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MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



PROVINCIAL

ECONOMIC REVIEW AND OUTLOOK
2025/26

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TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	ii
EXECUTIVE SUMMARY	iii
CHAPTER 1: NATIONAL ECONOMIC PERFORMANCE AND OUTLOOK	1
1.1 Economic growth	1
1.2 Inflation	3
1.3 Balance of payments	4
1.4 Labour market	4
CHAPTER 2: PROVINCIAL ECONOMIC PERFORMANCE AND OUTLOOK.....	6
2.1 GDP contribution and growth.....	6
2.2 Broad regional contribution.....	13
2.3 Broad sectoral contribution and performance	15
2.4 Diversification of the economy.....	19
2.5 Comparative advantage of the provincial economy.....	19
2.6 Labour intensity in the provincial economy	21
2.7 Employment elasticity	21
2.8 Labour productivity in the provincial economy.....	22
2.9 Regional competitiveness.....	23
2.10 Tourism.....	24
2.11 Inflation	26
2.12 International trade.....	28
2.13 Primary sector analysis.....	28
2.14 Secondary sector analysis.....	34
2.15 Tertiary sector analysis.....	40
2.16 Conclusion and considerations	49
CHAPTER 3: PROVINCIAL LABOUR MARKET PERFORMANCE AND OUTLOOK.....	52
3.1 Labour force profile	52
3.2 Economically active population	53
3.3 Employment.....	55
3.4 Unemployment	63
3.5 Potential labour force	67
3.6 Conclusion and considerations	69
CHAPTER 4: SELECTED PROVINCIAL SOCIO-ECONOMIC INDICATORS	70
4.1 Demographic indicators.....	70
4.2 Education indicators	70
4.3 Health indicators.....	71
4.4 Household services indicators.....	72
4.5 Development and income indicators	72
4.6 Conclusion and considerations	73

ABBREVIATIONS AND ACRONYMS

AfCFTA	– African Continental Free Trade Area/Agreement
APEC	– Asia-Pacific Economic Cooperation
COVID-19	– Corona Virus Disease of 2019
CPI	– Consumer Price Index
CS	– Community Survey
EAP	– Economically Active Population
EC	– Eastern Cape
EFTA	– European Free Trade Association
EPWP	– Expanded Public Works Programme
EU	– European Union
FNAB	– Food and non-alcoholic beverages
FS	– Free State
GDFI	– Gross Domestic Fixed Investment
GDP	– Gross Domestic Product
GEDP	– Green Economy Development Plan
GHS	– General Household Survey
GP	– Gauteng
GVA	– Gross Value Added
HDI	– Human Development Index
HIV	– Human Immunodeficiency Virus
IHS	– Information Handling Services
IMF	– International Monetary Fund
KZN	– KwaZulu–Natal
LBPL	– Lower Bound Poverty Line
LFS	– Labour Force Survey
LP	– Limpopo
LQ	– Location Quotient
MEGDP	– Mpumalanga Economic Growth and Development Path
MIDP	– Mpumalanga Industrial Development Plan
MP	– Mpumalanga
MPC	– Monetary Policy Committee
MW	– Megawatt
NAFTA	– North American Free Trade Agreement
NDP	– National Development Plan
NC	– Northern Cape
NW	– North West
OECD	– Organisation for Economic Co-operation and Development
PERO	– Provincial Economic Review and Outlook
Q	– Quarter
QLFS	– Quarterly Labour Force Survey
R	– Rand
ReX	– Regional eXplorer
RSA	– Republic of South Africa
SADC	– Southern African Development Community
SARB	– South African Reserve Bank
SIC	– Standard Industrial Classification of all Economic Activities
SMME	– Small, Medium and Micro Enterprises
SONA	– State of the Nation Address
SOPA	– State of the Province Address
TSA	– Tourism Satellite Account
UN	– United Nations
USA	– United States of America
WC	– Western Cape
%	– percent
'000	– Thousand

EXECUTIVE SUMMARY

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 last week of March 2026.

Chapter one analyses the **economic performance and outlook of the South African economy** with particular focus on economic growth, inflation, the balance of payments and labour market aspects. The domestic economy has followed world growth relatively closely since 1994 and is expected to remain below average world growth up to 2030. The national economy expanded by 1.1% in 2025 after the economy expanded by 0.5% in 2024. It is expected that the South African economy could expand by as little as 1.3% and by as much as 1.6% in 2026. The inflation rate for 2025 was measured at 3.2% and the expectation is that national inflation will average 3.7% for 2026.

The balance on the current account of the balance of payments improved slightly from a deficit of 0.7% in 2024 to a deficit of 0.5% of gross domestic product (GDP) in 2025, mainly due to an improvement in the secondary and primary income balance and net services. According to recent data from Stats SA, the domestic economy gained only 21 066 jobs in 2025. In Q4 2025, the strict unemployment rate was 31.4%, which was better than the 31.9% recorded a year ago.

Chapter two analyses the **economic performance and outlook of the Mpumalanga economy** with particular focus on economic growth and the economic performance of the provincial economic industries. Mpumalanga's economy contributed 7.7% (current prices) to South Africa's economy in 2024. In constant 2015 prices, personal services, finance and mining were the leading industries in the province. The provincial economy is expected to expand by 2.0% per annum between 2024 and 2029. The analysis found that the provincial economy depends too much on the primary sector and should innovate more, nurture a spirit of entrepreneurship and pursue diversification through the attraction of gross domestic fixed investment (GDFI).

Chapter three analysed the **labour market performance of Mpumalanga** with specific emphasis on the profile of the labour force, employment and unemployment. The Mpumalanga labour market gained 28 717 jobs over the four quarters of 2025. The employment number was the highest on record since data collection for Mpumalanga began. The provincial labour market experienced high levels of unemployment and the official unemployment rate was 32.3% in Q4 2025. The unemployment number in Q4 of 2025 was 611 472, which was 54 222 less than the Q4 2024 level.

Selected **socio-economic indicators of Mpumalanga** were analysed in **chapter four** and it was emphasized that the indicators are inter-related and should not be viewed in isolation. According to the Human Development Index (HDI), the province is developing and this can be ascribed especially to the improved levels of adult literacy. The main concerns in developmental terms remains the skew distribution of income in the province as well as the persistently high share (38.4% in 2023) of the population below the lower bound poverty line (LBPL).

CHAPTER 1: NATIONAL ECONOMIC PERFORMANCE AND OUTLOOK

1.1 Economic growth

In 2026, the global economy is expected to grow at a moderate rate of about 3.3%. Technology investment and ongoing fiscal and monetary support should help soften the impact of changing trade policies. Advanced economies are likely to grow at around 1.5%, helped by lower inflation and better financial conditions. At the same time, emerging market and developing economies are projected to grow just above 4%, supported by stronger activity in technology-related industries. Even so, high public debt levels, financial risks and structural problems in several major economies still weigh on the outlook.

GDP per capita forecasted to 2029

GDP per capita shows a country's economic health and average living standard of its people. Emerging markets are projected to see bigger gains in its GDP per capita than the selected developed countries, with the exception of South Africa.

Country	2024	2029
USA	86 601	102 987
Germany	70 930	81 221
France	65 940	76 049
United Kingdom	62 574	72 305
Russia	47 299	55 973
China	26 310	34 848
Brazil	22 123	26 771
Egypt	20 799	26 503
South Africa	15 723	17 22.
India	11 112	15 973

*Note: International dollars per capita, current prices
Emerging markets in gold*

Global growth is expected to stay stable through 2027 at around 3.2%. Trade tensions could ease, commodity prices might stabilise and financial conditions may improve. Advanced economies may see small gains as policies ease and inflation slows. Growth in emerging and developing economies should come from recovering exports, stronger domestic demand and lower inflation.

