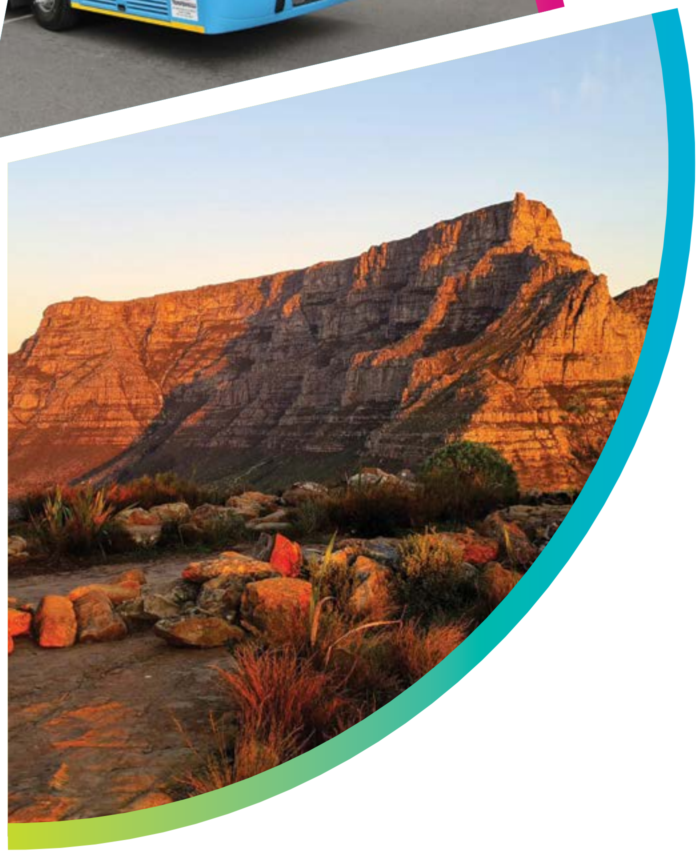
2025: Q2
(April–June)



EPIC

Economic Performance Indicators for Cape Town

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Acknowledgements

The EPIC publication is a collaboration between the Economic Development and Investment, and Policy and Strategy departments of the City of Cape Town. It presents a quarterly analysis of economic and related trends in Cape Town. This edition focuses on the second quarter of 2025, covering the period from 1 April to 30 June.

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Foreword

While Cape Town's economy experienced a few minor bumps during this quarter (not unlike the country or, in fact, economies across the globe), the city continues to show remarkable resilience and momentum, with growth visible across sectors, trade and investment. Our city has proven itself to be a global destination and a continental hub, where innovation, entrepreneurship and opportunity converge. From thriving small businesses to major international investments, Cape Town is steadily building an economy that is inclusive, competitive and future-focused.

For me, it has been a real honour to engage with country representatives, diplomats and business leaders, sitting down with them to make the case for companies and investors to partner with Cape Town's diverse enterprises. These interactions are invaluable in ensuring that our businesses gain access to global opportunities and that Cape Town remains firmly on the international stage.

At the same time, Cape Town's growth is closely linked to that of Africa. The African Continental Free Trade Area (AfCFTA) presents a powerful opportunity to unlock shared prosperity across the continent. To fully realise this potential, reforms are needed, with a particular focus on reducing barriers, expanding markets and driving stronger connections between Cape Town and the rest of the continent.

Here in Cape Town, we are building the enabling environment that makes these opportunities tangible for our people. The City's 2025/26 Budget for Economic Growth is a deliberate investment in hope and action. By expanding air and sea access, we are forging stronger connections between Cape Town and African and global markets. By supporting small businesses and informal traders, we are empowering Capetonians to participate meaningfully in the new economy. By investing in skills development, enterprise hubs and catalytic infrastructure, we are ensuring that our city's people are prepared for the jobs of tomorrow.

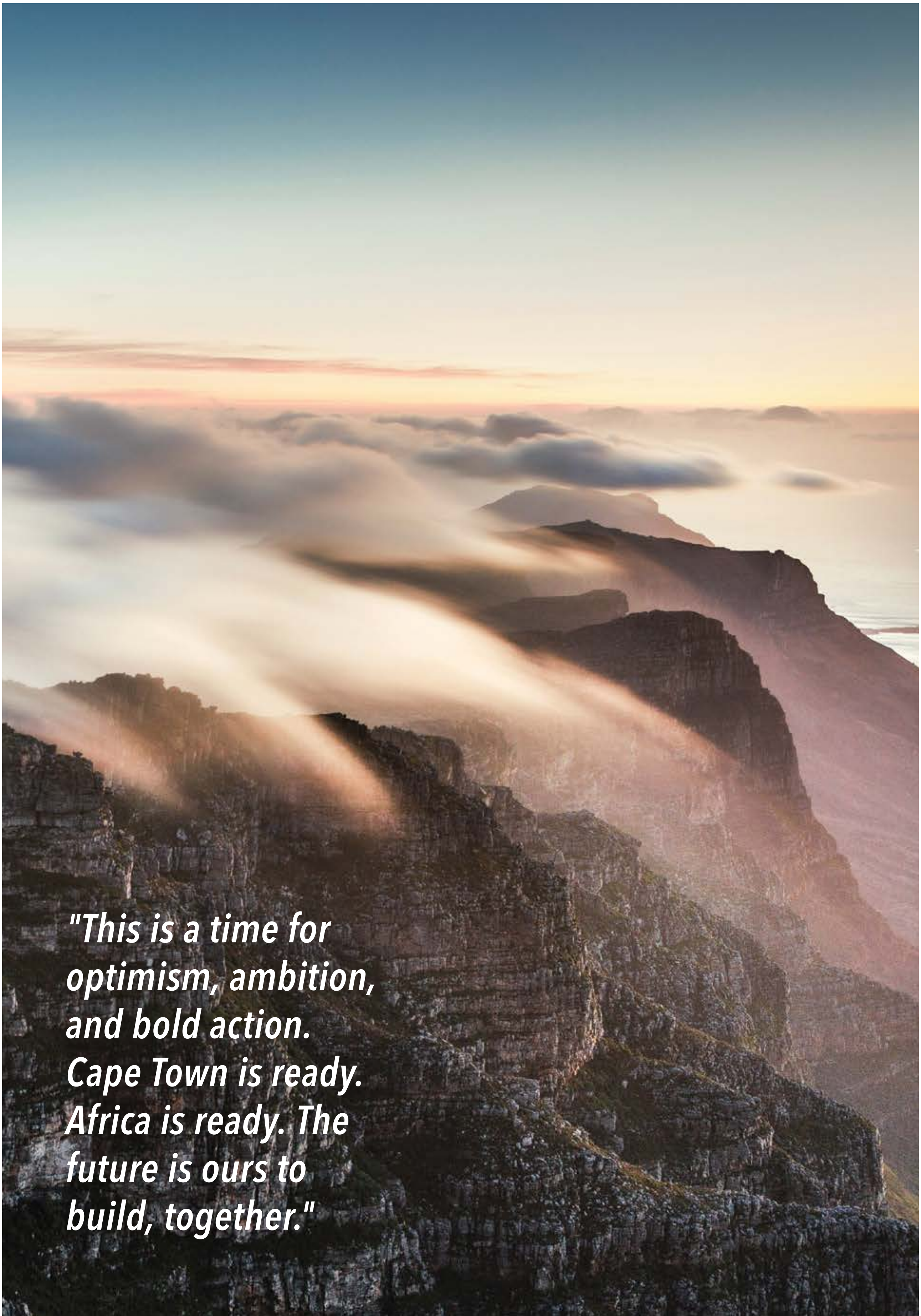
At the same time, we must continue to advocate for reforms and upgrades that are critical to our economy. Port reform that brings private sector participation into the logistics chain is essential, because the port is the lifeblood of city, regional and national economies. Likewise, Cape Town International Airport – Africa's best and most-awarded airport – must be upgraded to meet increasing demand. Expanded runway capacity and improved cargo handling are vital for future growth. I am in continuous discussions with Airports Company South Africa to ensure that all these upgrades take place.

We are also unlocking land for development, growing the visitor economy through tourism campaigns, and investing in strategic assets that make Cape Town a globally competitive city. These initiatives are not abstract ideals. They are tangible efforts that will translate to shorter unemployment queues, thriving businesses and resilient communities.

The future we are building is one where Cape Town is not only a world-class city but also Africa's preferred entry point for investment, innovation and trade. By aligning our local efforts with the continental vision of AfCFTA, and by championing reforms such as port improvements and airport upgrades, Cape Town can lead the way in demonstrating how African cities can shape a prosperous and inclusive future.

This is a time for optimism, ambition, and bold action. Cape Town is ready. Africa is ready. The future is ours to build, together.

ALD. JAMES VOS
Mayoral Committee Member for Economic Growth


"This is a time for optimism, ambition, and bold action. Cape Town is ready. Africa is ready. The future is ours to build, together."

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Introduction

In this 49th edition of the quarterly EPIC publication, we present statistics for, and analyses of, Cape Town's key economic trends for the period 1 April to 30 June 2025.

Gross domestic product (GDP) in the Western Cape, a proxy for GDP in Cape Town, experienced a non-annualised quarterly growth of 0,7% quarter-on-quarter in the second quarter of 2025, lower than the national growth of 0,8%. Both national and provincial growth saw eight of the 10 sectors contract, with the largest declines in transport and communication, and construction. Mining and quarrying experienced the largest quarterly growth for both the country and the province, however this sector contributes very little to the province's GDP, resulting in a 0% contribution to the provincial growth rate. After mining and agriculture, manufacturing had the third highest growth rate. This was reflected in the City of Cape Town's power usage data, which showed the City's supply of electricity to small and large power users increasing on a quarterly basis.

When comparing economic output performance across sectors to pre-Covid-19 levels, the steepest declines remain in the construction and mining sectors. Although the number of building plans submitted has risen quarter-on-quarter and year-on-year, the levels remain relatively low. The sector's underperformance is particularly concerning given its potential to create employment. In addition, the real estate sector has seen strong growth in Cape Town, so it is concerning that there has not been a positive knock-on effect for the construction industry. This speaks to structural weaknesses, where growth is concentrated in asset values rather than productive capacity, limiting job creation and weakening supply chain development.

The second quarter's above-expectation GDP release resulted in upward revisions to national growth estimates for 2025. The Bureau for Economic Research (BER) revised their forecast to 1,2% growth for the year, just above the International Monetary Fund (IMF) forecast of 1%.

Although there was an increase in economic growth, albeit small, the labour market in Cape Town saw the strict unemployment rate increase to 23,3% in quarter 2 from 21,9%, in 2025 Q1. Employment levels dropped to 1,79 million, marking the first decline after four consecutive quarters of positive employment growth. Quarterly increases in employment were seen for trade, hotels and restaurants, private households and community, social and other personal services. When looking into the sentiment of the labour market, an important indicator is the level of discouraged workers, i.e. those unemployed who have not actively looked for work in the last four weeks. Positively, the number of discouraged work seekers declined by over 11 000 individuals in Q2.

Cape Town's trade and logistics indicators reflected encouraging recovery in the second quarter of 2025, consistent with the city's stronger performance on the World Bank Port Performance Index. Key metrics such as container movements, full container shipments, and exports also recorded quarterly increases. Some of the uptick in exports reflects frontloading, where exporters brought forward shipments to avoid higher costs from anticipated US tariff increases in August.

Overall, the second quarter brought more upbeat signals, with an improved outlook to national and local growth for 2025. Global demand, although still low, proved firmer than expected – helping to sustain local growth and trade flows despite tariff concerns. Cape Town's economy strengthened across several fronts: trade and logistics indicators improved; manufacturing recorded growth after a muted start to the year; and tourism arrivals surged. Cape Town International Airport recorded year-on-year growth in passenger arrivals of 9,5%, with a continued recovery in domestic tourism demand.

Despite improved performance in many indicators, the rate of growth is still notably low, with consumer confidence waning even further. Vehicle sales, which is a leading indicator that has remained buoyant in previous quarters, declined in quarter 2, which is telling. If consumer spending or household consumption does not drive growth in the second half of the year as it has in the first, there will have to be more investment and private capital expenditure to lift the growth trajectory.

JODIE POSEN
Head: Economic Intelligence, Economic Analysis Branch

Key findings for 2025: Q2

+0,7%

In the second quarter of 2025, the **Western Cape** economy grew by **0,7%** quarter-on-quarter (non-annualised), while the national economy recorded growth of 0,8%. The largest sectoral growth in the province was recorded in the mining and quarrying sector, although this makes up a negligible portion of the economy and has a limited impact on the growth rate. The largest [positive] impact was made by growth in the manufacturing sector.

3,7%

The Western Cape recorded an **inflation rate** of **3,7%** at the end of the second quarter, which is a decrease from the 3,8% at the end of the previous quarter. The national inflation rate at the end of the second quarter was lower, at 3,0%.

1,78 M

The number of people **employed** in Cape Town decreased by 41 147 on a quarter-on-quarter basis, to a total of **1,78 million** in the second quarter of 2025. The largest contributors to the employment loss during the period were finance, real estate and business services (-40 174), and manufacturing (-20 750). Employment gains were only recorded in the trade and hospitality (+28 786), private households (+9 038), and community, social and other personal services (+4 284) sectors.

710 979

Six of Cape Town's top **tourist attractions** recorded a total of **710 979** international visitors[1] in the second quarter of 2025.

54,8%

Accommodation establishments in Cape Town had an average **occupancy rate** of **54,8%** in the second quarter. The domestic tourism market remains a dominant source of business for the sector.

2,54 M

Cape Town International Airport recorded **2,54 million air passenger movements** in the second quarter of 2025.

+2,7%

On a quarter-on-quarter basis, Cape Town's **trade** recorded an increase in **exports** and a decrease in **imports** in the second quarter. Exports were mainly led by citrus, apples and pears and refined petroleum. On a year-on-year basis, exports increased by **2,7%** from the levels in the second quarter of 2024.

1 *Visitor statistics based on South Africa Tourism's Departure Survey.*

Success stories

OneBio: Cape Town's beacon of bio-innovation

A thriving science success story in the Mother City

Cape Town is known for its thriving finance, tech, tourism, and creative industries. But OneBio is proof that the city is not selective about which businesses prosper; it provides fertile ground for all sectors to thrive – even those as specialised and challenging as biotechnology.

Founded in 2018 by Michael Fichardt and Dr Nick Walker, OneBio has become a catalytic role player in Africa's biotech sector. Based in Cape Town, the company is building the continent's first biotech hub, which offers a unique blend of venture capital and world-class infrastructure, as well as an innovation centre – all designed to nurture start-ups at the intersection of science and entrepreneurship.

OneBio's story is a testament to Cape Town's unique ecosystem, which provides an incredible education system producing a highly skilled workforce, world-class universities and institutions eager to collaborate, and a diverse economy where even "fragile" sectors like biotechnology can succeed.

OneBio partners with local universities, offering students hands-on experiences, mentorship and exposure to cutting-edge biotech research. This not only strengthens the talent pipeline but also ensures start-ups have access to a well-trained workforce.

OneBio Innovation Centre – Lowering barriers for biotech start-ups

In 2024, OneBio opened the OneBio Innovation Centre in Salt River, Cape Town. Managed by Hana Faulds and Erin Rencken, the centre provides co-working laboratory facilities, high-end equipment, and specialised support that significantly lower the barriers to entry for biotech entrepreneurs. Already, the centre has attracted four start-ups and two venture capital firms, laying the foundation for Cape Town's first biotech cluster.

