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MPUMALANGA PROVINCE REPUBLIC OF SOUTH AFRICA



SOCIO-ECONOMIC REVIEW & OUTLOOK OF MPUMALANGA

June 2019



COMPILED BY: ECONOMIC ANALYSIS

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KEY FINDINGS

- In 2018, Mpumalanga's percentage share of the national population of 57.7 million was 7.8%, or 4.5 million.
- In 2018, Mpumalanga's share of the national household number was 7.9% or 1.29 million.
- In total over the last year, Mpumalanga recorded 12 279 more jobs, however, the province registered a decrease of 36 164 jobs over the last quarter.
- Trade (21.3%) and community services (19.9%) were the two industries that employed the highest number of individuals in Mpumalanga, whereas the utilities industry (3.2%) employed the lowest number.
- Mpumalanga (34.2%), recorded the third highest strict unemployment rate among the nine provinces. The expanded unemployment rate was 43.0% in the first quarter of 2019.
- In the first quarter of 2019, the male unemployment rate was 29.6%, the female unemployment was 39.7% and the youth (15-34 years) unemployment rate was 46.6%.
- By 2018, 7.6% of the people 20 years and older in Mpumalanga had not received any schooling.
- In 2018, Mpumalanga's Grade 12 pass rate (79.0%) was the fifth highest among the provinces.
- In 2018, Mpumalanga recorded a HDI score of 0.61, an improvement from the relatively low level (0.49) achieved in 1996.
- The poorest 40% of households in Mpumalanga earned 7.8% of income in 2018, which was higher (better) than the national figure of 6.7% for 2018, but lower than the 9.1% share achieved in 1996.
- In 2018, 46.4% or approximately 2.1 million of Mpumalanga population lived below the lower-bound poverty line of R767 per month.
- A major share of households (49.3%) in Mpumalanga reported expenditure of less than R2 500 per month in 2018.
- Mpumalanga's contribution to the national economy was the fifth largest with a share of 7.5% (current prices) in 2017.
- Mpumalanga's average annual GDP growth of 0.6% per annum between 2014 and 2017 was the second lowest.
- The forecasted annual growth rates for South Africa and Mpumalanga is projected to remain low and respectively average 1.9% and 1.8% per annum up to 2023.
- A structural model of Mpumalanga's economy estimates that the provincial economic growth was 0.2% in 2018 compared with 0.8% growth nationally.
- In 2017, the three largest contributors to the provincial economy were mining (25.5%), community services (16.1%) and trade (14.8%).
- The May 2019 inflation measurement in Mpumalanga of 4.4% was lower than the national level of 4.5% for the twenty-ninth consecutive month and below the upper band of the inflation target zone for the twenty-eight month in succession.

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PREFACE

Economic outlook

Global growth, which peaked at close to 4% in 2017, softened to 3.6% in 2018 and is projected to decline further to 3.3% in 2019, according to the International Monetary Fund's (IMF) *World Economic Outlook* published in April 2019. Although a 3.3% global expansion is still reasonable, the outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as advanced economy growth rates converge toward their modest long-term potential.

The weakened global growth expectations are mainly due to the escalation of USA-China trade tensions, macroeconomic stress in Argentina and Turkey, the risks surrounding Brexit and Chinese growth that might surprise on the downside. The central banks of the USA, European Union, England, China and Japan have all shifted to a more accommodative stance to counter the uncertainties. Emerging markets have since experienced a resumption in portfolio flows, a decline in sovereign borrowing costs and a strengthening of their currencies relative to the USA dollar. The realization of the downside risks, however, could dramatically worsen the outlook at a time when conventional monetary and fiscal space is limited as a policy response.

The domestic economy tracked world growth relatively closely up to 2000 (Figure 1). However, since then, and especially due to the economic downturn in 2008/09, the domestic economy has struggled to achieve even modest world growth levels. In 2018, the annual real economic growth rate for South Africa was 0.8%, following an increase of 1.4% in 2017. The country's forecasted growth rate up to 2023 is expected to remain lower than world growth prospects, but to surpass growth of advanced economies in 2021. The key measure of economic success identified in the National Development Plan 2030 (NDP) is that South Africa achieves annual average gross domestic product (GDP) growth of over 5% up to 2030.



Figure 1: Historic & forecasted real GDP growth for the world and South Africa, 1995-2023

Source: IMF – World Economic Outlook Update, April 2019

The International Monetary Fund (IMF) forecast economic growth for South Africa of 1.2% in 2019. Economic growth is anticipated to recover to a modest 1.5% in 2020. At the Monetary Policy Committee (MPC) meeting in May 2019 the economic growth forecast of the South African Reserve Bank (SARB) was 1.0% for 2019 and 1.8% for 2020. The SARB figure was lower than the 1.5% annual growth forecasted by National Treasury in February 2019 at the time of the 2019/20 National Budget speech.

The domestic economy shrunk by 3.2% in the first quarter of 2019 (Table 1) after two consecutive quarters of growth. The two positive contributors to growth in GDP in the first quarter of 2019 were finance and community services. In contrast, the largest negative contributors to growth in GDP in the first quarter 2019 were manufacturing and mining. Mining, construction and trade are in recession after registering two, or more, consecutive quarters of negative growth.

Industry	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Agriculture ¹	-33.7%	-42.3%	13.7%	7.9%	-13.2%
Mining ²	-9.1%	8.1%	-8.9%	-3.8%	-10.8%
Manufacturing ³	-8.4%	1.4%	7.5%	4.5%	-8.8%
Utilities ^₄	1.0%	0.7%	0.8%	0.2%	-6.9%
Construction ⁵	-2.3%	1.5%	-1.7%	-0.7%	-2.2%
Trade ⁶	-3.0%	-1.2%	3.4%	-0.7%	-3.6%
Transport ⁷	1.4%	-3.8%	6.8%	7.7%	-4.4%
Finance ⁸	1.0%	1.7%	2.1%	2.7%	1.1%
Government services	2.1%	0.2%	1.9%	-0.6%	1.2%
Personal services	1.2%	0.8%	0.6%	1.7%	1.1%
Total	-2.7%	-0.5%	2.6%	1.4%	-3.2%

 Table 1: Growth rates per industry (constant 2010 prices), 2018-2019

Source: Statistics South Africa – GDP, 2019

South Africa slightly improved both its score and ranking (51st place out of 138, down four places) in the World Economic Forum's (WEF) *Global Competitiveness Report 2017-2018*. It registered marginal improvements in almost all aspects of competitiveness, however, shortcomings such as stalled infrastructure development may limit South Africa's competitiveness going forward. In the World Bank's *Doing Business 2019* report, South Africa ranked 82nd out of 190 and deteriorated in ranking despite reducing the time for online business registration and improving the monitoring and regulation of power outages.

Domestic inflation outlook

The year-on-year inflation rate as measured by the consumer price index (CPI) for all urban areas was 4.5% in May 2019. The Monetary Policy Committee (MPC) announced at the conclusion of its May 2019 meeting that the SARB's national inflation forecast was adjusted to 4.5% and 5.1% for 2019 and 2020, respectively. The forecast for 2021 was also adjusted downward to 4.6%.

¹ ISIC detailed description = Agriculture, forestry and fishing

² ISIC detailed description = Mining and quarrying

³ ISIC detailed description = Manufacturing

⁴ ISIC detailed description = Electricity, gas and water

⁵ ISIC detailed description = Construction

⁶ ISIC detailed description = Wholesale and retail trade, catering and accommodation

⁷ ISIC detailed description = Transportation, storage and communication

⁸ ISIC detailed description = Finance, insurance, real estate and business services

Domestic balance of payments

South Africa's trade balance with the rest of the world deteriorated from a R65 billion surplus in 2017 to a surplus of R24 billion in 2018 (Table 2). The deterioration can be ascribed to a faster pace of the increase in the value of merchandise imports compared with merchandise exports. The increase of the shortfall on the service, income and current transfer account with the rest of the world between 2017 and 2018 added to the trade balance deterioration, resulted in the current account deficit as a percentage of GDP weakening from -2.5% in 2018 to -3.5% in 2018.

Components	2017	2018
Merchandise exports	1 102	1 176
Net gold exports	66	72
Merchandise imports	-1 104	-1 223
Trade balance	65	24
Net service, income & current transfer payments	-183	-197
Balance on current account	-118	-173
- As a % of GDP	-2.5%	-3.5%

Table 2: South Africa's balance of payments on current account (R billions), 2017-2018

Source: SARB – Quarterly Bulletin, March 2019

Note: Due to rounding numbers do not necessarily add up to totals or change

Domestic labour market

At the end of the first quarter 2019, approximately 16.3 million South Africans between the ages of 15 and 64 were employed in the economy. According to recent labour data from Statistics South Africa, the domestic economy lost 86 088 jobs in the year since the end of the first quarter 2018. Over the 5-year period from 2014 to 2019, the national economy created almost 1.24 million jobs for an average of 247 329 new jobs per year.

The data presented in Table 3 demonstrates that the finance industry registered 114 085 more jobs at the end of the first quarter 2019 than a year earlier - the highest number of new jobs. In the same period, community services lost 211 065 jobs. In the twelve months from the end of the first quarter 2018, job losses occurred in four employment industries, including manufacturing and community services. Over the 5-year period from 2014 to 2019, finance (471 041) also created the highest number of new jobs, whereas only the two key industries of mining and manufacturing lost jobs over the period.

Table :	3: South	Africa's	employm	ent changes	. 2014-2019
		/ va v	••••••		,

Industry	Employed number Employment Q1 2019 Q1 2018 to C		ent change o Q1 2019	Employme Q1 2014 t	nt change o Q1 2019
	'000	'000	% per annum	'000	% per annum
Agriculture	837	-9	-1.1	129	3.4
Mining	417	20	5.2	-7	-0.3
Manufacturing	1 780	-69	-3.7	-24	-0.3
Utilities	150	7	4.7	20	3.0
Construction	1 339	-92	-6.4	139	2.2
Trade	3 345	69	2.1	158	1.0
Transport	1 025	64	6.7	130	2.7
Finance	2 516	114	4.7	471	4.2
Community services	3 574	-211	-5.6	146	0.8
Private households	1 301	26	2.0	70	1.1
Total	16 291	-86	-0.5	1 237	1.6

Source: Statistics South Africa – Quarterly Labour Force Survey (QLFS), 2019 Note: Due to rounding numbers do not necessarily add up to totals or change At the end of the first quarter 2019, the strict unemployment rate was 27.6%, which was higher than the 26.7% recorded a year ago as well as the 25.2% recorded at the end of the first quarter 2014. To achieve sustainable and inclusive growth, the NDP targets a decline in the unemployment rate to 14.0% by 2020 and 6.0% by 2030. The labour absorption rate (employment to population ratio) was 42.6% at the end of the first quarter 2019, which was lower than the 42.8% and 43.5% registered at the end of the respective first quarters of 2014 and 2018. The labour force participation rate at the end of the first quarter 2019 (58.8%) was also lower than a year earlier (59.3%) but higher than the 57.2% recorded five years earlier. The NDP targets an increase in the labour force participation rate to 65.0% by 2030.

1. INTRODUCTION

The Socio-Economic Review and Outlook (SERO) of Mpumalanga is a bi-annual publication from Economic Analysis. The purpose of the SERO is to provide an essential reference to policy makers in Mpumalanga by providing socio-economic data and analysis for assessing the success of government social and economic policies in the province. Placing Mpumalanga on a sound growth and integrated development trajectory requires coherent and co-ordinated public sector response to the province's socio-economic opportunities and challenges. Therefore, the SERO is crucial in the provincial planning, policy and budget processes to ensure that any measures introduced by the Provincial Government, are in line with the ever-changing socio-economic dynamics.

The following socio-economic aspects of Mpumalanga and its three districts were analysed in the June 2019 publication: demographics, labour, education, health and social services, household services, development and income indicators, economic sectors and performance, international trade as well as crime statistics. The concluding part of the document will give some comparative socio-economic statistics of Mpumalanga. Due to the dynamic nature of data and the regular release of the latest data sets, it is important to note that the cut-off date for data presented in the document was the first week of June 2019.

Data presented was primarily sourced from Statistics South Africa with certain aspects gathered from Department of Basic Education, Mpumalanga Department of Education, Department of Health, Health Systems Trust, the Regional eXplorer (ReX) of IHS Markit (formerly known as IHS Global Insight), International Monetary Fund, National Planning Commission, Quantec, South African Reserve Bank, South African Social Security Agency (SASSA) and Tourism South Africa.

2 DEMOGRAPHICS

2.1 Population figures and growth

According to Statistics South Africa's *Mid-year population estimates (MYPE) 2018*, Mpumalanga's population was 4.5 million or 7.8% of the national total (Table 4). Mpumalanga registered the sixth largest/fourth lowest share among the provinces. Gauteng (25.5%) was the province with the largest share of the national population, followed by KwaZulu-Natal with a 19.7% share. Northern Cape recorded the lowest percentage share of the national population at 2.1%. Mpumalanga's population increased by approximately 187 936 from 4.3 million in 2016, whilst the share of the national total remained unchanged.

According to Statistics South Africa's *General Household Survey (GHS) 2018*, Mpumalanga's households numbered 1.29 million or 7.7% of the national total in 2018 (Table 4). Mpumalanga registered the sixth largest/fourth lowest share among the provinces. Gauteng (29.3%) was the province with the largest share of South Africa's households, followed by KwaZulu-Natal with a 19.7% share. Northern Cape (2.1%) recorded the lowest percentage share of households. Mpumalanga's household number increased by 50 001 from 1.24 million in 2016 and the share of the national total increased by 0.4 percentage points.

Region	Census		Communi	ty Survey	Mid-year estimates		
	20	11	20	16	2018		
	Number	% share of national	Number	% share of national	Number	% share of national	
Western Cape	5 822 734	11.2	6 279 730	11.3	6 621 100	11.5	
Eastern Cape	6 562 053	12.7	6 996 976	12.6	6 522 700	11.3	
Northern Cape	1 145 861	2.2	1 193 780	2.1	1 225 600	2.1	
Free State	2 754 590	5.3	2 834 714	5.1	2 954 300	5.1	
KwaZulu-Natal	10 267 300	19.8	11 065 240	19.9	11 384 700	19.7	
North West	3 509 953	6.8	3 748 436	6.7	3 979 000	6.9	
Gauteng	12 272 263	23.7	13 399 724	24.1	14 717 000	25.5	
Mpumalanga	4 039 939	7.8	4 335 964	7.8	4 523 900	7.8	
Limpopo	5 404 868	10.4	5 799 090	10.4	5 797 300	10.0	
Total	51 770 560	100.0	55 653 655	100.0	57 725 600	100.0	

Table 4: Population in South Africa by province, 2011, 2016 & 2018

Sources: Statistics South Africa – Census 2011 Statistics South Africa – Community Survey (CS) 2016 Statistics South Africa – Mid-year population estimates (MYPE) 2018

Region	on Census		Communi	ity Survey	General Household Survey		
	20	11	20	16	2018		
	Number	% share of national	Number	% share of national	Number	% share of national	
Western Cape	1 634 000	11.3	1 933 876	11.4	1 877 193	11.3	
Eastern Cape	1 687 385	11.7	1 773 395	10.5	1 685 149	10.1	
Northern Cape	301 405	2.1	353 709	2.1	341 651	2.0	
Free State	823 316	5.7	946 639	5.6	901 319	5.4	
KwaZulu-Natal	2 539 429	17.6	2 875 843	17.0	2 904 523	17.4	
North West	1 062 015	7.3	1 248 766	7.4	1 209 525	7.3	
Gauteng	3 909 022	27.1	4 951 137	29.3	4 883 861	29.3	
Mpumalanga	1 075 488	7.4	1 238 861	7.3	1 288 862	7.7	
Limpopo	1 418 102	9.8	1 601 083	9.5	1 578 772	9.5	
Total	14 450 161	100.0	16 923 309	100.0	16 670 854	100.0	

Table 5: Households in South Africa by province, 2011, 2016 & 2018

Sources: Statistics South Africa – Census 2011

Statistics South Africa – Community Survey (CS) 2016 Statistics South Africa – General Household Survey (GHS) 2018

Figure 2 shows the population cohort of Mpumalanga according to the *MYPE 2018*. Females constituted 2.3 million or 51.0% of the provincial population distribution and males 2.2 million (49.0%). The youth cohort (0-34 year) made up 67.9% of the total population in the province and the age group 60 years and older, only 7.2%. The age cohort of 0-4 years represented the most populous age cohort with 508 218 individuals or some 11.2% of the provincial population. In South Africa, the youth cohort made up 65.2% of the total population and the age group 60 years and older, 8.5%. Nationally the most populous age cohort was also the 0-4 year group that represented some 10.3% of the population.

