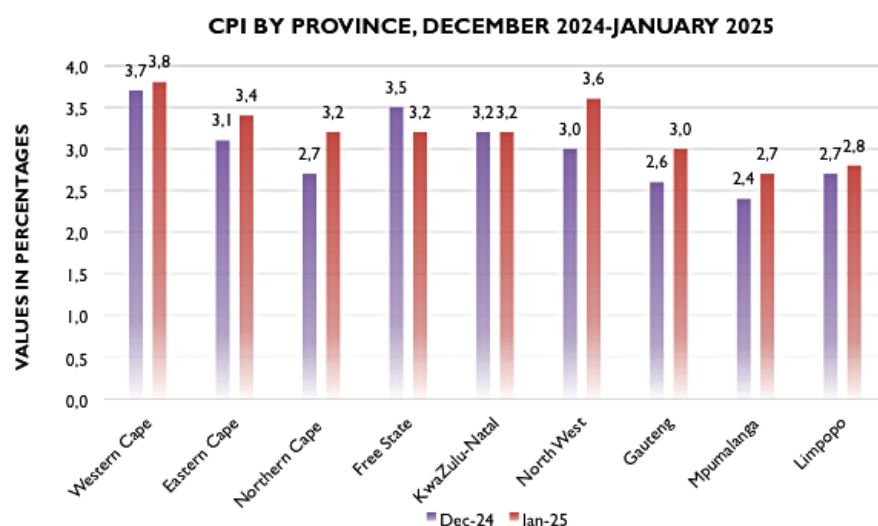
Source: Quantec estimates

## Consumer Price Index (CPI) Trends

The annual consumer price index (inflation) measures a basket of goods and services consumed by households at a certain point in time, with the target band for South Africa being set between 3% and 6% by the South African Reserve Bank (SARB). Global inflation indicates a start of a declining cycle and as a result, the various federal/reserve banks have started their cycle of cutting interest rates. South Africa is undergoing a slowdown pressure on inflation, which resulted in the SARB to keep the repo rate unchanged in the last seven meetings between 2023 and mid-2024. The trending up of repo rate phenomenon started in November 2021 with the repo rate accumulated by 4.75% since November 2021. As a result of continuous decline in inflation below mid-point, in September, November 2024 and January 2025, the Monetary Policy Committee (MPC) of the SARB's took a decision to cut interest rates by 25 basis points respectively demonstrates the beginning of the decreasing cycle in inflation and interest rates. However, as a result of uncertainty in the South African economy caused by new US government started a global trade war and direct attack to SA sovereignty, the SARB bank decided to keep the repo rate unchanged in their last MPC meeting on the 20 March 2025.

Annualised consumer price inflation was 3.2% in January 2025, slightly up from 3% recorded in December 2024. The main contributors to the 3.2% annual inflation rate were housing and utilities, food and non-alcoholic beverages and restaurants and accommodation services. Provincial annual inflation rates ranged from a 3.8% for Western Cape and to 2.7% in Mpumalanga. According to January 2025 CPI figures, three provinces in the country recorded a CPI value higher than that of national, as follows: Western Cape recorded the highest of 3.8%, tracked by North-West by 3.6% and Eastern Cape with 3.4%. Seven out of the nine provinces in South Africa experienced a slight increase in Consumer Price Index (CPI) followed the national trend (figure 4 below).

Figure 4: CPI by Province, December 2024-January 2025 (%)



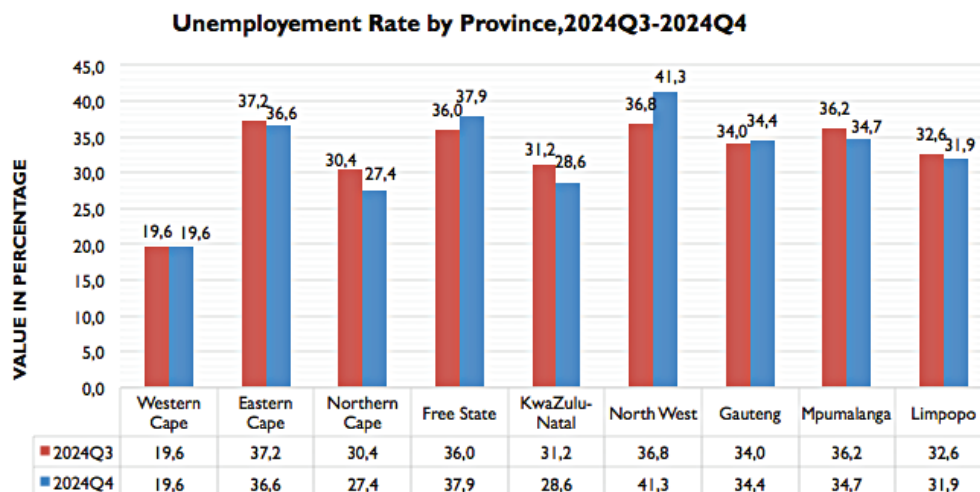
Source: Stats SA

## Quarterly Labour Force Developments

South Africa is struggling to grow the economy (need to grow by at least above 3%) to a level that can make a significant impact on unemployment as the GDP grew by only 0.6% in 2024Q4, also amongst others, the impact of relatively high interest rates although started to decrease interrupt the South African economy to produce meaningful employment opportunities.

In terms of the latest data from the Quarterly Labour Force Survey, the official unemployment rate in South Africa has slightly decreased by 0.2%pt from 32.1% in 2024Q3 to 31.9% in 2024Q4. The expanded unemployment rate which also counts job seekers who have given up on the search for employment remained unchanged at 41.9% in 2024Q4. The number of employed persons increased by 132 000 to 17.1 million in 2024Q4, while the number of unemployed persons decreased by 20 000 to 8.0 million compared with 2024Q3, resulting in an increase of 112 000 (up by 0.4%) in the labour force.

Figure 5: Unemployment Rate by Province, 2024Q3–2024Q4.