Investing in Africa's biotech future

Through its Venture Studio, OneBio has backed 11 companies and achieved one successful exit. It has also secured commitments for a second fund. Its portfolio spans ventures focused on human, animal and planetary health to harness the power of biotech to transform economies and societies.

However, OneBio is not only about funding. Its community-building efforts – from Biotech and Beers networking events to workshops on investor readiness and intellectual property – bring together founders, academia, investors, and government representatives. This collaborative spirit is rapidly accelerating Cape Town's reputation as a global player in the bio-economy.

Breaking barriers, creating opportunities

The biotech sector in South Africa has long faced challenges – from limited access to capital to insufficient infrastructure for early-stage ventures. OneBio is changing that narrative. With the support of Cape Town's institutions, government and investors, the city now boasts the beginnings of a biotech pipeline capable of competing on the global stage. Complementing this ecosystem, UVU Bio – funded by the City – has established Africa's first open-access biotech lab, accelerating skills development, research, and entrepreneurial innovation to further strengthen Cape Town's position as a leading hub for bio-innovation.

OneBio proves that, in Cape Town, all sectors can succeed. The city provides the right mix of education, infrastructure, talent and support systems – making it not only Africa's most liveable city, but also one of the most investable.

OneBio is more than a biotech venture. It is a symbol of Cape Town's inclusive growth story – where businesses across every sector, from tourism to technology to science, can prosper and thrive.

Looking ahead

Now that OneBio has laid the foundation for a thriving African biotech hub, in the coming years, it will focus on expanding partnerships to strengthen Cape Town's position as the continent's centre of bio-innovation.

Cape Town overview 2025: Q2

Gross domestic product (GDP)

R1,05 T

The **Western Cape** accounted for **R1,05 trillion**[a] of the **R7,54 trillion gross domestic product (GDP)** generated by **South Africa** in the second quarter of 2025. While GDP data is not available at a city level on a quarterly basis, **Cape Town typically contributes around 72%** of the provincial GDP annually.[b]

GDP growth rate

+0,7%

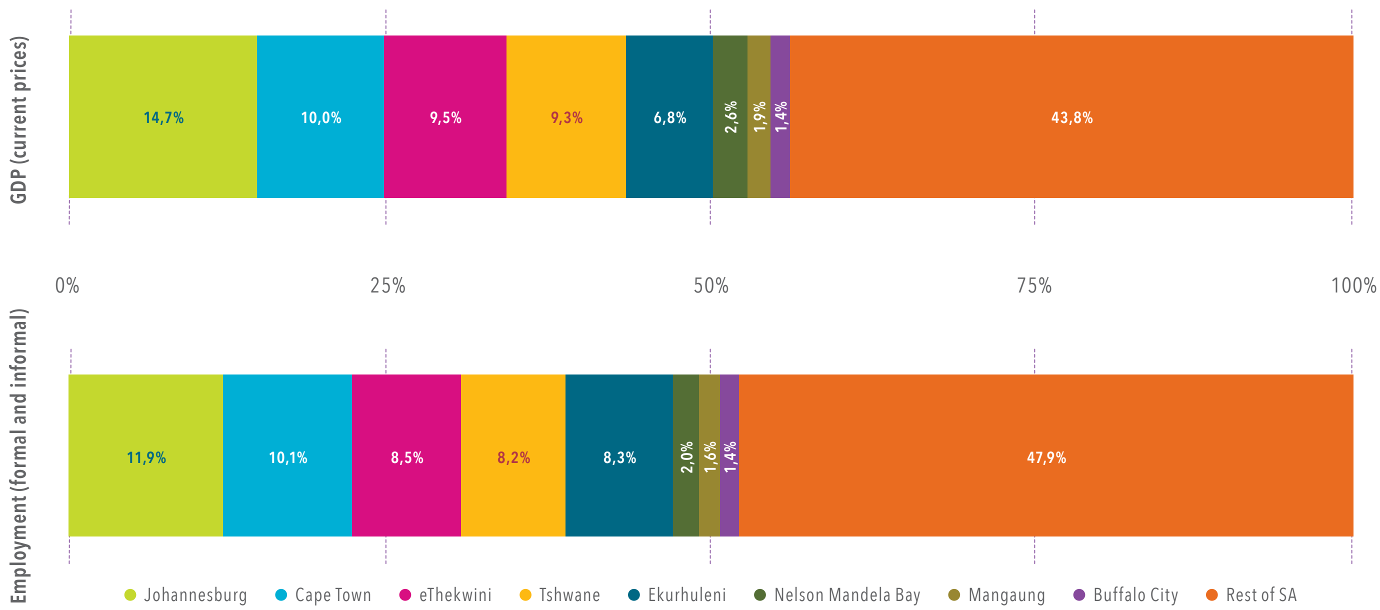
During the second quarter of 2025, the **Western Cape GDP** grew by **0,7%**, while **national GDP** grew by **0,8%**.[c]

GDP per capita

R152 093

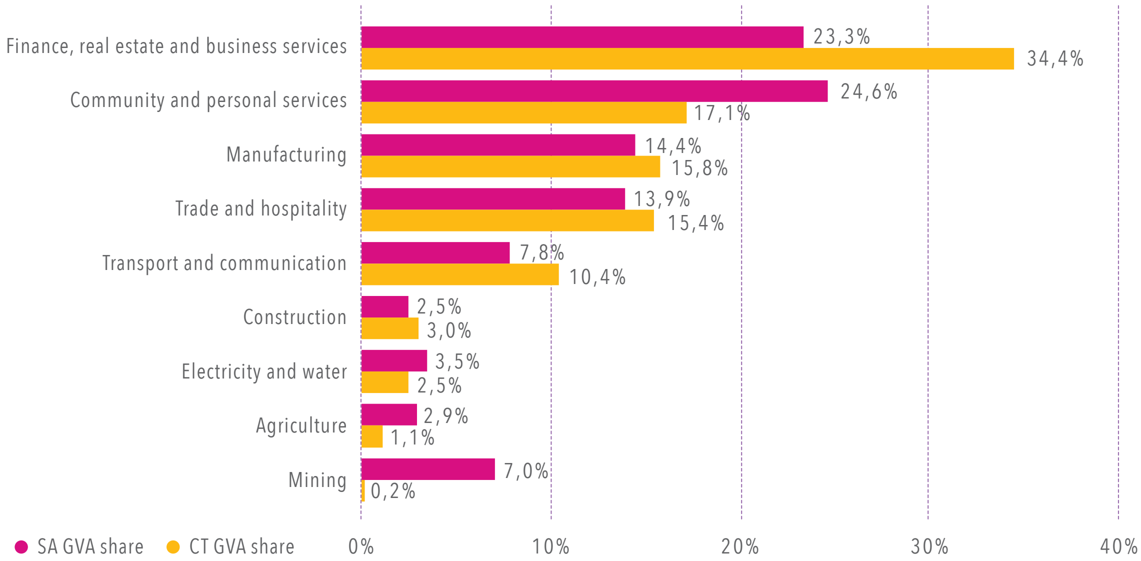
In 2024, South Africa had a **GDP per capita** of **R114 472**, while the **Western Cape's** GDP per capita was **R139 337** and **Cape Town's** was **R152 093**.[d]

Metro cities' gross geographic product and employment contributions to SA, 2024[e]



a, d, e, f. At current prices. Source: South Africa Regional eXplorer, 2025.
b, i. Source: South Africa Regional eXplorer, 2025.
c. At constant 2015 prices, seasonally and non-annualised. Source: Quantec, 2025; Statistics South Africa, 2025.
g. Source: Statistics South Africa, 2025.
h. Source: Statistics South Africa, 2024; City of Cape Town, 2025a.
j. Source: Wesgro, 2025. Note: The visitor data is based on the SAT Departure Survey, and differs from previously reported visitor numbers as recorded directly by the attractions.
k. Source: ACSA, 2025.

Cape Town gross value added (GVA) versus national GVA, 2024[f]



Inflation

3,7%

At the end of the second quarter of 2025, **South Africa** had an **inflation rate** of **3,0%**. The **Western Cape's inflation rate** for the same period was **3,7%**.[g]

Population

4 976 527

South Africa has a population of **63 015 904**. A total of **7 562 588** people (11,9% of the national population) live in the **Western Cape**. Of those, **4 976 527** are residents of **Cape Town**.[h]

Gini coefficient

0,59

In 2024, **South Africa** had a **Gini coefficient** of **0,61**, while **Cape Town** had a slightly lower value of **0,59**.[i]

Air passengers

2 543 522

During the second quarter of 2025, **2 543 522 passengers** moved through **Cape Town International Airport**.[k]

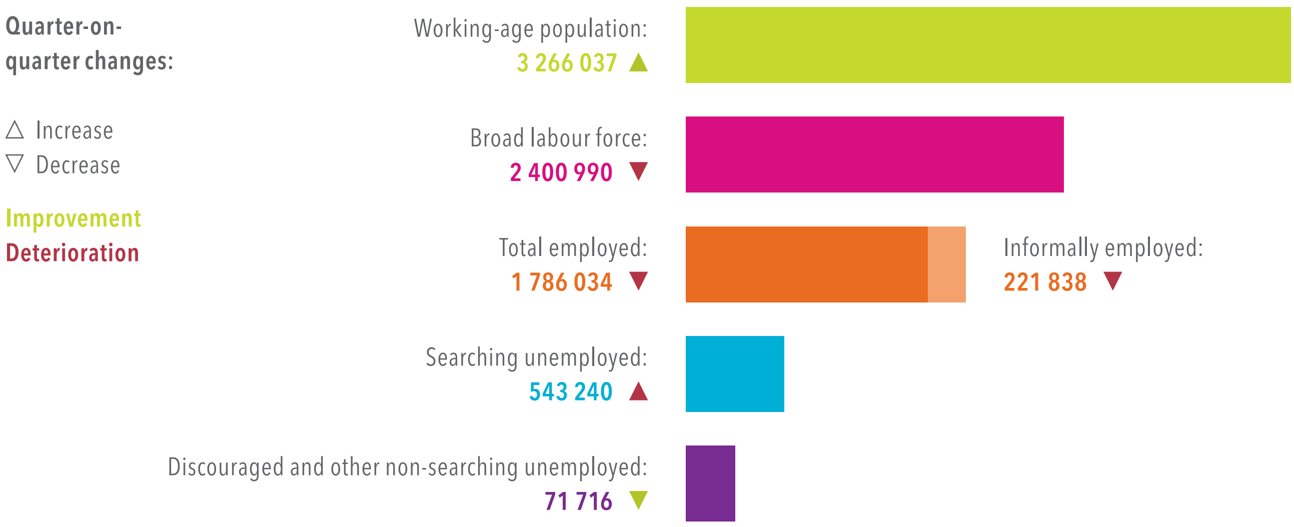
Attractions

710 979

In the second quarter of 2025, international tourists made **710 979 visits** to **six** of **Cape Town's major attractions**.[j]

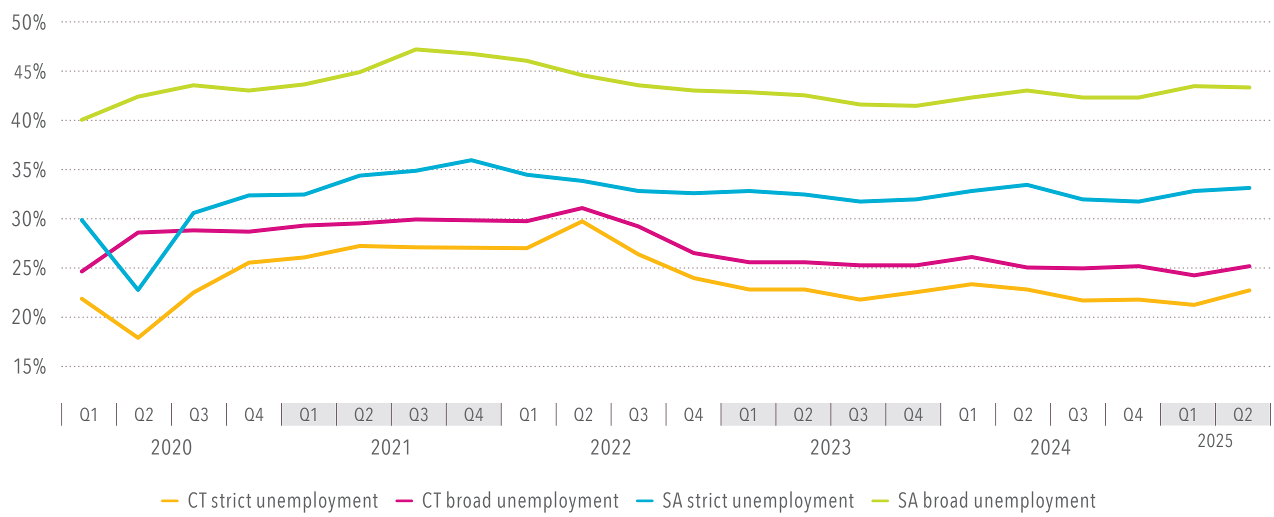
Labour overview 2025: Q2

Labour market indicators, 2025 Q2



Labour force participation rate (strict) = **71,3%** Labour absorption rate = **54,1%**

Strict versus broad unemployment[2] rates for South Africa and Cape Town, 2020 Q1 to 2025 Q2



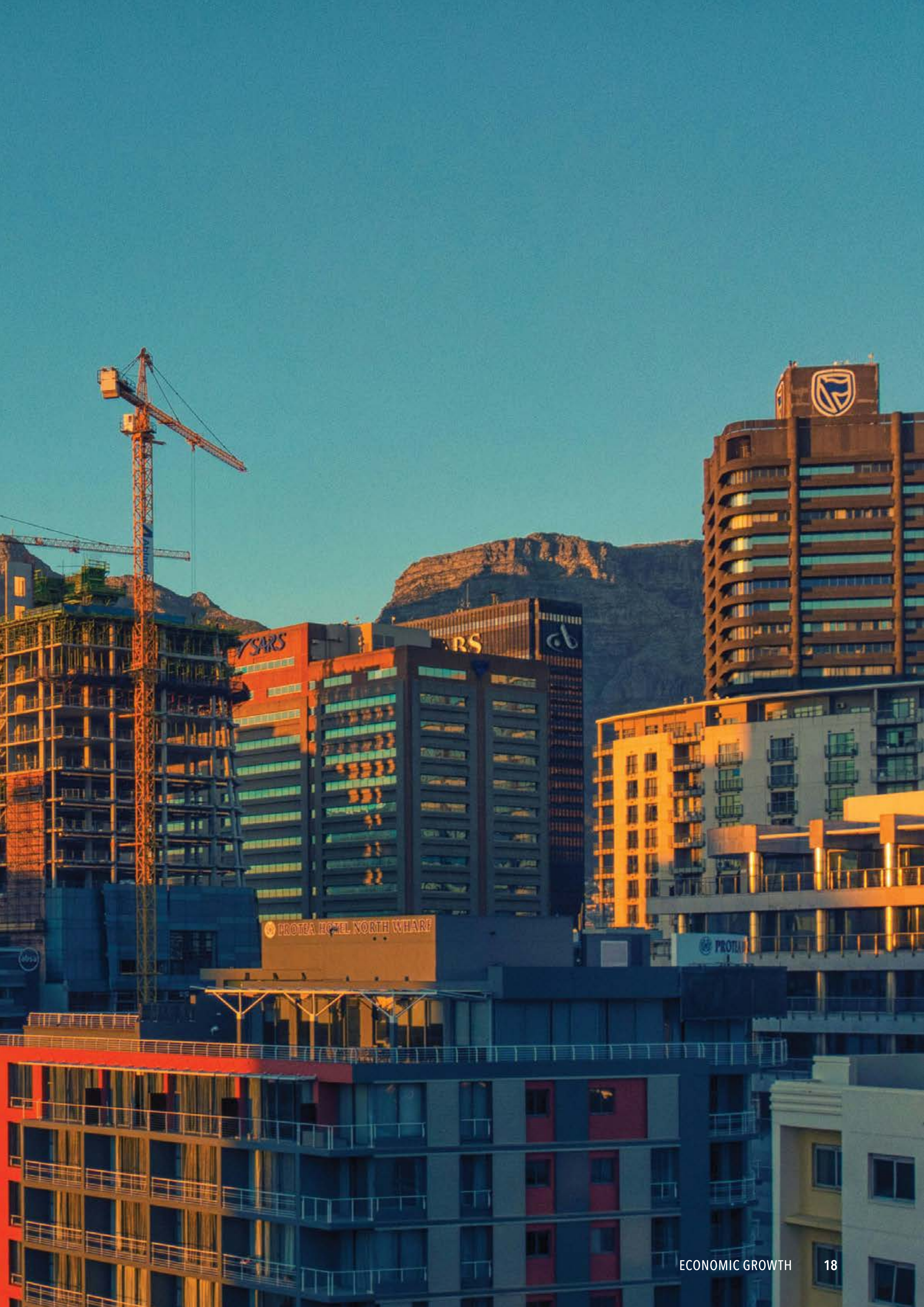
Source: Statistics South Africa, Quarterly Labour Force Survey, 2025 Quarter 2, August 2025.