Over the last two years, the population of South Africa increased by 1.8% per annum and that of Mpumalanga by 2.1% per annum. Mpumalanga recorded the fourth largest average annual increase behind Gauteng (4.8%) and North West (3.0%). According to estimates, the population of Limpopo remained virtually unchanged, whereas the population of Eastern Cape decreased by 3.4% annually (Figure 3).

The provincial *MYPE 2018* population numbers were disaggregated neither by population group nor by district, therefore *CS 2016* population numbers were used for the presentation according to these two indicators in Figures 4 and 5. The breakdown by population group for Mpumalanga in 2011 and 2016,

is presented in Figure 4. The majority of Mpumalanga's population in 2016 was Black Africans (93.6%) with Whites contributing 5.2%. Coloureds (0.8%) and Asians (0.5%) jointly contributed 1.3% to the total population in 2016.



Figure 2: Population cohort of Mpumalanga, 2018

Source: Statistics South Africa – MYPE 2018



Figure 3: Comparison of annual population increase in South Africa by province, 2016-2018

Sources: Statistics South Africa – Community Survey (CS) 2016 Statistics South Africa – Mid-year population estimates (MYPE) 2018

In 2016, 40.5% of Mpumalanga's population resided in Ehlanzeni, 33.3% in Nkangala and 26.2% in Gert Sibande (Figure 5). Females were in the majority in both Ehlanzeni (51.9%) and Gert Sibande (50.3%), whereas males formed the bulk of Nkangala's population with a share of 50.5%, possibly due

to the large role mining plays in Nkangala. In 2016, 72.2% of Ehlanzeni's population was younger than 35 years of age, followed by Gert Sibande (68.6%) and Nkangala (67.4%).





Statistics South Africa – Census 2011 Source: Statistics South Africa – CS 2016 Note: Due to rounding numbers do not necessarily add up to totals or change





Statistics South Africa - CS 2016

2.2 Fertility

The fertility rate is defined as the number of children the average women would have in her lifetime. According to the MYPE 2018, Mpumalanga's average fertility rate for the period 2006 to 2011 was 3.01 and 2.89 in the period 2011 to 2016. When compared with the other provinces Mpumalanga registered the fifth highest fertility rate for the period 2011 to 2016, Eastern Cape (3.15) the highest and Gauteng the lowest (2.14). It is anticipated that Mpumalanga's fertility rate will decline to 2.60 in the period 2016 to 2021. It is, however, it is expected to remain the fifth highest of the nine provinces.

2.3 Life expectancy

The NDP targets both average male and female life expectancy at birth to improve to 70 years by 2030. Mpumalanga's male life expectancy at birth was 52.8 years for the period 2006 to 2011 and 57.6 years for the period 2011 to 2016. Mpumalanga's male life expectancy for the period 2011 to 2016 was the third highest of the nine provinces. Western Cape (63.9 years) had the highest/best male life expectancy with Free State (53.1 years) the lowest. According to the *MYPE 2018*, the projection for the period 2016 to 2021 is that male life expectancy in Mpumalanga could increase to 60.6 years.

Mpumalanga's female life expectancy for the periods 2006 to 2011 and 2011 to 2016 were 57.1 years and 63.2 years, respectively. Mpumalanga recorded the fourth highest female life expectancy for the period 2011 to 2016. Western Cape (70.3 years) had the highest/best female life expectancy and Free State (58.8 years) the lowest. According to the *MYPE 2018*, the projection for the period 2016 to 2021 is that female life expectancy in Mpumalanga could increase to 66.1 years.

2.4 Migration

Table 6 shows the net migration streams of the provinces over three periods. The data was sourced from the *MYPE 2018*. Gauteng and Western Cape recorded the highest number of persons who move into these provinces as shown by the net migration 2006 to 2011 and 2011 to 2016. Mpumalanga registered a positive net migration of 54 396 from 2006 to 2011 and a positive net migration of 64 895 from 2011 to 2016. This was the fourth highest among the nine provinces. Four provinces recorded net outflows throughout, with Eastern Cape registering the largest net outflow.

The net migration trends are estimated to continue to 2021, with five provinces recording net inflows and four net outflows. It is anticipated that Gauteng should receive more than 1 million migrants and Eastern Cape lose more than 300 000. Mpumalanga should receive the fourth highest net inflow between 2016 and 2021 of more or less 74 000.

Region	Net migration							
	2006-2011	2011-2016	2016-2021					
Western Cape	275 440	292 099	311 004					
Eastern Cape	-352 618	-320 066	-323 851					
Northern Cape	3 031	3 929	6 489					
Free State	-33 377	-24 797	-15 742					
KwaZulu-Natal	-69 206	-68 382	-58 602					
North West	85 763	96 475	107 733					
Gauteng	913 568	980 088	1 048 440					
Mpumalanga	54 396	64 895	74 038					
Limpopo	-169 610	-140 878	-132 513					

Table 6: Net migration in South Africa by province, 2006-2011, 2011-2016 & 2016-2021

Source: Statistics South Africa – MYPE 2018

2.5 Disability

Statistics South Africa's questions on disability require each person in the household to rate their ability level for a range of activities such as seeing, hearing, walking a kilometre or climbing a flight of steps,

remembering and concentrating, self-care, and communicating in his/her most commonly used language, including sign language. During the analysis, individuals who said that they had some difficulty with two or more of the activities or had a lot of difficulty, or were unable to perform any one activity, were then classified as disabled.

Table 7 presents the findings of *Census 2011* and *CS 2016* on disability in South Africa. Using the described classification system, 7.5% of South Africans aged 5 years and older were classified as disabled in 2011 and 7.7% in 2016. Mpumalanga's percentage of persons aged 5 years and older with disability was 7.0% in 2011 and 7.5% in 2016. Mpumalanga recorded the sixth largest/fourth lowest share of people with disability compared with the other eight provinces. Free State (11.0%) recorded the highest share and Western Cape (6.3%) the lowest.

Table 7: Percentage of persons aged 5 years and older with disability by province, 2011-16

Region	Census 2011	CS 2016
Western Cape	5.4%	6.3%
Eastern Cape	9.6%	8.5%
Northern Cape	11.0%	10.7%
Free State	11.1%	11.0%
KwaZulu-Natal	8.4%	8.6%
North West	10.0%	8.7%
Gauteng	5.3%	6.7%
Mpumalanga	7.0%	7.5%
Limpopo	6.9%	6.4%
South Africa	7.5%	7.7%

Source: Statistics South Africa – CS 2016

3. LABOUR PROFILE

3.1 Labour force profile

The labour force comprises of all the employed and the unemployed population in a region. The national labour force of 22.5 million individuals was 134 297 more at the end of the first quarter 2019 than a year earlier. The number of employed in South Africa decreased by 86 088 while the unemployed increased by 220 385, between the end of the first quarter 2018 and the end of the first quarter 2019.

As a result, the strict unemployment rate for South Africa increased from 26.7% to 27.6% between the first quarter 2018 and the first quarter 2019. The national labour absorption rate was 42.6% at the end of the first quarter 2019, which was lower/worse than the 43.5% registered a year earlier. The labour force participation rate at the end of the first quarter 2019 (58.8%) was also lower/worse than the rate of 59.3% recorded at the end of the first quarter 2018.

The provincial labour force of around 1.84 million individuals was 66 708 more at the end of the first quarter 2019 than a year earlier (Table 8). The number of employed at 1 209 218 at the end of the first quarter 2019 was 12 279 more than at the end of the first quarter 2018. The number of employed was, however, 36 164 less than the 1 245 382 in the previous quarter. The number of unemployed increased by 54 428 to 627 492 between the end of the first quarter 2018 and the end of the first quarter 2019. The number of discouraged workers decreased by 63 139 to 185 076 over the last four quarters.

The unemployment rate (strict definition) was 1.8 percentage points higher at the end of the first quarter 2019 (34.2%) than a year earlier (32.4%). This is the highest unemployment rate for Mpumalanga since

Statistics South Africa started to measure unemployment on a provincial level. The unemployment rate according to the expanded definition (43.0%) was also higher from a year earlier (42.5%) and higher than the rate recorded at the end of the fourth quarter 2018 (41.1%). Over the last four quarters, the labour absorption rate decreased to 41.2%, whereas the labour force participation rate recorded an improvement as it increased to 62.6%.

Indicator	Q1 2018	Q4 2018	Q1 2019	Q4 2018 to Q1 2019 change	Year-on- year change
	'000 '	'000	'000 '	'000 '	'000
- Working age population (15-64 years)	2 889	2 924	2 935	11	46
- Not economically active	1 119	1 092	1 099	7	-21
- Labour Force/EAP	1 770	1 832	1 837	4	67
- Employed	1 197	1 245	1 209	-36	12
- Unemployed	573	587	627	40	54
- Discouraged work seekers	248	198	185	-13	-63
Rates	%	%	%	%	%
- Unemployment rate (strict definition)	32.4	32.0	34.2	2.2	1.8
- Unemployment rate (expanded definition)	42.5	41.1	43.0	1.9	0.5
- Employed/population ratio (absorption rate)	41.4	42.6	41.2	-1.4	-0.2
- Labour force participation rate	61.3	62.7	62.6	-0.1	1.3

 Table 8: Labour force profile of Mpumalanga, 2018-2019

Source: Statistics South Africa – QLFS, 2019 Note: Due to rounding numbers do not necessarily add up to totals or change

3.2 Employment

The national labour market gained approximately 1.24 million jobs in the 5-year period from the first quarter 2014 to the first quarter 2019 (Table 9). Therefore, the average annual increase was 247 329 new jobs on a national level. Gauteng (367 161) recorded the largest increase over the 5-year period and Eastern Cape (-24 402) the only province where employment numbers declined. Mpumalanga's 5-year employment increase of 82 654 was the fifth largest among the nine provinces and its average annual employment increase was 16 531 per year.

Region	Q1 2014	Q1 2018	Q4 2018	Q1 2019	Q4 2018 – Q1	Year-on-year	5-year
	'000	'000	'000	'000	2019 change '000	change '000	change '000
Western Cape	2 237	2 530	2 520	2 520	-1	-10	283
Eastern Cape	1 332	1 397	1 375	1 308	-67	-90	-24
Northern Cape	308	321	322	321	-1	0	13
Free State	724	814	806	803	-3	-11	79
KwaZulu-Natal	2 527	2 617	2 648	2 598	-50	-19	71
North West	870	992	973	970	-3	-22	100
Gauteng	4 794	5 069	5 163	5 162	-2	93	367
Mpumalanga	1 127	1 197	1 245	1 209	-36	12	83
Limpopo	1 136	1 441	1 477	1 401	-75	-39	265
South Africa	15 055	16 378	16 529	16 291	-237	-86	1 237

 Table 9: Changes in employment in South Africa and provinces, 2014-2019

Source: Statistics South Africa – QLFS, 2019

Note: Due to rounding numbers do not necessarily add up to totals or change

The national labour market lost 86 088 jobs between the end of the first quarter 2018 and the end of the first quarter 2019. On an annual basis, only Gauteng (92 874), Mpumalanga (12 279) and Northern Cape (153) added to its employment numbers. Mpumalanga's employment increase over one year

was below its 5-year average of 16 531. Eastern Cape (-89 788) and Limpopo (-39 106) recorded the highest number of job losses over a 1-year period.

Between the end of the fourth quarter 2018 and the end of the first quarter 2019, Mpumalanga's employment numbers decreased by 36 164, which was the fourth largest quarterly decrease among the nine provinces. At the end of the first quarter 2019, total employment in Mpumalanga constituted 7.4% of employment in the country, marginally higher than the 7.3% of the first quarter 2018.

Employment target

The NDP targets a decline in the national unemployment rate to 14.0% by 2020 and 6.0% by 2030. Similarly, the Provincial Vision 2030 targets a decline in the provincial unemployment rate to 15.0% by 2020 and 6.0% by 2030. In order to reach the unemployment rate target by 2030, it was calculated in 2013 that some 1.1 million new, sustainable jobs have to be created between 2013 and 2030. A recalculation based on the fourth quarter 2018 employment data was done in 2019. The result of the recalculation was that approximately 1.26 million sustainable jobs must still be created between 2019 and 2030 to reach the desired unemployment rate.

The updated number of 1.26 million jobs equates to more or less 105 000 jobs per annum or an annual average employment growth of 6.0% per annum. Figure 1.5 depicts historical employment numbers and required employment growth in Mpumalanga. It is evident from the illustration that employment growth of 2.3% per annum – the average annual employment growth between 2014 and 2018 – will not be sufficient to reach the employment target of 2.5 million jobs by 2030.





Source: Statistics South Africa – QLFS, 2019

Aggregate employment

Table 10 shows the aggregated employment composition of employment in South Africa and the province from the end of the first quarter 2018 to the end of the first quarter 2019. In Mpumalanga, the formal employees' share of total employment increased slightly from 59.5% at the end of the first quarter

2018 to 60.0% at the end of the first quarter 2019. The formal sector in Mpumalanga recorded a much smaller share of total employment than was the case nationally (68.9%).

In Mpumalanga, the informal sector's share increased from 23.9% to 25.1% on an annual basis. Agriculture's share decreased from 7.2% to 6.3% and private households' share decreased to 8.5%. Over and above the 75 978 persons employed in Mpumalanga's agriculture industry, an additional 146 327 citizens were involved in subsistence farming (non-market activities). In Mpumalanga, agriculture, private households and the informal sector registered larger shares of total employment in the first quarter of 2019, than was the case nationally.

Sector	Q1 2018		Q4	2018	Q1 2019	
	SA	MP	SA	MP	SA	MP
Formal sector	69.3%	59.5%	68.6%	59.1%	68.9%	60.0%
Informal sector ⁹	17.7%	23.9%	18.4%	24.5%	18.0%	25.1%
Agriculture	5.2%	7.2%	5.1%	7.7%	5.1%	6.3%
Private households	7.8%	9.3%	8.1%	8.7%	8.0%	8.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

 Table 10: Aggregate employment in South Africa & Mpumalanga, 2018-2019

Source: Statistics South Africa – QLFS, 2019

Employment by industry

Figure 7 depicts employment by industry in Mpumalanga in the first quarters of 2014, 2018 and 2019, respectively. Trade employed the largest share of individuals in the province with 21.3% at the end of the first quarter 2019. This was smaller than the 21.8% share registered 12 months earlier and also less than five years earlier in 2014. The community services industry (19.9%) was the second largest employer and recorded a smaller share than at the end of both the first quarter 2018 (21.1%), but larger than the first quarter 2014 (18.9%). Utilities was the smallest industry throughout while transport was the second smallest employing industry. Over the course of the last year, community services recorded the largest percentage point decline and finance the largest percentage point increase. Over the course of the 5-year period, mining recorded the largest percentage point decline and finance the largest percentage point decline percentage point decline

Over the last five years since the first quarter 2014, seven employment industries recorded job gains, whilst three registered lower employment numbers (Figure 8). The seven industries combined to record job gains of 121 667 over the 5-year period. The largest employment increase from the first quarter 2014 to the first quarter 2019 was in finance (33 446) and community services (27 314). The three declining industries, mining (-26 776), agriculture (-6 318) and private households (-5 920), combined to record 39 013 job losses. This resulted in a net employment increase of 82 654 over the five year period.