Source: Stats SA

The unemployment rate in the Eastern Cape declined to 36.6% in 2024Q4 based on the narrow definition, a decrease of 0.6%pt compared to 37.2% recorded in 2024Q3. Furthermore, based on the expanded definition, unemployment in the province increased to 47.6% in 2024Q4 from 47.4% in 2024Q3(StatsSA Quarterly Labour Force). This decline in unemployment can be attributable to an increase in the number of employed people across the province from 1 452 million in 2024Q3 to 1 455 million in 2024Q4, because of the improved economic conditions. Additionally, the number of unemployed persons declined from 861 thousand in 2024Q3 to 841 thousand in 2024Q4 with the decrease in unemployment rate being supported by a decrease in unemployment numbers. For the second time Eastern Cape Province is now number two in the country in terms of the high unemployment rate, overtaken by North-West which recorded the highest of 41.3% (shown in figure 5 above). The high unemployment rate in South Africa is an economic devastation and is worsened by among others the slow economic growth and relatively high interest rates although started to slightly decline which have negative effect on employment creation.

## Employment Trends in the Eastern Cape

The Eastern Cape Province is one of six provinces in South Africa that experienced an increase in employment in 2024Q4, with 4 000 jobs being recorded in the province. The following sectors recorded new jobs in the province, namely, Private households registered the highest job improvement of 20 000, trailed by Trade with 17 000, trailed by Finance with 16 000 and Transport registered 7 000. The sectors in the province that registered a decrease in employment were as follows: Agriculture recorded the highest job losses of -34 000 in 2024Q4, tracked by Community services with -18 000, Utilities with -3 000, Manufacturing and Construction with a tie of -1 000 job losses (see table 2 below).

Table 2: Employment Trends by Industries in the Eastern Cape, 2023Q4 – 2024Q4 (narrow definition)

	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	Quarter-on-Quarter Change
Values in thousands						
Agriculture	96	99	113	124	90	-34
Mining	3	3	2	1	1	0
Manufacturing	105	92	118	140	139	-1
Utilities	4	4	6	12	9	-3
Construction	127	105	108	127	126	-1
Trade	284	291	256	278	295	17
Transport	84	94	97	94	101	7
Finance	178	209	190	169	185	16
Community services	372	370	384	415	397	-18
Private households	94	76	94	91	113	20

Sources: Stats SA





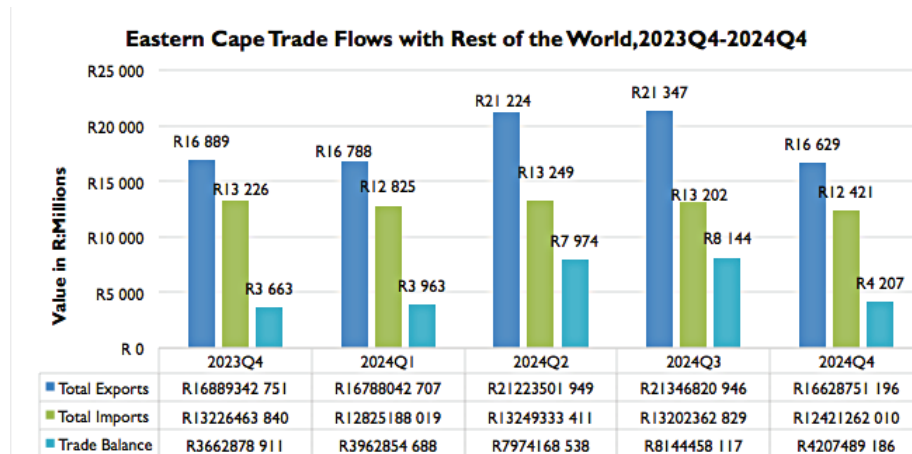
# Eastern Cape International Trade Developments

# Eastern Cape International Trade Developments

South Africa international trade manifest an improvement, exports improved from R515.5 billion in the third quarter of 2024 to R520.6 billion in the fourth quarter of 2024. Furthermore, the country recorded an improved trade surplus in the balance of trade from R41.6 billion registered in 2024Q3 to R64.8 billion in 2024Q4. Contrary, the Eastern Cape exports of commodities to the rest of the world showed a decline from R21.3 billion in 2024Q3 down to R16.6 billion recorded in 2024Q4, a 22% deterioration.

The Eastern Cape trade flows with the rest of the world between 2023Q4 and 2024Q4 is illustrated in figure 6 below. In the fourth quarter of 2023, the Eastern Cape recorded a trade surplus of R3.7 billion and slightly increased to R4.2 billion registered in the fourth quarter of 2024. The Eastern Cape recorded a total of R16.9 billion worth of exports in 2023Q4 and R16.6 billion in 2024Q4 with a fluctuating pattern over the period under review. Likewise, the province registered R13.2 billion worth of import commodities in 2023Q4 and R12.4 billion in 2024Q4 with a fluctuating trend over the period under review.

Figure 6: Eastern Cape Trade Flows with the World, 2023Q4-2024Q4 (Values in R-millions)



Source: Quantec and own calculations

The Exports and Imports value by sector in the Eastern Cape between the period 2024Q3 and 2024Q4 are shown in table 3. The manufacturing sector exports registered a decline of 14% in 2024Q4, recorded R14.5 billion. Tailed by agriculture, forestry and fisheries exports deteriorated by 52% to reach R2.1 billion in 2024Q4. Lastly the mining and quarry sectors improved by 59% to R15.7 million in 2024Q4.

Table 3: Value of Exports and Imports by Sector, 2024Q3-2024Q4 (Value in R-million)

Sector	Value of Exports		Value of Imports		Trade balance
	2024Q3	2024Q4	2024Q3	2024Q4	2024Q4
Agriculture, forestry & fisheries	R4 374.9	R2 064.7	R210.9	R154.01	R1 910.6
Mining and quarry	R9.9	R15.7	R16.4	R222.7	-R7.0
Manufacturing	R16 962.0	R14 548.4	R12 975.1	R12 244.5	R2 303.9

Source: Quantec and own calculations

## Destination Markets for Eastern Cape Exports and Imports

The Eastern Cape trade flows with various regions in the global economy are revealed in table 4. The Eastern Cape exports to all the regions have deteriorated as follows in 2024Q4,( except Antarctica) : Exports to Europe decreased by -27.1% registering R11.0 billion with a biggest market share of 66.6%, lagged by Asia recorded -11.3% decrease amounting to R2.4 billion with a market share of 14.5%, Africa deteriorated by -3.5% recording R2.2 billion with a market share of 13.3%,Americas registering -10.9% decline recording R868.4 million with a market share of 5.2% and Oceania registering -79.8% decline posting a least value of R46.5 million with a market share of 0.3% over the period under review