2 *The 'strict' definition of unemployment includes only people who are actively seeking work.*
The 'broad' definition of unemployment includes those under the 'strict' definition as well as 'discouraged' and other 'non-searching' job seekers.

"Overall, the second quarter brought more upbeat signals, with an improved outlook to national and local growth for 2025."

01 Economic growth

Gross domestic product (GDP) growth is one of the most widely used measures of economic performance in a country or region. It provides an indication of the level of value-added production that takes place in an economy during a specific period. Large cities such as Cape Town are typically the loci of economic production and are therefore often the main drivers of economic growth in a region.


SARS
PROTEA HOTEL NORTH WHARF

South Africa's quarter-on-quarter economic performance

After its weak start to the year, recording 0,1% quarter-on-quarter growth in the previous quarter (non-annualised), the South African economy surprised with 0,8% growth for the second quarter of 2025. The Bureau for Economic Research (BER, 2025a) welcomed the data release, noting the performance as higher than the consensus. This will result in the BER upwardly revising their expectations for 2025 growth to 1,2% for 2025 (last forecast at 0,8%; BER, 2025b), however concerns remain whether the [growth] momentum can be sustained.

At the national level, eight sectors recorded growth in the second quarter of 2025. The largest growth rate was recorded in the mining and quarrying sector, which grew by 3,7% quarter-on-quarter and was one of the top contributors to the total national growth rate, with 0,2 of a percentage point. It is worth noting, however, that this sector is relatively small, constituting only 4% of total national GDP. This performance was followed by agriculture (constituting 3% of total national GDP), which grew by 2,5% quarter-on-quarter, and added 0,1 of a percentage point to the national growth rate.

Growth was also recorded in the manufacturing (1,8%) and trade and hospitality (1,7%) sectors. Being larger contributors to the national economy (11% and 12% respectively), these sectors each added 0,2 of a percentage point to the total national growth rate in the second quarter. Growth was also seen in the general government (0,7%), community and personal services (0,5%), finance, real estate and business services (3%), and electricity and water (0,2%) sectors. Together these four sectors added a combined 0,2 of a percentage point to the total national growth rate.

Only two sectors recorded quarter-on-quarter contractions for the second quarter of 2025. The largest of these was the transport, storage and communication sector, which contracted by 0,8%, and subtracted the most from the total national growth rate with -0,1 of a percentage point. This was followed by the construction sector recording a 0,3% quarter-on-quarter contraction and subtracting 0,01 of a percentage point from the total national growth rate.

There are several other indicators that point to the current challenging economic climate and the economy's strained path of recovery. The RMB/BER Business Confidence Index declined by 5 index points to record 40 index points in the second quarter of 2025. This is below the long-term average[3] (43 index points), however higher than the average recorded in 2023 and 2024. This quarter's sentiment was mainly driven by four of the five sectors dropping in confidence from the previous quarter. This was partially offset by a sharp increase in wholesale trade confidence. The second quarter results reflect that most respondents across the sectors are pessimistic about the country's current business conditions. The RMB economist further "warns that the underlying survey results point to a loss of momentum in the South African economy" (BER, 2025c).

Similarly, the FNB/BER Consumer Confidence (CCI) Index remains significantly low.[4] That said, in the second quarter of 2025, the index improved by 10 points to record -10 index points. FNB notes that this recovery reflects a comeback from the several major shocks that impacted the previous quarter (BER, 2025d).

The Absa Purchasing Managers' Index (PMI) survey is an indicator of manufacturing activity, as it focuses on components such as business activity, new sales orders, supplier performance, prices and employment, as well as business sentiment. The average recorded for the second quarter of 2025, was 45,4 index points. This was slightly lower than that of the previous quarter (46,2), highlighting that manufacturing activity is still subdued (BER, 2025e; BER, 2025f; BER, 2025g).

3 *The long-term average of the RMB/BER Business Confidence Index is based on the full dataset, starting from 1969 Q1 (BER, 2025c).*

4 *Consumer confidence is expressed as a net balance, derived as the percentage of respondents expecting an improvement less the percentage expecting a deterioration. The index can vary between –100 and 100. A "low" index recording (below zero) indicates that consumers are concerned about the future and suggests lower spending, while a "high" index recording (above zero) indicates increased likelihood of spending, including incurring more debt (BER, 2024).*

Global economic performance and growth forecasts

In 2024, the global economy generally appeared to be holding steady, despite enduring a series of prolonged and unprecedented shocks. The start of 2025 was accompanied by changing landscapes and increasing uncertainties (IMF, 2025a). In its latest [July] World Economic Outlook (WEO) Update (2025b), the IMF notes that despite many of the United States' (US) tariffs being revised lower, uncertainty remains elevated. The IMF has upwardly revised its projections of global growth to 3,0% for 2025 (+0,2 of a percentage point) and 3,1% for 2026 (+0,1 of a percentage point), which are slightly below the historical average.[5]

Growth for advanced economies for 2024 is recorded at 1,8%. Forecast growth has been revised upward by 0,1 of a percentage point to 1,5% for 2025 and to 1,6% growth in 2026. Growth in emerging and developing economies for 2024 is recorded at 4,3%. Projected growth for 2025 has been revised upward by 0,4 of a percentage to 4,1% for 2025, and to 4,0% in 2026 (+0,1 of a percentage point).

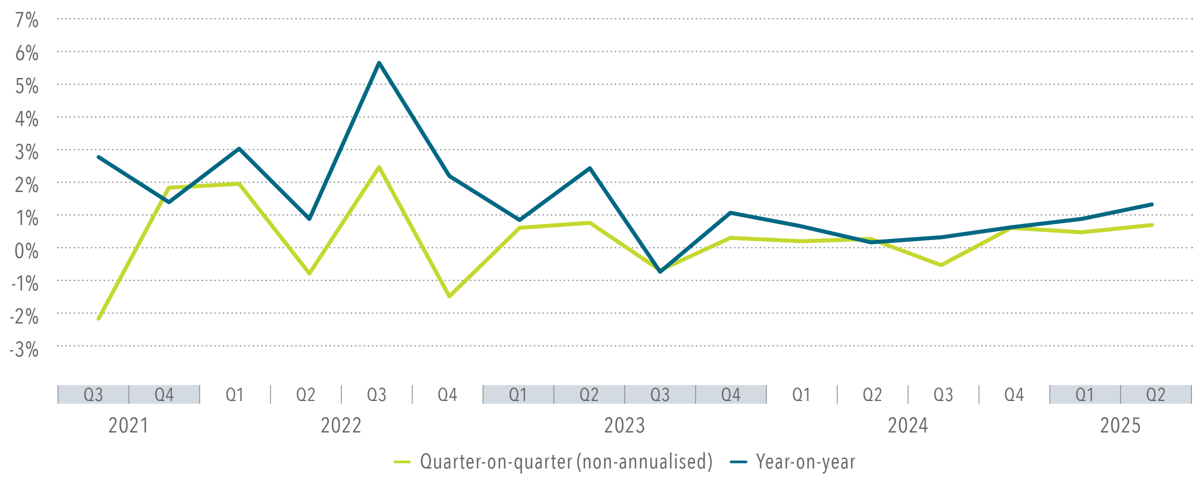
5 *The IMF notes a historical average of 3,7% global growth over the period 2000–2019 (2025a).*

Western Cape and Cape Town economic performance

The Western Cape economy accounts for 14% of South Africa's total GDP. The province's economy recorded (non-annualised) quarter-on-quarter growth of 0,7% for the second quarter of 2025, amounting to GDP of R674,4 billion (constant 2015 prices; or R1,05 trillion in current prices). This quarter-on-quarter performance is an improvement of 0,2 of a percentage point from the previous quarter's growth, and lower than the performance at the national level, which improved by 0,7 of a percentage point compared to the previous quarter. The difference is largely due to better performance by the province in 2025 Q1 than was seen nationally.

The year-on-year data[6] for the Western Cape typically follows a similar trend to that of the country, however slight differences in the second quarter of 2025 are evident. National year-on-year growth improved by 0,6 of a percentage point to record 1,1% for the second quarter of 2025. Similarly, provincial year-on-year growth improved by 0,4 of a percentage point to 1,3%.

Figure 1: Real GDP growth for the Western Cape, 2021 Q3 to 2025 Q2



Source: Quantec, 2025.
Note: To remove the spikes as a result of the economic shocks of the Covid-19 pandemic and subsequent recovery, the graph starts from 2021 Q3.

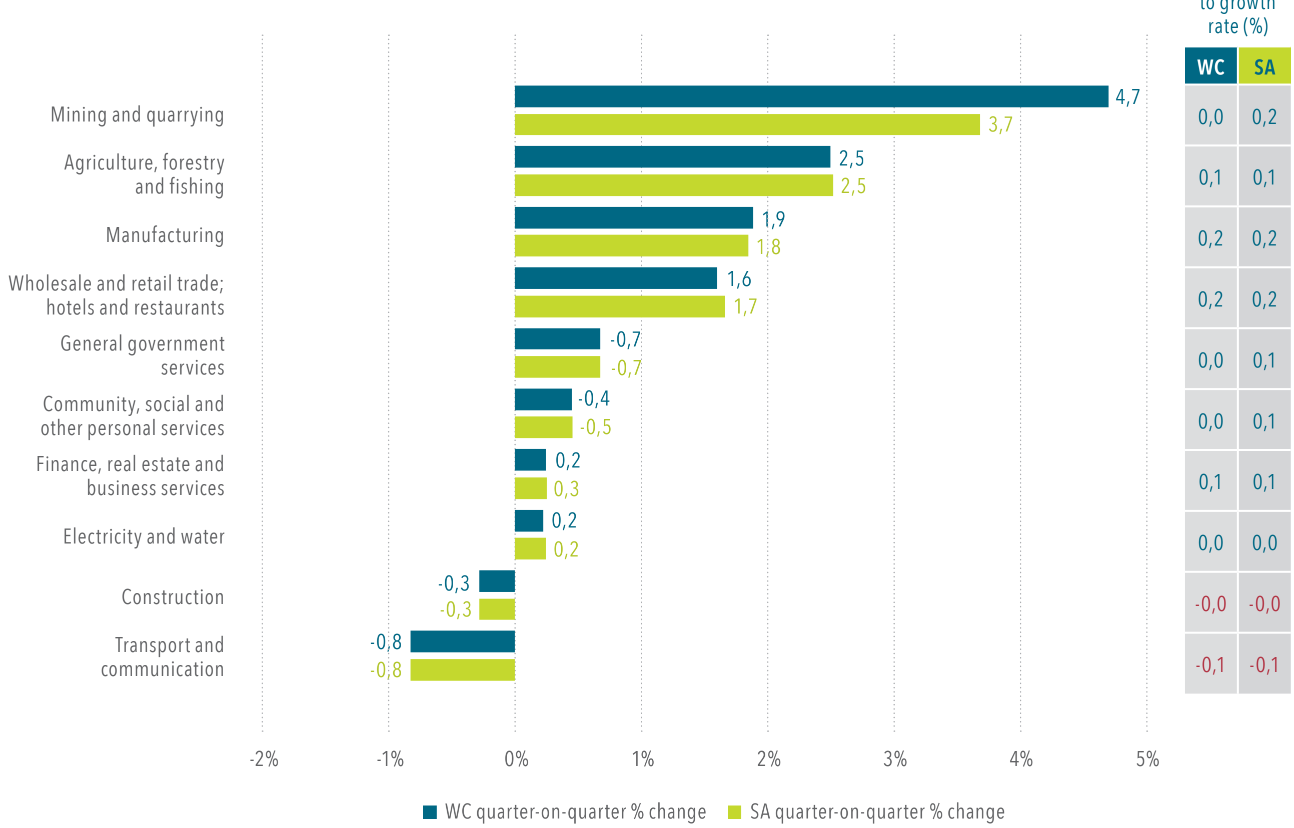
6 *Year-on-year GDP growth is annualised.*

At a sectoral level, the Western Cape's GDP performance largely mirrored that of the national economy, with similar trends. In the second quarter of 2025, eight sectors recorded growth and two recorded contractions. The largest sectoral growth was seen in the mining and quarrying, and agriculture sectors, with 4,7% and 2,5% quarter-on-quarter, respectively. As the mining and quarrying sector's contribution to the provincial economy is insignificant (0,1% of GDP), its performance only added 0,01 of a percentage point to the total provincial growth rate. The agriculture sector's larger size (4% of GDP) meant that its growth added more to the total provincial growth rate, at 0,1 of a percentage point.

The manufacturing sector recorded quarter-on-quarter growth of 1,9%, and trade and hospitality 1,6%. These sectors added the most to the total provincial growth rate, each with 0,2 of a percentage point. Further growth was recorded in the general government (0,7%), community and personal services (0,4%), finance, real estate and business services (0,2%) and electricity and water (0,2%) sectors. These sectors added a combined 0,2 of a percentage point to the total provincial growth rate for the second quarter.

As was the case at the national level, two sectors in the Western Cape recorded contractions in the second quarter of 2025. The largest of these was transport, storage and communication (-0,8%), which subtracted 0,1 of a percentage point from the total provincial growth rate. This was followed by construction (-0,3%), subtracting 0,01 of a percentage point from the total provincial growth rate.