Over the last twelve months, only three industries recorded annual job gains and seven recorded job losses. The job gains by the three industries numbered 60 006. The highest employment increase from the first guarter 2018 to the end of the first guarter 2019 were registered in finance (37 824) and

⁹ The informal sector comprises i) Employees working in establishments that employ less than 5 employees, who do not deduct income tax from their salaries & ii) Employers, own-account workers and persons helping unpaid in their household business who are not registered for either income tax or value-added tax.

transport (17 240). The declining industries combined to post 47 727 job losses. Community services (-12 137) and agriculture (-10 783) were the two industries that recorded the highest job losses over the 1-year period. This resulted in a net job creation of 12 279 over the 1-year period.





Source: Statistics South Africa – QLFS, 2019



Figure 8: Changes in employment by industry in Mpumalanga, Q1 2014 – Q1 2019

Source: Statistics South Africa – QLFS, 2019

Employment by gender and age

Figure 9 displays the employment by gender and age for the first quarters of 2018 and 2019, respectively. More males than females were employed in Mpumalanga with a share of 58.2% at the end of the first quarter 2019. Over the past year, the male employment numbers increased to 704 236, an increase of 3 013. Female employment numbers increased by 9 266 to 504 982 and therefore recorded a higher share at the end of the first quarter 2019 (41.8%) than a year earlier (41.4%).



Figure 9: Employment by gender and age group (15-64 years), 2018-2019



At the end of the first quarter 2019, adults (35-64 years) held the majority of jobs in Mpumalanga. Adult employment numbers increased by 6 079 from the end of the first quarter 2018, however, the share decreased from 61.0% to 60.9%. The main reason for the decrease in adult share, is that youth (15-34 years) employment numbers increased by 6 200, thus leaving the youth share higher on 39.1% at the end of the first quarter 2019.

3.3 Occupational profile



Figure 10: Mpumalanga's occupational profile, 2018-2019

Figure 10 illustrates the occupational profile of Mpumalanga in the first quarters of 2018 and 2019,

Source: Statistics South Africa – QLFS, 2019

respectively. The occupational profile is an indicator of the quality of the labour force. It provides information on the proficiency levels and assists in identifying the shortage of skills in the economy, by matching the demand for labour with its relative supply.

The occupational profile was skewed towards semi-skilled and unskilled occupations in both years. The share of skilled occupations (managers, professionals and technicians) was 17.9% in the first quarter of 2019, which was higher than the 15.2% share a year earlier. The share of semi-skilled occupations remained unchanged at 50.4% over the period under review. The combined share of elementary occupations and domestic workers (unskilled occupations) was 31.7% at the end of the first quarter 2019, down from the share of one year earlier (34.4%).

3.4 Unemployment

According to Statistics South Africa's QLFS, the unemployment rate in Mpumalanga was 34.2% at the end of the first quarter 2019, which was higher than the 32.4% recorded at the end of the first quarter 2018 and higher than the 30.4% at the end of the first quarter 2014 (Figure 11). Mpumalanga's unemployment rate increased by 3.8 percentage points over the 5-year period and by 1.8 percentage points over the past twelve months. Mpumalanga's deterioration over the 5-year period was the third worst among the provinces and over the last year it recorded the joint third worst deterioration. Mpumalanga was one of seven provinces that registered a higher unemployment rate over the 5-year period and one of six with a higher unemployment rate than twelve months before.





Source: Statistics South Africa – QLFS, 2019

At the end of the first quarter 2019, Mpumalanga's unemployment rate was higher than the national average of 27.6% as it has been throughout the 5-year period. Mpumalanga, recorded the third highest unemployment rate among the nine provinces with Eastern Cape (37.4%) registering the highest unemployment rate at the end of the first quarter 2019. Mpumalanga's unemployment rate, at the end

of the first quarter 2019, was the highest it has been since labour data became available at a sub-national level.

Unemployed by gender and age

Figure 12 displays the unemployment by gender and age for the first quarters of 2018 and 2019, respectively. At the end of the first quarter 2019, females contributed 52.9% to the number of unemployed and males 47.1%. This was higher than twelve months earlier when females contributed 50.0%. The youth added 65.6% to the total number of unemployed in the province, which was lower than the share at the end of the first quarter 2018 (68.7%).

At the end of the first quarter 2019, the unemployment rate of males (29.6%) was lower than the female unemployment rate of 39.7%. The unemployment rate of youth of working age (15-34 years¹⁰) was 46.6%, whilst the unemployment rate of adults (35-64 years) was 22.6%. At 54.2%, the female youth unemployment rate was considerably higher than the male youth unemployment rate of 40.8%. The unemployment rate of the 18-24 year age cohort was 61.5% at the end of the first quarter 2019.



Figure 12: Mpumalanga's unemployed by gender and age group (15-64 years), 2018-2019

Source: Statistics South Africa – QLFS, 2019

Target unemployment rate

The Mpumalanga Vision 2030 target unemployment rate for Mpumalanga is 6% by 2030. A significant unemployment rate sub-target of the Mpumalanga Economic Growth and Development Path (MEGDP) is a reduction to 15.0% by 2020. If 1.26 million jobs are to be created up to 2030, the unemployment rate should, in all probability, drop to 6% as is displayed in Figure 1.12. If jobs, however, are to be created in a similar fashion than over the past 4 years, the unemployment rate should in all probability be higher than the current rate by 2030.

¹⁰ The International Labour Organization defines youth as individuals between the ages of 15 to 24 years, with 15 being the minimum school-leaving age and legal employment age. It is important to note, however, that Statistics South Africa utilizes a broader definition, covering individuals between the ages of 15 and 34 years, which is also therefore used in this report.



Figure 13: Mpumalanga's unemployment rate target, 2014-2030

Source: Statistics South Africa – QLFS, 2019 & calculations based thereon

Duration of unemployment

The incidence of long-term unemployment (1 year and longer) in Mpumalanga increased between the first quarter 2018 and the first quarter 2019. The share of the unemployed in Mpumalanga that indicated they were unemployed in excess of 12 months, increased from 62.4% to 69.4% (Table 11).

The incidence of long-term unemployment was highest among females in both 2018 and 2019. Both the number of males and females in long-term unemployment increased. The youth cohort contributed 66.8% to the number of unemployed that has been struggling to secure employment for more than 12 months.

Duration		Q1 2018		ພາ 2019			
	Males	Females	Share of unemployed	Males	Females	Share of unemployed	
1 year and longer	156 424	201 033	62.4%	189 660	245 989	69.4%	
Less than 1 year	130 167	85 440	37.6%	105 871	85 972	30.6%	
Total	286 591	286 473	100.0%	295 531	331 961	100.0%	

Table 11: Duration of unemployment in Mpumalanga, 2018-2019

Source: Statistics South Africa – QLFS, 2019

Expanded definition of unemployment

The expanded unemployment rate takes into account everybody who was available for work even if they did not search for work. In essence, it includes all persons who are unemployed according to the official definition plus part of the inactive population (according to official definition) who indicated that they were available, regardless of the reason they gave for not looking for work.

Figure 14 shows that South Africa's expanded unemployment rate was recorded at 35.1% at the end of the first quarter 2014 and increased/deteriorated to 38.0% at the end of the first quarter 2019. Mpumalanga's expanded unemployment rate was 43.0% at the end of the first quarter 2019, higher

than, respectively, a year and five years earlier. It was higher than the national average and the fourth highest expanded unemployment rate among the nine provinces. It is notable how much higher the respective expanded unemployment rates of KwaZulu-Natal (42.4%) and Limpopo (43.1%) are than its strict unemployment rate as depicted in Figure 11.





Source: Statistics South Africa – QLFS, 2019

Discouraged work seekers

Statistics South Africa defines a discouraged work-seeker as a person, who was not employed during the reference period, wanted to work, was available to work or start a business but did not take active steps to find work during the four week that preceded the reference period.

South Africa had approximately 3.0 million discouraged workers by the end of the first quarter 2019. This represents an increase of more or less 209 893 from the end of the first quarter 2018. Figure 15 indicates that Mpumalanga's share was 185 076 or some 6.2% of South Africa's discouraged work seekers at the end of the first quarter 2019, down from an 8.9% share a year earlier. The number of discouraged work seekers in Mpumalanga decreased by 63 139 from the end of the first quarter 2018 to the end of the first quarter 2019. When compared with other provinces, Mpumalanga registered the fourth lowest share of discouraged workers nationally.

It is evident from Figure 16 that Mpumalanga's discouraged work seekers as a percentage of the provincial working age population (15-64 years) decreased between the first quarter 2018 and the end of the first quarter 2019. The discouraged work seekers' share of working age population in Mpumalanga (6.3%) was also smaller than the national share (7.8%) at the end of the first quarter 2019. Discouraged work seekers in five provinces constituted a larger share of the working age population than in Mpumalanga at the end of the first quarter 2019.



Figure 15: Provincial contribution to number of discouraged work seekers nationally, 2018-2019

Source: Statistics South Africa – QLFS, 2019





Source: Statistics South Africa - QLFS, 2019

4. EDUCATION PROFILE

Level of education

When Mpumalanga's highest level of schooling in 2018 is compared with the national figures, it is evident that there is less of Mpumalanga's population, over the age of 20 years, at the higher levels of education than what is the situation nationally. For example, 14.3% of the people 20 years and older in South Africa have completed a post school qualification compared to 10.7% in Mpumalanga (Figure 17). On the other end of the spectrum, there is a larger concentration of Mpumalanga's population,

over the age of 20 years, at the lower levels of education than nationally.



Figure 17: Highest level of education (age 20+) in South Africa & Mpumalanga, 2018

Sources: Statistics South Africa – GHS 2018

It is further evident when comparing provinces (Figure 18), that Mpumalanga (7.6%) registered the second highest (worst) share of people 20 years and older with no schooling. It was 3.1 percentage points higher/worse than the national share of 4.5% in 2018. Mpumalanga (31.9%) recorded the third highest/best share of people 20 years and older with matric among the nine provinces and higher than the national share of 31.0%.



Figure 18: Selected education levels (age 20+) in South Africa & provinces, 2018

Source: Statistics South Africa – GHS 2018

Adult literacy

Literacy rates are used as a key social indicator of development by government and international development agencies. Although a simple definition of literacy is the ability to read and write, its simplicity is confounded by questions such as: "Read and write what, how well and to what purpose?" Because it is so difficult to measure literacy, Statistics South Africa has historically measured adult literacy rates based on an individual completing at least Grade 7. Since a specific educational achievement is, however, not necessarily a good reflection of an individual's literacy ability, a question that directly measures literacy was introduced in 2009. The question requires respondents to indicate whether they have 'no difficulty', 'some difficulty', 'a lot of difficulty' or are 'unable to' read newspapers, magazines and books in at least one language; or write a letter in at least one language.

The regional picture, presented in Figure 19, reflects the literacy rates in South Africa and the provinces, of adults aged 20 and above. In 2014, the literacy rate in Mpumalanga was 90.2% and it improved to 91.3% by 2018. Mpumalanga's adult literacy rate was lower than the national rate of 94.5% in 2018 and the fourth lowest among the provinces. Between 2014 and 2018, Mpumalanga's ranking remained unchanged. In 2018, Western Cape registered the highest adult literacy rate of 98.2% and Northern Cape the lowest at 90.0%.



Figure 19: Adult literacy rate (age 20+) in South Africa's provinces, 2014-2018

Source: Statistics South Africa – GHS 2018

Grade 12 results

The NDP states clearly that the throughput¹¹ rate should be between 80 and 90% by 2030 and that at least 80% of them should successfully pass the exit exams. When Mpumalanga's throughput rate for 2018 is calculated, it is evident that only 45.6% of the 2007 grade ones wrote grade 12 examinations in 2018.

¹¹ Learners writing Grade 12 examinations within 12 years of starting school in Grade 1.

Table 12 compares the grade 12 pass rates among the various provinces from 2014 to 2018. The national pass rate of matriculants increased from 75.1% in 2017 to 78.2% in 2018. Mpumalanga's Grade 12 pass rate also increased from 74.8% in 2017 to 79.0% in 2018. The Mpumalanga pass rate increased after recording three consecutive annual decreases between 2015 and 2017. Mpumalanga's pass rate was higher than the national grade 12 pass rate. Mpumalanga was the province with the fifth highest pass rate in 2018, up from sixth highest in 2017. Gauteng (87.9%) recorded the highest Grade 12 pass rate in 2018 and Eastern Cape (70.6%) the lowest.

Province	2014	2015	2016	2017	2018
Eastern Cape	65.4%	56.8%	59.3%	65.0%	70.6%
Free State	82.8%	81.6%	88.2%	86.1%	87.5%
Gauteng	84.7%	84.2%	85.1%	85.1%	87.9%
KwaZulu-Natal	69.7%	60.7%	66.4%	72.9%	76.2%
Limpopo	72.9%	65.9%	62.5%	65.6%	69.4%
Mpumalanga	79.0%	78.6%	77.1%	74.8%	79.0%
North West	84.6%	81.5%	82.5%	79.4%	81.1%
Northern Cape	76.4%	69.4%	78.7%	75.6%	73.3%
Western Cape	82.2%	84.7%	86.0%	82.8%	81.5%
National	75.8%	70.7%	72.5%	75.1%	78.2%

Table 12: Comparative grade 12 pass rate for South Africa and provinces, 2014-2018

Source: Department of Basic Education - National Senior Certificate Examinations Report 2019

A comparison of Grade 12 pass rates among the four education districts from 2014 to 2018 is presented in Table 13. All four educational districts recorded an improvement between 2017 and 2018. Ehlanzeni (82.3%) registered the highest Grade 12 pass rate in 2018 and Bohlabela (76.9%) the lowest. The two highest pass rates among the local municipal areas were recorded in Dipaleseng (86.9%) and Nkomazi (86.8%) with the lowest registered in Mkhondo (71.2%).

Education district	% Pass rate						
	2014	2015	2016	2017	2018		
Bohlabela ¹²	76.8%	76.7%	72.3%	72.4%	76.9%		
Ehlanzeni ¹³	82.1%	82.4%	79.5%	76.8%	82.3%		
Gert Sibande	77.1%	72.6%	75.9%	76.5%	77.5%		
Nkangala	78.8%	81.7%	79.5%	73.5%	78.7%		

Table 13: Comparative grade 12 pass rate for education districts in Mpumalanga, 2014-2018

Source: Mpumalanga Department of Education, 2019

Education ratios

According to the Department of Basic Education's *School Realities* report of 2018, there were 1 045 972 learners in 1 751 ordinary public and 112 independent schools in Mpumalanga, who were served by 34 825 educators. The learner-educator ratio (LER¹⁴) in public schools of Mpumalanga decreased from 30.8 learners per educator in 2014 to 30.5 in 2018 (Table 14). This was lower than the national level of 30.7 learners per educator. The learner-school ratio (LSR) in public schools of Mpumalanga was higher than the national figure of 525 in 2018 and decreased slightly from 587 learners per school in 2014 to 586 in 2018. According to the educator-school ratio (ESR), the number of educators per public

¹² The Bohlabela education district includes schools in Bushbuckridge and Thaba Chweu

¹³ The Ehlanzeni education district includes schools in Mbombela, Umjindi and Nkomazi

school remained unchanged between 2014 and 2018 at 19. The aforesaid ratio was higher than the national level for 2018 of 17 educators per public school.