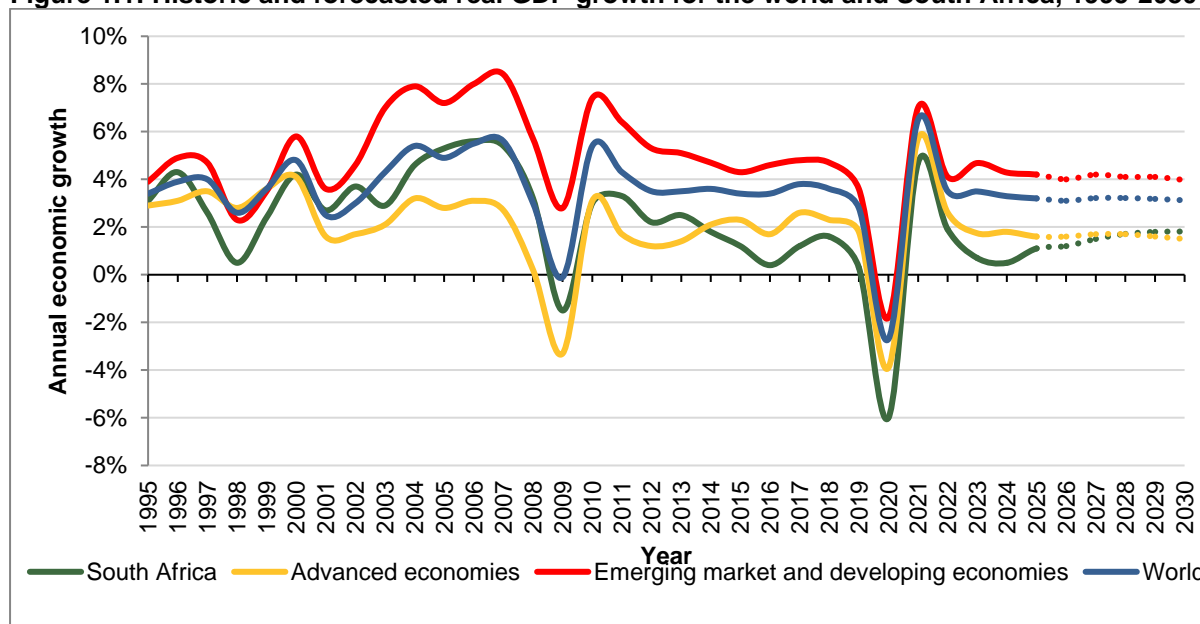
The downside risk, however, remain significant. Rising geopolitical tensions, possible setbacks in technology driven productivity and financial market corrections could slow global growth and prolong economic weakness. The recent conflict in the Middle East also adds uncertainty, increasing the risk of supply-chain disruptions and commodity price volatility, which may further negatively affect global confidence and economic activity.

The domestic economy tracked world growth relatively closely up to 2000 (Figure 1.1). However, since then, and especially after the economic downturn in 2008/09, the domestic economy has struggled to achieve even modest world growth levels. In 2025, the South African economy expanded by 1.1% following an increase of only 0.5% in 2024. Forecast, however, suggest that South Africa could grow slightly faster than advanced economies towards the outer years of the outlook. The key measure of economic success identified in the Medium-term Development Plan (MTDP) is that South Africa achieves annual average gross domestic product (GDP) growth of 3% up to 2029/30.

Over the past three years, the economic growth has varied significantly across different industries (Table 1.1). Finance, government services and personal services were the only industries to avoid any annual contractions. In contrast, construction experienced three consecutive annual contractions, while agriculture, manufacturing, utilities and trade recorded two contractions in the last three years. Real GDP grew by 1.1% in 2025, which was the fastest of the last three years. This growth was primarily

driven by recoveries in agriculture, finance and transport. Despite improvements in electricity supply in 2025, industries such as manufacturing, utilities and construction failed to show growth.

Figure 1.1: Historic and forecasted real GDP growth for the world and South Africa, 1995-2030



Source: International Monetary Fund (IMF) – World Economic Outlook Database, January 2026

Table 1.1: GDP growth rates per industry at market prices (constant 2015 prices), 2023-25

Industry	2023	2024	2025
Agriculture ¹	-4.6%	-8.7%	17.4%
Mining ²	-0.1%	0.4%	0.2%
Manufacturing ³	0.4%	-0.4%	-1.2%
Utilities ⁴	-4.2%	3.5%	-4.3%
Construction ⁵	-0.5%	-5.4%	-4.4%
Trade ⁶	-1.6%	-1.2%	2.3%
Transport ⁷	4.2%	-1.2%	0.8%
Finance ⁸	1.4%	3.2%	1.9%
Government services ⁹	0.7%	0.3%	0.4%
Personal services ¹⁰	2.1%	1.2%	0.4%
Total	0.8%	0.5%	1.1%

Source: Statistics SA (Stats SA) – GDP, 2026

The IMF predicts a moderate increase in South Africa's real GDP, projecting slow growth of 1.4% in 2026, supported by resilient household spending, increased investment and ongoing structural reforms (Table 1.2). The Organisation for Economic Cooperation and Development (OECD) projects that economic growth will expand by 1.3% in 2026, with an expected rise to 1.5% in 2027. The World Bank anticipates a similar expansion for South Africa in 2026 (1.4%) followed by an uptick in 2027 (1.5%). At

¹ Detailed description = Agriculture, hunting, forestry and fishing

² Detailed description = Mining and quarrying

³ Detailed description = Manufacturing

⁴ Detailed description = Electricity, gas and water supply

⁵ Detailed description = Construction

⁶ Detailed description = Wholesale and retail trade, motor trade as well as hotels and restaurants

⁷ Detailed description = Transportation, storage and communication

⁸ Detailed description = Financial intermediation, insurance, real estate and business services

⁹ Detailed description = General government services, central government, provincial government and local government

¹⁰ Detailed description = Community, social and personal services i.e. education, health, social work, recreational, cultural

the Monetary Policy Committee (MPC) meeting in January 2026 the economic growth forecast by the South African Reserve Bank (SARB) was pronounced as 1.4% for 2026 and 1.9% in 2027. The Minister of Finance announced in the February 2026 Budget Speech that the expected economic growth for 2026 is 1.6% and 1.8% for 2027.

Table 1.2: Forecasted growth for South Africa, 2026-2027

Organisation	2026	2027
IMF	1.4%	1.5%
OECD	1.3%	1.5%
World Bank	1.4%	1.5%
SARB	1.4%	1.9%
National Treasury	1.6%	1.8%

Sources: IMF – World Economic Outlook, January 2026

OECD – OECD Economic Outlook Interim Report, December 2025

World Bank – Global Economic Prospects, January 2026

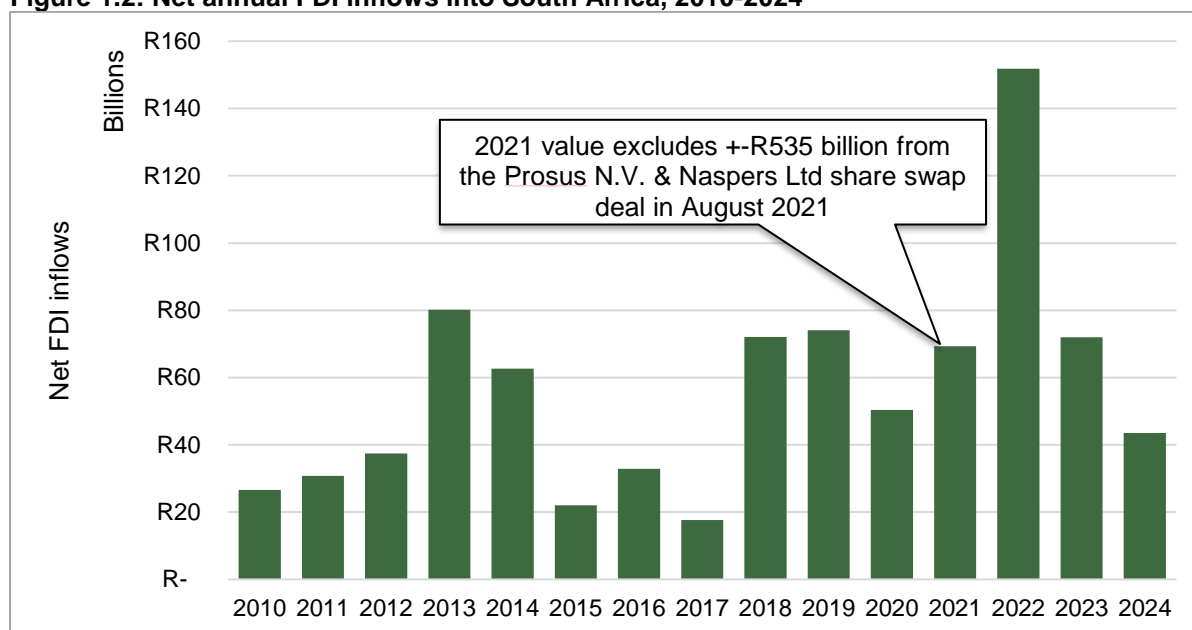
SARB – Monetary Policy Committee (MPC) Statement, January 2026

National Treasury – 2026 Budget Review, February 2026

Foreign Direct Investment in South Africa

According to Figure 1.2, South Africa recorded foreign direct investment (FDI) annual inflow of R43.5 billion in 2024. If one excludes the R535 billion share swap, the average FDI inflow between 2010 and 2024 was R56.2 billion per annum (Figure 1.2). The average FDI inflow over the last five years was R77.4 billion per annum.