On the imports side to the Eastern Cape, all the regions experienced an increase in import commodities (except Europe and Americas) as the following: Asia recorded a 23.5% improvement reaching a level of R5.0 billion with a second biggest market share of 42.0%, followed by Africa recorded an increase of 11.6% amounting to R1.1 billion with a market share of 0.9% and Oceania recorded an increase of 44.6% amounting to R77.8 million with the least market share of 0.6%. The Eastern Cape Province was a net exporter of commodities to the world regions in the period under review, except with Asia, Americas and Oceania, with a trade surplus of R5.9 billion with Europe, followed by Africa with R1.1 billion and Antarctica recorded the smallest of R785 thousand. The province recorded a trade deficit of R2.6 billion with Asia, R232.3 million with Americas and Antarctica of R31.3 million in the period under review.

Table 4: Eastern Cape Exports and Imports Share Per Region and Trade Balance, 2024Q3-2024Q4.

EXPORTS					IMPORTS				Trade bal.
Regions	2024Q3	2024Q4	Growth	Market Share 2024Q4	2024Q3	2024Q4	Growth	Market Share 2024Q4	2024Q4
	Values in R-million		%	%	Values in R-million		%	%	Values: R-million
AFRICA	R2 288.6	R2 207.8	-3.5	13.3	R984.5	R1 098.9	11.6	0.9	R1 108.9
AMERICAS	R975.2	R868.4	-10.9	5.2	R1 595.7	R1 100.7	-31.0	8.9	-R232.3
ASIA	R2 704.7	R2 400.2	-11.3	14.5	R4 020.9	R4 968.2	23.5	40.2	-R2 568.0
EUROPE	R15 140.6	R11 033.2	-27.1	66.6	R6 462.4	R5 116.2	-20.8	41.4	R5 917.0
OCEANIA	R229.7	R46.5	-79.8	0.3	R53.8	R77.8	44.6	0.6	-R31.3
ANTARCTICA	R0	R785thou.	100.0	0.0	R0	R0	0.0	0.0	R785 thou.

Source: Quantec and own calculations

## Eastern Cape Exports and Imports Commodities by Product to the World

Table 5 tabulates the Eastern Cape exports and imports with the rest of the world and the share contribution between 2024Q3 and 2024Q4. The analysis of the provincial export commodities in 2024Q4 displayed that the demand and value of motor vehicles declined from R12.8 billion in 2024Q3 to R10.6 billion in 2024Q4 and accounted for 71.3% of the Eastern Cape's total value of exports to the rest of the world in 2024Q4. Similarly, motor vehicle imports declined from R4.8 billion in 2024Q3 to R3.8 billion in 2024Q4, with a market share of 37.5% of the total imports from the rest of the world. Trailed by exports of Wool, fine or coarse animal hair registered R784.0 million in 2024Q3 and increased to R1.7 billion in 2024Q4 with a market share of 11.7%, tracked by Nuclear reactors, boilers declined to R440.8 million in 2024Q4(3% market share) and Edible fruit and nuts; peel of citrus improving to R415.6 million with 2.8% market share.

On the imports side, Electrical machinery & equipment was the second most imported commodity from the rest of the world, improving from R1.5 billion in 2024Q3 to R2.3 billion in 2024Q4 with a market share of 22.6 percent.

Table 5: Top 10 Exports and Import of Eastern Cape with World and Share, 2024Q3-2024Q4.

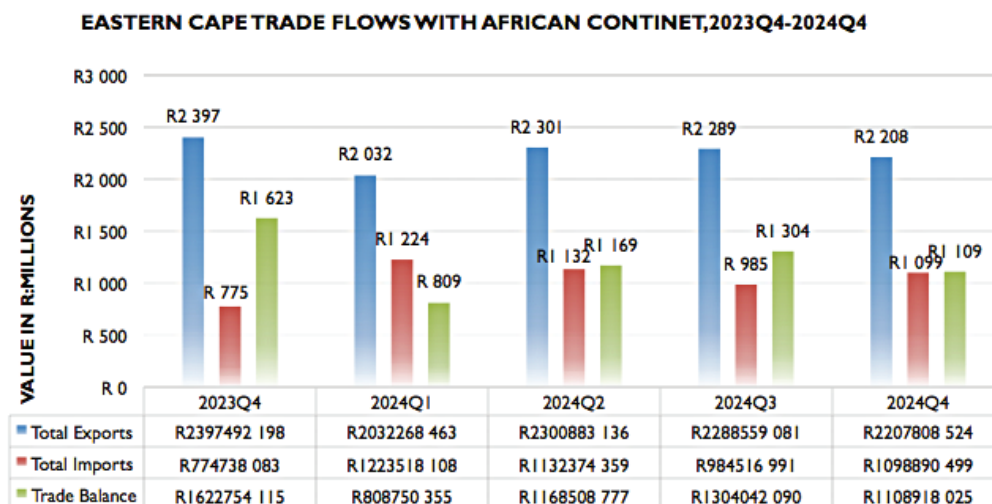
Exports	2024Q3	2024Q4	Share	Imports	2024Q3	2024Q4	Share
Products	Values in R-million		%	Products	Values in R-million		%
1.Motor Vehicles.	R12 784.0	R10 554.1	71.3	1.Motor Vehicles	R4 835.6	R3 767.7	37.5
2.Wool, fine or coarse animal hair.	R784.0	R1 734.7	11.7	2.Electrical machinery & equipment.	R1 493.1	R2 276.7	22.6
3.Nuclear reactors, boilers.	R454.9	R440.8	3.0	3.Nuclear reactors, boilers	R1 165.3	R1 535.7	15.3
4.Edible fruit and nuts; peel of citrus.	R3 765.3	R415.6	2.8	4.Rubber and articles thereof	R698.3	R621.2	6.2
5.Preparations of vegetables, fruit, nuts	R374.5	R359.4	2.4	5.Plastics and articles thereof	R627.3	R470.8	4.7
6.Rubber and articles thereof.	R490.3	R329.9	2.2	6.Meat and edible meat offal	R306.9	R374.0	3.7
7.Fish and crustaceans, molluscs & etc.	R137.9	R273.1	1.8	7.Articles of iron or steel.	R315.1	R314.8	3.1
8.Railway or tramway locomotives.	R292.3	R248.3	1.7	8.Wool, fine or coarse animal hair.	R121.2	R291.3	2.9
9.Electrical machinery and equipment	R216.5	R246.2	1.7	9.Inorganic chemicals; organic etc.	R275.5	R201.4	2.0
10.Iron and steel	R193.7	R203.8	1.4	10.Optical, photographic and etc.	R272.4	R200.5	2.0