Province	LE	ER ¹⁴	L	SR	E	SR
	2014	2018	2014	2018	2014	2018
Eastern Cape	30.8	29.9	340	341	11	11
Free State	27.8	30.4	503	617	18	20
Gauteng	32.0	30.5	939	1 016	29	33
KwaZulu-Natal	31.3	30.7	479	474	15	15
Limpopo	30.4	32.1	425	432	14	13
Mpumalanga	30.8	30.5	587	586	19	19
Northern Cape	32.1	28.5	517	535	16	19
North West	31.4	31.4	518	564	17	18
Western Cape	31.8	30.4	704	751	22	25
National	31.0	30.7	504	525	16	17

 Table 14: Comparison of education ratios in ordinary public schools for South Africa and provinces, 2014-2018

Source: Department of Basic Education – 2014 & 2018 School Realities

School nutrition programme

According to the *GHS 2018*, 87.8% of children attending public schools in Mpumalanga benefitted from the school nutrition programme in 2018. This was higher than the national average (77.1%) and Mpumalanga ranked third highest among the nine provinces. The share of public school learners benefitting from this programme in Mpumalanga increased from 86.4% in 2014.

Early Childhood Development

One of the most important educational priorities is to reach children of the age group 0–4 years with the intention of having universal access to Early Childhood Development (ECD) services by 2030. According to the *GHS 2018*, 38.5% of the provincial population aged 0-4 years attended an ECD centre, which was higher than the 2016 figure of 33.3% and marginally higher than the national level of 38.4% in 2018.

5. HEALTH AND SOCIAL SERVICES

The immunisation coverage (<1 year) in Mpumalanga of 90.4% was higher than the national level and the highest among the nine provinces in 2017. Mpumalanga's 2017 measles 2nd dose coverage was also the highest in the country at 89.2%. The TB client treatment success rate of 82.2% in 2016 was slightly better than the national average (81.7%) and the fourth highest/best in the country. Mpumalanga's maternal mortality rate of 120.0 was higher/worse than the national rate of 105.7 and the third highest among the provinces. In 2017, the inpatient early neonatal¹⁵ death rate in facility of 10.4 per 1 000 live births was higher/worse than the national rate and the fourth highest among the provinces. Figure 20 compares some of Mpumalanga's health indicators with the national average level.

¹⁴ State paid and School Governing Body paid educators

¹⁵ This rate measures the number of deaths of live born babies that occur within 7 completed days after birth per 1 000 live births. It includes only neonatal deaths when the foetus is of 26 or more weeks' gestational age and/or weighs 500g or more.

According to the District Health Information System (DHIS) of the Department of Health, the 2017 human immunodeficiency virus (HIV) test positive rate was 6.9% in South Africa and 7.2% in Mpumalanga. Mpumalanga recorded the joint fourth highest HIV test positive rate and Western Cape (3.4%) the lowest.



Figure 20: Comparison of selected health indicators between South Africa & Mpumalanga, 2016 & 2017

Source: Health Systems Trust – District Health Barometer 2017/18

Medical aid coverage

According to the GHS 2018, 12.6% of individuals in Mpumalanga where members of medical aid schemes 2018. This was lower than the national average (16.4%) and Mpumalanga ranked sixth highest among the nine provinces. The share of individuals that were members of medical aid schemes in Mpumalanga decreased from 14.9% in 2014.

6. HOUSEHOLD SERVICES

According to Figure 21, the share of households in Mpumalanga that occupied informal dwellings declined between 2016 (10.9%) and 2018 (8.4%). Fewer households had no access to toilets (1.7%) in 2018 than in 2016 (4.0%). The proportion of Mpumalanga's households with access to piped water¹⁶ (86.5%) was lower in 2018 than in 2016, whereas the households connected to electricity¹⁷ remained unchanged (90.7%). Households with weekly municipal refuse removal (42.6%) improved from its 2016 low level.

It is clear from Table 15 that 174 019 households in Mpumalanga still lacked access to piped water in any form and 108 257 households were still living in informal dwellings. The number of households that were not connected to electricity numbered 120 761, whereas 21 639 households still had no access

¹⁶ The CS 2016 question on piped water was not phrased in the same way as in Census 2011; therefore, the results are not completely comparable.

¹⁷ The CS 2016 groupings for electricity were different than for Census 2011; therefore, the results are not completely comparable.

to toilets. Furthermore in 2018, 390 290 households in Mpumalanga did not have access to a hygienic toilet¹⁸ and 717 817 households indicated that it does not benefit from weekly refuse removal.



Figure 21: Access to household services in Mpumalanga, 2011-2018

Sources: Statistics South Africa – Census 2011 Statistics South Africa – CS 2016 Statistics South Africa – GHS 2018

Household service	Backlog number
No toilet or bucket system (whether emptied by municipality or household)	21 639
Unhygienic toilets (i.e. pit toilet, open defecation & bucket)	390 290
Other sources of water for drinking (no piped water)	174 019
No electricity connection	120 761
Informal dwellings	108 257
No weekly refuse removal	717 817

Table 15: Household services backlog number in Mpumalanga, 2018

Sources: Statistics South Africa – GHS 2018

The percentage of households in Mpumalanga without toilets and still using bucket toilets was 1.7% in 2018 and was lower than the national level of 2.7%. Figure 22 further reveals that Mpumalanga had the lowest (best) share of households without access to toilets or still using bucket toilets, but the second highest (worse) share of households with unhygienic toilets.

In 2018, the percentage of households connected to piped water recorded a relatively moderate level of delivery in Mpumalanga at 86.5% (Figure 23). This was the sixth highest/fourth lowest among the nine provinces and lower than the national level of 89.0%. The percentage of households connected to electricity was recorded at 90.7% in 2018. A larger share of households in Mpumalanga was connected to electricity in 2018, than five other provinces.

A relatively small percentage of households in Mpumalanga (8.4%) occupied informal dwellings in 2018, compared to the national figure of 13.1%. Mpumalanga ranked fourth lowest (best) among the nine

¹⁸ Hygienic toilets refers to flush toilets, chemical toilets or pit latrines with ventilation pipes (VIP).

provinces (Figure 24). The percentage of households that did not benefit from weekly refuse removal was recorded at 57.4% in 2017. This was the second highest (worse) share among the nine provinces.



Figure 22: Selected household service levels in South Africa & provinces, 2018

Source: Statistics South Africa – GHS 2018





Source: Statistics South Africa – GHS 2018





Source: Statistics South Africa – GHS 2018

7. DEVELOPMENT AND INCOME ASPECTS

7.1 Human development index

The Human development index (HDI) is a composite, relative index that attempts to quantify the extent of human development of a community. It is based on measures of life expectancy, literacy and income. According to the United Nations, the HDI is considered high when it is 0.8 and higher, medium when it ranges between 0.5 to 0.8 and an index value of 0.5 and lower, will be considered as a low rating.



Figure 25: HDI levels for South Africa & provinces, 1996-2018

It is clear from the depiction in Figure 25 that Western Cape registered the highest HDI between 1996

Source: IHS Markit – Regional eXplorer (ReX), April 2019

and 2017. Mpumalanga's HDI level improved over the 22-year period from 0.49 in 1996 to 0.61 in 2018. Despite improving between 1996 and 2018, it was still lower than the national level of 0.65 in 2018. Mpumalanga recorded the fourth lowest HDI level among the nine provinces in 2018 with Western Cape (0.73) the highest. Between the three districts in the province, Nkangala recorded the highest HDI level of 0.63 in 2018 and Ehlanzeni the lowest at 0.59 (Table 16).

When the HDI levels of the various population groups in Mpumalanga are analysed, it is evident that the White population recorded the highest HDI level of 0.88 in 2018. Asians and Coloureds followed with HDI levels of 0.78 and 0.70, respectively. The Black African population registered the lowest HDI level of 0.57 (Table 17), however, the largest HDI improvement over the 22-year period was registered in this population group.

2014 2018 Region 1996 1999 2004 2009 South Africa 0.54 0.56 0.53 0.58 0.64 0.65 Mpumalanga 0.46 0.61 0.49 0.46 0.51 0.59 **Gert Sibande** 0.46 0.49 0.46 0.52 0.59 0.61 Nkangala 0.52 0.49 0.49 0.54 0.61 0.63 Ehlanzeni 0.46 0.43 0.43 0.49 0.56 0.59

 Table 16: HDI levels for South Africa, Mpumalanga & districts, 1996-2018

Source: IHS Markit – ReX, April 2019

Table 17: HDI level by population group in Mpumalanga, 1996-2018

Population group	1996	1999	2004	2009	2014	2018
Black African	0.43	0.40	0.40	0.47	0.55	0.57
White	0.84	0.84	0.85	0.85	0.87	0.88
Coloured	0.57	0.60	0.61	0.64	0.69	0.70
Asian	0.74	0.75	0.77	0.75	0.77	0.78
Total	0.49	0.46	0.46	0.51	0.59	0.61

Source: IHS Markit – ReX, April 2019

7.2 Income inequality

Gini-coefficient

The Gini-coefficient is one of the most commonly used measures of income inequality. The Gini-coefficient is derived from the Lorenz curve, which is a graphical depiction of income distribution. The Lorenz curve is a graphical presentation of the relationship between the cumulative percentage of income and the cumulative percentage of population. The coefficient varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income).

South Africa has one of the highest imbalanced income distributions in the world. The national Gini-coefficient was calculated to be 0.63 in 2018 (Table 18). Despite improving (declining) from a level of 0.65 in 2004, the most recent national level still reflects a more unequal income distribution than was the case in 1996.

The provincial income distribution followed the national trend and was still more unequal in 2018 than in 1996, however, in 2018 (0.60) it was lower/better than the 2004 level of 0.64. Among the provinces, Mpumalanga (0.60) registered the joint second lowest level of income inequality in 2018, with Limpopo on 0.60, the lowest income inequality and Gauteng (0.63) the most unequal. In 2018, all three districts registered Gini-coefficients of 0.60, which indicates higher inequality than in 1996.

Region	1996	1999	2004	2009	2014	2018
South Africa	0.61	0.65	0.65	0.64	0.63	0.63
Mpumalanga	0.59	0.63	0.64	0.62	0.61	0.60
Gert Sibande	0.59	0.63	0.64	0.63	0.61	0.60
Nkangala	0.58	0.62	0.63	0.61	0.60	0.60
Ehlanzeni	0.58	0.62	0.63	0.61	0.61	0.60

Table 18: Gini-coefficient for South Africa, Mpumalanga & districts, 1996-2018

Source: IHS Markit – ReX, April 2019

Share of income

The NDP targets that the poorest 40% of households in South Africa must earn at least 10% of total income by 2030. In practise, one is able to calculate that the poorest 40% of households in Mpumalanga earned 7.8% of income in 2018 (Table 19). This was higher/better than the national figure of 6.7% for 2018 and equal to the 7.8% share achieved in 2014. Among the provinces, Mpumalanga registered the third highest share behind Limpopo (9.0%) in first place. In 2018, Ehlanzeni registered the highest share of income by the poorest 40% in Mpumalanga (8.3%), whereas the poorest 40% in Gert Sibande recorded a share of 7.6%.

 Table 19:
 Share of income earned by poorest 40% in South Africa, Mpumalanga & districts, 1996-2018

Region	1996	1999	2004	2009	2014	2018
South Africa	7.8%	6.2%	6.2%	6.6%	6.7%	6.7%
Mpumalanga	9.1%	7.5%	7.1%	7.6%	7.8%	7.8%
Gert Sibande	8.9%	7.3%	6.8%	7.3%	7.6%	7.7%
Nkangala	8.6%	7.2%	7.1%	7.4%	7.4%	7.6%
Ehlanzeni	9.7%	7.9%	7.5%	8.1%	8.4%	8.3%

Source: IHS Markit – ReX, April 2019

Palma ratio

The Palma ratio is a recently developed measure of inequality that can also assist in measuring the effectiveness of poverty reduction strategies. The ratio compares the top 10% of population's share of gross income with the poorest 40% of the population's share of income. Internationally, a Palma ratio of more than 3 would place a region in the most unequal quartile and a Palma of less than 1.5 in the least unequal quartile.

Table 20 displays the Palma ratio for South Africa, Mpumalanga and the districts over the period 1996 to 2018. South Africa's high Palma ratio of 7.37 in 2018 is comparable to the 7.05 calculated by Cobham and Sumner (2013) using World Bank indicators of 2010. The interpretation of South Africa's high Palma reveals that for every R1 of total income that the poorest 40% received, the richest 10% received R7.37. Unequal as it is, the ratio has declined/improved from a high of 8.61 in 1999 to the most recent level, suggesting that income inequality reduction strategies are bearing fruit.

Table 20): Palma	ratio in	South	Africa.	Mpumalanga	&	districts.	1996-2018
						-		

Region	1996	1999	2004	2009	2014	2018
South Africa	6.12	8.61	8.54	7.65	7.36	7.37
Mpumalanga	5.23	6.96	7.41	6.57	6.26	6.05
Gert Sibande	5.31	7.17	7.78	6.78	6.48	5.99
Nkangala	5.19	6.85	7.15	6.43	6.31	6.05
Ehlanzeni	5.00	6.66	7.02	6.31	5.82	5.80

Source: IHS Markit – ReX, April 2019

Mpumalanga's Palma ratio of 6.05 in 2018 was lower/better than the national total, however, it was still unacceptably high according to international standards. Mpumalanga's ratio was the second lowest among the provinces with the lowest/best ratio in Limpopo (5.37) and the highest in Gauteng (8.15). Mpumalanga's 2018 ratio is still higher than the 1996 ratio. Nkangala's Palma ratio of 6.05 was the highest/most unequal among the three districts.

7.3 **Poverty aspects**

Poverty lines

In 2012, Statistics South Africa published a set of three national poverty lines based on expenditure data collected. The three lines were described as the food poverty line (FPL¹⁹), lower-bound poverty line (LBPL²⁰) and upper-bound poverty line (UBPL²¹). The NDP refers to the LBPL when it states that the proportion of citizens in poverty must reduce to zero by 2030.

It is evident from Table 21 that the share of South Africa's population below the LBPL declined from 58.4% in 1996 to 42.9% in 2018. Mpumalanga's population share below the LBPL improved from 65.9% in 1996 to 46.4% in 2018. Although South Africa and Mpumalanga registered an improvement over the 22-year period, the share of population below the LBPL increased between 2014 and 2018.

Region	% of population						
	1996	1999	2004	2009	2014	2018	
South Africa	58.4%	59.6%	55.0%	46.8%	38.7%	42.9%	
Mpumalanga	65.9%	66.5%	61.7%	51.6%	41.9%	46.4%	
Gert Sibande	63.4%	64.8%	60.4%	50.0%	40.1%	45.5%	
Nkangala	59.5%	60.6%	56.3%	45.7%	36.4%	41.1%	
Ehlanzeni	71.9%	71.7%	66.4%	57.1%	47.2%	51.2%	

Table 21: Share of population below the LBPL in South Africa & provinces, 1996-2018

Source: IHS Markit – ReX, April 2019

In 2018, Mpumalanga's share below the LBPL was higher than the national figure and the sixth lowest/fourth highest among the nine provinces with Eastern Cape (53.3%) registering the highest share and Western Cape (29.8%) the lowest. In 2018, Nkangala (41.1%) registered the lowest share of population below the LBPL and Ehlanzeni (51.2%) the highest. As with Mpumalanga, all three districts recorded a deterioration in the share below the LBPL between 2014 and 2018.

