CITY OF CAPE TOWN

STATEMENT BY THE CITY’S EXECUTIVE MAYOR, PATRICIA DE LILLE

Cape Town, best performing metro, continues to lower unemployment and keeps Moody’s credit rating

Today, I am pleased to reflect on the city’s encouraging economic results where 89 000 more Cape Town residents were employed in the fourth quarter of 2017 than during the same period in 2016. In addition, Cape Town has the lowest official unemployment rate, at 21.7%, of all the metros in South Africa.

Cape Town’s growing employment is a testament to the City’s efforts to create an enabling environment for businesses to invest and to create new jobs.

The recent Quarterly Labour Force Survey 2017 for the fourth quarter, from 1 October to 31 December 2017, shows that Cape Town’s strict unemployment rate is far below the national strict unemployment rate of 26.7%.

Cape Town’s job creation efforts continue to yield positive results as our unemployment rate is lower than all the other major cities including: eThekwini (21.9%), Tshwane (26.9%), Johannesburg (28.2%), Ekurhuleni (33.6%) and Nelson Mandela Bay (36.9%).

Cape Town’s strict unemployment rate decreased by 1.5 percentage points from the previous quarter and decreased by 2.2 percentage points on a year-on-year basis.

The city has the lowest expanded rate of all major cities. Cape Town’s expanded rate of unemployment (23.5%) is far below the national expanded rate (36.3%).

Statistics South Africa’s figures show that the number of unemployed people in Cape Town has decreased on a quarter-on-quarter basis by 30 235.

At present, 1 285 791 Capetonians are employed in the formal sector while 170 089 are employed in the informal sector. Encouragingly, this is the sixth consecutive quarter that the employment level in the city has increased.

We will continue working hard on our efforts to bring more investment and create more jobs in Cape Town so that we can address poverty and unemployment and put a greater dent into the number of people who are still without work.

I am also pleased to report on our City’s economic development efforts which have achieved a number of important milestones. During the last three months of 2017, the City’s funding to Wesgro and industry bodies such as the Business Process Enabling South Africa (BPeSA) and GreenCape facilitated R1.3 billion in investments. These investments created 1370 jobs in the business process outsourcing, ICT, manufacturing and renewable energy sectors.

The City’s Enterprise and Investment Department works closely with Wesgro, BPeSA Western Cape and Green Cape to promote trade and grow a more inclusive economy.

It is important to note that the City of Cape Town works with the private sector and investors to grow our economy. It is not only government’s role to create jobs but we have a keen understanding that we must create the conditions conducive to economic growth and support those sectors which are showing the most growth. We must ensure that all of our
residents have equal access to opportunities. By working together, we can redress the imbalances of our past.

Finally, in more good news, Moody’s kept the City of Cape Town’s good global and national scale credit ratings at Baa3/Prime-3 and Aaa.za/Prime-1.za, respectively. The credit rating agency commended the City’s ‘stable financial performance,’ which is supported by a large diversified economic base.

The agency did note that the City’s global scale rating is currently on review for a possible downgrade due to the national sovereign rating also being on review.

Despite challenges, with these results Cape Town has shown that we are a resilient city, and that we are committed to good governance and creating opportunities for all.

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