Source: Quantec and own calculations

## Eastern Cape African Continent Trade Developments

The Exports and Imports of the Eastern Cape with the African continent between 2023Q4 and 2024Q4 are showed in figure 7. The Eastern Cape Province was a net exporter of commodities to the African continent in the period under study. The province recorded a trade surplus of R1.6 billion in 2023Q4, fluctuating to R1.1 billion in 2024Q4. The Eastern Cape commodity exports fluctuated from R2.4 billion in 2023Q4 to R2.2 billion in 2024Q4. Similarly, the import commodities fluctuated from R774.7 million in 2023Q4 to R1.1 billion in 2024Q4.

Figure 7: Eastern Cape Trade Flows with African Continent, 2023Q3-2024Q3.



Source: Quantec and own calculations

Table 6 illustrate the exports and imports (by product) of the Eastern Cape with the African continent and share contribution between 2024Q3 and 2024Q4. The analysis of the provincial export commodities in 2024Q4 showed that the value of motor vehicles declined from R906.8 million in 2024Q3 to R746.0 million in 2024Q4 and accounted for 43.1% of the Eastern Cape's total exports value to the African continent in the period under review. Followed by Iron and steel improved to R198.9 million with a market share of 11.5%, trailed by Electrical machinery and equipment declined to R175.3 million (9.8% market share), Rubber and articles thereof declined to R161.6 million with a market share of 9.3%.

On the import side, Electrical machinery and equipment declined from R565.5 million in 2024Q3 to R541.8 million in 2024Q4, with a market share of 50.9% of the total imports value from the African continent. Trailed by Wool, fine or animal hair in the second place recorded a total of R94.3 million in 2024Q3, improved to R283.3 million recorded in 2024Q4 with a market share 26.6 percent.

Table 6: Top 10 Exports and Import of Eastern Cape with Africa and Share, 2024Q3-2024Q4.

Exports			Imports		
	2024Q3	2024Q4		2024Q3	2024Q4
Products	Values in R-million	%	Products	Values in R-million	%
1.Motor Vehicles	R906.8	43.1	1.Electrical machinery and equipment	R565.5	50.9
2.Iron and steel	R183.3	11.5	2.Wool, fine or animal hair	R94.3	26.6
3.Electrical machinery and equipment	R174.2	9.3	3.Other made-up textile articles.	R181.5	13.5
4.Rubber and articles thereof	R157.2	9.0	4.Articles of apparel and clothing.	R40.4	3.9
5.Nuclear reactors, boilers.	R130.1	7.4	5.Plastics and articles thereof	R28.0	1.6
6.Plastics and articles thereof.	R106.4	6.4	6.Edible vegetables and certain roots	R6.3	0.8
7.Other made-up textile articles.	R81.8	5.2	7.Live animals	R20.2	0.8
8.Live animals	R14.7	3.4	8.Salt; sulphur; earths and stone.	R4.5	0.7
9.Dairy produce	R32.7	2.5	9.Rubber and articles thereof	R12.8	0.7
10.Man-made staple fibres	R30.2	2.1	10.Nuclear reactors, boilers.	R3.7	0.5