Figure 2: Sectoral real GDP growth rates (non-annualised) in the Western Cape and South Africa, 2025 Q2

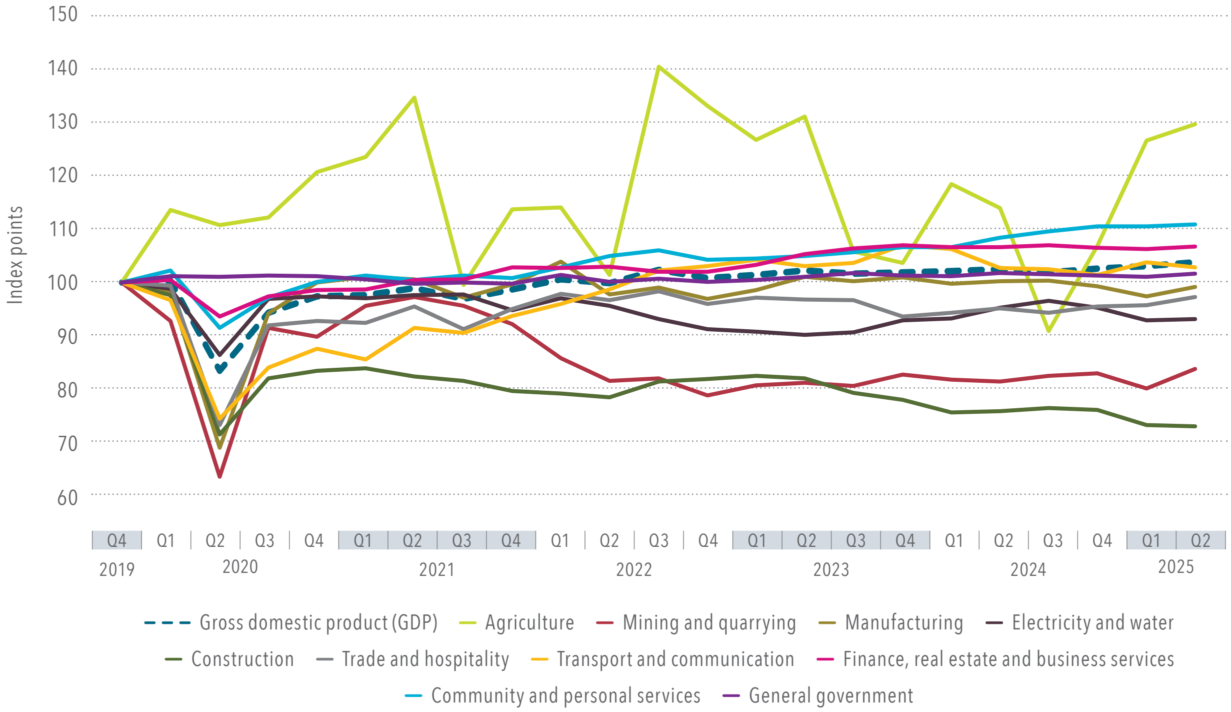


Source: Quantec, 2025.

In contrast to Cape Town's high contribution to the tertiary sector output of the Western Cape (75%), the city's contribution to the province's total primary sector GGP is only 18% (South Africa Regional eXplorer, 2025). This means – in the absence of city-level data for the current quarter – it is difficult to make inferences about the performance of the city's primary sector based on primary sector GGP performance in the Western Cape. However, even if Cape Town's primary sector (agriculture, in particular) did mirror provincial trends, it is unlikely that this would have an equivalent impact on the overall growth rate of the city, as the primary sector contributes only 1% to Cape Town's total GGP (compared to the 4,2% it contributes to the provincial economy).

The performance of the city's economy in the second quarter of 2025 is likely to be influenced by the finance, real estate and business services, community and personal services, manufacturing, and trade and hospitality sectors. In 2024, these comprised 36%, 16%, 12% and 12% of the city's economy respectively. In the second quarter of 2025, all of these recorded growth at the provincial level, a positive signal for the local economy. The finance sector has the highest weighting of these sectors, and contributes 83% to the provincial sector's activity, so the positive performance of this sector may have a greater impact on Cape Town's economy. The same can be said of the manufacturing, and trade and hospitality sectors as the largest contributors to the total provincial growth rate for 2025 Q2. The local sectors contribute 67% and 71%, respectively, at a provincial

Figure 3: Western Cape's sectoral economic activity compared to pre-Covid-19 levels (i.e. 2019 Q4)



Source: Quantec, 2025.
Note: 2019 Q4 is the base year to which all following quarters are compared as an index. Due to revisions to the source data, this table may differ slightly from other versions.

level. In the last 10 years, the variation between the city's GDP growth rate and the provincial growth rate[7] has been 0,1 of a percentage point on average. In the second quarter, Cape Town's growth may be between 0,6% and 0,8%.

While the Western Cape's total GDP has remained above pre-Covid-19 levels since the third quarter of 2022, it is useful to compare economic activity at the sectoral level to pre-Covid-19 levels, to monitor economic recovery. Figure 3 illustrates that, by the second quarter of 2025, economic activity in five sectors remained higher than their respective levels in the fourth quarter of 2019. These include: finance, real estate and business services; agriculture; community and personal services; transport and communication; and general government.

The construction, trade and hospitality, electricity and water, and mining sectors have all been unable to surpass their respective pre-Covid-19 output levels. This quarter also saw the manufacturing sector's output level remain below that of 2019 Q4 for a third consecutive quarter, as reflected in the Absa Purchasing Managers' Index, which stayed below 50 points throughout the second quarter (BER, 2025e; BER, 2025f; BER, 2025g).

7 *Based on the average of the differences over the 10-year period.*

02

Inflation

Price fluctuations of goods and services in an economy are measured by the consumer price index (CPI) inflation rate and producer price index (PPI) inflation rate. The CPI measures the change in the cost of living for households, and the PPI measures the change in the cost of production, compared to their respective costs a year before.

The CPI weights have been updated as of January 2025. Revisions were also made to the basket of goods and services. All indices have been re-referenced, with December 2024 now serving as the new base period (i.e. December 2024 equals 100). In addition, changes to the classification structure have led to updated naming conventions and the introduction of a new index for Insurance and Financial Services (Statistics South Africa, 2025).[8]

8 *For more details, please consult the documentation available on the Stats SA website: https://www.statssa.gov.za/?page_id=2528.*


adidas

Inflation overview

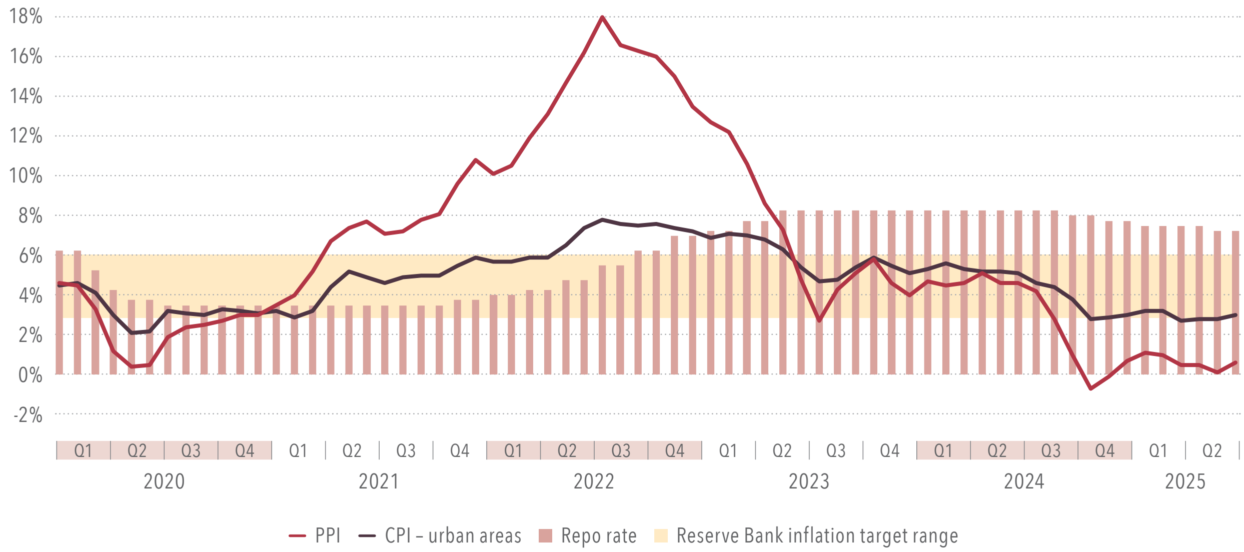
In June of the second quarter of 2025, the Consumer Price Inflation (CPI)[9] increased to 3,0% compared to 2,7% recorded at the end of the previous quarter. As illustrated in figure 4, the CPI increased to 2,8% in April and remained unchanged in May, thereafter increasing further to 3,0% in June. The average CPI for the quarter (2,9%) was below the South African Reserve Bank (SARB) inflation target, significantly below the mid-point target of 4,5%. Data (from Statistics South Africa) ahead of the second quarter GDP release suggested a pick-up could be expected, however the underlying growth trend remains constrained by supply-side challenges that could add upward pressure on prices in the coming months (quarter 3). Inflation, a stronger rand and moderating expectations have kept price pressures contained, though rising food prices and slower fuel price declines are expected to lift headline inflation slightly to an average of 3,3% in 2025, before stabilising near the mid-point target thereafter.

For the second quarter of 2025, the Producer Price Index (PPI)[10] decreased to an average of 0,4%, after averaging 0,9% in the previous quarter. The index recorded low monthly readings of 0,5% in April, decreasing to 0,1% in May and increasing to 0,6% in June 2025. The main inflationary contribution to the PPI in June (in terms of final manufactured products) came from food, beverages and tobacco products (Statistics South Africa, 2025).

Figure 4 illustrates changes in CPI, PPI and the repo rate. As indicated in the graph, the repo rate decreased by 25 basis points in May to 7,25% from 7,5%. According to the MPC statement in May 2025 (SARB, 2025a), the key reasons for the repo rate decrease were that inflation remained below 3% in April and revised forecasts showed a lower inflation outlook, supported by a stronger rand and lower global oil prices. Risks from higher fuel levies and VAT increases eased, as VAT hikes were not implemented.

Although the rand briefly hit a multi-year low against the US dollar, it has since stabilised, and overall risks to inflation are seen as balanced. The repo rate was lowered by a further 25 basis points to 7% at the July meeting, primarily due to a stronger rand and more moderate inflation expectations (SARB, 2025b).

Figure 4: CPI and PPI trends for South Africa, January 2020 to June 2025



Source: CPI and PPI, extracted from Statistics South Africa, 2025; repo rate extracted from SARB, 2025.

9 *Headline CPI is recorded and reported on for urban areas.*

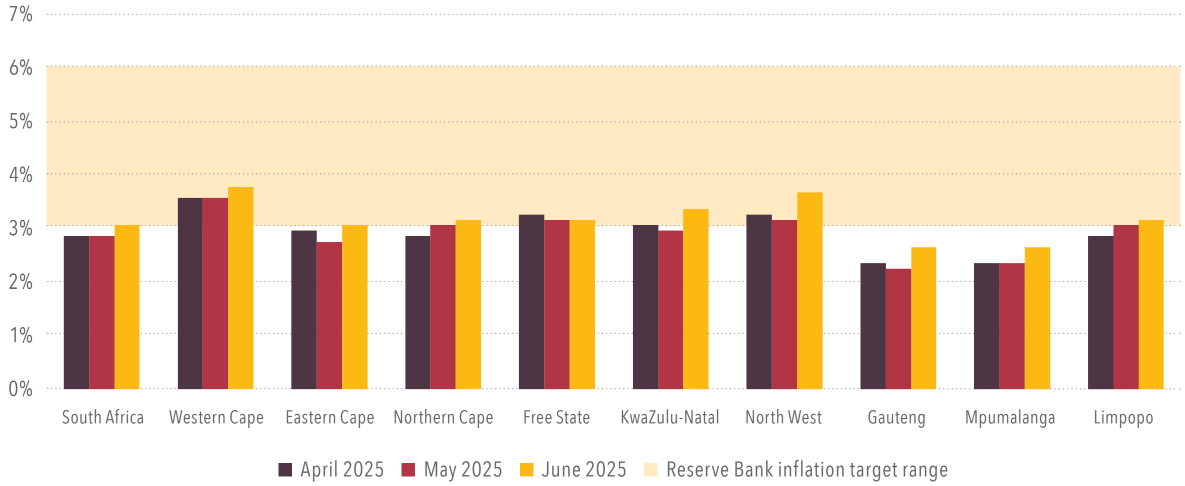
10 *According to Statistics South Africa (2024a), the PPI from, and including, January 2024 has been reweighted. Noted, however, is that the reweighting will not affect the calculations of the basket.*

Geographical inflation

The Western Cape recorded an inflation rate of 3,7% at the end of the second quarter of 2025, which is slightly lower than at the end of the previous quarter (3,8%). Higher inflation was recorded in seven of the 12 categories when compared to the national performance, resulting in an overall higher headline inflation recording for the province than that of the country.

Figure 5 illustrates inflation rates for the second quarter of 2025 across all nine provinces. Compared to the end of the first quarter of 2025, seven provinces recorded increases, and two provinces had decreases. The Western Cape had the highest average inflation rate of 3,6% for the quarter under review. This was followed by the North West (average inflation rate of 3,3%) and then Free State (average inflation rate of 3,1%). Gauteng recorded the lowest average inflation rate, at 2,4%, in the second quarter of 2025.

Figure 5: CPI inflation rate at a provincial level, April to June 2025



Source: Statistics South Africa, August 2025.

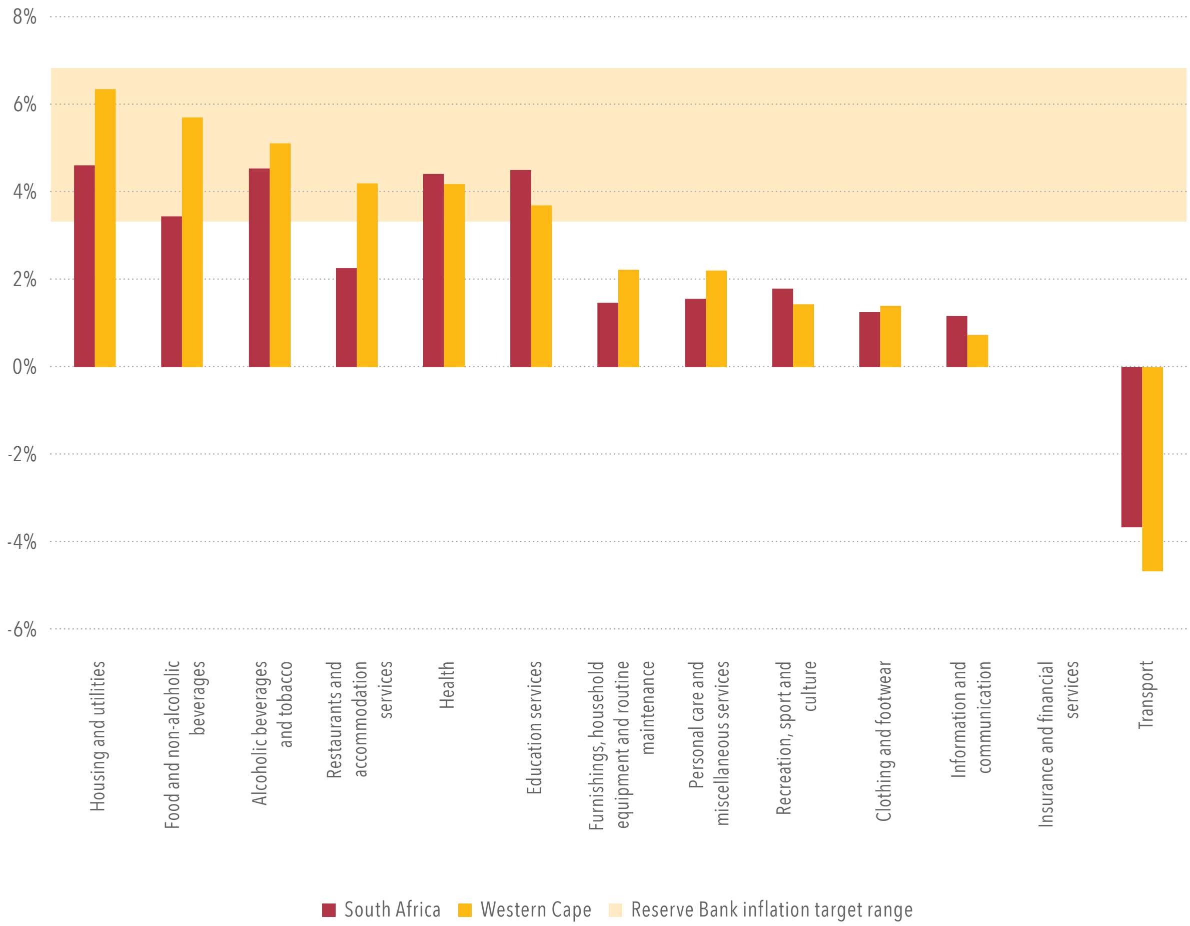
As indicated in figure 6, one of the main upward drivers of inflation for both the country and the province for the second quarter of 2025 was housing and utilities (average inflation of 4,6% and 6,3%, respectively). This was the only broad category to record an inflation rate of above 6% at a provincial level. The food and non-alcoholic beverages showed the second-highest average inflation rate (5,7%) in the province, while the alcoholic beverages and tobacco category recorded the second-highest average inflation rate (4,5%) nationally.