It is evident from Table 22 that the share of South Africa's population below the FPL declined from 31.9% in 1996 to 28.3% in 2018. Mpumalanga's population share below the FPL also improved from 36.8% in 1996 to 30.8% in 2018. As with the LBPL, South Africa, Mpumalanga and all other eight provinces registered a deterioration/increase between 2014 and 2018, despite showing improvement over the 22-year period.

In 2018, Mpumalanga's share was higher than the national figure and the sixth lowest/fourth highest among the nine provinces with Eastern Cape (36.7%) registering the highest share and Western Cape (17.8%) the lowest. In 2018, Nkangala (26.5%) registered the lowest share of population below the

¹⁹ The level of consumption below which individuals are unable to purchase sufficient food to provide them with an adequate diet and amounted to R537 per capita per month in 2018. ²⁰ Includes expenditure on non-food items, but requires that individuals sacrifice food in order to obtain it and amounted to R767

per capita per month in 2018. ²¹ Includes expenditure on adequate food and non-food items and amounted to R1 157 per capita per month in 2018.

FPL and Ehlanzeni (34.7%) the highest. As with Mpumalanga, all three districts recorded a deterioration in the share below the FPL between 2014 and 2018.

Region	% of population						
	1996	1999	2004	2009	2014	2018	
South Africa	31.9%	35.5%	32.7%	32.2%	23.8%	28.3%	
Mpumalanga	36.2%	40.1%	37.7%	36.1%	26.0%	30.8%	
Gert Sibande	34.3%	38.9%	37.1%	34.8%	24.7%	30.2%	
Nkangala	31.1%	34.9%	33.0%	31.0%	21.9%	26.5%	
Ehlanzeni	40.8%	44.5%	41.5%	40.6%	29.9%	34.7%	

Table 22: Share of population below the FPL in South Africa & provinces, 1996-2018

Source: IHS Markit - ReX, April 2019

The share of South Africa's population below the UBPL declined from 73.7% in 1996 to 58.2% in 2018 (Table 23). Mpumalanga's population share below the UBPL improved from 81.5% in 1996 to 62.1% in 2018. Similar to the findings of the LBPL and FPL, South Africa and all nine provinces recorded a deterioration/increase between 2014 and 2018, despite improvement when compared with 1996.

In 2018, Mpumalanga's share was higher than the national figure and the sixth lowest/fourth highest among the nine provinces with Limpopo (69.5%) registering the highest share and Western Cape (45.2%) the lowest. In 2018, Nkangala (56.5%) recorded the lowest share of population below the UBPL and Ehlanzeni (67.2%) the highest. As with Mpumalanga, all three districts registered a deterioration in the share below the UBPL between 2014 and 2018.

 Table 23: Share of population below the UBPL in South Africa & provinces, 1996-2018

Region	% of population							
	1996	1999	2004	2009	2014	2018		
South Africa	73.7%	73.5%	69.5%	62.3%	55.5%	58.2%		
Mpumalanga	81.5%	80.4%	76.0%	67.7%	59.3%	62.1%		
Gert Sibande	78.5%	78.2%	74.2%	65.9%	57.3%	60.9%		
Nkangala	76.2%	75.6%	71.5%	62.1%	53.3%	56.5%		
Ehlanzeni	87.0%	85.1%	80.4%	73.1%	65.1%	67.2%		

Source: IHS Markit – ReX, April 2019

Multidimensional poverty

Poverty is often defined by income or expenditure. While this provides a very useful way of measuring absolute poverty, it does not fully capture all the aspects that constitute poverty. Multidimensional poverty constitutes several factors that amount to the poor's experience of deprivation such as poor health, lack of education, inadequate living standards, lack of income and lack of decent work.

The South African Multidimensional Poverty Index (SAMPI), published by Statistics South Africa provides multidimensional poverty data at provincial and municipal levels. It was not intended to replace the poverty headcount using the poverty lines that were developed and should rather be seen as a complementary measure to these money-metric measures. It is an index that is constructed using eleven indicators across four dimensions, namely health, education, living standards and economic activity. The poverty headcount shows the proportion of households that are considered to be multidimensionally poor. The intensity of poverty is the average proportion of indicators in which poor households are deprived.

In 2011, the poverty headcount showed that 7.9% of households in Mpumalanga were multidimensionally poor, with the average intensity at 41.8% amongst the poor households (Table 24). By 2016, the fraction of poor households decreased/improved to 7.8% and the average intensity was higher/worse at 42.7%. Mpumalanga's 2016 poverty headcount was the sixth lowest/fourth highest and higher than the national headcount. Mpumalanga's intensity of poverty was the seventh lowest/third highest but lower than the national indicator.

Province	Censu	s 2011	CS	2016
	Headcount	Intensity	Headcount	Intensity
Western Cape	3.6%	42.6%	2.7%	40.1%
Eastern Cape	14.4%	41.9%	12.7%	43.3%
Northern Cape	7.1%	42.1%	6.6%	42.0%
Free State	5.5%	42.2%	5.5%	41.7%
KwaZulu-Natal	10.9%	42.0%	7.7%	42.5%
North West	9.2%	42.0%	8.8%	42.5%
Gauteng	4.8%	43.8%	4.6%	44.1%
Mpumalanga	7.9%	41.8%	7.8%	42.7%
Limpopo	10.1%	41.6%	11.5%	42.3%
South Africa	8.0%	42.3%	7.0%	42.8%

Table 24: Multidimensional poverty in South Africa & provinces, 2011-2016

Source: Statistics South Africa – CS 2016

7.4 Ownership of household goods

Figure 26 compares the ownership levels of certain household goods in Mpumalanga between 2011 and 2016. It is evident that more households in Mpumalanga owned the specific assets in 2016 than in 2011. The ownership of refrigerators (8.5 percentage point increase) increased the most between 2011 and 2016, followed by televisions (7.8 percentage point increase).





Sources: Statistics South Africa – Census 2011 Statistics South Africa – CS 2016

Ownership of household goods index

The ownership of household goods index is a household adjusted, ownership of goods-weighted index, which measures a region's overall ownership of certain household goods. The index ranges from 0 to 1, where 0 implies that no household in the region owns any of the household goods surveyed, and 1 implying that every household in the region owns all the household goods surveyed.

In 2016, the highest ownership of household goods index value was recorded in Mbombela and the lowest in Mkhondo. Between 2011 and 2016, Nkomazi recorded the largest improvement in the household goods index and Emalahleni the largest decline. Figure 27 compares the household goods index values of 2011 with that of 2016 for Mpumalanga's local municipal areas.



Figure 27: Household goods index in Mpumalanga's local municipal areas, 2011-2016

Sources: Statistics South Africa – Census 2011 Statistics South Africa – CS 2016

7.5 Income and expenditure aspects

Household income

According to the *Living Conditions of Households* 2014/15, the average annual household income for all households in South Africa increased from R103 204 per annum in 2011 (*Census 2011*) to R138 168 per annum (R11 514 per month) in 2014/15. Average household income in Mpumalanga increased from R77 609 per annum in 2011 to R107 561 per annum (R8 963 per month) in 2014/15 (Figure 28).

Mpumalanga's average household income was the fifth highest in 2011 and the third highest in 2014/15. In 2014/15, the average household income of Western Cape households (R222 959 per annum) was the highest and that of Limpopo households (R79 152 per annum) the lowest.

Expenditure categories

In the *GHS 2018*, respondents indicated what expenditure category best describes the monthly household expenditure in 2018. The results of this question for South Africa and Mpumalanga is summarised in Table 25. It is evident that a major share of households in Mpumalanga (49.3%)

indicated expenditure of less than R2 500 per month. The smaller share of households in South Africa (41.6%) indicated expenditure of less than R2 500 per month. Some 18.1% of households in South Africa indicated expenditure of more than R10 000 per month compared with 13.7% of households in Mpumalanga.



Figure 28: Average annual household income by province, 2011-2014/15

Sources: Statistics South Africa – Census 2011 Statistics South Africa – Living Conditions of Households 2014/15

Expenditure category	Mpur	nalanga	South	Africa
	% of total	Cumulative %	% of total	Cumulative %
R0	0.2%	0.2%	0.4%	0.4%
R1-R199	0.5%	0.7%	0.5%	0.9%
R200-R399	1.7%	2.5%	1.5%	2.4%
R400-R799	5.8%	8.2%	5.0%	7.4%
R800-R1 199	8.8%	17.0%	7.7%	15.0%
R1 200-R1 799	16.3%	33.3%	12.7%	27.7%
R1 800-R2 499	16.0%	49.3%	13.9%	41.6%
R2 500-R4 999	22.8%	72.1%	22.4%	63.9%
R5 000-R9 999	13.1%	85.2%	14.3%	78.2%
R10 000 or more	13.7%	99.0%	18.1%	96.3%
Do not know	0.8%	99.8%	2.7%	99.1%
Refused	0.2%	99.9%	0.5%	99.5%
Unspecified	0.1%	100.0%	0.5%	100.0%
Total	100.0%	-	100.0%	-

Table 25: Household ex	penditure in South	Africa & Mpumalan	ga, 2018

Source: Statistics South Africa – GHS 2018

Household income sources

The majority of households in South Africa are dependent on incomes from salaries. Nationally, 64.8% of households received an income from salaries in 2018. In Mpumalanga 60.4% of households received an income from salaries. In 2018, 45.2% and 51.5% of households in South Africa and Mpumalanga obtained income from grants, respectively. Some 59.9% of households in Eastern Cape received

income from grants, whilst only 30.9% of households in Gauteng received income from grants. Figures on comparative of sources of income²² of households are presented in Figure 29.



Figure 29: Comparative sources of income²² in South Africa and provinces, 2018

Source: Statistics South Africa – GHS 2018

As part of *GHS 2018*, households were asked to indicate their main source of income. As a result, salaries were indicated to be the main source for 58.6% of households nationally, whereas grants were the main source for 19.9% of households (Figure 30). In Mpumalanga, salaries were also the main source for the majority (52.6%) of households with grants the main source for 22.2% of households in the province.



Figure 30: Main sources of income in South Africa and provinces, 2018

Source: Statistics South Africa – GHS 2018

²² Households can have more than one source of income; therefore, shares do not add up to 100%.

Social assistance grants

Together with providing income security to certain income insecure groups, the payments of grants made a positive impact on poverty and income inequality in Mpumalanga. Grants assisted to reduce poverty and redistribute income in Mpumalanga and its sub regions through the provision of income security. According to the South African Social Security Agency (SASSA), the number of South Africans that received social assistance grants increased from 15.9 million in March 2014 to 17.7 million by December 2018. In March 2014, 1.32 million citizens of Mpumalanga received social assistance grants. This was equal to an 8.3% share of the total national grant recipients in 2014. By December 2018, the number of recipients in Mpumalanga increased to 1.49 million or 8.4% of the total number of national grant recipients. Mpumalanga registered the sixth highest/fourth lowest number of social assistance recipients among the nine provinces (Figure 31). KwaZulu-Natal (3.9 million) registered the highest number of grant recipients by December 2018 and Northern Cape (479 700) the lowest.





Source: SASSA - SOCPEN system, 2018

Despite the positive impact of social assistance grants on income distribution and poverty, skills development and employment creation remain the most important factors to improve the livelihoods of people. Skills constraints push up the premium for skilled labour, inducing large differences between salaries of skilled and unskilled people and thus raising levels of inequality. Therefore, income inequality can most effectively be reduced by improving the labour force's skill levels and thus removing the premium for skilled labour. Poverty can also be reduced by building and developing capabilities of the workforce on a broad scale in order to increase employment creation through increased labour productivity and economic growth.

It is evident from Figure 32, that 73.9% of Mpumalanga's total social assistance grants in December 2018 were child support grants, which was higher than the 71.6% share in 2009. In actual numbers, child support grant beneficiaries increased from 735 648 in 2009 to 1 102 236 in 2018. The number of

old age grant beneficiaries increased from 174 343 in 2009 to 255 711 in 2018 and their share of the total number of grant beneficiaries increased marginally to 17.1% in 2018. Disability grant recipients decreased marginally in number from 79 244 in 2009 to 79 060 in 2018 and recorded a smaller share in 2018 (5.3%) of the total number of assistance grant beneficiaries than in 2009 (7.7%).



Figure 32: Distribution of various types of social assistance grants in Mpumalanga, 2009-2018

Source: SASSA - SOCPEN system, 2018

8. ECONOMIC SECTORS AND PERFORMANCE

8.1 GDP growth

It is estimated that in 2017, Mpumalanga contributed some R349.3 billion in current prices or some 7.5% to the GDP of South Africa. Converted to constant 2010 prices, Mpumalanga's contribution was R226.3 billion. Mpumalanga's contribution in constant 2010 prices was the fifth largest among the nine provinces. Mpumalanga's contribution decreased from 8.1% in 1995 to 7.3% in 2017, and was roughly the same size as the economy of Limpopo. Gauteng (34.8%) was the main contributor to the national economy in 2017.

At the start of the period under review, particularly 1996, 1997 and 1999, the economic growth of the province, as measured by growth in the GDP, was higher than the national rate. However, since then the provincial economy has outperformed the national economy in terms of GDP growth only in 2009, 2014 and 2017 (Figure 33). The average annual growth rate for the country and Mpumalanga over the period 1995 to 2017 was 2.8% and 2.3%, respectively. It is of great concern that the average annual economic growth for South Africa as well as the province did not exceed 1.0% for the period 2014 to 2017. Mpumalanga recorded the sixth highest/fourth lowest annual average GDP growth rate in the 22-year period and the second lowest between 2014 and 2017. The forecasted annual growth rates for South Africa and Mpumalanga are projected to remain low and average below 2% annually between 2018 and 2023.



Figure 33: GDP (constant 2010 prices) growth rates for South Africa and Mpumalanga, 1996-2023

Sources: Statistics South Africa – GDP, 2019 (Historic growth) IHS Markit – Regional eXplorer (ReX), April 2019 (Future growth)

The NDP targets average annual national GDP growth above 5% up to 2030. It is apparent that neither South Africa nor any of the provinces sustained the desired growth in any of the period displayed in Table 26. Mpumalanga's highest period of growth was between 1995 and 1999 (the second highest among the provinces), whereas the lowest period of growth was between 2014 and 2017 (the second lowest among the provinces). The annual average growth rates for South Africa and Mpumalanga, from 2018 to 2023 are forecasted at 1.6% and 1.5%, respectively. In such an event, Mpumalanga's growth will be the joint sixth highest among the nine provinces.

piovi							
Province	1995-2017	1995-1999	1999-2004	2004-2009	2009-2014	2014-2017	2018-2023
Western Cape	3.1%	2.3%	4.3%	4.1%	2.8%	1.2%	1.6%
Eastern Cape	2.3%	1.8%	2.8%	3.5%	2.2%	0.7%	1.5%
Northern Cape	2.0%	2.9%	1.4%	1.9%	2.6%	0.9%	0.4%
Free Sate	1.7%	0.9%	2.0%	2.3%	2.3%	0.3%	0.9%
KwaZulu-Natal	2.9%	2.0%	3.7%	3.9%	3.0%	1.1%	1.6%
North West	1.4%	1.3%	2.0%	2.0%	0.5%	0.9%	1.9%
Gauteng	3.1%	2.1%	4.2%	4.0%	3.0%	1.1%	1.7%
Mpumalanga	2.3%	3.0%	2.4%	2.5%	2.4%	0.6%	1.5%
Limpopo	2.5%	3.2%	3.3%	2.5%	2.0%	1.1%	1.8%
South Africa	2.8%	2.4%	3.6%	3.5%	2.6%	1.0%	1.6%

 Table 26: Historic and forecasted GDP at market prices growth rates for South Africa and provinces, 1995-2023

Sources: Statistics South Africa – GDP, 2019 (Historic growth) IHS Markit – ReX, April 2019 (Future growth)

To achieve higher economic growth the province should attempt to nurture a spirit of innovation and entrepreneurship, thus creating more entrepreneurs, more enterprises and more jobs. Mpumalanga should attempt to develop niche enterprises and incorporate new technology and processes that can take the provincial economy forward. This can be accomplished by empowering the citizens of the province to participate in a modern economy by addressing the skills shortage that is prevalent in the economy.