Source: Quantec and own calculations

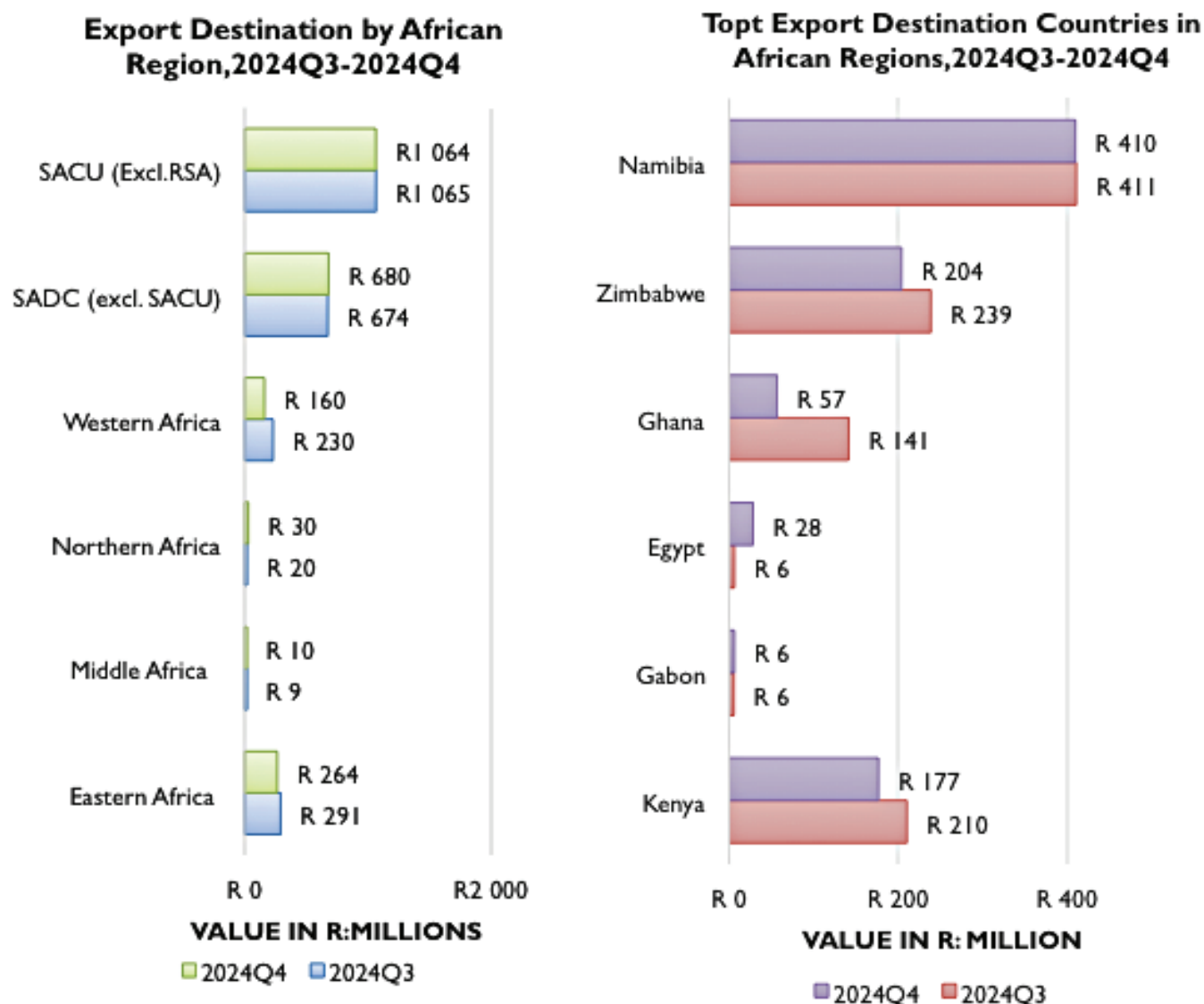


## Eastern Cape Exports by Destination African Region and by Country

The Eastern Cape's destination markets within African regions and its top countries for the period covering 2024Q3 to 2024Q4 are exhibited in figure 8. In the fourth quarter of 2024, the Eastern Cape's exports to three African regions declined as follows, except SADC, Northern Africa and Middle Africa. The exports to SACU decreased to R1.1 billion, trailed by Eastern Africa registered R263.8 million and Western Africa recorded R159.7 million. Whereas exports from the province to SADC, Northern Africa and Middle Africa experienced an improvement during the period under review.

In terms of top countries that absorbed the Eastern Cape exports in each of the African regions in 2024Q4, all the countries registered a decline as follows, except Gabon and Egypt: Namibia, was a top country from SACU region taking the lions share and absorbed approximately R409.5 million worth of the Eastern Cape exports of merchandise, trailed Zimbabwe from SADC region absorbed a total of R204.0 million, followed by Kenya from Eastern Africa region absorbed around R176.5 million and the least exports absorbed by Ghana from Western Africa totaling to R56.7 million.

Figure 8: Eastern Cape Destination Markets in African Regions and Top Countries, 2024Q3-2024Q4.



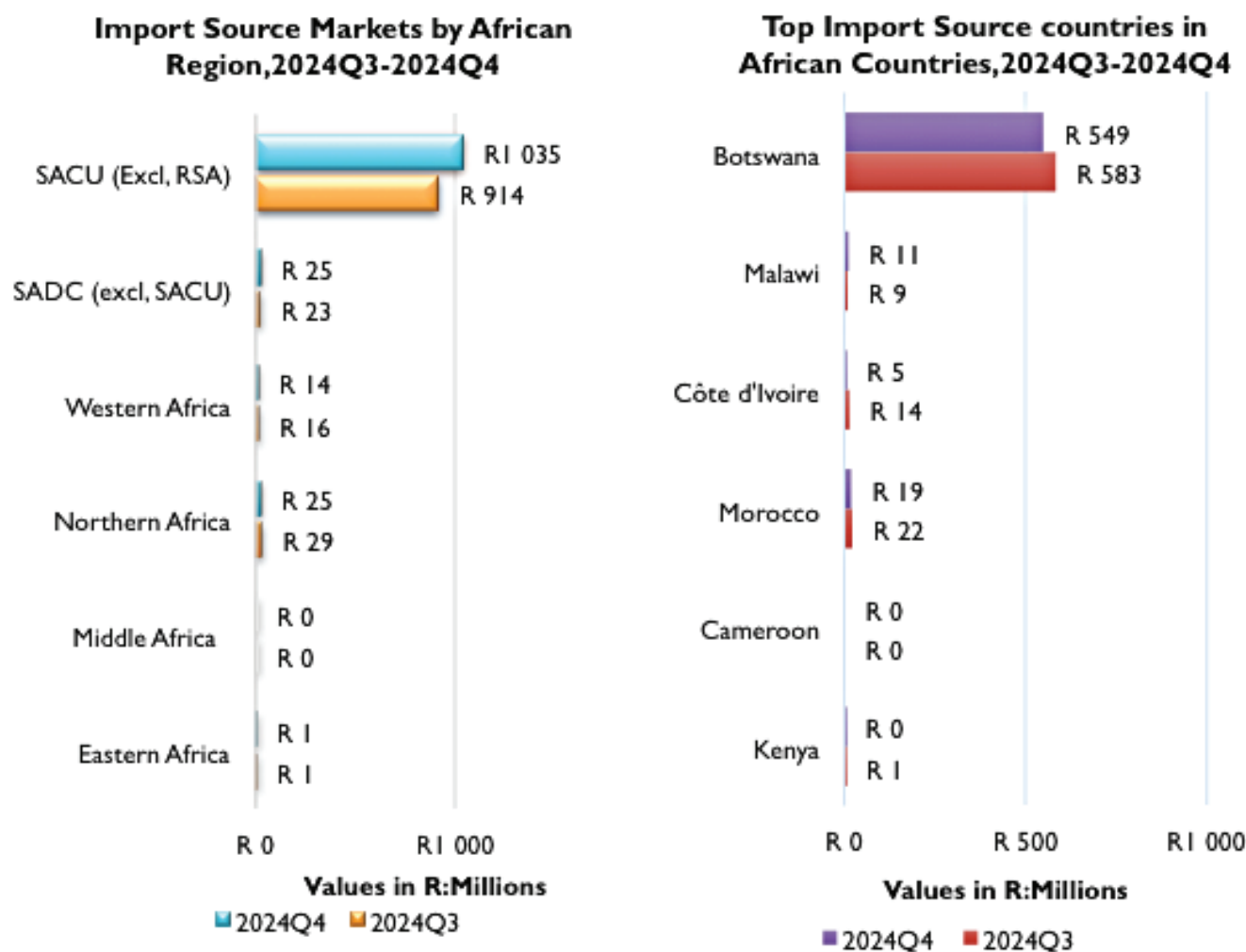
Source: Quantec and own calculations

## Eastern Cape Imports by African Region and by Country

The Eastern Cape Source Markets in African Regions and top countries between 2024Q3 and 2024Q4 are shown in figure 9. The source markets for imports into the Eastern Cape displayed that all regions experienced an improvement, except Northern Africa, Eastern Africa and Western Africa, as follows: Most imports were from the SACU region which recorded R1.0 billion in 2024Q4, trailed by SADC with R24.6 million and Middle Africa which registered R204 hundred.