Figure 1.2: Net annual FDI inflows into South Africa, 2010-2024



Source: SARB - Economic and Financial Data for South Africa Database, 2026

1.2 Inflation

The national average annual inflation rate as measured by the consumer price index (CPI) for 2025 was 3.2%. This was lower than the corresponding annual average rate of 4.4% in 2024. The year on year CPI (for all urban areas) was 3.0% in February 2026, down from 3.5% January 2026. Inflation was within the revised target of the SARB for the eighteenth month in succession. The MPC announced at

the conclusion of its March 2026 meeting that the SARB's national inflation forecast was 3.7% for 2026, 3.3% for 2027 and 3.0% for 2028.

1.3 Balance of payments

South Africa's trade surplus shrunk slightly from R214 billion in 2024 to R212 billion in 2025 as the value of goods exports increased less than that of merchandise imports. The increase in the value of exports of goods and services in 2025 reflected higher export volumes and prices, while the increase in imports of goods and services reflected higher prices. The shortfall on the services, income and current transfer account narrowed slightly from R262 billion in 2024 to R247 billion in 2025. The deficit on the current account of the balance of payments narrowed noticeably to R35 billion in 2025 from R48 billion in 2024. The current account deficit as a ratio of GDP narrowed to 1.1% in 2025 from 0.7% in 2024.

Table 1.3: South Africa's balance of payments on current account (R billions), 2024-2025

Components	2024	2025
Merchandise exports	1 893	1 906
Net gold exports	150	172
Merchandise imports	-1 828	-1 866
Trade balance	214	212
Net service, income & current transfer payments	-262	-247
Balance on current account	-48	-35
- As a % of GDP	-0.7%	-0.5%

Source: SARB – Balance of Payments, March 2026

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

1.4 Labour market

In Q4 2025, approximately 17.1 million South Africans between the ages of 15 and 64 were employed in the economy. The domestic economy gained only 21 066 jobs in the twelve months between Q4 2024 and Q4 2025. To demonstrate the employment change in the 5-year period since 2020, Table D presents changes from the 5-year period from Q4 2020 to Q4 2025, annual changes from Q4 2024 to Q4 2025 as well as quarterly changes between Q3 2025 and Q4 2025.

The latest employment level of 17.1 million was 716 353 jobs more than the 16.38 million persons employed in Q1 2020 before the COVID-19 lockdown. Furthermore, the national economy gained 2.08 million jobs over the 5-year period for an average gain of 415 071 jobs per year. Over the 5-year period from 2020 to 2025, only private households lost jobs and the other nine added jobs. The highest number of job gains over the 5-year period were in finance (650 229) followed by community services (483 548).

The data presented in Table 1.4 demonstrates that six industries recorded job gains year-on-year. Employment levels in community services (75 427) and construction (65 466) increased the most between Q4 2024 and Q4 2025. The highest job destruction over the 1-year period was evident in manufacturing (-126 805).

In Q4 2025, the unemployment rate was 31.4%, which was slightly lower than the 31.9% recorded a year ago. The labour absorption rate (employment to population ratio) was 40.6% in Q4 2025, which was slightly lower/worse than the 41.1% registered in Q4 2024. The labour force participation rate in Q4 2025 (59.3%) was lower than a year (60.3%) ago.

Table 1.4: South Africa's employment changes, 2020-2025

Industry	Employed number 2025 '000	5-year employment change Q4 2020 to Q4 2025 '000	Annual employment change Q4 2024 to Q4 2025 '000	Quarterly employment change Q3 2025 to Q4 2025 '000
Agriculture	950 168	139 959	26 223	30 018
Mining	433 825	60 269	-21 881	-5 315
Manufacturing	1 548 471	57 840	-126 805	-61 212
Utilities	133 650	34 538	23 135	24 493
Construction	1 424 540	258 459	65 466	34 937
Trade	3 325 736	262 623	-95 393	-98 083
Transport	1 140 462	197 657	76 460	27 559
Finance	2 961 745	650 229	13 845	32 021
Community services	4 034 400	483 548	75 427	46 180
Private households	1 128 836	-67 896	-17 435	17 582
Total	17 098 908	2 075 357	21 066	44 085

Source: Stats SA – Quarterly Labour Force Survey (QLFS), 2026

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

Labour productivity

According to the SARB Quarterly Bulletin December 2025, labour productivity in the formal non agricultural sector accelerated from 1.0% in Q1 2025 to 3.0% in Q2 2025 as the year-on-year growth in non-agricultural output picked up and employment growth slowed. Growth in nominal unit labour cost in the formal non agricultural sector eased further, dropping from 3.1% in Q1 2025 to 2.0% in Q2 2025 as growth in total remuneration slowed, while non-agricultural output growth accelerated.

Employment activity in 2024

The latest research by Career Junction shows the number of vacancies has increased by 4.5% year-on-year. Over the past two years (Q4 2023 to Q4 2025), hiring activity has increased by 1.5%.

When comparing hiring activity over the last three months (October, November and December 2025) with the previous three months (July, August and September 2025), overall recruitment activity increased by 6%. Hiring activity grew strongly for medical and health professionals (+36%), with additional increases recorded in warehousing and logistics (+10%). No significant declining hiring trends were observed in any industry during Q4 2025.

CHAPTER 2: PROVINCIAL ECONOMIC PERFORMANCE AND OUTLOOK

This chapter provides an analysis of the economic performance and outlook of Mpumalanga. The various subdivisions of the chapter focus on the provincial performance over the period 1996 to 2024 and the expected outlook to 2029. Mpumalanga’s performance and outlook was compared with the national situation and the other eight provinces. The chapter starts from a broad perspective and systematically delves deeper into the detailed economic sectors and industries. Data presented was primarily sourced from Stats SA, SARB, S&P Global and Quantec.

2.1 GDP contribution and growth

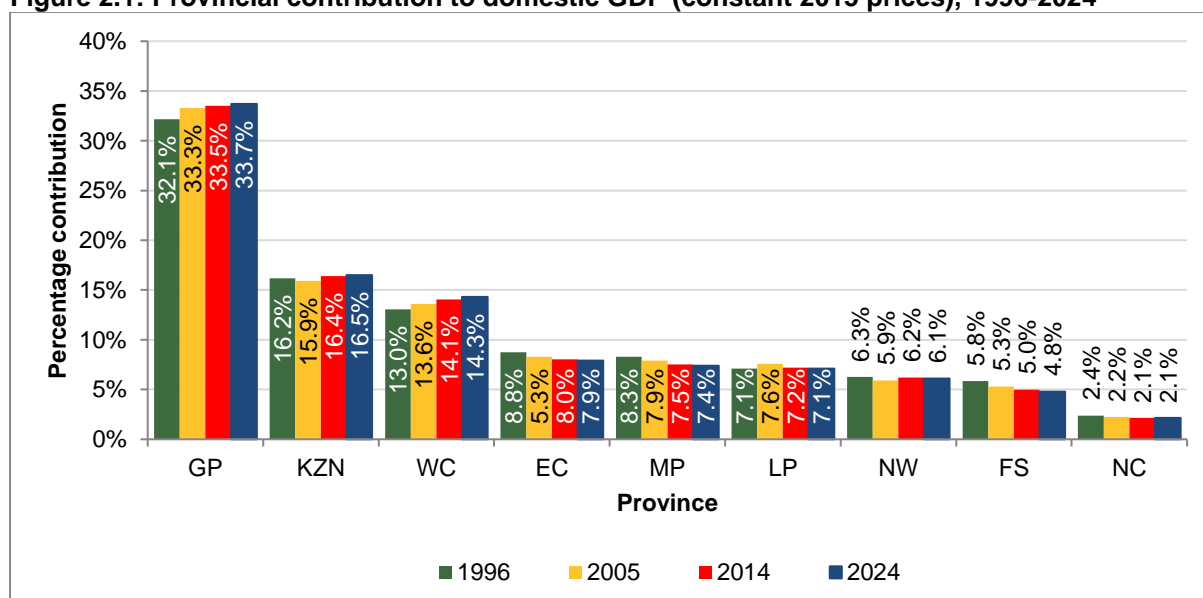
The *Medium Term Development Plan (MTDP)* proposes three strategic, interrelated and interlinked priorities. Strategic Priority 1, *Inclusive Growth and Job Creation*, is established as the apex priority and all spheres of government, clusters and sectors must align efforts to drive relevant economic interventions. This priority mandates the implementation of policies and strategies designed to stimulate the economy, ensuring sustained GDP growth and the creation of new employment opportunities across various sectors.