According to Statistics South Africa (2025c), prices for actual rentals, under the housing rents category, are collected quarterly. These rental prices have shown a higher rate of increase in the Western Cape (5,4%) compared to the national average (3%) in June.

Electrician services are classified under the 'housing and utilities' category, specifically within the subcategory of 'maintenance and repair of dwellings'. These services are surveyed biannually in May and November. Recent data from Statistics South Africa indicates that electrician services experienced both monthly and annual price increases, with a significantly higher rise in the Western Cape (5,6%) compared to the national average (2,3%) in June.

These regional disparities in price movements across both rental and maintenance services highlight localised cost pressures that may stem from demand dynamics or supply constraints. Collectively, they contribute to upward pressure on housing and utilities price inflation.

Figure 6: Average consumer price inflation for South Africa and the Western Cape, 2025 Q2



Source: Statistics South Africa, August 2025.
Note: As 'insurance and financial services' is a new price index, there is no annual percentage change.

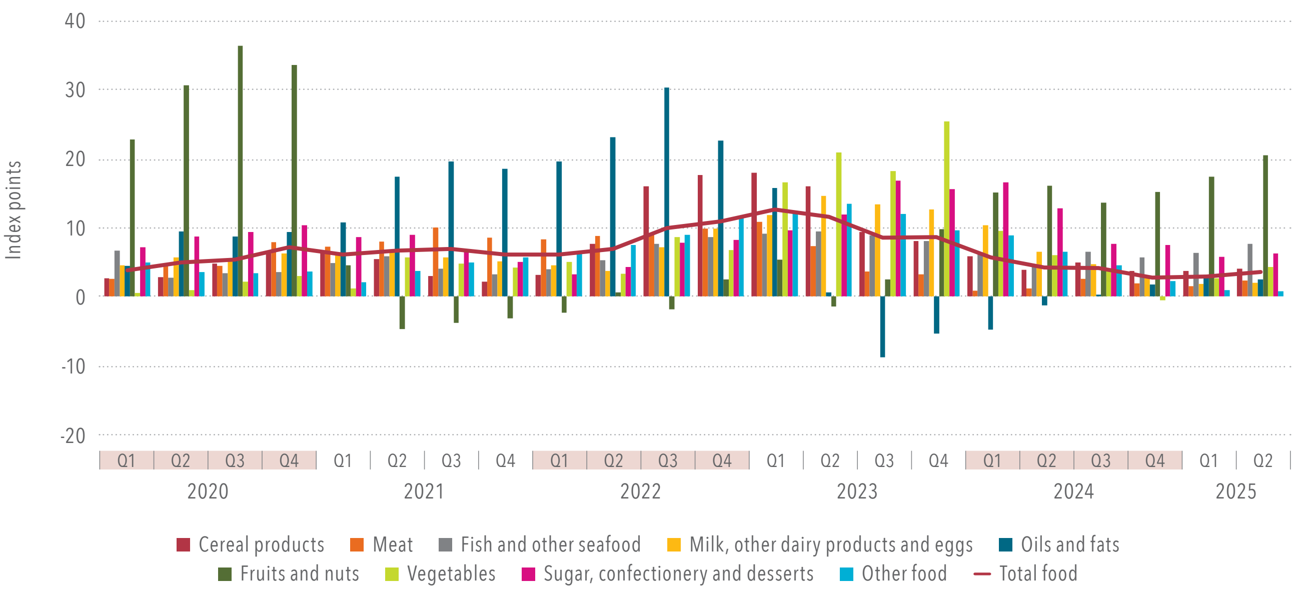
Western Cape food inflation

Tracking and monitoring food price changes has become increasingly important as household incomes continue to face pressure, threatening access to affordable food for many families. Figure 7 tracks food price inflation in the Western Cape, which has been on a downward trend since the second quarter of 2023. After eight quarters, average food price inflation increased to 3,5% in the second quarter of 2025, up from 2,9% in the first quarter.

In the second quarter of 2025, only two of the nine food items that are tracked recorded decreases when compared to the previous quarter. Oils and fats saw the largest decrease, with price inflation slowing to 2,4% from 3,1% in the previous quarter. This was mainly due to declining sunflower oil prices, as export volumes from major producers, particularly Russia and Ukraine, are expected to rise in the coming year. The FAO Oilseed Price Index also fell in June 2025 compared to May, and remained below June 2024 levels, reflecting easing soybean and sunflower seed prices. Soybean prices came under pressure from favourable US crop conditions, South America's record harvest, and weaker Chinese demand due to higher US costs and Brazil's stronger currency (BFAP, June 2025). The was followed by the category of 'other food',[11] which recorded a reading of 0,7%, down from the 0,9% in the previous quarter.

Fruits and nuts recorded the highest price inflation in the second quarter, at 20,7%, making it one of three categories with rates above the upper end of the 6% inflation target range. The sharp increase was largely driven by weather-induced supply chain constraints earlier in the year. These disrupted harvesting and logistics, creating supply bottlenecks and pushing prices higher during April and May (Makube, 2025).

Figure 7: Western Cape food price inflation, 2020 Q1 to 2025 Q2



Source: Statistics South Africa, August 2025.

According to the BFAP statement covering June 2025, the rand's relative strength has helped soften the impact of rising global prices, though uncertainty around US politics may still disrupt currency markets. Encouraging forecasts for the 2024/25 summer crop could ease pressure on food and feed costs, offering some relief to consumers. However, ongoing outbreaks of foot-and-mouth disease and avian influenza continue to threaten agricultural exports and price stability. Meanwhile, energy and fuel costs remain key drivers of input prices and consumer demand trends.

11 *The category of 'other food' includes items such as prepared meals and salads, condiments, spices and herbs, and baby food and formula (Statistics South Africa, 2025e).*

03 Labour market

The labour market is the point at which economic production meets human development. As such, employment creation and unemployment reduction are top priorities for all spheres of government. Labour market performance is tracked through a variety of indicators, many of which are considered in this section.


FIRE
RESCUE

Cape Town's labour market performance

In the second quarter of 2025, Cape Town's working-age population (3,26 million individuals) increased on both a quarter-on-quarter and year-on-year basis. The strict labour force (2,32 million individuals) decreased on a quarter-on-quarter basis but increased on a year-on-year basis. Employment in Cape Town declined on a quarter-on-quarter basis (down by 41 147 individuals) but increased on a year-on-year basis (up by 36 241 individuals), reaching a total of 1,78 million individuals. The labour absorption rate declined to 54,7% from 56,1% and the labour force participation rate decreased to 71,3% from 71,8% compared with the previous quarter. Both rates, however, increased relative to the second quarter of 2024.

The number of discouraged work seekers decreased on a quarter-on-quarter basis (down by 11 908 individuals), totalling 23 742 individuals at the end of the quarter. Increases in both the searching and non-searching unemployed categories contributed to a rise in the broad unemployment rate from 24,7% in the first quarter of 2025 to 25,6% in the second quarter. On a year-on-year basis, the broad unemployment rate increased by 0,1 of a percentage point. Cape Town recorded the lowest strict unemployment rate (23,3%) among all metropolitan areas in South Africa in the second quarter of 2025, while continuing to maintain the lowest broad unemployment rate.

Table 1: Cape Town labour market indicators, 2025 Q2 versus 2025 Q1 and 2024 Q2

Metro	Recorded			Quarter-on-quarter change	Year-on-year change
	2025 Q2	2025 Q1	2024 Q2	(vs 2025 Q1)	(vs 2024 Q2)
Working-age population	3 266 037	3 254 574	3 219 778	11 463	46 259
Broad labour force	2 400 990	2 427 313	2 349 484	-26 324	51 506
Strict labour force	2 329 274	2 338 367	2 285 445	-9 093	43 829
Employed: Total[12]	1 786 034	1 827 181	1 749 794	-41 147	36 241
Employed: Formal sector	1 443 643	1 475 258	1 414 697	-31 615	28 946
Employed: Informal sector	221 838	239 731	221 798	-17 893	41
Unemployed (strict)	543 240	511 186	535 652	32 054	7 588
Not economically active	936 763	916 207	934 333	20 555	2 430
Discouraged work seekers	23 742	35 650	33 093	-11 908	-9 351
Other not economically active	913 021	880 557	901 240	32 463	11 781

Source: Statistics South Africa, Quarterly Labour Force Survey, 2025 Quarter 2, August 2025.

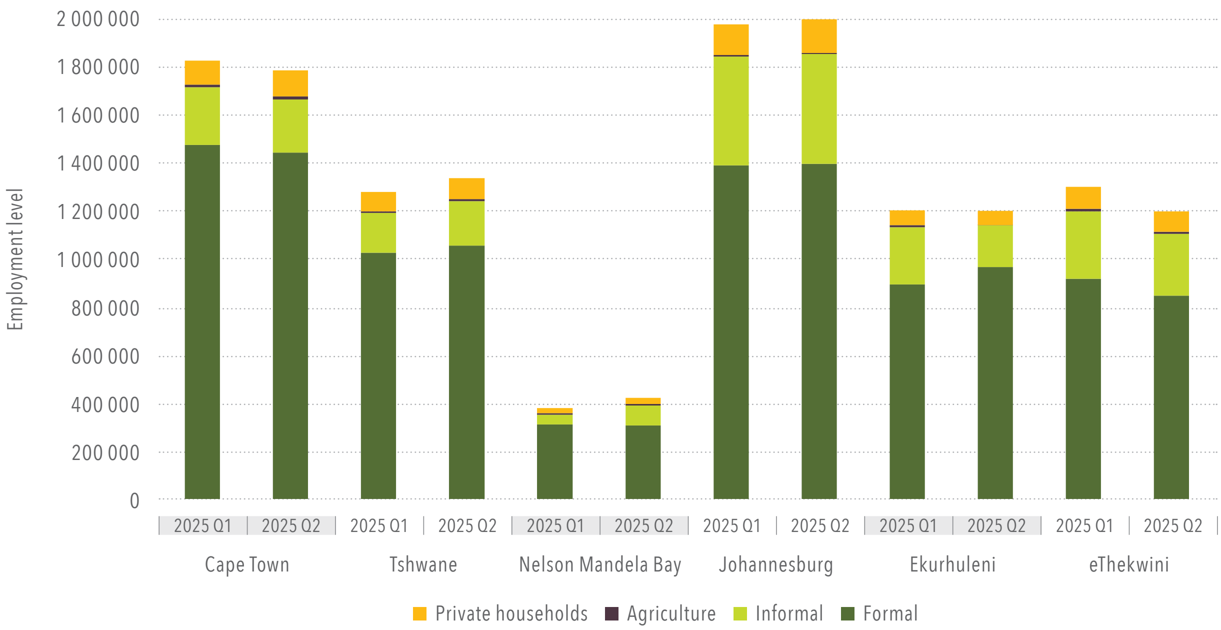
12 *'Total employment' comprises 'formal', 'informal', 'agriculture' and 'private households' employment.*

Employment comparison of metros

When measuring Cape Town's job-creation performance, a comparison with other metros[13] in the country is helpful. In the second quarter of 2025, Cape Town continued to have the second highest number of employed people, at 1,78 million individuals. This was second only to Johannesburg, where 1,99 million people were employed. This is to be expected, as Johannesburg has a larger population than Cape Town.

As seen in figure 8, when compared to the previous quarter, three of the metros recorded positive employment growth and three metros recorded negative employment growth. Tshwane added the most to employment (up by 56 699 individuals) followed by Nelson Mandela Bay (up by 42 394 individuals) and Johannesburg (up by 22 316 individuals). eThekwini experienced the largest decline in employment, losing 101 711 jobs, followed by Cape Town (down by 41 147 individuals) and Ekurhuleni (down by 1 694 individuals).

Figure 8: Employment comparison with other metros by major sector, 2025 Q2 vs Q1



Source: Statistics South Africa, Quarterly Labour Force Survey, 2025 Quarter 2, August 2025.

In Cape Town, formal employment decreased on a quarter-on-quarter basis (down by 31 615 individuals) but increased on a year-on-year basis (up by 28 946 individuals), reaching a total of 1,44 million individuals in the second quarter of 2025. Informal employment declined on a quarter-on-quarter basis (down by 17 893 individuals) with a marginal drop on a year-on-year basis (down by 41 individuals), totalling 221 838 individuals at the end of the quarter. Employment in the agricultural sector fell compared with both the previous quarter (down by 677 individuals) and the second quarter of 2024 (down by 565 individuals). In contrast, employment in private households increased by 9 038 individuals quarter-on-quarter and by 7 819 individuals year-on-year.

13 *This comparison does not include all South African metro cities.*

Unemployment in Cape Town

The number of unemployed individuals actively searching for work in Cape Town rose on both a quarter-on-quarter basis (up by 32 054) and a year-on-year basis (up by 7 588), reaching 543 240 at the end of the quarter. The declines in employment, combined with the increases in unemployment, resulted in a rise in the strict unemployment rate from 21,9% in the first quarter of 2025 to 23,3% in the second quarter. The strict unemployment rate was, however, 0,1 of a percentage point lower than in the second quarter of 2024 (23,4%).

The youth unemployment rate in Cape Town – defined as the strict unemployment rate for individuals aged 15 to 24 years old – was estimated at 52,7% in the second quarter of 2025. This reflects a strong increase from 45,2% in the previous quarter and is also higher than the rate recorded a year ago (50,9%). While this remains well below the national youth unemployment rate of 62,2% recorded in the second quarter of 2025, it is nonetheless high by average developing country standards and continues to pose a key challenge for economic policymakers in the city.

While comparisons of Cape Town's unemployment trends with those of the country as a whole are important, it is perhaps more relevant to compare these Cape Town trends to other metros that have similar labour market dynamics (table 2). In the second quarter of 2025, Cape Town had the lowest strict (23,3% up from 21,9% in 2025 Q1) and broad (25,6% up from 24,7% in 2025 Q1) unemployment rates compared to all the other metros.