Because of the moderate economic growth experienced in South Africa over the last 22 years, the South African economy has not doubled in size over this period. From Figure 34 it is also evident that no provincial economy was by 2017, double its size of 1995. By 2017, the Western Cape economy, which grew the fastest between 1995 and 2017, was 196.1% of its 1995 size. Mpumalanga's economy was 164.0% of its 1995 size and registered the sixth highest/fourth lowest increase. For an economy to double in size over a 22-year period, that economy needs to grow at an annual average growth rate of 3.2%.



Figure 34: GDP (constant 2010 prices) expressed as a percentage of 1995 GDP values in South Africa & provinces, 2017

Source: Statistics South Africa – GDP, 2019

Estimated annual and quarterly GDP growth in Mpumalanga

Statistics SA compiles provincial estimates of GDP annually, which is then released together with the annual national estimates. The provincial GDP estimates for a particular year, however, are released one year later than the national estimates. For example, the 2016 provincial GDP estimates were only released when the national GDP estimates for 2017 was published. The provincial GDP estimates, that are already published a year later than national figures, are also not published on a quarterly basis. The release of quarterly national GDP results and statistics by Stats SA enables one to determine the national economic growth rate for that specific quarter. This provides an early indication on national economic growth for the full year as well as signalling which industries are contributing strongly to growth and which are lagging or faltering.

In light of these two challenges it is problematic to provide an early indication on provincial economic growth for a quarter and even a full year. Growing or struggling industries are only identified a year later when the growth cycle might have already changed. The possibility exist that ill-timed counter

cyclical policy interventions can be administered, proving unsuccessful and with even devastating effects. Therefore, to address the challenges, a structural model was adopted that allows one to estimate the GDP for Mpumalanga for years and quarters not yet published by Stats SA.

The annual growth for 2018 can now be calculated based on the quarterly growth estimations. According to the structural model employed, Mpumalanga's real GDP growth for 2018, as calculated from the estimated quarterly figures, was 0.2%²³. This was lower than the national growth rate of 0.8%. The reason for the lower growth in Mpumalanga can largely be ascribed to the negative growth experienced in mining and the extent of mining's contribution to the provincial economy compared to its national contribution.

The quarter-on-quarter GDP growth in South Africa and Mpumalanga is displayed in Figure 35, which indicates that the real GDP (measured by production) of South Africa decreased by 3.2% in the first quarter of 2019, following two consecutive quarters of growth. Mpumalanga's GDP growth is estimated to have decreased by 5.1%²³ in the first quarter of 2019 after three consecutive quarterly increases. The difference between the quarterly growth rates of South Africa and Mpumalanga can be ascribed to the structural differences between the national and provincial economies.



Figure 35: Quarter-on-quarter GDP at market prices growth (constant 2010 prices) in South Africa & Mpumalanga, Q1 2018-Q1 2019

Sources: Statistics South Africa – GDP, 2019 Economic Analysis Structural Model, 2019

Seven of Mpumalanga's nine industries declined in the first quarter of 2019. The largest negative contributors to growth in GDP in the first quarter 2019 were mining and manufacturing. The two positive contributors to growth in GDP in the first quarter of 2019 were finance and community services. Mining, construction and trade are in recession after registering two, or more, consecutive quarters of negative growth.

²³ As these are only estimates based on a structural model of the Mpumalanga economy it will not be regarded as official, but only used to guide economic planning, policy and interventions in the province.

GDP per capita

GDP per capita is often considered an indicator of a region's standard of living on the rationale that all citizens would benefit from the region's increased economic production. Mpumalanga Vision 2030, states that the GDP per capita expressed in constant prices must increase from an estimated R51 100 in 2010 to R110 000 by 2030. In 2017, the provincial GDP per capita was, however, lower than in 2010 with an estimated R50 900. Sustained annual average GDP growth of more than 5% is necessary to achieve the set target of R110 000 by 2030.

Fixed investment

Investment in infrastructure builds economic capacity and enhances competitiveness, while contributing to the quality of life of poor people. In 2017, the gross domestic fixed investment (GDFI) in Mpumalanga amounted to R55.4 billion which was equal to 9.0% of total GDFI in South Africa (Figure 36). From 2010 to 2017, GDFI in South Africa grew on average by 2.2% per annum and by 2.6% annually in Mpumalanga. Between 2014 and 2017, GDFI in Mpumalanga only grew by 0.2% per annum.







According to the NDP, public infrastructure investment must be equal to 10% of GDP by 2030. In 2018, expenditure by the Mpumalanga Provincial Government (MPG) on infrastructure was equal to approximately 1.8% of provincial GDP. If the 2018 Municipal Infrastructure Grant (MIG) expenditure by municipalities is added to MPG infrastructure expenditure, then public expenditure on infrastructure was equal to 2.5%. In order to reach the stated Vision 2030 goal of 10% of GDP by 2030 in Mpumalanga, public expenditure on infrastructure in Mpumalanga has to increase by at least 14.5% per annum up to 2030.

8.2 Inclusive growth

The overall Inclusive Growth Index²⁴ seeks to reflect the extent to which people living within a specific region can be considered included in the benefits of economic growth and national prosperity and the extent to which they are equipped with the skills that aid participation in the economy. An examination of the differences between regions is important in that it highlights geographical patterns in economic inclusion and prosperity.

In 2017, Western Cape and Gauteng recorded the highest overall inclusive growth scores of 10.82 and 10.35, respectively. Limpopo (1.45) and Eastern Cape (2.04), registered the lowest overall scores among the nine provinces. Mpumalanga's overall inclusive growth score of 4.15 was the sixth highest/fourth lowest among the nine provinces (Figure 37). The economic inclusion theme made the largest contribution in seven provinces with Western Cape (5.94) achieving the largest economic inclusion score. Only in Gauteng (5.75) and Eastern Cape (1.05), did the prosperity theme make a larger contribution than the economic inclusion theme.





Source: DEDT - Economic Analysis Inclusive Growth Model, 2019

In the individual prosperity and economic inclusion themes there were some differences in rankings compared with the overall score. For example, Northern Cape scored the third highest economic inclusion score, the third lowest prosperity score and eventually ended third highest overall. Mpumalanga ranked fifth highest in the economic inclusion theme, fourth highest in the prosperity theme but eventually only sixth highest overall.

²⁴ The Inclusive Growth Index was adapted from the Inclusive Growth (IG) Monitor developed by Manchester University in 2014. The Inclusive Growth Index uses existing statistics to construct an index of the extent to which people living within a given locality may be considered as economically included and benefiting from broader national prosperity. The index is divided into two themes (Economic inclusion and Prosperity) each having three underlying dimensions constituted by a set of two indicators. Each indicator is normalised giving a minimum score of zero for the lowest scoring area and a maximum of one for the highest scoring. This means that each dimension has a minimum score of zero and a maximum score of two, therefore each theme can have a minimum score of zero and maximum of six.

The normalised change scores, displayed in Figure 38, provide a way of assessing overall change on the two themes based upon percentage change in the underlying indicators. Here an area with the lowest score has the least improvement or greatest deterioration on a given theme, whereas the area with the highest score has the biggest improvement or least deterioration. The change scores provide a way of summarising the performance of different regions in inclusive growth over the 3-year period between 2014 and 2017.

When examining change in economic inclusion and prosperity together, the overall inclusive growth change scores show that between 2014 and 2017, North West (7.75), Western Cape (7.37) and Eastern Cape (7.20) experienced the biggest improvement in their respective scores (Figure 38). Mpumalanga's overall change score of 7.00 was the fourth highest among the nine provinces



Figure 38: Inclusive growth change scores by province, 2014-2017

When one considers the individual theme scores, it is apparent that the majority of improvement in five provinces were due to improvement in the prosperity theme and in four due to improvement in the economic inclusion theme. Between 2014 and 2017, Western Cape (3.64) registered the highest improvement in economic inclusion and Mpumalanga (3.29) the fourth highest. Over the same period, North West (4.42) also recorded the highest score change in the prosperity theme and Mpumalanga (3.71) also the fourth highest.

8.3 Regional contribution

The economic industries are classified according to the International Standard Industrial Classification of all Economic Activities (ISIC). This classification system, employed by Statistics South Africa, groups together economic activities that are closely related. Statistical information is then collected and classified according to the categories of economic activities, which are as homogenous as possible.

Source: DEDT - Economic Analysis Inclusive Growth Model, 2019

Figure 39 depicts the contribution of each of the economic industries in Mpumalanga to the corresponding national industry between 1995 and 2017. It is estimated that in 2017, the province was a substantial role-player in the national mining and utilities (mainly electricity) industries, with respective shares of 22.4% and 15.4%. It is noticeable that the contribution by the agriculture, mining, manufacturing and utilities industries increased between 1995 and 2017, whereas the other industries' contribution to the national figure remained either unchanged or declined.



Figure 39: Mpumalanga's contribution to South Africa's industries (constant 2010 prices), 1995-2017

Sources: Statistics South Africa – GDP, 2019

Table 27 exhibits the contribution by each of the three districts to the provincial industries in 2014 and 2018. Nkangala was the largest contributor to the provincial GVA with a share of 39.8% in 2014 and 39.3% in 2018. In 2018, the contribution by Gert Sibande was 26.9% and that of Ehlanzeni 33.8%. Nkangala made considerable contributions to the province's mining (64.6%) and utilities (55.8%) industries in 2018. In 2018, Gert Sibande was the main contributor to Mpumalanga's manufacturing (37.9%), whilst Ehlanzeni played a major role in the province's agriculture, construction and services industries.

Table 27:	Regional	contribution	to	Mpumalanga'	s industries	(GVA	at	constant	2010	prices),
	2014-2018	8								

Industry	Gert S	ibande	Nkar	ngala	Ehlanzeni		
	2014	2018	2014	2018	2014	2018	
Agriculture	35.3%	34.9%	22.5%	23.3%	42.2%	41.8%	
Mining	29.0%	28.4%	64.4%	64.2%	6.6%	7.3%	
Manufacturing	38.6%	37.9%	33.9%	34.1%	27.5%	28.0%	
Utilities	22.7%	22.5%	56.6%	55.8%	20.7%	21.8%	
Construction	22.6%	22.4%	30.5%	30.3%	46.9%	47.2%	
Trade	25.2%	25.0%	27.6%	27.5%	47.2%	47.5%	
Transport	27.6%	27.4%	30.4%	30.3%	42.0%	42.3%	
Finance	20.0%	20.1%	30.8%	30.9%	49.2%	48.9%	
Community services	22.9%	22.8%	26.9%	26.8%	50.2%	50.4%	
Total	27.2%	26.9%	39.8%	39.3%	32.9%	33.8%	

Source: IHS Markit – ReX, April 2019

Figure 40 depicts the percentage contribution by the seventeen local municipal areas to the provincial GVA in 2018. In 2017, City of Mbombela (22.9%), Emalahleni (18.0%), Steve Tshwete (14.2%) and Govan Mbeki (12.8%) contributed 67.9% to the Mpumalanga economy. Dipaleseng (0.7%) made the smallest contribution to the provincial economy.



Figure 40: Contribution to provincial GVA (constant 2010 prices) by local municipal area in Mpumalanga, 2018

8.4 Sectoral contribution and performance

Contribution to the provincial economy

In 2017, the primary sector in Mpumalanga contributed 29.0%, the secondary sector 21.4% and the tertiary sector 49.6% to the provincial GDP. Although the economy depended less on the primary sector in 2017 than in 1995 (36.1%), it continued to stand in contrast to the national primary sector's small contribution of 10.7% in 2017. The much smaller contribution by mining to the national economy (8.1% versus 25.5% in Mpumalanga) was the main reason for the difference in primary sector contribution. Nationally, the secondary sector added 19.6% and the tertiary sector 69.7% in 2017, with finance (20.4%) the largest single industry.

Figure 41 displays the share of each economic industry in the provincial economy between 1995 and 2017. It is estimated that in 2017, the three largest contributors to the provincial economy were mining (25.5%), community services (16.1%) and trade (14.8%). The top three's ranking was unchanged from 1995, when mining contributed 33.3%, community services 16.6% and trade 13.4%.

Historic and forecasted growth for the economic industries of Mpumalanga is presented in Table 28. Between 1995 and 2017, the industries with the fastest economic growth was estimated to be transport (4.4%), finance (3.8%) and construction (3.6%). Over the period 2018-2023, it is expected that finance and transport will jointly record the highest average annual growth of 2.9% per annum. The negative growth expectation for mining and the relatively slow growth of community services are a real concern.

Source: IHS Markit – ReX, April 2019



Figure 41: Contribution to Mpumalanga GDP (constant 2010 prices) by industry, 1995-2017

Source: Statistics South Africa - GDP, 2019

Table 28:	Historic and forecasted GDP at basic prices (constant 2010 prices) growth rates for
	Mpumalanga's economic industries, 1995-2023

Industry	1995-2017	1995-1999	1999-2004	2004-2009	2009-2014	2014-2017	2018-2023
Agriculture	3.4%	11.0%	1.3%	1.1%	1.8%	3.6%	2.2%
Mining	1.1%	2.1%	1.4%	-1.3%	2.7%	0.4%	-0.2%
Primary sector	1.3%	2.9%	1.4%	-1.0%	2.6%	0.7%	0.1%
Manufacturing	2.7%	2.6%	4.2%	2.9%	2.8%	0.0%	1.4%
Utilities	1.3%	1.3%	3.2%	1.7%	0.4%	-1.2%	1.5%
Construction	3.6%	2.0%	0.7%	11.6%	2.0%	0.4%	1.4%
Secondary sector	2.5%	2.2%	3.5%	3.6%	2.1%	-0.2%	1.4%
Trade	2.8%	3.5%	2.8%	3.8%	2.1%	0.9%	2.3%
Transport	4.4%	7.7%	6.1%	4.2%	2.4%	1.1%	2.9%
Finance	3.8%	5.5%	3.4%	5.4%	2.2%	2.1%	2.9%
Community services	2.2%	1.6%	2.0%	3.4%	2.5%	0.6%	0.4%
Tertiary sector	3.0%	3.6%	3.0%	4.1%	2.3%	1.1%	1.9%
Total	2.3%	3.0%	2.4%	2.5%	2.4%	0.6%	1.8%

Sources: Statistics South Africa – GDP, 2019 (Historic growth) IHS Markit – ReX, April 2019 (Future growth)

Figure 42 illustrates the change in value by industry from 2014 to 2017. The real value of seven industries increased between 2014 and 2017, whereas the other two decreased. The finance industry (R1.60 billion) registered the largest increase over the 3-year period and the utilities industry (-R0.36 billion) the largest decrease.

According to Table 29, finance (28.7% contribution) and trade (26.9% contribution) can be expected to be the main drivers of provincial economic growth between 2018-2023. Manufacturing (14.8% contribution) and transport (14.4% contribution) are expected to aid provincial growth to a lesser degree, whereas mining (-4.9% contribution) is expected to dampen economic growth between 2018 and 2023.