The MTDP target is average annual economic growth of at least 3%.

On 18 September 2025, Stats SA published statistics on provincial GDP from 2013 to 2024. Therefore, for the purpose of this publication, and to fill in the gap between 1996 and 2013, the provincial GDP estimates will combine the statistics from Stats SA as well as provincial GDP estimates from S&P Global.

Provincial contribution

Figure 2.1: Provincial contribution to domestic GDP (constant 2015 prices), 1996-2024



**Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – Regional eXplorer (ReX), December 2025**

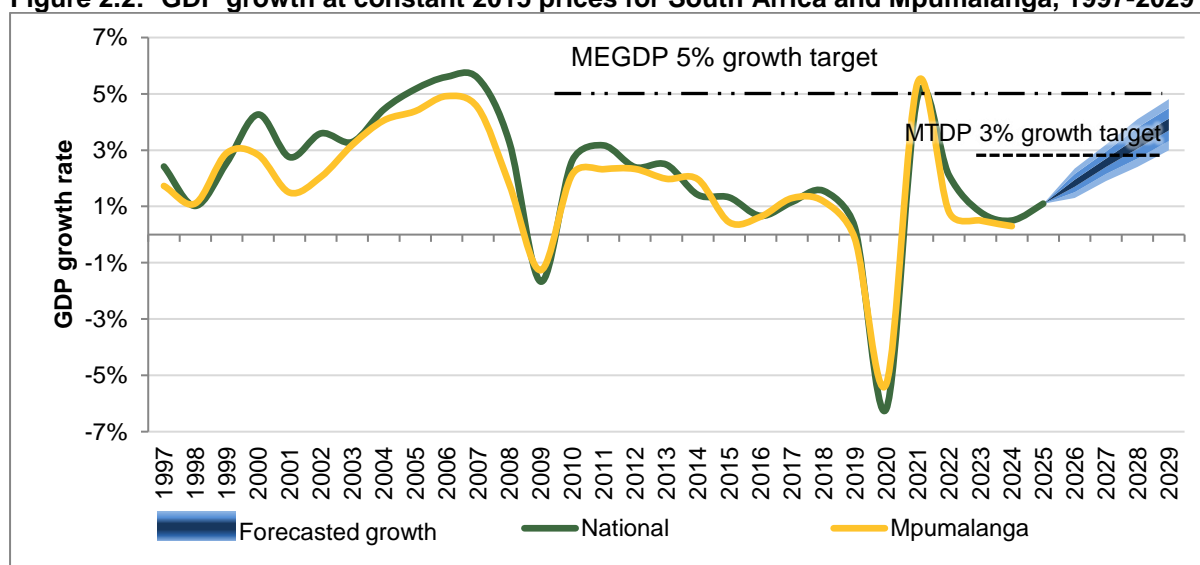
It is estimated that in 2024, Mpumalanga contributed some R567.6 billion in current prices, or some 7.7% (fifth largest), to the GDP of South Africa. Converted to constant 2015 prices, Mpumalanga’s

contribution was R344.1 billion in 2024. In 2024, Mpumalanga’s contribution in constant 2015 prices was also the fifth largest among the nine provinces (Figure 2.1). Mpumalanga’s contribution in constant 2015 prices decreased from 8.3% in 1996 to 7.4% in 2024. Gauteng (33.7%) was the main contributor to the national economy in 2024.

Historic growth patterns

In general, the economic growth of the province, as measured by growth in the GDP, was lower than the national rate (Figure 2.2). The provincial economy has outperformed the national economy in terms of GDP growth only in 1998, 1999, 2014, 2017, 2020 and 2021. The average annual growth rate for the country and Mpumalanga over the period 1996 to 2024 was 2.2% and 1.7%, respectively.

Figure 2.2: GDP growth at constant 2015 prices for South Africa and Mpumalanga, 1997-2029



Sources: Stats SA – GDP, 2026
 Stats SA – Provincial Gross Domestic Product 2024
 S&P Global – ReX, December 2025

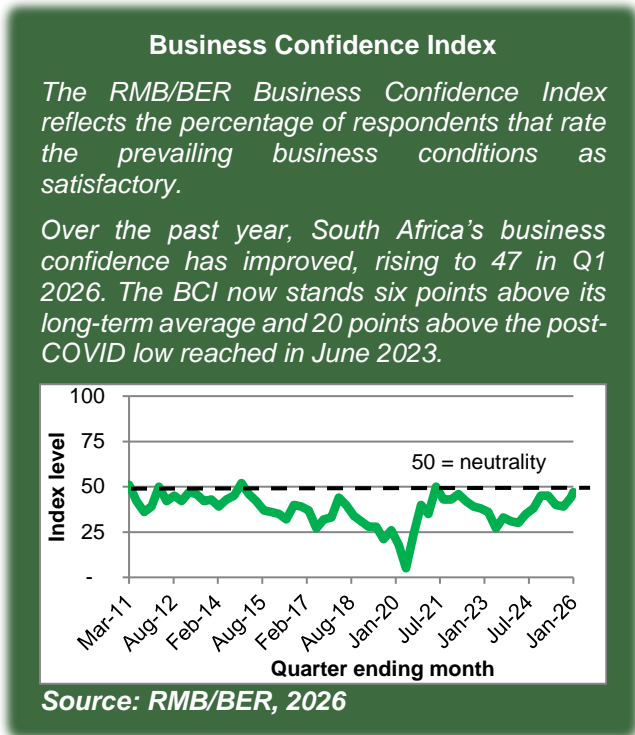
Table 2.1: Historic and forecasted GDP at market prices growth rates for South Africa and provinces, 1996-2029

Province	1996-2024	1996-2000	2001-2006	2007-2012	2013-2018	2019-2024	2024-2029
Western Cape	2.5%	2.8%	5.2%	2.2%	1.4%	0.6%	2.5%
Eastern Cape	1.8%	2.4%	3.6%	1.8%	0.8%	0.4%	2.0%
Northern Cape	1.8%	2.7%	3.4%	1.5%	1.4%	0.4%	2.2%
Free State	1.4%	1.1%	3.8%	1.6%	0.8%	0.2%	2.1%
KwaZulu-Natal	2.2%	2.1%	4.2%	2.3%	1.4%	0.4%	2.2%
North West	2.1%	0.9%	5.0%	1.5%	0.5%	0.4%	1.7%
Gauteng	2.3%	3.1%	4.8%	2.1%	1.4%	0.3%	2.3%
Mpumalanga	1.7%	2.1%	3.7%	1.5%	1.1%	0.3%	2.0%
Limpopo	2.2%	3.9%	3.7%	1.4%	1.1%	0.3%	2.4%
South Africa	2.2%	2.6%	4.4%	1.9%	1.2%	0.4%	2.2%

Sources: Stats SA – Provincial Gross Domestic Product 2024
 S&P Global – ReX, December 2025

It is of great concern that the average annual economic growth for South Africa was only 0.4% between 2019 and 2024, whereas Mpumalanga’s economy expanded by only 0.3% per annum over the same period (Table 2.1). Mpumalanga recorded only the eighth fastest/second slowest annual average GDP growth rate in the 28-year period and the joint sixth fastest growth between 2019 and 2024. In 2024,

Mpumalanga's economy expanded by 0.3%, which was slower than the 0.5% growth registered in 2023. In 2023, Mpumalanga's growth was the seventh fastest overall and the 2024 estimate is sixth fastest.

