**Media Release**

---

**Reimagining South Africa's metros: What the latest Economic Outlook means for urban reform**

**For Immediate Release**

*Johannesburg, Tuesday, 31 March 2026* — A major new report tracking more than a decade of employment trends, industrial shifts, population growth, and post-pandemic recovery across South Africa's eight metropolitan municipalities has been released through the Spatial Economic Activity Data – South Africa (SEAD-SA) partnership.

The *Cities Economic Outlook 2026* report is the product of this collaboration, led by the National Treasury, the Human Sciences Research Council (HSRC), the University of the Witwatersrand, and the University of the Free State, and supported by funding from the UK Foreign, Commonwealth & Development Office. Drawing on this collective effort, the report provides evidence-based insights into the performance, pressures, and prospects of South Africa's metropolitan economies.

Titled *Cities in flux: Pathways of stress, adjustment and renewal*, the Outlook presents new evidence from the Spatial Tax Panel (STP), a unique administrative dataset built from anonymised tax records.

South Africa's economic future is closely tied to the trajectory of its cities. Today, approximately four in ten South Africans live in metropolitan areas, and these eight metros have absorbed half of all national population growth over the past three decades. Yet new evidence suggests that metro job growth has slowed and, in recent years, fallen behind the rest of the country.

**A decade of change in South Africa's cities**

Drawing on granular employer-to-employee tax data from the STP, the Outlook provides one of the most detailed accounts to date of how local economies are evolving.
Key findings include:

- Metropolitan employment growth has faltered over the past decade, with only Cape Town and Tshwane bucking the trend.

- Higher-value and tradable sectors such as manufacturing have stagnated in several cities, while job growth has been concentrated in non-tradable and public service activities.

---

- The population of South Africa's large metros are expanding rapidly, absorbing half of national population growth and doubling in size every 22–30 years – intensifying infrastructure and service delivery pressures.

- The green transition presents both opportunities and risks, with spatially uneven exposure across regions and industries.

- Bounce back from COVID-19 has been uneven, with metros initially absorbing the majority of job losses and lagging behind non-metro areas in recovery.

- Job losses were most intense for youth with little sign of improvement since.

The Outlook also introduces new analysis on economic complexity, spatial mismatch in Gauteng cities, deindustrialisation patterns, urban wage geographies, and the resilience of cities since the pandemic.

**Building a credible evidence base**

The foundation of the report is the STP, a longitudinal data product constructed from PAYE (IRP5/IT3a), firm tax returns (ITR14), VAT submissions, and customs data. The STP provides aggregated indicators of employment, earnings, establishment size, and sectoral change for all municipalities in South Africa, with sub-municipal detail available for metropolitan areas.

The data are processed in partnership with the National Treasury Secure Data Facility and released publicly in aggregated form through the SEAD-SA partnership. The initiative was formally launched in June 2023 by the Minister of Finance and the Commissioner of the South African Revenue Service, marking a significant milestone in strengthening South Africa's local economic data infrastructure.

Dr Duncan Pieterse, Director-General of the National Treasury, said: "Our cities are the engines of national economic growth, inclusion and innovation. They drive economic activity in their regions. If our cities do not work, South Africa cannot grow.

The National Treasury has long prioritised the use of data to strengthen policy and decision-making. Through the National Treasury Secure Data Facility and Spatial Economic Activity Data South Africa, we are unlocking the value of secure, de-identified administrative data to drive more inclusive development outcomes. By making spatialised tax data accessible, provinces and municipalities are better equipped with the insights needed for effective planning and a clearer view of how economic activity is distributed across the country."

Professor Justin Visagie, Associate Professor at the Southern Centre for Inequality Studies at the University of the Witwatersrand and lead editor of the report, said:

"South Africa's cities are central to national prosperity. Yet until recently, even basic questions about metro GDP, employment trends and industrial change were difficult to answer with confidence. The Spatial Tax Panel changes that. It provides a credible, granular and longitudinal evidence base that allows us to move beyond speculation and focus on the real dynamics shaping our cities."

He added:

"The Cities Economic Outlook is not a ranking exercise. Its purpose is to bring into focus the distinctive trajectories of our metropolitan economies and to support more informed debate about urban reform, investment and economic renewal. We need all of cities to thrive to improve national outcomes."

**A call for urban reform**

The report argues that national economic performance will be constrained if metropolitan economies cannot lead in job creation, investment and high-value activity. It calls for stronger coordination between national departments, state-owned entities, metropolitan governments, and the private sector to prioritise urban infrastructure, industrial upgrading, and spatial integration.

As part of its commitment to reduce poverty and strengthen institutions in partner countries, the UK's Foreign, Commonwealth & Development Office (FCDO) continues to work with its local partners to drive policy initiatives that are backed by data.

Antony Phillipson, British High Commissioner to South Africa reflected:

"The UK is proud to support the SEAD-SA partnership in strengthening insights that underpin South Africa's urban economic policy. High-quality, spatially detailed data is critical for understanding how cities are developing. Through our collaboration, we are working with national and local partners to boost economic opportunity and enhance the quality of life in metros across South Africa."

As South Africa marks three decades of democracy, the Outlook underscores that managing – rather than diverting – metropolitan population growth is critical. Strengthening infrastructure, improving service delivery, addressing spatial inequality, and supporting industrial upgrading are essential to ensuring that cities remain engines of inclusive growth.

The *Cities Economic Outlook 2026* is available through the SEAD-SA platform: [SEAD-SA_cities_economic_outlook_2026.pdf](SEAD-SA_cities_economic_outlook_2026.pdf)

//ENDS.

**About Spatial Economic Activity Data - South Africa (SEAD-SA)**

SEAD-SA is a multi-institutional partnership that develops and publishes granular economic data about South African cities and regions. SEAD-SA is implemented through a collaboration between the Human Sciences Research Council, the University of the Witwatersrand, the University of the Free State, and the National Treasury, with funding from the UK Foreign, Commonwealth & Development Office.

**About the UK Foreign, Commonwealth & Development Office (FCDO)**

The FCDO leads the United Kingdom's international development and diplomatic engagements, supporting global efforts to reduce poverty, strengthen institutions, and build climate resilience.

**Media Enquiries:**

**HSRC**
Adziliwi Nematandani: Email: anematandani@hsrc.ac.za | Tel: +27 (0) 82 765 9191

**Wits**
Kitso Kgaboesele: Email: kitso.kgaboesele@wits.ac.za | Tel: +27 (0) 11 717 8312

**National Treasury**
Cleopatra Mosana: Email: Media@treasury.gov.za    Cell: +27 63 686 8413

**British High Commission Pretoria**
Email: ukinsouthafrica@fcdo.gov.uk

**Join the Conversation:**
**#SEAD-SA**