All the top countries that the Eastern Cape sourced its imports from in 2024Q4 experienced a decline, except Malawi and Cameroon. The top countries in each of the African regions are as follows: Botswana was the top country from SACU region recorded R548.9 million worth of imports to the Eastern Cape deteriorated from R583.5 million recorded in 2024Q3, followed by Morocco from Northern Africa with imports amounting to R18.9 million, Côte d'Ivoire from Western Africa recorded R5.3 million and Kenya from Eastern Africa recorded R441 thousand.

Figure 9: Eastern Cape Source Markets in African Regions and Top Countries, 2024Q3-2024Q4.



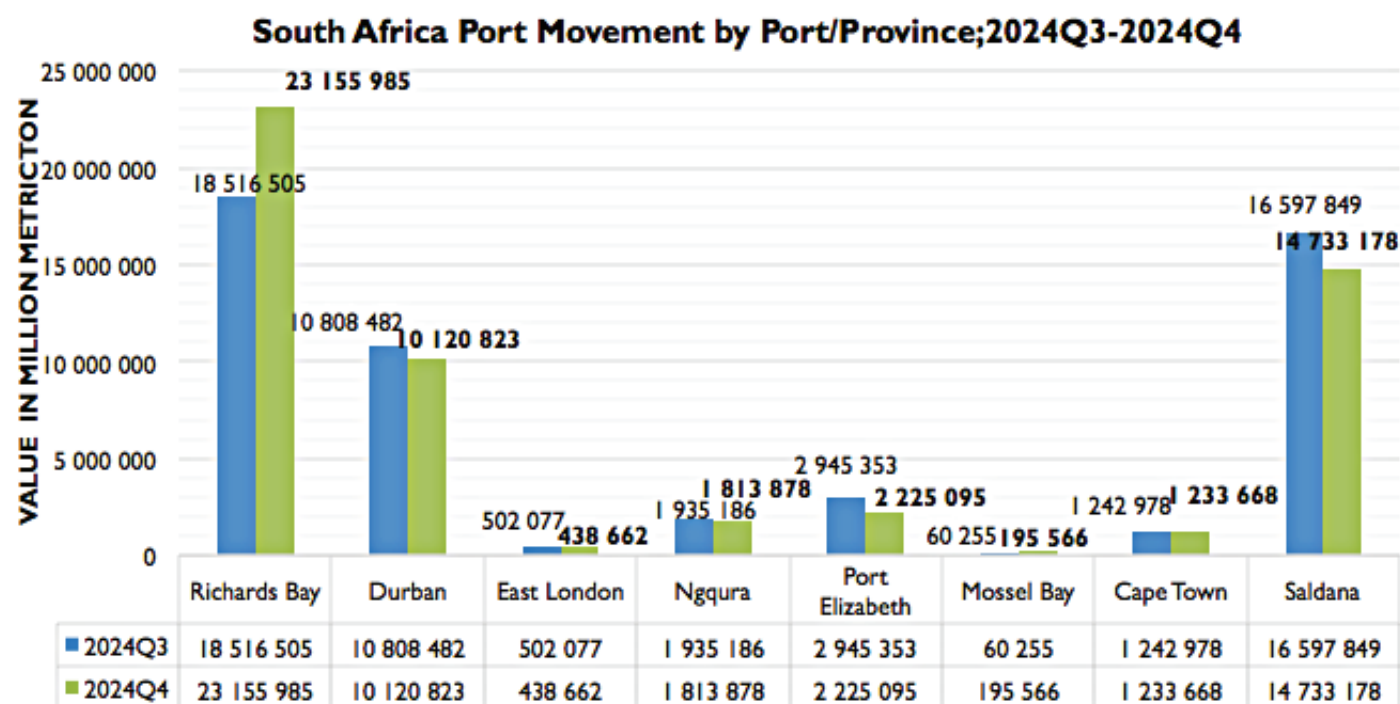
Source: Quantec and own calculations

## National Port Movements

Driven by a combination of international factors and domestic factors, including among others an improvement in economic growth in 2024Q4 although still very low at 0.6%, six out of eight ports in South Africa handled a declined cargo volumes in the fourth quarter of 2024 when compared to the third quarter of 2024. However, the total cargo handled by all ports improved from 52.1 million metric tons in the third quarter of 2024 up to 53.9 million metric tons in the fourth quarter of 2024.

Cargo handled in KwaZulu-Natal ports recorded an improvement of approximately 33.3 million metric tons in 2024Q from 29.3 million metric tons recorded in 2024Q3 and accounted for the largest share of 61.7% regaining back its biggest market share (it was 55.7% in 2024Q3) after improving a cargo handling backlog. The Western Cape is the second biggest cargo handling province in South Africa with a decline to 16.2 million metric tons of cargo handled in 2024Q4, with a market share of 30% and the Eastern Cape handled approximately 4.5 million metric tons of cargo a decrease from previous quarter accounting for 8.3% market share. All the Eastern Cape ports experienced a decline in cargo handling when compared to other ports in other provinces, as shown in figure 10.