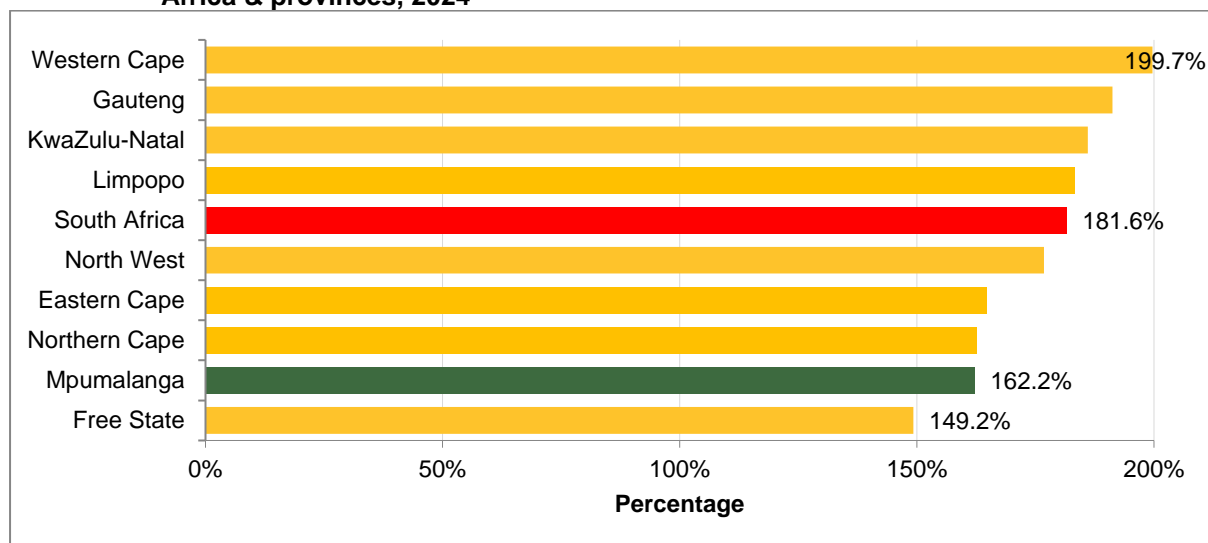


Because of the moderate economic growth experienced in South Africa over the last 28 years, the South African economy has not doubled in size between 1996 and 2024. From Figure 2.3 it is also evident that no provincial economy in 2024 was double its size of 1996. By 2024, the Western Cape economy, which grew the fastest between 1996 and 2024, was 199.7% of its 1996 size. Mpumalanga's economy was 162.2% of its 1996 size and registered the eight highest/second lowest increase. For an economy to double in size over a 28-year period, an annual average growth rate of 2.5% is required.

To accelerate economic growth in 2026 and beyond, Mpumalanga must foster a vibrant

culture of innovation and entrepreneurship. The province requires more entrepreneurs, more enterprises and more jobs. The province should prioritise niche sectors like sustainable tourism and green energy, while integrating cutting-edge technologies and processes to propel the economy forward. This will require empowering citizens through targeted skills development to overcome persistent shortages and fully engage in a modern and resilient economy.

Figure 2.3: GDP (constant prices 2015) expressed as a percentage of 1996 GDP values in South Africa & provinces, 2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Economic growth since COVID-19

Prior to the COVID-19 outbreak in 2019, the economy of South Africa was already underperforming with a very low 0.3% growth rate and a quarter-on-quarter¹¹ (q-o-q) GDP growth (seasonally adjusted) in Q1 2020 of only 0.2%. In Q2 2020, when the COVID-19 lockdown was at its most severe, the South African economy contracted by 16.8% (seasonally adjusted) and the Mpumalanga economy by 18.5% (Figure 2.4). With the easing of the lockdown, the national and provincial economies expanded again in Q3 2020 by 13.8% and 17.8%, respectively. The national economy would eventually contract by 6.2% in 2020 and the Mpumalanga economy by 5.3%.

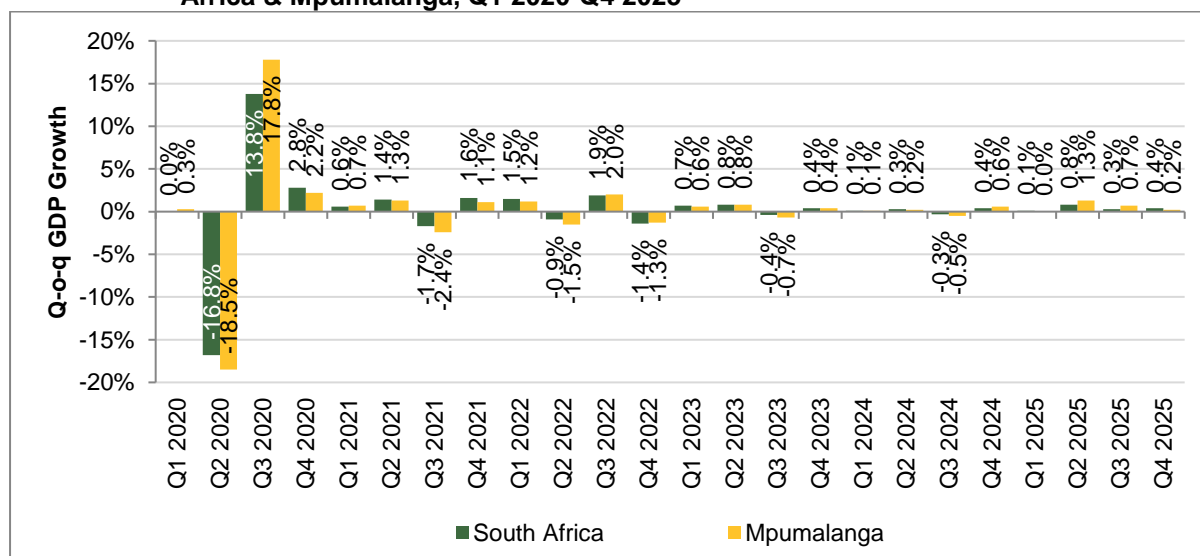
Involvement in business activities

The Global Entrepreneurship Monitor (GEM) 2025/2026 survey reports on the total early-stage entrepreneurial activity (TEA) and established business ownership (EBO) rates within 53 countries the world over.

In 2025, 14.7% of adults in South Africa were engaged in early-stage entrepreneurial activity and 3.9% were established business owners. South Africa ranked 27th in terms of TEA and 41st in terms of EBO.

Overall, the level of entrepreneurial activity has held up relatively well in 2025, despite that the quality of the entrepreneurial environment remained weak and effectively deteriorated.

Figure 2.4: Real Q-o-q GDP growth (constant 2015 prices seasonally adjusted) in South Africa & Mpumalanga, Q1 2020-Q4 2025



Sources: Stats SA – GDP 2026
S&P Global – ReX, December 2025 & calculations based thereon

The national and provincial economies have faced persistent challenges in its economic recovery efforts since 2020, grappling with both domestic and global factors. On the domestic front, load shedding has posed a significant obstacle, while globally, modest growth hindered mostly by supply chain bottlenecks has compounded the difficulties. Nevertheless, in 2021, both the South African and Mpumalanga economies registered, respective, economic growth of 5.0% and 5.6% from the low base of 2020. Growth slowed to 1.9% nationally and 0.5% provincially in 2022, followed by even weaker expansion in 2023 at 0.7% and 0.4%, respectively.