Table 2: Unemployment rate[14] comparison of metros, 2025 Q2 versus 2025 Q1 and 2024 Q2

Metro	Official (strict)			Expanded (broad)		
	2025 Q2	2025 Q1	2024 Q2	2025 Q2	2025 Q1	2024 Q2
Cape Town	23,3%	21,9%	23,4%	25,6%	24,7%	25,5%
eThekwini	26,8%	21,4%	23,0%	42,0%	38,0%	37,5%
Ekurhuleni	34,7%	32,5%	33,4%	42,7%	41,1%	39,6%
Johannesburg	33,0%	34,3%	34,3%	37,2%	38,0%	36,6%
Nelson Mandela Bay	26,4%	22,3%	30,9%	35,0%	27,1%	33,2%
Tshwane	30,8%	33,5%	35,3%	35,0%	38,4%	38,9%

Source: Statistics South Africa, Quarterly Labour Force Survey, 2025 Quarter 2, August 2025.

When compared to the previous quarter, two of the metros experienced decreases in their strict and broad unemployment rates, while four metros experienced increases. eThekwini recorded the largest increase in its strict unemployment rate (up by 5,4 percentage points) while Nelson Mandela Bay recorded the largest increase in its broad unemployment rate (up by 7,9 percentage points). Both metros experienced significant increases of over 4 percentage points in both of their unemployment rates. This was followed by Ekurhuleni and Cape Town, which experienced increases in both definitions of unemployment. Tshwane recorded the largest decreases in both its strict unemployment (down by 2,7 percentage points) and broad unemployment rates (down by 3,4 percentage points) when compared to the previous quarter. This was followed by Johannesburg, which also saw decreases in both unemployment rates.

Cape Town recorded the lowest difference between its two rates of unemployment (2,3 percentage points), while eThekwini recorded the largest difference of 15,2 percentage points. The extent of the difference between the two rates of unemployment can be attributed to the number of discouraged work seekers in each of the metros.

14 *The 'strict' definition of unemployment includes only people who are actively seeking work.*
The 'broad' definition of unemployment includes those under the 'strict' definition as well as 'discouraged' and other 'non-searching' job seekers.

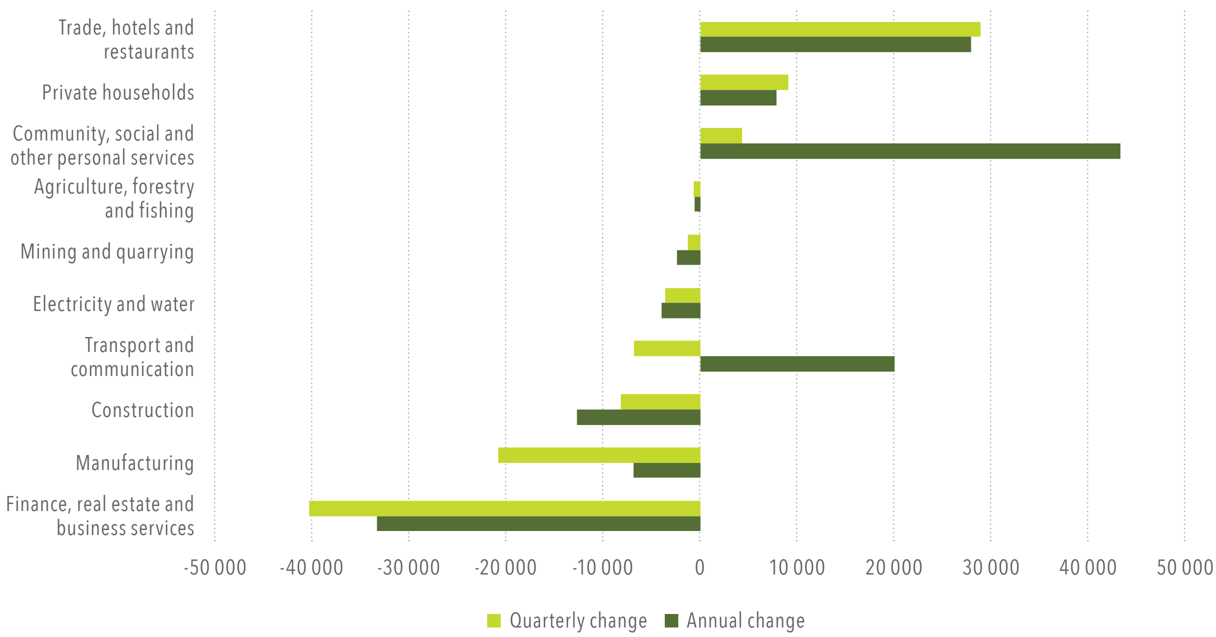
Sector employment trends for Cape Town

Figure 9 depicts the change in the level of employment by sector in Cape Town in the second quarter of 2025, compared to the first quarter of 2025 and second quarter of 2024. The trade, hotels and restaurants sector contributed the most to job growth, adding 28 786 jobs, followed by private households (up by 9 038 jobs) and community, social and other personal services (up by 4 284 jobs). In contrast, the finance, real estate and business services sector recorded the steepest losses (down by 40 174 jobs), followed by manufacturing (down by 20 750 jobs) and construction (down by 8 142 jobs). Declines were also seen in transport and communication (down by 6 817 jobs), electricity and water (down by 3 608 jobs), mining (down by 1 271 jobs) and agriculture (down by 677 jobs).

When compared with the second quarter of 2024, similar sectoral patterns emerge. The community, social and other personal services sector added the most jobs (up by 43 161 jobs), followed by trade, hotels and restaurants (up by 27 812 jobs), transport and communication (up by 19 970 jobs), and private households (up by 7 819 jobs).

On the downside, the finance, real estate and business services sector registered the largest contraction, shedding 33 193 jobs year-on-year. Losses were also recorded in construction (down by 12 682 jobs), manufacturing (down by 6 877 jobs), electricity and water (down by 3 978 jobs), mining (down by 2 377 jobs), as well as agriculture (down by 565 jobs).

Figure 9: Quarterly and annual change in employment per sector for Cape Town, 2025 Q2



Source: Statistics South Africa, Quarterly Labour Force Survey, 2025 Quarter 2, August 2025.

04

Infrastructure and trade

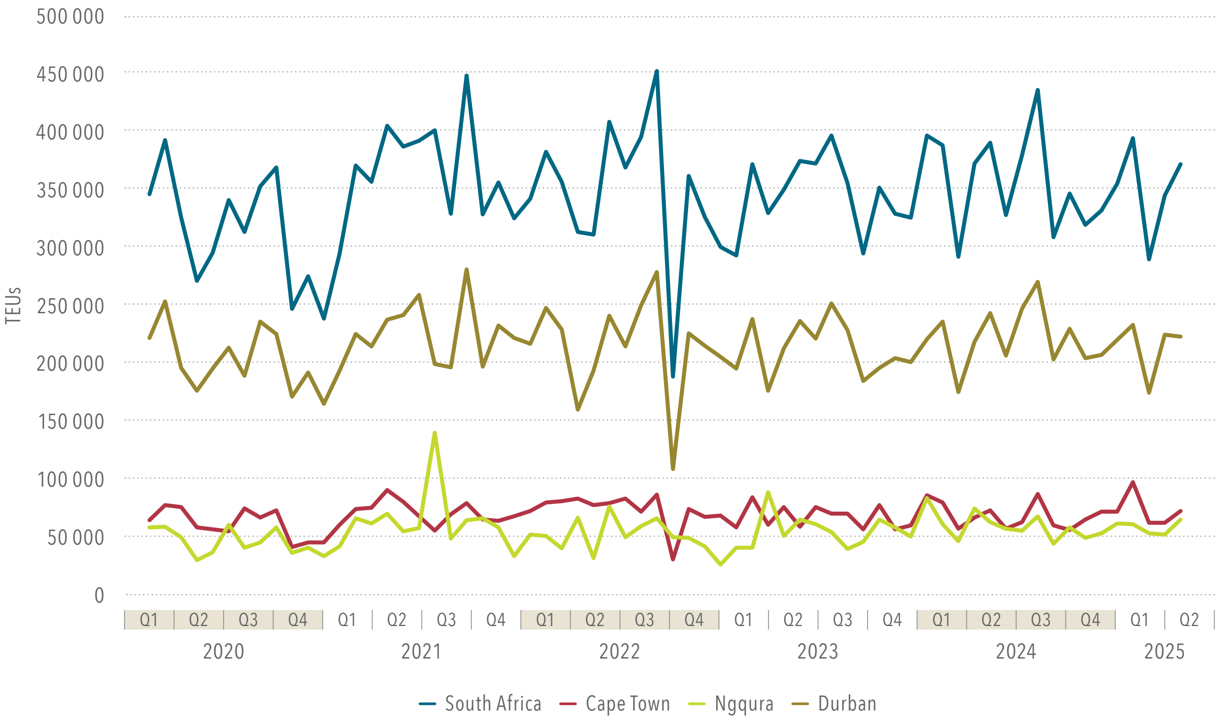
Cape Town is often cited as the gateway to South Africa and Africa. This status is sustained by the city's well-developed transportation infrastructure, including having South Africa's second-busiest airport, as well as (historically) its second-busiest container port. This section reviews infrastructure developments in relation to Cape Town's port and airport.


Murray&Roberts WBHO
TEAM
WBHO

Container traffic

Container traffic typically demonstrates erratic short-term movement, as shown in figure 10. As such, it is best to compare the quarterly number of containers handled – as measured in twenty-foot equivalent units (TEUs)[15] – over the period of a year. The Port of Durban[16] remained the largest container handling port in South Africa, handling a total of 620 536 TEUs in the second quarter of 2025. The Port of Durban accounted for 61,4% of all containers handled in the country, followed by the Port of Cape Town (18,7%) and the Port of Ngqura[17] (16,1%). The remainder of TEUs handled in the country (3,8%) are shipped through the ports of Gqeberha, East London and Richards Bay.

Figure 10: Total containers handled monthly (nationally), 2020 Q1 to 2025 Q2



Source: Transnet National Ports Authority, August 2025.

As shown in table 3, the total number of containers handled at South African ports decreased by 4,6% on a year-on-year basis, from 1 059 608 TEUs in the second quarter of 2024 to 1 010 608 TEUs in the second quarter of 2025. The Port of Cape Town recorded a minimal year-on-year increase of 0,4%, while decreases were recorded at the Port of Durban (-2,3%) and the Port of Ngqura (-7,6%) in the second quarter of 2025.

15 *A TEU (20-foot equivalent unit) is an inexact unit of cargo capacity, based on the volume of a 20-foot-long (6 m) container. There is a lack of standardisation with regard to height, ranging between 4 feet 3 inches (1,30 m) and 9 feet 6 inches (2,90 m), with the most common height being 8 feet 6 inches (2,59 m). The 40-foot (12,2 m) or 45-foot (13,7 m) containers – the sizes most frequently used – are both defined as two TEUs.*

16 *The Port of Durban is located in the eThekwini metro.*

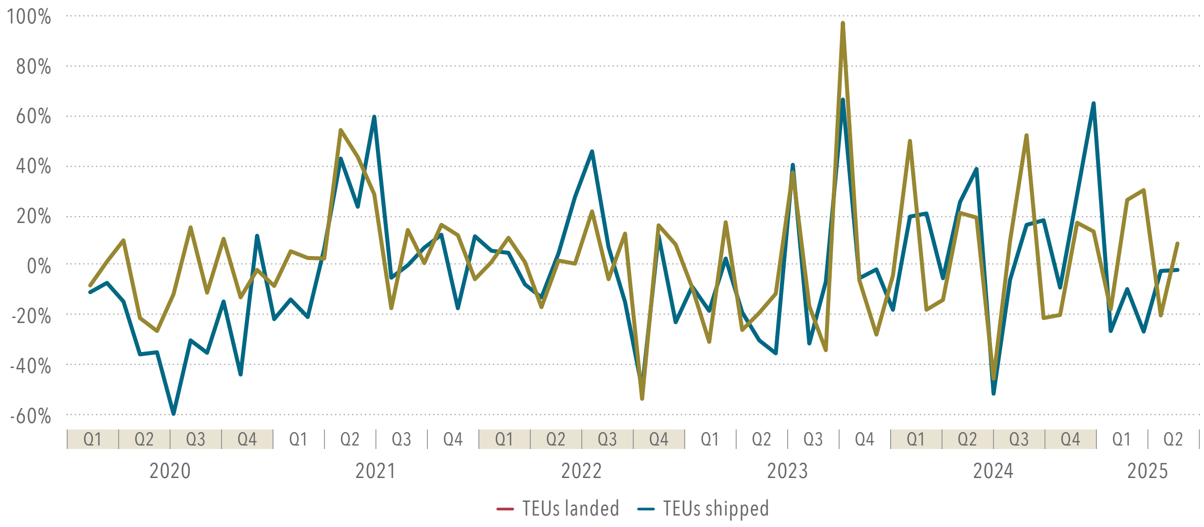
17 *The Port of Ngqura is located in the Nelson Mandela Bay metro.*

Table 3: Comparison of total[18] containers handled (in TEUs), 2025 Q2 versus 2025 Q1 and 2024 Q2				
	2025 Q2	2025 Q1	2024 Q2	Year-on-year change
South Africa	1 010 806	1 086 202	1 059 608	-4,6%
Cape Town	189 341	233 552	188 625	0,4%
Durban	620 536	659 241	635 121	-2,3%
Ngqura	162 284	167 867	175 609	-7,6%

Source: Transnet National Ports Authority, August 2025.

Shifting from total TEUs to TEUs loaded to full capacity, the Port of Cape Town recorded a year-on-year decrease of 9,3% in full TEUs landed (imported), from 54 438 TEUs in the second quarter of 2024 to 49 384 TEUs in the second quarter of 2025. For the same year-on-year period, the number of full TEUs shipped (exported) increased by 4,1%, from 79 094 TEUs to 82 345 TEUs.

Figure 11: Annual change in full TEUs handled (monthly) at the Port of Cape Town, 2020 Q1 to 2025 Q2



Source: Transnet National Ports Authority, August 2025.

From April to May 2025, the Cape Town Container Terminal recorded steady improvements, supported by the roll-out of new RTG cranes and planned ship-to-shore upgrades that increased handling capacity. Operational reliability strengthened, with vessel compliance improving to 83%. Refrigerated cargo volumes grew by 5% year-on-year, reflecting firmer export demand and greater resilience in perishable trade flows (Parker, 2025). This may have been impacted by frontloading ahead of the increase to the US tariffs that came into effect in August 2025.

Despite recent positive developments, the Port of Cape Town faced severe congestion during the second quarter of 2025 with vessel delays often stretching beyond 8–10 days and yard backlogs mounting. Operations were further disrupted by adverse weather conditions (strong winds, storms, and fog), which caused frequent stoppages and hundreds of lost working hours. Efficiency was also constrained by equipment shortages and low crane productivity, with performance falling well below global benchmarks (SAFF, 2025). As a result, major carriers, including Maersk, began rerouting vessels to bypass Cape Town to avoid prolonged delays (Sreelakshmi, 2025).