Figure 10: South Africa Port Movements by Port/Province, 2024Q3-2024Q4 (Values in million metric tons)



Source: Transnet Port Authority and own calculations



# Foreign Direct Investment Trends



# Foreign Direct Investment Trends

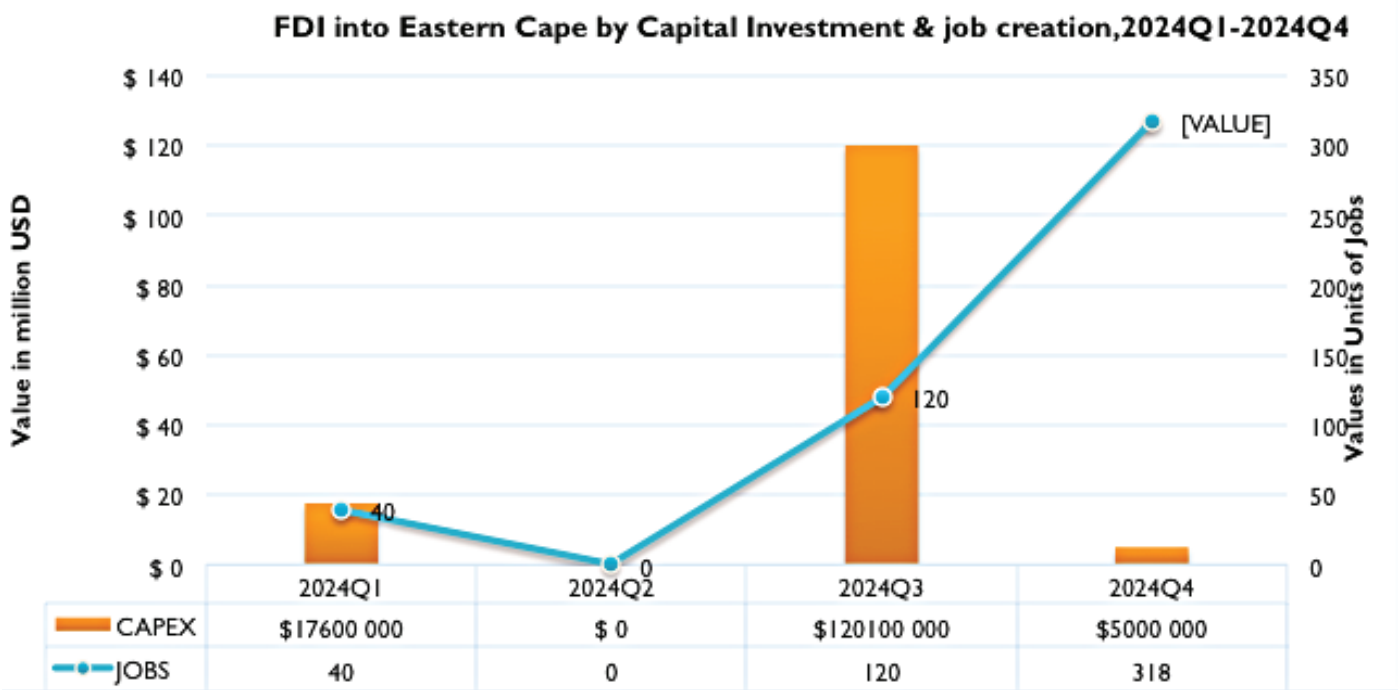
Global foreign direct investment (FDI) flows reached an estimated US\$1.4 trillion in 2024, an apparent increase of 11%. However, excluding financial flows through European conduit economies they were down about 8 percent.

Transactions by multinational enterprises (MNEs) in conduit economies continue to affect FDI flows in developed countries. Excluding conduit economies, FDI in Europe fell by 45%, in the European Union, flows declined in 18 of the 27 member States. The largest economies and FDI recipients all experienced lower inflows, with Germany and Poland down 60%, Italy 35%, and Spain and France 13% and 6%, respectively. In contrast, FDI rose 13% in North America, with a 10% increase in the United States caused mostly by higher mergers and acquisitions values.

FDI in developing countries fell for a second year (-2%), with declines in Central and West Asia and South America. FDI flows to developing Asia by far the largest recipient region were 7% lower. Among major Asian FDI host economies, FDI in China fell for a second year, by 29%; FDI flows to China are now about 40% lower than at their peak in 2022. FDI flows increased marginally in ASEAN (+2%) to a new record of an estimated US\$235 billion. FDI inflows to Africa surged, increasing by 84% to an estimated US\$94 billion, the highest value ever recorded. The increase was largely driven by a single international project finance deal in Egypt for the development of the Ras El-Hekma peninsula by ADQ, a UAE-based sovereign investment fund. Net of the increase in Egypt, FDI flows to Africa were still up 23%, but they remained modest at about US\$50 billion. In Latin America and the Caribbean, FDI flows decreased by 9%, in part due to lower energy prices in 2024. In Brazil, the region's largest recipient, FDI fell by 5%. However, several countries in the South America, including Brazil, Argentina and Colombia recorded a rise in the number and value of greenfield project announcements, bucking the global trend and potentially signalling higher inflows ahead. In Central America, FDI flows increased (inflows to Mexico grew by 11%) but with generally weaker project announcements.

According to data from The Financial Times, a total of US\$3,841.60 billion Foreign Direct Investments were attracted by South Africa as a country from 139 number of projects and a total of approximately 18 472 job opportunities were created around the country in the period between 2024Q1 and 2024Q4

Figure 11: Inflows into Eastern Cape by Capital Investment and Job Creation, 2024Q1–2024Q4.



Source: FDI Intelligence Market

A total of US\$ 142.70 million Foreign Direct Investments in the period between 2024Q1 and 2024Q4 were attracted by the Eastern Cape Province and a total of approximately 478 job opportunities were created into the provincial economy. The biggest capital investment of US\$ 120.10 million was attracted by the province in 2024Q3 and created approximately 120 total job opportunities into the provincial economy. The second largest capital investment was recorded in 2024Q1 to the tune of US\$ 17.60 million with the second highest 40 jobs opportunities created. The least capital investment was registered in 2024Q4 to the tune of US\$ 5.00 million with the highest 318 jobs opportunities created. In 2024Q2 the Eastern Cape Province attracted zero foreign direct investments (see figure 11 above and table 7 below).

Table 7: FDI Inflows into Eastern Cape by Quarter, 2024Q1– 2024Q4

FDI Inflows into Eastern Cape by quarter, 2024Q1 – 2024Q4					
Month	Number of projects	Jobs created		Capital investment	
		Total	Average	Total (USD million)	Average (USD million)
2024Q4	1	318	318	5.00	5.00
2024Q3	1	120	120	120.10	120.10
2024Q2	0	0	0	0.0	0.0
2024Q1	2	40	20	17.6	8.80
<b>Total</b>	<b>4</b>	<b>478</b>	<b>119</b>	<b>142.70</b>	<b>35.68</b>

Source: FDI Intelligence Market

The number of Foreign Direct Investment into the Eastern Cape by quarters, project number, jobs created and capital investments between the 2024Q1 and 2024Q4 are shown in table 7 above.