Figure 42: Absolute change in GDP rand value (constant 2010 prices), 2014-2017

Source: Statistics South Africa – GDP, 2019

Table 29:	Industry	contribution	to	GDP	at	basic	prices	(constant	2010	prices)	growth	in
	Mpumala	nga, 2017-202	23									

Industry	GDP share	Forecasted industry growth	Estimated contribution to
	2017	2018-2023	2018-2023
Agriculture	3.5%	2.2%	6.1%
Mining	25.5%	-0.2%	-4.9%
Manufacturing	13.3%	1.4%	14.8%
Utilities	4.9%	1.5%	5.7%
Construction	3.3%	1.4%	3.8%
Trade	14.8%	2.3%	26.9%
Transport	6.1%	2.9%	14.4%
Finance	12.6%	2.9%	28.7%
Community services	16.1%	0.4%	4.6%
Total	100.0%	1.8%	100.0%

Sources: Statistics South Africa – GDP, 2019 IHS Markit – ReX, April 2019

Contribution to the districts' economy

Table 30 displays the share of each economic industry in the three districts' economies in 2014 and 2018. The mining industry was the largest industry in Gert Sibande in 2018 with a 26.2% share. Mining activities also dominated the Nkangala economy as it added 40.5% to the district's economy in 2018. In 2018, the largest contributing industry in Ehlanzeni was community services with a share of 24.3%. The contributions by the primary sector in both Gert Sibande and Nkangala declined between 2014 and 2018, whereas it increased in Ehlanzeni. Between 2014 and 2018, the economic contributions of the secondary sector decreased in all three districts, whilst the contribution of the tertiary sector increased.

Performance and employment in the provincial economy

Figure 43 depicts the real growth per industry over the period 2009 to 2017 in the left-hand diagram and the contribution to changes in employment numbers over the same period in the right-hand

diagram. Over the 8-year period agriculture and finance achieved the highest average annual growth rates, whereas construction and utilities recorded the lowest.

Industry	Gert S	Sibande	Nka	ingala	Ehla	nzeni
	2014	2018	2014	2018	2014	2018
Agriculture	4.2%	4.4%	1.8%	2.0%	4.2%	4.2%
Mining	27.4%	26.2%	41.6%	40.5%	5.1%	5.4%
Primary sector	31.6%	30.6%	43.5%	42.5%	9.3%	9.6%
Manufacturing	19.2%	18.9%	11.6%	11.6%	11.3%	11.1%
Utilities	4.3%	4.1%	7.3%	7.0%	3.2%	3.2%
Construction	2.7%	2.7%	2.5%	2.5%	4.7%	4.5%
Secondary sector	26.3%	25.7%	21.4%	21.1%	19.3%	18.8%
Trade	13.6%	13.8%	10.2%	10.4%	21.0%	20.9%
Transport	6.1%	6.4%	4.6%	4.8%	7.8%	7.8%
Finance	8.8%	9.6%	9.3%	10.1%	18.0%	18.6%
Community services	13.6%	13.8%	10.9%	11.1%	24.7%	24.3%
Tertiary sector	42.2%	43.7%	35.1%	36.4%	71.5%	71.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

 Table 30: Contribution to individual districts' GVA (constant 2010 prices) by industry, 2014-2018

Source: IHS Markit – ReX, April 2019

Note: Due to rounding numbers do not necessarily add up to totals





Sources: Statistics South Africa – GDP, 2018 Statistics South Africa – QLFS, 2018

In 2017, some 222 552 more people were employed by the nine industries in Mpumalanga than in 2009. In the right hand diagram, it is observable that the two medium growth industries (economic growth above 2% per annum) recorded, on average, 34 467 more employees per industry in 2017 than in 2009. The seven low growth industries (economic growth of less than 2% per annum) recorded, on average, 21 945 more employees per industry. Based on the two diagrams, it is evident that an industry makes a larger contribution to employment growth when it achieves a medium (and high) growth rate, than when it grows at a low growth rate.

8.5 Diversification of the economy

The Tress Index measures the level of concentration or diversification in an economy. An index score of zero represents a much diversified economy, while a number closer to 100 indicates a high level of concentration.

In 2018, the economy of Mpumalanga appears to be more diversified than that of South Africa with an index score of 36.7 compared to a national score of 40.3. Among the nine provinces, Mpumalanga ranked highest in terms of the most diversified economy.

8.6 Comparative advantage of the economy

The location quotient is an indication of the comparative advantage of an economy. An economy has a location quotient larger (smaller) than one, or a comparative advantage (disadvantage) in a particular industry when the share of that industry in the provincial economy is greater (less) than the share of the same industry in the national economy.

Table 31 provides the location quotients of the various industries in Mpumalanga, indicating their respective comparative advantages. In Mpumalanga, agriculture (1.50), mining (2.20), utilities (3.64) and trade (1.07) held a comparative advantage over the same industry in the national economy. A rule of thumb is that when an industry has a location quotient of 1.2 or above it indicates that some degree of specialisation is taking place in that particular industry compared with the national industry. Mpumalanga recorded three industries (agriculture, mining and utilities) with a location quotient higher than 1.2.

Industry	Mpumalanga
Agriculture	1.50
Mining	2.20
Manufacturing	0.82
Utilities	3.64
Construction	0.95
Trade	1.07
Transport	0.82
Finance	0.82
Community services	0.84
Total	1.00

Table 31: Comparative advantage of industries in Mpumalanga and districts, 2018

Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2019

Comparative advantage analysis can be improved with two indicators to yield a dynamic location quotient. These two indicators are percentage change in location quotient over time and the size of the industry in terms of jobs. Industries can then be classified in four quadrants based on its location quotient and change in location quotient and ranked according to size.

The logic follows that an industry in the upper right quadrant (location quotient \geq 1.0 and change in location quotient \geq 0) holds a comparative advantage over the industry in the base region, and is also expanding the advantage over time (between 2014 and 2018). These industries are "standouts" that distinguish the provincial economy and are doing more so every year. Such industries are especially

important if they are also large in terms of job numbers. In Mpumalanga, trade, private households and utilities (ranked according to employment number) can be regarded as "standout" industries (Table 32).

 Table 32: Classification of industries in Mpumalanga according to dynamic location quotient,

 2014-2018

Location quotient ≥ 1.0 and negative change in location	Location quotient ≥ 1.0 and positive change in location
quotient	quotient
"Intensive care"	"Standouts"
Agriculture	Utilities
Aining Trade	
Construction	Private households
Location quotient < 1.0 and negative change in location	Location quotient < 1.0 and positive change in location
quotient	quotient
"Little promise"	"Pre-emergent"
Finance	Manufacturing
Community services	Transport

Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2019

The lower right quadrant (location quotient < 1.0 and change in location quotient \ge 0) contains industries which do not have a comparative advantage yet, but are becoming more so over time. If these industries continue this trend, they will move over the horizontal cut-off into the upper right quadrant. They can be called "pre-emergent" industries, having the potential to contribute more to the region's economy in future. In Mpumalanga, manufacturing and transport (ranked according to employment size) can be regarded as "pre-emergent" industries.

The upper left quadrant (location quotient \geq 1.0 and negative change in location quotient) contains industries that hold a comparative advantage over the industry in the base region, but with a declining advantage. If a medium or large industry is in this quadrant, it is an important warning that the province is losing a major part of its economy and should inform planning and investment priorities accordingly. They can be called industries in need of "intensive care", as this quadrant usually indicates industries in decline. In Mpumalanga, agriculture, mining and construction have a location quotient in excess of 1.0, but require "intensive care" in terms of planning and investment as its advantage has declined over time.

Finally, the lower left quadrant (location quotient < 1.0 and negative change in location quotient) contains industries which are less important regionally than nationally and are also declining in employment. These industries holds "little promise" in terms of relative employment size and labour growth, however, the province needs to attract more businesses in those industries in order to maintain an economy that is sufficiently balanced and diversified in comparison to the national economy. Finance and community services were two of Mpumalanga's broad industries that ranked in this quadrant.

8.7 Labour intensity

Labour intensive industries are identified by comparing the output generation capacity with the utilisation of labour by each of the industries. When an industry utilises a larger share of the provincial employed than what its share towards the provincial output is, that industry is regarded as a labour intensive industry.

Figure 44 provides a comparison of the utilisation of labour with output at industry level for 2014 and 2017. In 2017, the following four industries in Mpumalanga exhibited higher employment shares relative

to their output shares, thereby indicating a high level of labour intensity: construction, agriculture, trade and community services. In 2014, the same abovementioned four industries registered larger labour utilisation shares than output contribution. The labour intensity in manufacturing, utilities, and community services improved by varying degrees between 2014 and 2017.



Figure 44: Comparison of labour intensity in Mpumalanga by industry, 2014-2017

Sources: Statistics South Africa – GDP, 2019 Statistics South Africa – QLFS, 2019

8.8 Employment elasticity

The rate of employment growth in an economy, or in any industry of it, is determined by many factors operating simultaneously, one of which is how fast the economy grows. An employment elasticity provides an indication of the historic rate of employment growth as determined by the historic economic growth. Such an employment elasticity of an industry can be calculated by dividing the observed growth rate of employment during any past period by the observed growth rate of GDP during the same past period.

Between 2009 and 2017, provincial employment has been rising steadily whereas economic output has not kept up with employment as indicated in Figure 45. Mpumalanga's employment elasticity over the period 2009-2017 was 1.62. In other words, on average over the 8-year period, every 1% of real economic growth in the province's economy translated into a 1.62% increase in employment in the economy. The indexed relationship between employment levels and GDP over the period 2009 to 2017 is portrayed in Figure 45.

The employment elasticity of the various industries in Mpumalanga's over the period 2009 to 2017 is displayed in Table 33. Community services recorded the highest employment elasticity of 2.61 over the period 2009-2017. Therefore, on average over the 8-year period, every 1% of real economic growth in community services translated into a 2.61% increase in employment in the industry.



Figure 45: Relationship between GDP and employment levels in Mpumalanga, 2009-2017

Sources: Statistics South Africa – GDP, 2019 Statistics South Africa – QLFS, 2019

Table 33: Com	narativo omnl	ovment elastici	tv ner industr	v in Mnumalar	na 2009-2017
Table 33. Colli	paralive empi	oyment elastici	ty per muusu	y ili wipullalal	iya, 2009-2017

Industry	Employment elasticity	
	2009-2017	
Agriculture	1.88	
Mining	0.67	
Manufacturing	1.50	
Utilities	-39.73 ²⁵	
Construction	1.36	
Trade	0.02	
Transport	1.71	
Finance	1.98	
Community services	2.61	
Total	1.62	

Sources: Statistics South Africa – GDP, 2019 Statistics South Africa – QLFS, 2019

8.9 Labour productivity

Productivity can be measured by relating changes in output to changes in one or more input to production. Should an industry achieve a score of more than unity (1) then that industry is regarded as experiencing higher labour productivity than all industries combined. When comparing Mpumalanga's industry specific labour productivity with that of the province's total industries, it is evident that five industries achieved higher labour productivity than the total industries combined in 2017 (Table 34). The mining industry (4.51) recorded the highest labour productivity index score in 2017, followed by utilities (1.51) and manufacturing (1.41). In 2014, four industries in Mpumalanga achieved a higher labour productivity than the total industries industry also registered the highest labour productivity index score in 2014 of 3.75, followed by mining. Mining, construction, trade and finance experienced increased labour productivity between 2014 and 2017.

²⁵ The utilities industry recorded negative economic growth over the 8-year period although it recorded positive employment growth, which resulted in a large negative employment elasticity.

Industry	Labour productivity index		
	2014	2017	
Agriculture	0.38	0.38	
Mining	3.50	4.51	
Manufacturing	1.52	1.41	
Utilities	3.75	1.51	
Construction	0.31	0.35	
Trade	0.60	0.65	
Transport	1.16	1.16	
Finance	0.98	1.08	
Community services	0.76	0.69	
Total industries	1.00	1.00	

Table 34: Comparison of Mpumalanga's labour productivity per industry, 2014-2017

Sources: Statistics South Africa – GDP, 2019 Statistics South Africa – QLFS, 2019

8.10 Regional competitiveness

Shift share is a standard regional analysis method that attempts to determine how much of regional job growth can be attributed to national trends and how much is due to unique regional factors. In using a shift share analysis a regional economy (Mpumalanga) is indexed against a base economy (South Africa). The technique basically distributes job change into three component parts. The three component parts are the national growth effect, the industrial mix effect and the regional competitiveness effect.

The regional competitiveness effect is the most important of the three indicators, as it explains how much of the labour change in a given industry is due to some unique competitive advantage that the province possesses. This effect is calculated by taking the total provincial employment growth and subtracting the national growth and industrial mix effects. Note that this effect can be higher than actual job growth if national and/or industry mix effects are negative while provincial growth is positive. This is because the regional competitiveness effect accounts for jobs "saved" from declining national trends as well as new jobs created.

Industries with high regional competitiveness effects highlight the region's competitive advantages or disadvantages. Shift share analysis does not indicate why these industries are competitive but it merely shows the sectors in which the province is out-competing or under-competing the nation. Shift share is thus useful in identifying investment targets so that local stakeholders can assist provincial industries to either continue to outperform national trends or else "catch up" with national trends so that the provincial economy is not left behind.

Figure 46 displays what job change took place per industry in Mpumalanga between 2014 and 2018 and whether expected change (national and industrial) or regional competiveness was the dominant factor in the change. The agriculture industry in Mpumalanga increased by 6 727 between 2014 and 2018. Using shift share, 7 073 of those jobs might have been expected due to national trends in the economy as a whole, while 5 883 jobs might have been expected due to national trends in the agriculture industry specifically. This makes a total of 12 956 jobs in Mpumalanga's agriculture industry expected from national trends. The regional competitiveness effect is thus (6 727 – 12 956 =) -6 229 jobs, indicating that some specific condition in the provincial agriculture industry resulted in falling short of the expected change of 12 956 jobs. Therefore, agriculture's employment increased as a result of

national as well as industry specific factors despite the negative regional factors. The construction and finance industries in Mpumalanga reveal the same shift share results.

Job numbers in Mpumalanga's mining industry declined by 3 941 over the 4-year period. Shift share analysis reveals that regional factors was the main reason for the declining numbers. Manufacturing job numbers increased by 15 957 over the 4-year period in the province. It is evident from Figure 46 that regional competitiveness was responsible for the largest part of the increase and that the provincial manufacturing industry outperformed the national industry by stemming job losses. Other provincial industries that recorded higher employment as a result of national growth and regional competitiveness were trade, transport and community services.



Figure 46: Industry job changes according to shift share analysis in Mpumalanga, 2014-2018

Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2019

Job numbers in Mpumalanga's utilities industry increased by 22 321 between 2014 and 2018. The majority (18 148) of this was due to specific factors in the province (regional competitiveness), followed by expected change due to the industry effects (3 042) and general national growth (1 131).

8.11 Tourism

Because tourism is not a clearly defined industry in the SIC, it was therefore the first economic activity to use Satellite Account²⁶ standards to measure its impact on national economies – as approved by the United Nations (UN) in March 2000. According to Statistics South Africa's Tourism Satellite Account (TSA), the national tourism sector was simulated to have contributed some 2.9% to GDP in 2016. Some 686 596 persons were directly engaged in producing goods and services purchased by visitors, which accounted for 4.4% of total employment in 2016.

The current lack of sufficient baseline data of tourism supply on a provincial level makes an assessment

²⁶ A Satellite Account is a term developed by the UN to measure the size of economic sectors that are not defined as industries in national accounts.

of the supply side, and therefore a similar exercise such as the TSA for South Africa on a provincial basis, virtually impossible. It is possible to simulate scenarios that can give an indication of the GDP and employment contribution by tourism in Mpumalanga. From a recent study conducted by DEDT, the contribution that tourism makes to the Mpumalanga economy could be as small as 2.8% and as large as 4.9%. Furthermore, the tourism industry's contribution to employment in Mpumalanga could be as small as 3.8% or as large as 6.1% depending on which simulation is preferred.