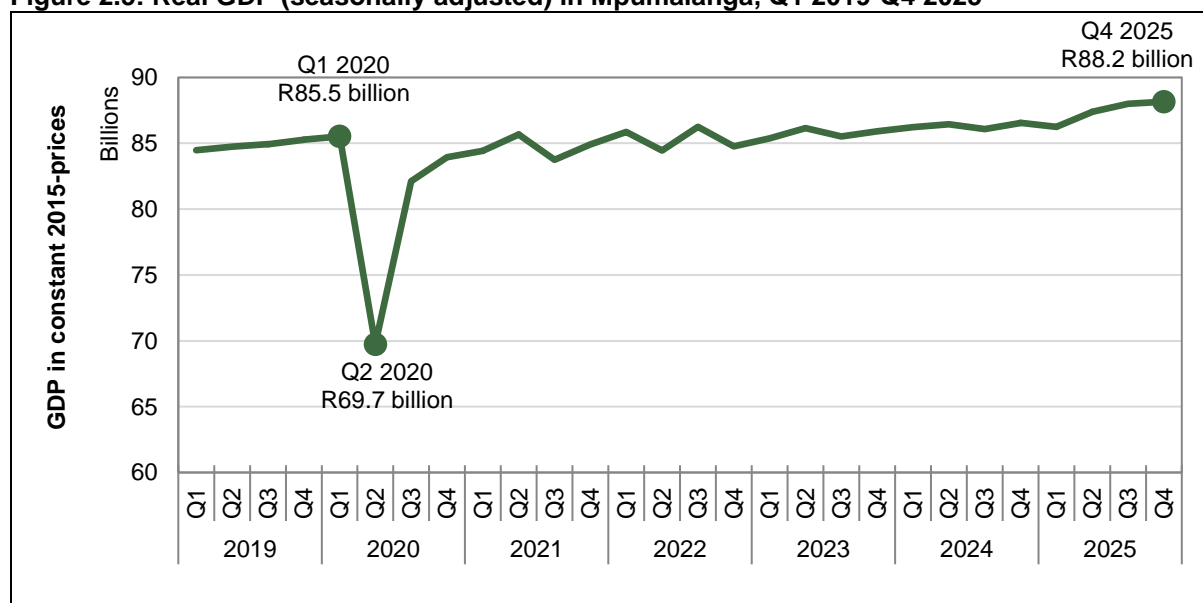
¹¹ Q-o-q analysis compares the current quarter to the previous quarter.

In Q4 2025, the South African economy expanded by 0.4%, following an expansion of 0.3% in the previous quarter. Over the last twenty-two quarters since the severe slump in Q2 2020, the South African economy has recorded seventeen quarters of expansion and five of decline (Figure 7). Despite the seventeen quarters of expansion, the national economy was only 3.4% larger in Q4 2025 than what it was in Q1 2020, before the COVID-19 pandemic.

The national economy experienced real GDP growth of 1.1% in 2025. The 2025 growth was below the growth target and South Africa’s economic progress since COVID-19 has been predominantly stagnant. The annual increase in real GDP in 2025 was primarily led by higher economic activities in agriculture, trade and finance. Utilities, construction and manufacturing contracted in 2025.

The provincial economy has also registered seventeen quarters of growth and five of contraction since the drop in economic activity during Q2 2020. The contraction in Q2 2020 was so severe that the provincial economy, despite the seventeen quarters of expansion, was only 3.1% larger in Q4 2025 than what it was in Q1 2020. The sharp decline in Mpumalanga’s economic activity during Q2 2020, when lockdown restrictions were at their most severe, is evident in Figure 2.5. In Q1 2020, real GDP was R85.5 billion, which shrunk to R69.7 billion in Q2 2020 as the economy was severely impeded by the strict lockdown regulations. In Q4 2025, the Mpumalanga economy was the largest ever on record.

Figure 2.5: Real GDP (seasonally adjusted) in Mpumalanga, Q1 2019-Q4 2025



Source: S&P Global – ReX, December 2025 & calculations based thereon

Forecasted growth

Current 2026 growth estimates for South Africa by the IMF (1.4%) and World Bank (1.4%) points to below average economic growth in 2026. The Organisation for Economic Cooperation and Development (OECD) also projects slow economic growth of 1.3% in 2026. The latest South African Reserve Bank (SARB) forecast in January 2026 estimated the national economy to expand by 1.4% in 2026 and the Minister of Finance announced in the February 2026 Budget Speech that the expected economic growth for 2026 is 1.6%.

The annual average growth rates for South Africa and Mpumalanga, from 2024 to 2029, are forecasted

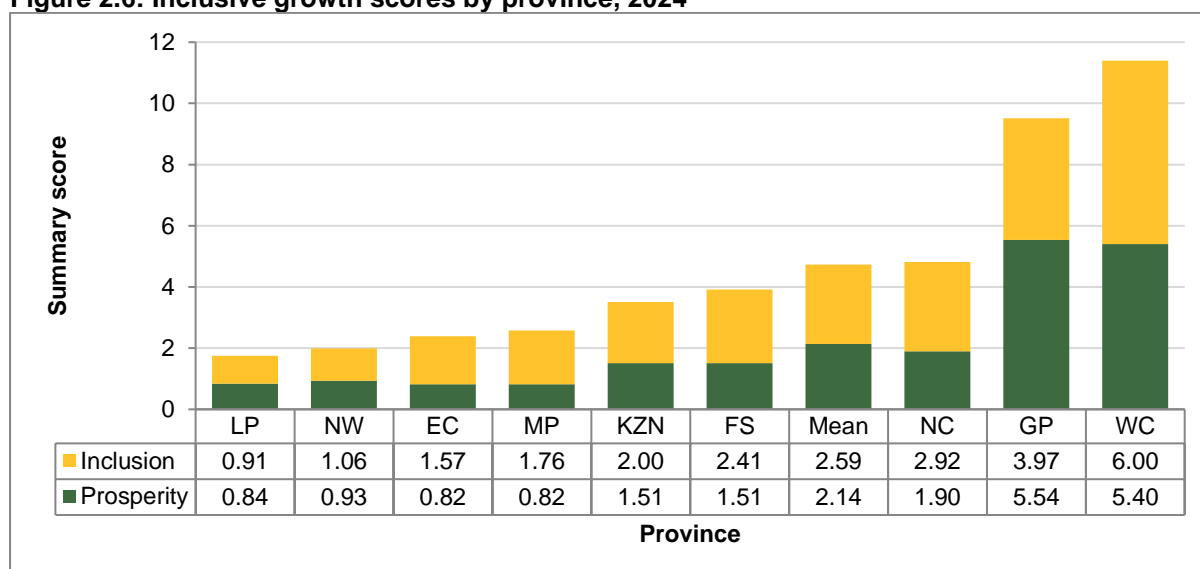
at 2.2% and 2.0%, respectively (Table 2.1). Mpumalanga’s economy is forecasted to achieve the joint second slowest annual average growth among the nine provinces over the period 2024 to 2029. It is expected that the Mpumalanga economy will expand in 2026 by 1.3%.

Inclusive growth

The overall Inclusive Growth Index¹² 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 2024, Western Cape and Gauteng recorded the highest overall IGI scores of 11.40 and 9.51, respectively. Limpopo (1.75) and North West (1.99), registered the lowest overall scores among the nine provinces. Mpumalanga’s overall IGI score of 2.58 was the sixth highest/fourth lowest among the nine provinces. Mpumalanga’s score was considerably lower than Western Cape and Gauteng in the first two positions and lower than the mean (4.73) for the nine provinces (Figure 2.6). The economic inclusion theme made the largest contribution in eight provinces (including Mpumalanga) and the prosperity theme only made the largest contribution in Gauteng.