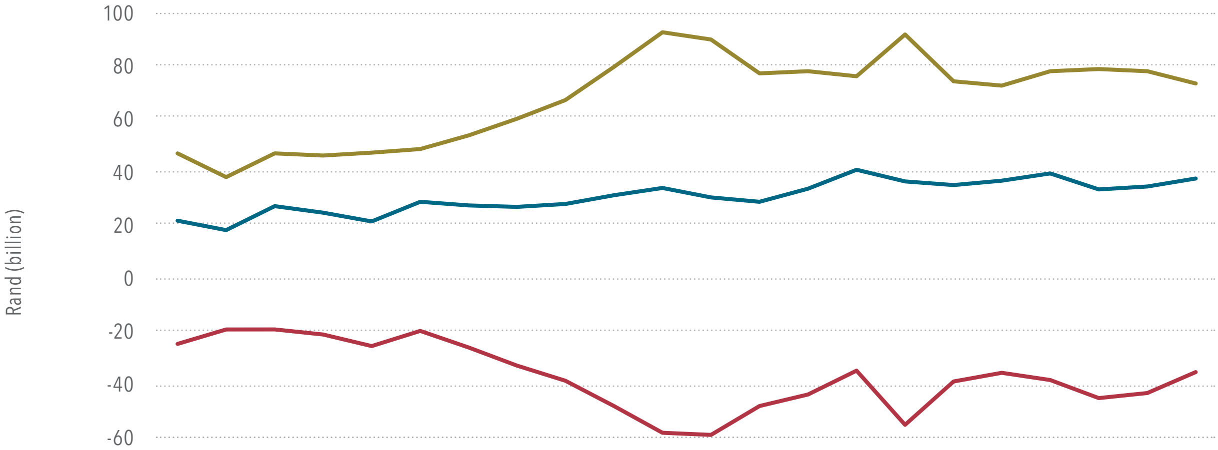
18 *Total containers handled includes both full and empty TEUs logged.*

Cape Town trade

In the second quarter of 2025, exports increased by 9,2% to R36,8 billion and imports decreased by 6,2% to R72 billion on a quarter-on-quarter basis, as illustrated in figure 12, which shows the quarterly trade balance for Cape Town. As a result, Cape Town's trade deficit decreased to R35,2 billion, compared to R43 billion in the previous quarter. Nationally, in the second quarter of 2025, a trade surplus of R54,9 billion was realised with South Africa's top exports for the quarter being platinum and gold, as well as motor vehicles (Quantec, 2025).

The value of total exports increased by 2,7% compared to the second quarter of 2024, and imports increased marginally by 0,8%. Large year-on-year increases in imports[19] were recorded for electric generating sets and rotary converters, as well as wheat and meslin.

Figure 12: Cape Town's trade balance, 2020 Q1 to 2025 Q2



	2020				2021				2022				2023				2024				2025	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Export	21,3	17,9	26,6	24,2	21,0	28,1	27,0	26,3	27,4	30,6	33,3	29,9	28,3	33,1	40,0	35,6	34,4	35,9	38,6	32,7	33,7	36,8
Import	46,2	37,5	46,2	45,4	46,5	48,0	53,0	59,2	65,9	78,3	90,9	88,3	75,9	76,5	74,7	90,3	72,9	71,4	76,7	77,5	76,7	72,0
Trade balance	-24,9	-19,6	-19,5	-21,3	-25,5	-19,9	-26,1	-32,9	-38,5	-47,7	-57,6	-58,4	-47,6	-43,4	-34,7	-54,7	-38,5	-35,5	-38,1	-44,8	-43,0	-35,2

Source: Quantec, 2025.

Cape Town's top 10 export products by value showed notable shifts in the second quarter of 2025. Seasonal citrus fruit recorded the strongest growth at 2 456%, re-entering the list, followed by apples, pears and quinces with a 106% increase. Most of the top 10 exports remained consistent with the previous quarter, while exports of engine parts, and niobium and zirconium ores/concentrates replaced seasonal products. In contrast, yacht exports registered the steepest decline, down 43% quarter-on-quarter.

Cape Town's top 10 exports in the second quarter of 2025, shown in table 4, accounted for 44% of total exports. The year-on-year increase in total exports (2,7%) was driven by a significant increase in fish fillets and frozen fish exports, which rose by 41,4% and 41% respectively year-on-year, as well as citrus fruit (+38%). On a further positive note, eight of the top 10 export products recorded year-on-year growth, with only two export categories showing negative year-on-year growth in 2025 Q2. The largest of these declines was yachts and other sport and leisure vessels (-31,8%), while refined petroleum oil also recorded a year-on-year decline (-30,4%), however this includes re-exporting. These products are regularly in the top 10 export list.

19 *Imports were isolated to the top 10 imports by rand value for observing trends.*

Table 4: Cape Town's top 10 exports, 2025 Q2			
Cape Town's top export categories for 2025 Q2 (HS 4)[20]	Rand value (million)	% of total exports	Year-on-year change (vs 2024 Q2)
Citrus fruit	R4 247	11,5%	37,7%
Apples, pears and quinces	R3 024	8,2%	10,0%
Refined petroleum oil	R2 859	7,8%	-30,4%
Fish fillets and fish meat	R1 229	3,3%	41,4%
Chromium	R1 021	2,8%	0,6%
Engine parts	R912	2,5%	17,7%
Yachts and other pleasure and sport vessels	R827	2,2%	-31,8%
Beauty and skincare	R722	2,0%	4,8%
Frozen fish	R712	1,9%	41,0%
Niobium, tantalum, vanadium or zirconium ores	R643	1,7%	13,8%
Total of top 10 export categories	**R16 197**	**44,0%**	
Total of ALL products	**R36 830**	**100%**	**2,7%**

Source: Quantec, own calculations, August 2025.
Note: Only the top 10 exports at an HS4 level are shown in the table above.

In contrast, jewellery of precious metals and yachts recorded steep declines, contracting by 72,9% and 46,8% quarter-on-quarter (down by 68,8% and 47,1% year-on-year, respectively), possibly because custom yachts cannot easily avoid higher tariffs by earlier completion. These categories remain at risk, underscoring the need to track the longer-term effects of these tariffs on Cape Town's export profile.

In the second quarter of 2025, Cape Town's highest-value imports were refined petroleum (R23,9 billion) and crude petroleum (R7 billion). Refined petroleum was sourced mainly from Asia, particularly the Western and South-Central regions.

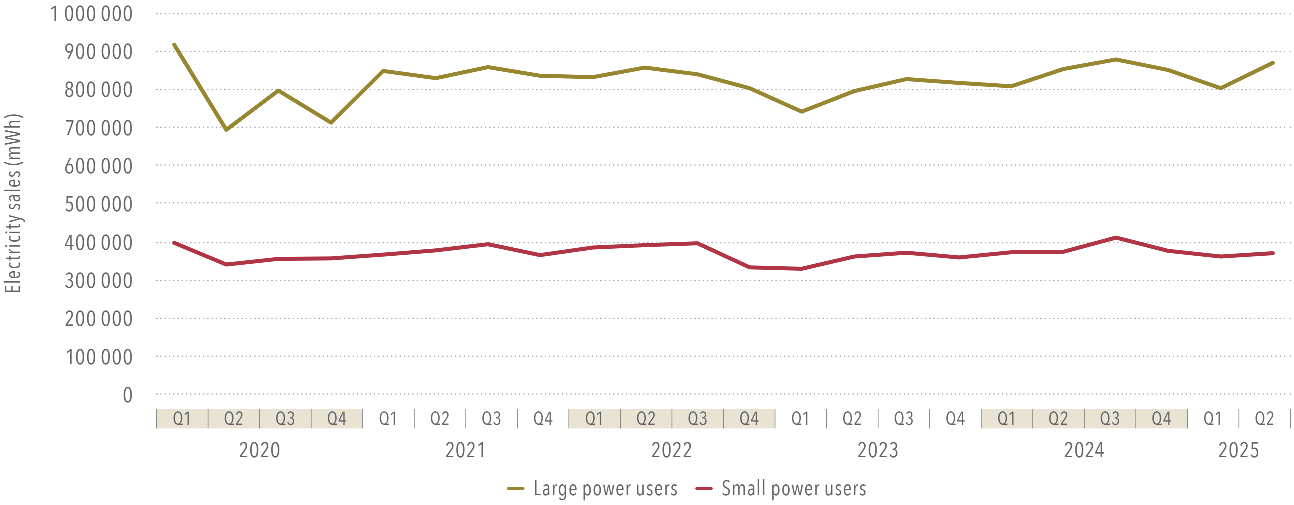
The United States (US) ranked as Cape Town's third-largest export market in the second quarter of 2025, with exports totalling R2,29 billion (down by 11,7% quarter-on-quarter and 21,9% year-on-year). The decline may in part reflect the 10% tariff introduced on 5 April 2025 (The White House, 2025a), which weighed on overall exports to the US. Exports of engine parts rose sharply by 82% to R323 million, becoming the top export to the US, while citrus fruit and broadcasting equipment also recorded notable gains, most likely reflecting frontloading ahead of anticipated further tariff increases. These expectations materialised when, on 1 August 2025, the US government implemented a 30% tariff increase (The White House, 2025b).

20 *The Harmonized System is a six-digit code system used internationally for the classification of products. It allows for the trading of goods on a common basis for customs purposes.*

Commercial and industrial electricity usage

Electricity is an important driver of economic activity as it is a key input in most production processes. This is especially true in economies with greater proportions of secondary and tertiary sector activities, like in South Africa, including Cape Town. Consumption of electricity by large power users (LPUs) and small power users (SPUs) is therefore a good indicator of production levels in the manufacturing sector.

Figure 13: Cape Town's commercial electricity usage, 2020 Q1 to 2025 Q2



Source: Electricity Generation and Distribution, CCT, August 2025.
Note: Electricity usage is measured in megawatt-hours (MWh).

Following a decrease in the previous quarter, electricity sales to LPUs grew in the second quarter of 2025, rising by 8,3% on a quarter-on-quarter basis. The City's electricity sales to SPUs also increased by 2,4% quarter-on-quarter. While there were 15 days of power outages in the first quarter of 2025 due to several breakdowns of Eskom's generation fleet, only 26 hours of load-shedding were recorded in the second quarter (Eskom, 2025a; Eskom, 2025b; Eskom, 2025c). The average Energy Availability Factor (EAF) for the second quarter of 2025 was 58,5%, 1,6 percentage points higher than the preceding quarter (Eskom, 2025d). This improvement in energy availability contributed to the growth in electricity sales to LPUs and SPUs, possibly suggesting an increase in manufacturing activity in Cape Town during this period. This is corroborated by the quarter-on-quarter increase in manufacturing output (GDP) in the Western Cape by 1,9% in quarter 2.

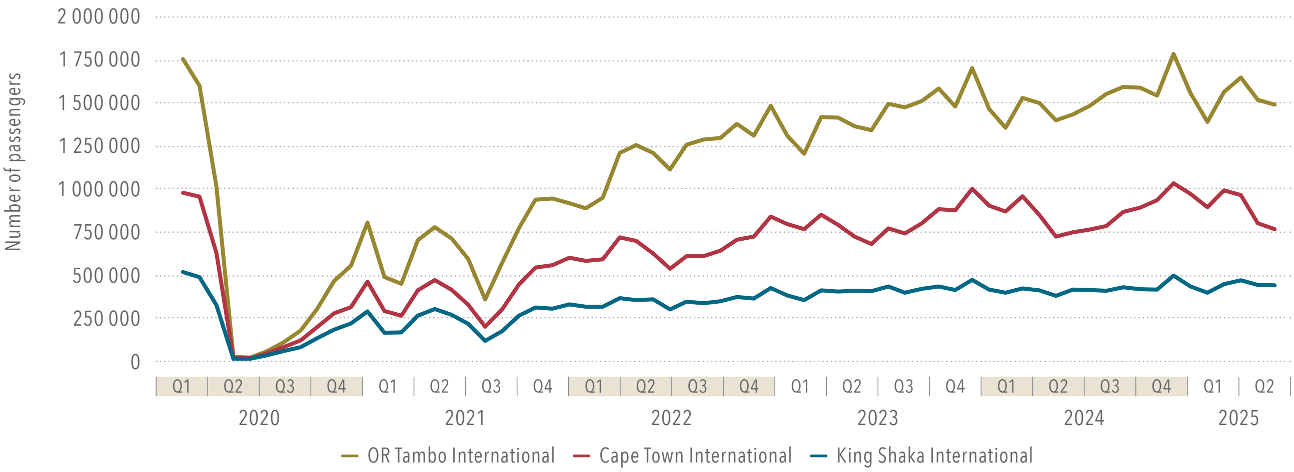
Similarly, electricity sales to LPUs in the second quarter of 2025 were higher than in the corresponding period in 2024. LPUs recorded a year-on-year increase of 1,9%. However, electricity sales to SPUs declined by 0,8% year-on-year.

Airport statistics

Cape Town International Airport is South Africa's second-busiest airport after OR Tambo International Airport in Johannesburg. It recorded 2,54 million passenger movements (arrivals and departures) in the second quarter of 2025, compared to 4,69 million passenger movements at OR Tambo International and 1,35 million at King Shaka International during the same period.

To account for seasonal trends, passenger statistics are best analysed on a year-on-year basis. For the second quarter of 2025, all three international airports recorded positive year-on-year growth. Total passenger movements at Cape Town International recorded the second largest year-on-year increase of 9,5%, representing a total of 219 618 more passenger movements than observed in the second quarter of 2024. Total passenger movements at OR Tambo International increased by 7,5% (+328 155) year-on-year. King Shaka International recorded the largest year-on-year increase of 12,5%, representing a total of 149 942 more passenger movements than observed in the second quarter of 2024. The continued positive year-on-year performances point to improvements in travel and its associated industries.

Figure 14: Total (monthly) passenger movements at South Africa's major airports, 2020 Q1 to 2025 Q2



Source: Airports Company South Africa, September 2025.

Of the three airports, Cape Town International recorded the second highest year-on-year growth in passenger arrivals in the second quarter of 2025, improving by 9,8%. International arrivals increased by 9,7% year-on-year, and domestic arrivals by 9,5% year-on-year. Total passenger[21] arrivals in the second quarter of 2025 comprised 23,7% international arrivals and 74% domestic arrivals.

21 'Total passenger movements' are made up of 'international', 'regional', 'domestic' and 'unscheduled' categories.

05

Tourism

Owing to its unique location and geology, Cape Town is one of the most scenic and recognisable cities in the world. The city boasts an abundance of world-class attractions. The combination of scenic appeal, excellent service standards and a well-developed hospitality sector underpins a historically robust tourism industry. This industry remains important for the local economy, not just because of its potential role in job creation – being one of the most labour-intensive industries in Cape Town – but also for its catalytic influence on other industries such as the real estate sector, creative industry and transport sector.