Table 8: FDI Inflows into Eastern Cape by Source Country, 2024Q1 – 2024Q4

FDI Inflows into Eastern Cape by Source Country, 2024Q1–2024Q4						
Source country	No of projects	No of companies	Jobs Created		Capital investment	
			Total	Average	Total (USD million)	Average (USD million)
Germany	2	1	40	20	17.60	8.80
Argentina	1	1	120	120	120.10	120.10
United Kingdom	1	1	318	318	5.00	5.00
<b>Total</b>	<b>4</b>	<b>3</b>	<b>478</b>	<b>119</b>	<b>142.70</b>	<b>35.68</b>

Source: FDI Intelligence Market

The Eastern Cape Foreign Direct Investment trends from the world by source country between 2024Q1 and 2024Q4 are shown in table 8. Out of a total of three countries, Germany accounted for 50% of number of projects tracked. On the other hand, Argentina was the top source country accounting for about 84% of total capital investment amounting to US\$120.10 million and the highest total number of 120 job opportunities created. Germany had the second highest capital investment of US\$ 17.60 million and created the second highest number of 40 total job opportunities into province. Lastly, United Kingdom recorded the least capital investment of US\$ 5.00 million and created the highest number of 318 total job opportunities into provincial economy.

Table 9: FDI Inflows to Eastern Cape by Region, 2024Q1–2024Q4

FDI Inflows to Eastern Cape by Region, 2024Q1–2024Q4						
Destination Region	No of projects	No of companies	Jobs Created		Capital investment	
			Total	Average	Total (USD million)	Average (USD million)
Buffalo City Metro	1	1	20	20	8.80	8.80
Nelson Mandela Metro	3	2	458	152	133.90	44.63
<b>Total</b>	<b>4</b>	<b>3</b>	<b>478</b>	<b>119</b>	<b>142.70</b>	<b>35.68</b>

Source: FDI Intelligence Market

The Eastern Cape Foreign Direct Investment from the world by destination region/metro between 2024Q1 and 2024Q4 are revealed in table 9 above. Nelson Mandela Metro was the top destination region, accounting for 75% of the number of projects tracked. Furthermore, Nelson Mandela Metro has received the largest capital investment amounting to US\$ 133.90 million and the highest number of 458 jobs from three investments namely:

- San Miguel Global, investing in the Food & Beverages sector in a Manufacturing project with an amount of US\$ 120.10 million and created 120 job opportunities in 2024Q3,
- Rhenus South Africa, in the Transportation & Warehousing sector amounting to US\$ 8.80 which created 20 number of job opportunities in the NMB metro during the 2024Q1 and,
- Interact Contact Centres, in the Business services sector totalling to US\$ 5.00 which created 318 number of job opportunities in the NMB metro during the 2024Q4.

Lastly, though significantly lower than Nelson Mandela Metro, Buffalo City Metro has received the second largest capital investment amounting to US\$ 8.80 million and the second highest number of 20 jobs opportunities from one investment namely: Rhenus South Africa, in the Transportation & Warehousing sector amounting to US\$ 8.80 which created 20 number of job opportunities in the BCM metro during the 2024Q1

## Conclusion

In the global perspective GDP in the Organisation for Economic Co-operation and Development (OECD) community rose by 0.3% in the fourth quarter of 2024, slightly down from 0.5% in the previous quarter, according to provisional estimates. Quarterly OECD GDP growth rates have remained relatively stable over the past two years. The overall GDP growth rate also slowed for G7 in Q4 2024, from 0.5% to 0.4%, reflecting a mixed picture among G7 countries. Initial annual estimates indicate that OECD GDP growth slowed slightly to 1.7% in 2024, compared with 1.8% in 2023. Among the 28 OECD countries for which data is available, five recorded a GDP contraction in 2024. Global growth faces a gloomy future as the US new government declared a global trade war and this imposes threat to the global GDP growth.

The developments nationally demonstrated that South Africa recorded a GDP growth of 0.6%, from a growth of -0.1% recorded in 2024Q3. The improvements were driven by among others the cease of loadshedding, positive business confidence in all sectors related to prevailing business conditions, and the implementation by the government of various supply-side structural reforms expected to address constraints on economic growth and stimulate investment. The GDP growth forecast for 2025, 2026 and 2027 is at 1.4%, 1.8% and 2.0%, respectively according to SARB. The country faces uncertainty emanating from sour relation with Trump administration, US already cut USAID funding and the AGOA is also highly probable be next and these developments threaten growth outlook. South Africa needs to make proactive efforts to enforce current or creative new ties with other countries more especially those that are under BRICS to minimize the impact of possible losing US market. The country needs the economic growth rate to be more than 3% per year to have a significant impact in addressing triple challenges (Poverty, unemployment and inequality).

On the provincial side, the Eastern Cape ranked last (ninth position) among provinces that recorded an increase in GDP growth of 0.3% (an increase from -0.1% recorded in 2024Q3). The GDP growth in the Eastern Cape was mainly driven by primary sector (Agriculture, forestry and fisheries 83.2%) and tertiary (Wholesale and retail trade and Finance, real estate and business services) recorded an improved GDP growth. The US possibility of cutting South Africa out of AGOA will have devastating impact in the province more especially in the automotive industry which is the powerhouse of the provincial GDP. To minimize the impact, the province needs to explore alternative markets such as UAE which is part of BRICS for the luxury cars that were absorbed by US market and make use of the new opportunities presented by the African Continental Free Trade Area (AfCFTA) to increase market share in the African continent.

The province for the second time is number two in the country in terms of the high unemployment rate, overtaken by North-West which recorded the highest of 41.3%. The high unemployment rate in South Africa is an economic devastation and is worsened by among others the slow economic growth and relatively high interest rates although started to slightly decline which have negative effect on employment creation. Intentional reforms need to be taken by the province to grow the economy in order to address the high unemployment phenomenon.