Figure 2.6: Inclusive growth scores by province, 2024



Source: DEDT - Economic Analysis Inclusive Growth Model, 2025

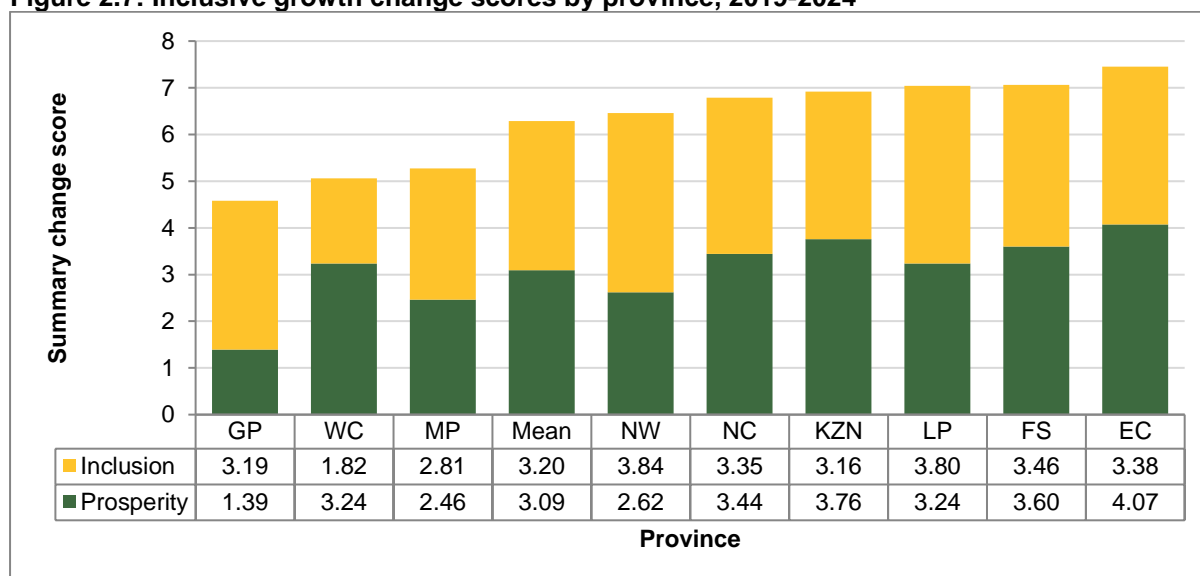
If the individual prosperity and economic inclusion themes are considered, there were differences in rankings compared with the overall IGI score. For example, Mpumalanga scored joint ninth highest/lowest in the prosperity theme and sixth highest/fourth lowest in the economic inclusion theme.

The normalised change scores, displayed in Figure 2.7, provide a way of assessing overall change on

¹² The Inclusive Growth Index was adapted from the Inclusive Growth (IG) Monitor developed by Manchester University in 2014. The Inclusive Growth Index depicts the extent to which people living within an area may be considered as economically included and benefiting from broader national prosperity. The index is divided into two themes (Economic inclusion and Prosperity) each with three underlying dimensions constituted by a set of two indicators. Each indicator is normalised giving a minimum score of 0 for the lowest scoring area and a maximum of 1 for the highest scoring. This means that each dimension has a minimum score of 0 and a maximum score of 2, therefore each theme can have a minimum score of 0 and maximum of 6.

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 5-year period between 2019 and 2024.

Figure 2.7: Inclusive growth change scores by province, 2019-2024



Source: DEDT - Economic Analysis Inclusive Growth Model, 2025

When examining change in economic inclusion and prosperity together, the overall IGI change scores show that between 2019 and 2024, Eastern Cape (7.45), Free State (7.06) and Limpopo (7.04) experienced the biggest improvement in their respective scores. Mpumalanga (5.27) recorded the third lowest/seventh highest IGI change score, and it is evident that Mpumalanga’s IGI change score was lower than the mean IGI change score (6.29) between 2019 and 2024.

When one considers the change in individual theme scores, it is apparent that the majority of change in all nine provinces were not down to one dominant theme. Four provinces (Mpumalanga included) recorded higher change scores in the inclusion theme than in the prosperity theme, whereas five provinces recorded higher change scores in the prosperity theme.

Between 2019 and 2024, North West (3.84) registered the highest improvement in economic inclusion and Western Cape (1.82) the lowest. Over the same period, Eastern Cape (4.07) recorded the highest change score in the prosperity theme and Gauteng (1.39) the lowest. Mpumalanga recorded the second lowest change score in the economic inclusion theme and the second lowest in the prosperity themes between 2019 and 2024.

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 2015 prices must increase from an estimated R72 500 in 2010 to R140 000 by 2030. In 2024, the provincial GDP per capita was, however, lower

than in 2010 with an estimate of only R68 700 per person. Sustained annual average GDP growth of more than 5% is necessary to come near to the set target of R140 000 by 2030.

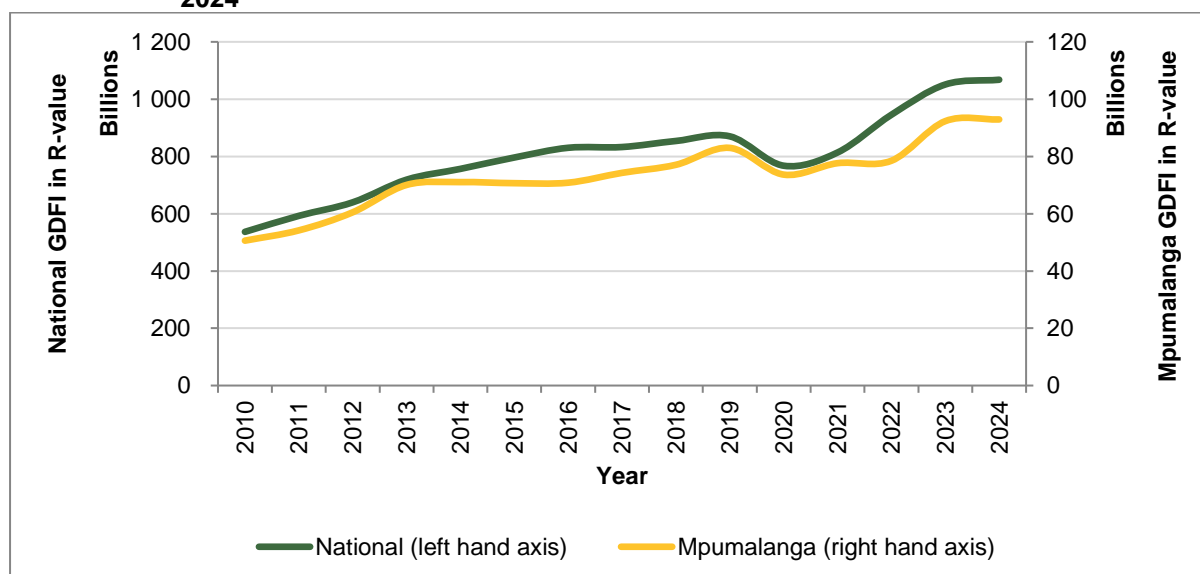
Fixed investment

The MTDP aims to facilitate domestic and foreign investment in Mpumalanga, targeting a minimum of R50 billion in total investments.

Investment in infrastructure builds economic capacity and enhances competitiveness, while contributing to the quality of life of poor people. In 2024, the gross domestic fixed investment (GDFI) in Mpumalanga amounted to R92.9 billion which was equal to 9.3% of total GDFI in South Africa (Figure 2.10). From 2021 to 2024, GDFI expanded on average by 9.5% per annum in South Africa and by 6.2% per annum in Mpumalanga.

In 2024, expenditure by the Mpumalanga Provincial Government (MPG) on infrastructure was equal to approximately 1.5% of provincial GDP. If the 2024 Municipal Infrastructure Grant (MIG) expenditure by municipalities is added to MPG infrastructure expenditure, then public expenditure on infrastructure was equal to 2.1%.

Figure 2.10: Comparison of GDFI (constant 2015 prices) in South Africa and Mpumalanga, 2010-2024



Source: Quantec, 2025

The Mpumalanga Investment and Mining Conference, held in October 2025, brought together the Mpumalanga Provincial Government, the national Department of Mineral and Petroleum Resources, private companies and other social partners to address key challenges facing the economy. A key outcome of the conference was the announcement of investment pledges amounting to approximately R240 billion, underscoring strong investor interest in the province.