SABC
Jazz
FESTIVAL
SABC

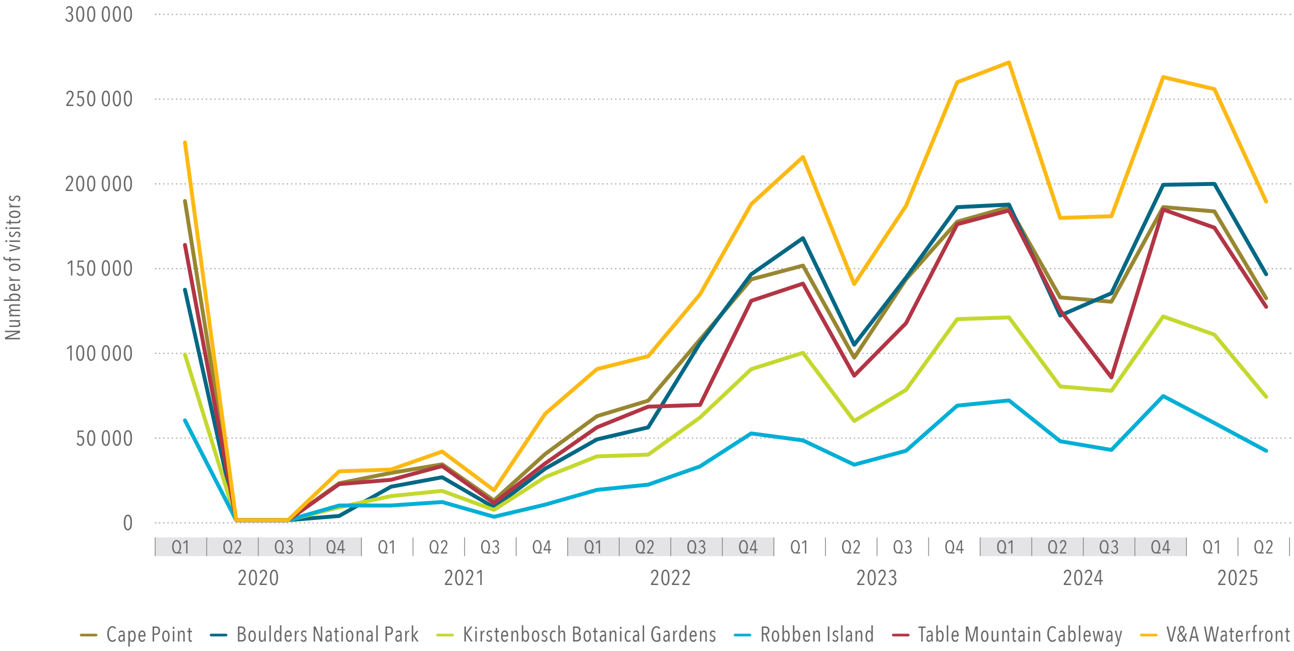
Cape Town is a well-known domestic and international tourist destination, and the city's tourism sector is a valuable contributor to the local and national economy. Cape Town Tourism's (CTT) Cape Town Accommodation Performance Review and Forecast reports provide insight into the sector's performance (CTT, 2025a; CTT, 2025b; CTT, 2025c).

During the second quarter of 2025, the surveyed establishments recorded an average occupancy rate of 54,8%, coming in slightly lower than the forecast demand for the period (56,9%), but improving from the 53,9% recorded in 2024 Q2. The average room rate of R2 255 is a notable year-on-year improvement (+R471), while the revenue per room rate (R1 250) also increased (+R95). That said, these indicators all declined compared to the figures in the previous quarter, which is indicative of Cape Town's seasonality.

Demand for accommodation during the second quarter of 2025 continued to be driven mainly by the domestic market, which accounted for an average of 57% of room nights sold. Demand from international travellers constituted 30% and within Africa, 13%. In the quarter under review, leisure dominated as the primary reason for international travel, and business for domestic travel. Regional travel was split, with business leading at the start and end of the quarter.

The South Africa Tourism's Departure Survey gauges the attractions visited by international tourists while they are in South Africa. While the survey data, based on a sample, is not as comprehensive as visitor numbers recorded directly by the establishments (which records both local and tourist visits), it is a useful indicator of activity in the tourism sector. Preliminary results of the survey reveal that, during the second quarter of 2025, six of Cape Town's major tourist attractions[22] welcomed a total of 710 979 international tourists, reflecting a year-on-year increase of 3,6%.

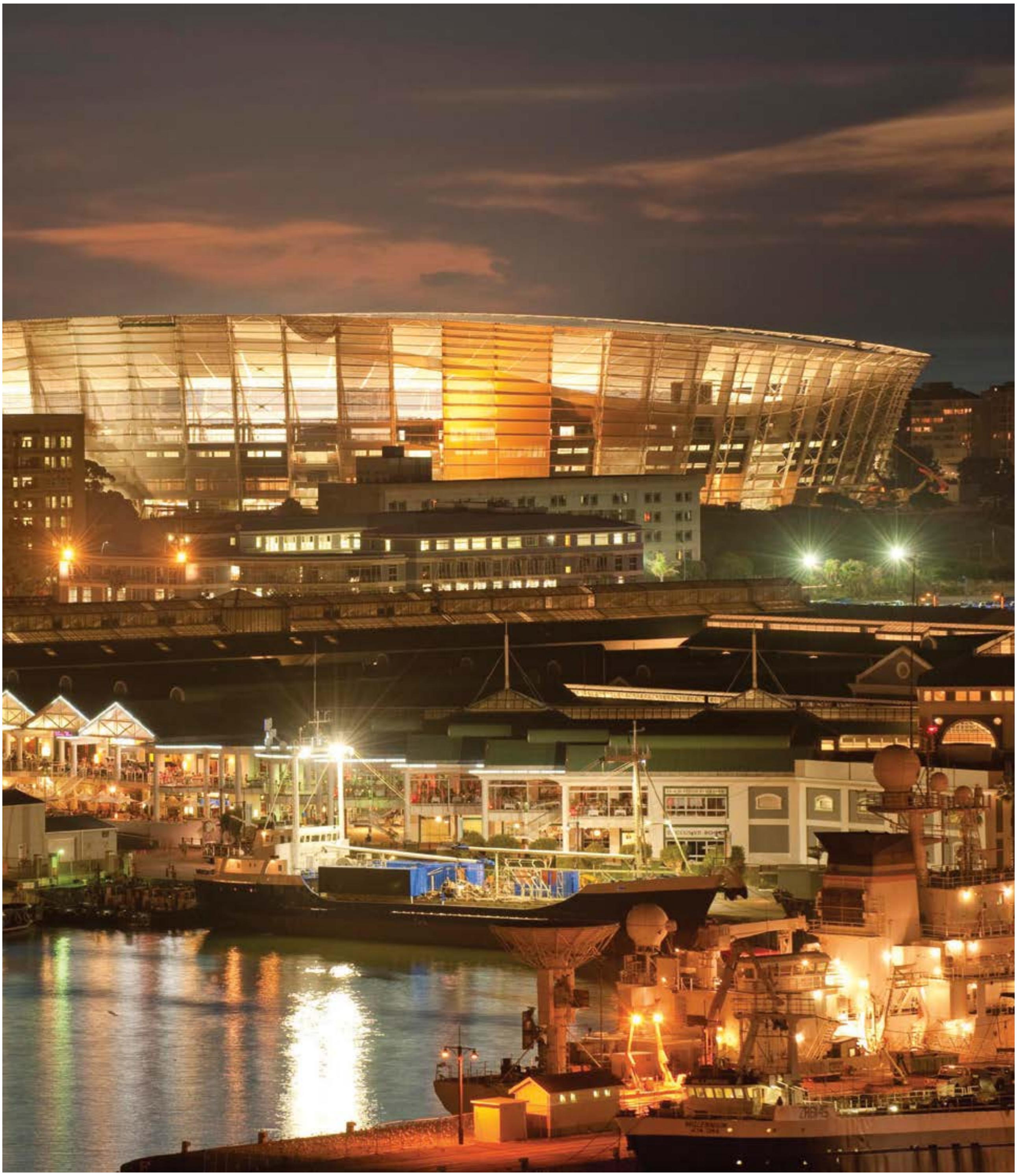
Figure 15: Number of international tourist visits to six tourist destinations of Cape Town, 2020 Q1 to 2025 Q2



Source: Wesgro, September 2025.
Note: The SAT Departure Survey data will differ from all visitor numbers officially recorded at the respective establishments, where entry is captured through fees. This differs from reporting in previous editions, which was based on officially recorded visitors.

22 *Includes Cape Point, Boulders National Park, Kirstenbosch Botanical Gardens, Robben Island, Table Mountain Aerial Cableway and the V&A Waterfront.*

Figure 15 illustrates the highly seasonal nature of Cape Town's attractions, with peak visitor activity occurring in the summer period, namely the first and fourth quarters of the year. The lowest tourist visitor numbers are typically recorded in the second and third quarters, which fall within Cape Town's winter period. In line with the region's seasonal trends, visitor numbers declined in the second quarter of 2025, when compared to the previous quarter, signalling the end of the peak visitor period.



06

Additional indicators

In addition to macroeconomic indicators, administrative data reveals specific consumer trends and provides strong indications of the performance of the local economy. In particular, building plan statistics and property development are key indicators of the levels of confidence in the economy, while passenger vehicle sales mirror trends in the business cycle and are regarded as a leading indicator of GDP growth.

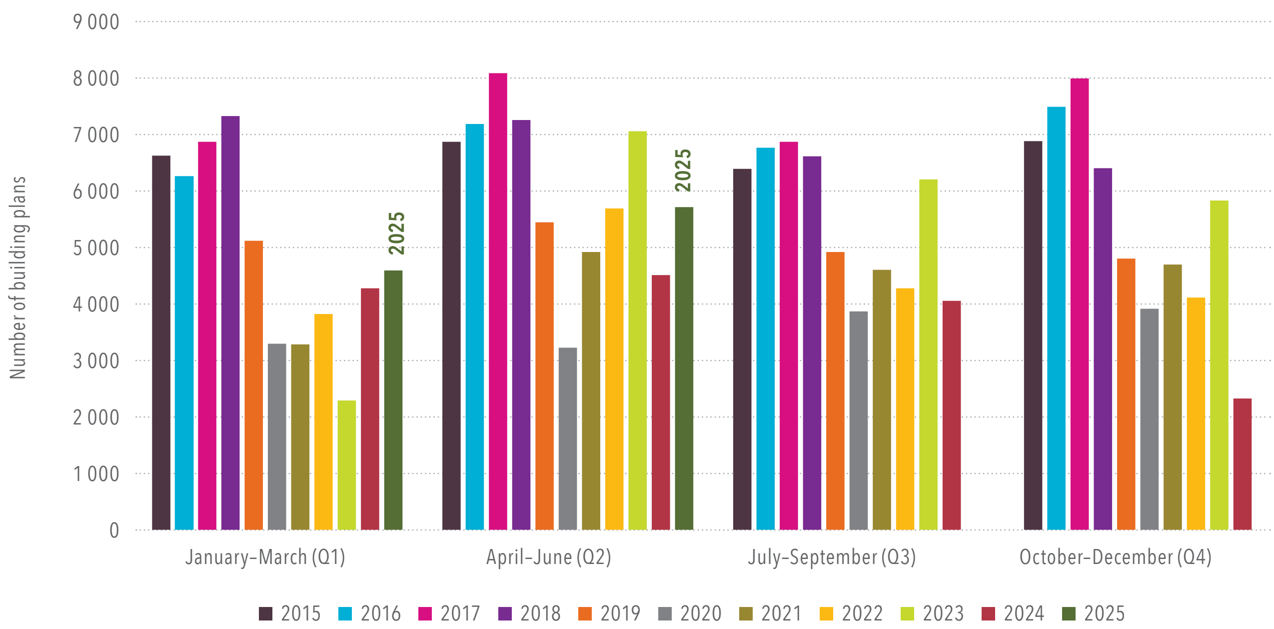
Building developments

The economic growth data for the second quarter of 2025 shows that national output in the construction sector contracted by 0,3% quarter-on-quarter (non-annualised growth). While it represented a third consecutive quarter of contractions, it was a notable improvement (+3,5 percentage points) when compared to that seen in the previous quarter. Average growth post Covid-19 remains negative, highlighting the sector's challenge in sustaining consistent growth momentum. The sector's year-on-year contraction of 3,7% also worsened by a further 0,5 of a percentage point from the year-on-year results for 2025 Q1. The Western Cape's construction sector mirrored these national trends, recording a quarter-on-quarter contraction of 0,3% in the second quarter of 2025 and a year-on-year contraction of 3,8% (Quantec, 2025).

The First National Bank/BER Building Confidence Index[23] worsened by 5 index points to record 36 index points in the second quarter of 2025. Sentiment results were mixed, with three survey segments reporting higher confidence (hardware retailers, quantity surveyors and building sub-contractors) and three reporting lower confidence compared to the previous quarter. Despite the mixed performance within the index, there remains a positive outlook for the future on the expectation of improved demand following previous architect activity levels (BER, 2025i).

The City's building plans data provides insight into the construction sector. In the second quarter of 2025, the value of building completions was 35% higher quarter-on-quarter, alongside an increase in the number of projects (+4,3%). At a year-on-year level, the number of projects improved by 12%, and the total rand value of projects increased by 5%. Building completions amounted to 1 786, while building plan submissions totalled 5 715 for the second quarter of 2025. This represents an improvement of 24% in submitted plans compared to the previous quarter and a 26% year-on-year improvement compared to the second quarter of 2024 (CCT, 2025c).

Figure 16: Building plans submitted to the City of Cape Town, 2015 Q1 to 2025 Q2



Source: Development Management Department, CCT, September 2025.
Note: 2023 Q1 only includes data for January and up to 20 February 2023.

23 *The FNB/BER Building Confidence Index captures the percentage of architects, quantity surveyors, contractors and manufacturers of building material who are satisfied with, or wary of, the prevailing business conditions. The index can vary between zero (indicating an extreme lack of confidence) and 100 (indicating extreme confidence).*

New vehicle sales

Total vehicle sales in the Western Cape in the second quarter of 2025 declined by 2,7% to 17 284 units sold, from 17 758 in the first quarter of 2025 – a total drop of 474 units. On a year-on-year basis, vehicle sales increased by 21,5% (3 060 units) from 14 224 vehicles sold in the same period in 2024. Passenger vehicle sales in the Western Cape, which represents the private consumer segment of the market, declined to 12 808 in the second quarter of 2025, from 13 089 vehicles in the first quarter of 2025 (-2,1%). The year-on-year results showed an increase of 29,9% (+2 949 units) from 9 859 passenger vehicles sold in the second quarter of 2024. This marks the fourth consecutive quarter of improving year-on-year growth, a positive signal for the industry.

Nationally, passenger vehicle sales rose by 22,3% (16 713 units), from 74 788 in the second quarter of 2024 to 91 501 in the second quarter of 2025, reflecting continued recovery in the market. According to the National Association of Automobile Manufacturers of South Africa (naamsa, 2025a; 2025b; 2025c) reviews, covering the quarter under review, new vehicle sales throughout the quarter reflected a resilient market. This was supported by the SARBs MPC decision to cut the repo rate by 25 basis points, which naamsa welcomed as it had advocated for the use of monetary policy to assist in buffering the sector from escalating global and domestic risks.

In addition, naamsa notes that the US tariff announcement saw an immediate impact on national trade performance as vehicle exports declined by 73% in the first quarter, followed by further declines of 80% in April and 85% in May. It is anticipated that the increased tariffs will also place immense pressure on Original Equipment Manufacturers, who have made long-standing industrial commitments to South Africa and invested significantly in local manufacturing, skills development and export infrastructure, which support local jobs (naamsa, 2025d).

Abbreviations

ACSA:	Airports Company South Africa
BER:	Bureau for Economic Research
BFAP:	Bureau for Food and Agriculture Policy
CCT/City:	City of Cape Town
CPI:	consumer price index
CT:	Cape Town
CTICC:	Cape Town International Convention Centre
CTT:	Cape Town Tourism
EAF:	Energy Availability Factor
EPIC:	Economic Performance Indicators for Cape Town
FNB:	First National Bank
GDP:	gross domestic product
GDP-R:	regional gross domestic product
GGP:	gross geographic product
GNU:	Government of National Unity
GVA:	gross value added
GWh:	gigawatt hours
HS:	Harmonized System
IMF:	International Monetary Fund
LPU:	large power users
MPC:	Monetary Policy Committee
MWh:	megawatt hours
naamsa:	National Association of Automobile Manufacturers of South Africa
PMI:	Purchasing Managers' Index
PPI:	producer price index
Q:	quarter
RMB:	Rand Merchant Bank
SA:	South Africa
SARB:	South African Reserve Bank
SPU:	small power users
TEU:	twenty-foot equivalent unit
US:	United States of America
VPI:	Vehicle Pricing Index
WC:	Western Cape
WEO:	World Economic Outlook

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