It is, however, possible to express tourism spend as a percentage of regional GDP in order to indicate how large an impact it makes and whether its contribution is growing. In terms of this indicator, tourism spend in 2014 was equal to 6.3% of South Africa and 7.0% of Mpumalanga's GDP. By 2018, tourism spend in South Africa decreased to 6.1% of GDP, whilst in Mpumalanga it increased to 7.1% of the provincial GDP. Among the nine provinces, Western Cape (11.1%) registered the largest tourism spend to GDP share (Table 35).

Province	2014		20	18
	Total tourism spend R-million	Tourism spend as % of GDP (current prices)	Total tourism spend R-million	Tourism spend as % of GDP (current prices)
Western Cape	56 254	10.9%	73 759	11.1%
Eastern Cape	12 883	4.4%	15 799	4.2%
Northern Cape	3 580	4.3%	4 544	4.6%
Free State	10 110	5.3%	13 609	5.6%
KwaZulu-Natal	34 817	5.7%	32 510	4.2%
North West	13 115	5.8%	16 639	5.7%
Gauteng	64 889	4.9%	81 287	4.8%
Mpumalanga	20 254	7.0%	25 809	7.1%
Limpopo	24 816	9.1%	31 601	8.8%
Total	240 718	6.3%	295 557	6.1%

 Table 35: Tourism spend in South Africa and provinces, 2014-2018

Source: IHS Markit – ReX, April 2019

According to Tourism South Africa's *Tourism Performance Report 2018*, Mpumalanga was the fourth most visited province by foreign visitors in 2018, with a share of 15.2% of total foreign arrivals visiting the province. This was marginally down from 15.3% of total foreign arrivals in 2017. In 2018, Mpumalanga captured 13.1% of the total bed-nights spent by all foreign tourists in South Africa. This was higher than the 10.6% in 2017. Mpumalanga attracted 15.3% of domestic tourists in 2018, which was higher than the 12.0% recorded in 2017.

8.12 Inflation

The most common way to measure inflation is by reference to a CPI, which measures the changes in prices of a basket of goods and services purchased by a representative set of households. Mpumalanga's average annual inflation rate for 2018 was 4.0%, which was lower than the average for South Africa (4.7%) as well as the joint fourth lowest among the nine provinces.

In May 2019, Mpumalanga recorded an inflation measurement of 4.4%, an increase from the 4.3% registered in April 2019. The comparative percentage change in the CPI for South Africa and Mpumalanga from January 2003 to May 2019 is displayed in Figure 47. Mpumalanga's inflation rate was lower than the national rate for the twenty-ninth consecutive month and within the inflation target zone for the twenty-eighth consecutive month.



Figure 47: CPI in South Africa and Mpumalanga, 2003–2019

Source: Statistics South Africa – CPI, 2019

The main determinants of inflation in Mpumalanga based on their respective weightings, as provided in Table 36, are price changes in food and non-alcoholic beverages (FNAB), housing and utilities, transport as well as miscellaneous goods and services (MGS). These four broad determinants, in terms of the weighting, contribute more than 72% to the level of inflation and inflation movements in Mpumalanga.

It appears from Table 36 that the transport index was responsible for 35.1% of the average price increase in Mpumalanga during May 2019. The FNAB index accounted for 17.7% of the average price increase, whereas the housing and utilities index as well as the MGS index were accountable for 16.7% and 12.7%, respectively. Together, the four main determinants contributed 82.2% of the average price increase in Mpumalanga during May 2019.

Index description	Weight	Percentag	Percentage change		
		Month-on- month	Year-on-year	contribution to inflation	
Food & non-alcoholic beverages	21.24	+0.3	+3.6	17.7%	
Alcoholic beverages and tobacco	5.17	+0.3	+5.2	6.2%	
Clothing and footwear	4.97	+0.4	+2.8	3.2%	
Housing and utilities	20.08	+0.0	+3.6	16.7%	
Household contents and services	3.69	-0.2	+2.6	2.2%	
Health	0.55	0.3	+3.5	0.4%	
Transport	18.71	+0.6	+8.1	35.1%	
Communication	2.59	+0.1	-0.1	-0.1%	
Recreation and culture	5.14	+0.0	-0.7	-0.8%	
Education	1.84	+0.0	+7.2	3.1%	
Restaurants and hotels	3.83	+0.4	+3.9	3.5%	
Miscellaneous goods and services	12.19	+0.0	+4.5	12.7%	
All items	100.0	+0.3	+4.4	100.0%	

 Table 36:
 Mpumalanga's CPI group indices, weights, percentage change & contribution to inflation, May 2019

Source: Statistics South Africa – CPI Additional Tables, 2019

Within the MGS index, the price increase of insurance provided the bulk of the upward momentum. The higher price of owners' equivalent rent as well as electricity and other fuels, drove the housing and

utilities index higher, while the price increase for public transport and fuel in the transport index whereas for bread and cereals as well as vegetables in the FNAB index, provided most of the respective increases.

When the impact of the more volatile FNAB and fuel prices are excluded from the consumer price index as in Figure 48, the underlying annual inflation amounted to 4.3% in May 2019. If the electricity price is also excluded from the calculation of headline CPI inflation, Mpumalanga's resultant core inflation would have been 4.2% in May 2019.



Figure 48: Measures of underlying inflation in Mpumalanga, 2009–2019

Source: Statistics South Africa – CPI Additional Tables, 2019

9. INTERNATIONAL TRADE

Mpumalanga's contribution to total national trade²⁷ was 1.2% in 2018, equal to the 1.2% share from four years earlier in 2014. The two leading provinces, in terms of total trade contribution in 2018, were Gauteng with a share of 61.5% and Western Cape (14.6%). Mpumalanga contributed 1.8% and 0.6% to national exports and national imports, respectively.

The value of Mpumalanga's exports increased by 4.0% per annum between 2014 and 2018, whilst imports increased by 5.5% over the same 4-year period. In contrast, the national exports increased by 5.5% per annum, whereas the value of national imports increased by 3.4%.

Mpumalanga registered a positive trade balance of R15.0 billion in 2018, continuing the trend of exports exceeding imports since the start of the period under review in 1996. During the same period, the trade balance of South Africa fluctuated between positive and negative territory, finishing 2018 with a surplus of R24.3 billion. Mpumalanga was the province with the fourth highest positive trade balance in 2018.

Among the three districts, Ehlanzeni (41.9%) was the main contributor to provincial exports in 2018,

²⁷ ReX international trade data is derived from administrative data collected by the South African Revenue Service's (SARS) Department of Customs and Excise. The postal code of the registered post office or street address of the South African importer or exporter is captured as part of the documentation of a particular transaction, thus enabling HIS Markit to disaggregate trade data to a regional level.

followed by Gert Sibande and Nkangala with respective contributions of 33.6% and 24.5% (Table 37). Exports from Gert Sibande (11.6% per annum) recorded the highest increase since 2014 and those from Nkangala the largest decrease (-3.1% per annum).

Ehlanzeni attracted 47.2% of Mpumalanga's imports in 2018, followed by Nkangala and Gert Sibande. Imports flowing to Ehlanzeni recorded the highest increase (15.3% per annum) over the 4-year period and those to Gert Sibande the largest decrease (-1.4% per annum).

Among the three districts, Ehlanzeni recorded the largest positive trade balance of R5.9 billion in 2018, followed by Gert Sibande (R5.7 billion). Gert Sibande is the only district in Mpumalanga that, from time to time in the 22-year period, recorded a negative trade balance.

Table 37: Mpumalanga districts' contribution to provincial exports and imports, 1996-2018

District	Exports			Imports		
	Share of Mpumalanga	Growth per annum		Share of Mpumalanga	Growth p	er annum
	2018	1996-2018 2014-18		2018	1996-2018	2014-18
Gert Sibande	33.6%	18.3%	11.6%	24.6%	6.5%	-1.4%
Nkangala	24.5%	7.3%	-3.1%	28.2%	11.3%	0.3%
Ehlanzeni	41.9%	10.5%	3.7%	47.2%	17.9%	15.3%

Source: IHS Markit - ReX, April 2019

CRIME RATES 10.

Crime in South Africa occupies centre stage in the hearts and minds of the public. Unacceptably high levels of crime, especially serious and violent crimes, result in people in South Africa living in fear and feeling unsafe. It also impacts negatively on the country's economic development, undermines the wellbeing of people in the country and hinders their ability to achieve their potential.

Provinces	Contact	Contact crimes ²⁸ Contact related crimes ²⁹ Property related crimes ³⁰		Contact related crimes ²⁹		y related nes ³⁰	Other serious crimes ³¹	
	Number	% change	Number	% change	Number	% change	Number	% change
Western Cape	112 996	-1.5%	28 763	-4.1%	97 630	-6.8%	105 822	-5.7%
Eastern Cape	65 393	-0.2%	12 027	-6.1%	51 513	-3.0%	34 256	-6.0%
Northern Cape	17 380	-4.0%	3 083	-0.6%	12 800	-4.5%	9 277	-3.6%
Free State	35 725	-5.3%	6 232	-8.9%	28 653	-3.6%	20 235	-13.3%
KwaZulu-Natal	94 914	-0.3%	13 637	-7.3%	80 207	-3.9%	63 543	-5.6%
North-West	36 604	3.2%	6 144	1.3%	32 255	-3.7%	20 020	-8.0%
Gauteng	170 640	-0.5%	32 456	-4.6%	140 476	-9.2%	135 087	-5.5%
Mpumalanga	32 646	-2.2%	5 773	-1.0%	35 716	-2.6%	25 492	-5.8%
Limpopo	35 068	-4.6%	7 246	-1.4%	28 725	-8.1%	24 381	-14.5%
Total	601 366	-1.1%	115 361	-4.4%	507 975	-6.0%	438 113	-6.6%

Table 38: Serious community reported crimes in South Africa and provinces, 2017/2018

Source: South African Police Service – Crime Situation in South Africa 2017/18

Among the four categories of serious community reported crimes displayed in Table 38, it is evident that at the national level all four categories declined between 2016/17 and 2017/18. The four categories declined in Mpumalanga as well. Mpumalanga's decrease was larger/better than the national average only for contact crimes. Mpumalanga's contact crimes contributed 5.4% to the national total, whereas

²⁸ The 7 serious community reported contact crimes are murder, sexual offences, attempted murder, assault GBH, common assault, common robbery & aggravated robbery.

²⁹ The 2 serious community reported contact related crimes are arson & malicious damage to property.

³⁰ The 5 serious community reported property related crimes are burglary at residential premises, burglary at non-residential premises, theft of motor vehicle and motorcycle, theft out of or from motor vehicle & stock theft. ³¹ The 3 serious community reported other serious crimes are other theft, commercial crime and shoplifting.

contact related crimes contributed 5.0%. Property related crimes in Mpumalanga made up 7.0% of the national total and the other serious crimes category was equal to 5.8% of the national total.

11. SUMMARY AND CONCLUSION

The impact of the low national economic growth and national infrastructure constraints, such as the weak electricity supply, on the performance of the Mpumalanga economy is evident from the data presented. Most industries in the province did not contribute appropriately in terms of average annual growth over the past 22 years.

Therefore, there needs to be a focus on speeding up the transition to a knowledge-based and serviceorientated economy, adopting the appropriate industry development strategies and attracting investment to build infrastructure and stimulate growth in the province. Public infrastructure investment can play a leading role and must be equal to 10% of provincial GDP by 2030.

To achieve higher economic growth the province needs to develop the capabilities of the workforce on a broad scale. Improved education outcomes should create more investment opportunities, which in turn will probably increase the employment opportunities and lower the unemployment rate. Despite the positive impact of social grants on the alleviation of poverty in Mpumalanga, job creation is the most important factor to impact positively on poverty. The accelerated reduction of poverty can therefore be attained most economically through a better educated and skilled workforce.

Another benefit of improved education outcomes will be that the skills constraints, which push up the premium for skilled labour, will be reduced and even removed completely. The removal of the dominant factor that induces the large difference in the salaries of skilled and unskilled workers should result in lower levels of income inequality.

Table 39 presents a summary of relevant provincial trends and comparisons of certain socio-economic indicators. There are general improvements in terms of the trends in a provincial context, except for the unemployment rate and the income share of the population below the LBPL. When the provincial figures are compared with the national figures, only one of the provincial indicators (income share of the bottom 40%) recorded a level better than the national figure.

Socio-economic indicators	Statistics	Trend: improve (+) or deteriorate (-)	Better (+) or worse (-) than South Africa	Provincial ranking: best (1) – worst (9)
Share of population (2018)	7.8%	=	N/A	6
Unemployment rate (Q1 2019)	34.2%	-	-	7
Age 20+ & no schooling (2018)	7.6%	+	-	8
Age 20+ & completed matric (2018)	31.0%	+	-	3
Adult literacy rate (2018)	91.3%	+	-	6
HDI (2018)	0.61	+	-	6
Income share of bottom 40% (2018)	7.8%	=	+	3
Share of population below LBPL (2018)	46.4%	-	-	6
GDP growth 2014-2017	0.6%	N/A	-	8
% contribution to national GDP (2017)	7.5 %	=	N/A	5

Table 39: Comparative socio-economic indicators of Mpumalanga

Table 40 presents a comparison between the districts in the province of virtually the same socio-economic indicators used in the first table. When comparing the results of the districts, it is

apparent that Nkangala ranked better in the majority of the selected socio-economic indicators than either Gert Sibande or Ehlanzeni.

Socio-economic indicators	Gert Sibande	Nkangala	Ehlanzeni
Share of population (2016)	26.2%	33.3%	40.5%
Age 20+ & no schooling (2018)	10.1%	8.5%	12.6%
Age 20+ & completed matric (2018)	28.1%	30.3%	29.3%
HDI (2018)	0.61	0.63	0.59
Income share of bottom 40% (2018)	7.7%	7.6%	8.3%
Share of population below LBPL (2018	45.5%	41.1%	51.2%
% contribution to provincial GDP (2018)	26.9%	39.3%	33.8%

Table 40: Comparative socio-economic indicators of Gert Sibande, Nkangala & Ehlanzeni

Table 41 presents a summary of the relevant national and provincial targets as expressed in the NDP and Mpumalanga Vision 2030.

Table 41: Relevant national and provincial targets

Indicator	Target				
	National Development Plan (national targets)	Mpumalanga Vision 2030 (provincial targets)			
Number of employed	About 11 million additional jobs by 2030.	About 1.1 million additional jobs between 2013 and 2030. Total employment numbers should rise to at least 2.15 million to achieve 6% unemployment rate. ³²			
Unemployment rate	The unemployment rate should be 6% by 2030.	The unemployment rate should be 6% by 2030.			
Annual average GDP growth rate	Average annual GDP growth above 5%	Average annual GDP growth above 5%.			
GDP per capita	Raise per capita GDP to R110 000 by 2030 in constant prices.	GDP per capita, in constant prices, should increase to R110 000 by 2030.			
Poverty rate (LBPL	The poverty rate should be reduced to 0% by 2030.	The poverty rate should be reduced to 5% by 2030.			
Income inequality	The proportion of income earned by the bottom 40% in South Africa should rise to 10% by 2030.	The proportion of income earned by the bottom 40% in Mpumalanga should rise to 10% by 2030.			

³² Number of additional jobs and employment numbers differ from latest calculations expressed in Figure 7, as these numbers in Table 36 were derived when Vision 2030 was crafted in 2013.