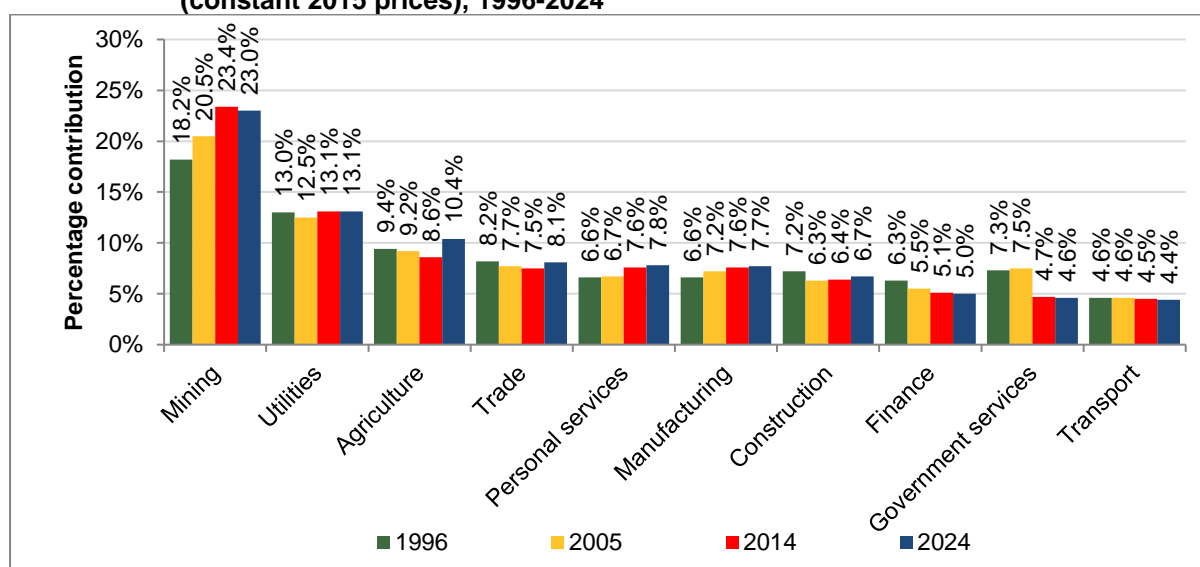
2.2 Broad regional contribution

The economic industries are classified according to the International Standard Industrial Classification of all Economic Activities (ISIC). This classification system 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. Stats SA uses the SIC classification when collecting and reporting its information.

Figure 2.11 depicts the contribution of each of the economic industries in Mpumalanga to the corresponding national industry between 1996 and 2024. It is estimated that in 2024, the province was a substantial role-player in the national mining and utilities (mainly electricity) industries, with respective shares of 23.0% and 13.1%. It is noticeable that the contribution by Mpumalanga’s mining, utilities, agriculture, personal services and manufacturing industries increased between 1996 and 2024, whereas the other industries’ contribution declined.

Figure 2.11: Mpumalanga’s contribution to South Africa’s industries’ GDP at basic prices (constant 2015 prices), 1996-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Table 2.2: Contribution by districts to Mpumalanga’s industries’ GVA (constant 2015 prices), 2019-2024

Industry	Gert Sibande		Nkangala		Ehlanzeni	
	2019	2024	2019	2024	2019	2024
Agriculture	38.3%	38.5%	27.1%	28.7%	34.6%	32.7%
Mining	27.7%	26.2%	64.0%	66.0%	8.3%	7.8%
Manufacturing	35.7%	32.4%	34.2%	38.6%	30.1%	29.0%
Utilities	23.6%	23.1%	47.6%	45.8%	28.7%	31.1%
Construction	24.0%	24.0%	31.6%	34.3%	44.4%	41.7%
Trade	26.0%	25.7%	28.6%	31.5%	45.4%	42.8%
Transport	28.5%	28.2%	31.7%	35.1%	39.8%	36.7%
Finance	20.6%	21.3%	32.0%	34.9%	47.4%	43.8%
Community services	23.9%	23.5%	28.6%	31.1%	47.5%	45.3%
Total	26.6%	25.8%	37.1%	38.9%	36.2%	35.3%

Source: S&P Global – ReX, December 2025

Table 2.2 exhibits the contribution by each of the three districts to the provincial industries in 2019 and 2024. Nkangala was the largest contributor to the provincial GVA with a share of 38.9% in 2024. In 2024, the contribution by Gert Sibande was 25.8% and that of Ehlanzeni 35.3%. Nkangala made considerable contributions to the province’s mining (66.0%), utilities (45.8%) and manufacturing (38.6%) in 2024. Gert Sibande made substantial contributions to agriculture (38.5%) and manufacturing (32.4%), whereas Ehlanzeni played a major role in the province’s construction (41.7%), trade (42.8%),

finance (43.8%) and community services (45.3%).

2.3 Broad sectoral contribution and performance

Current prices and constant prices

Current prices measures GDP using the actual prices we notice in the economy. Current prices make no adjustment for inflation and is also called nominal prices. Constant prices adjust for the effects of inflation and is also called real prices.

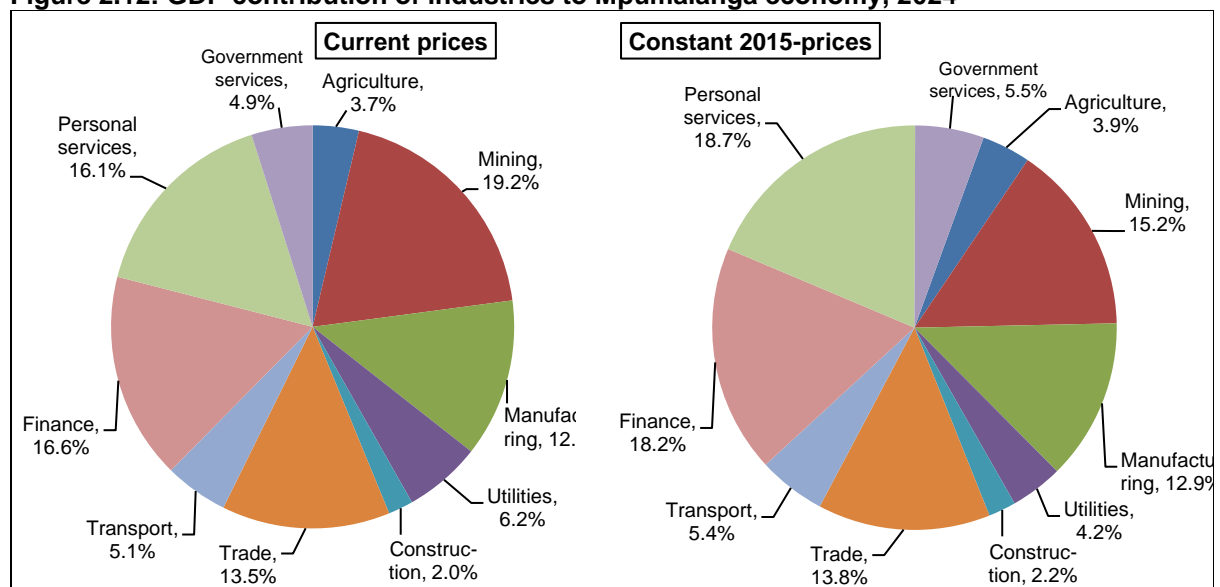
Table 2.3 and Figure 2.12 displays the GDP contribution in 2024 of the various economic industries in Mpumalanga in terms of current and constant 2015 prices. In terms of current prices in 2024, mining (R98.1 billion) was the largest industry and finance (R84.8 billion) the second largest industry in Mpumalanga. In terms of constant 2015 prices, personal services (R58.1 billion) was the largest industry in 2024 and finance (R56.5 billion) the second largest industry.

Table 2.3: GDP contribution of industries to Mpumalanga economy, 2024

Industry	Current prices		Constant 2015 prices	
	Value R-billion	% contribution	Value R-billion	% contribution
Agriculture	R19.1	3.7%	R12.0	3.9%
Mining	R98.1	19.2%	R47.1	15.2%
Manufacturing	R65.2	12.7%	R40.1	12.9%
Utilities	R31.7	6.2%	R13.1	4.2%
Construction	R10.3	2.0%	R6.9	2.2%
Trade	R69.1	13.5%	R43.0	13.8%
Transport	R26.2	5.1%	R16.7	5.4%
Finance	R84.8	16.6%	R56.5	18.2%
Personal services	R82.7	16.1%	R58.1	18.7%
Community services	R24.8	4.9%	R17.2	5.5%
Total	R512.0	100.0%	R310.6	100.0%

Source: Stats SA – Provincial Gross Domestic Product 2024

Figure 2.12: GDP contribution of industries to Mpumalanga economy, 2024



Source: Stats SA – Provincial Gross Domestic Product 2024

In comparing the economy over different years, it is important to know if the economy is really producing more, or if the price of the products merely increased. If the GDP contribution of an industry went from R1 billion a year to R1.5 billion in the next year, that would seem to be a very substantial increase of

50% in production. However, if inflation was at 10% a year, the value of that extra 50% value addition would be reduced by the effects of inflation to 40%.

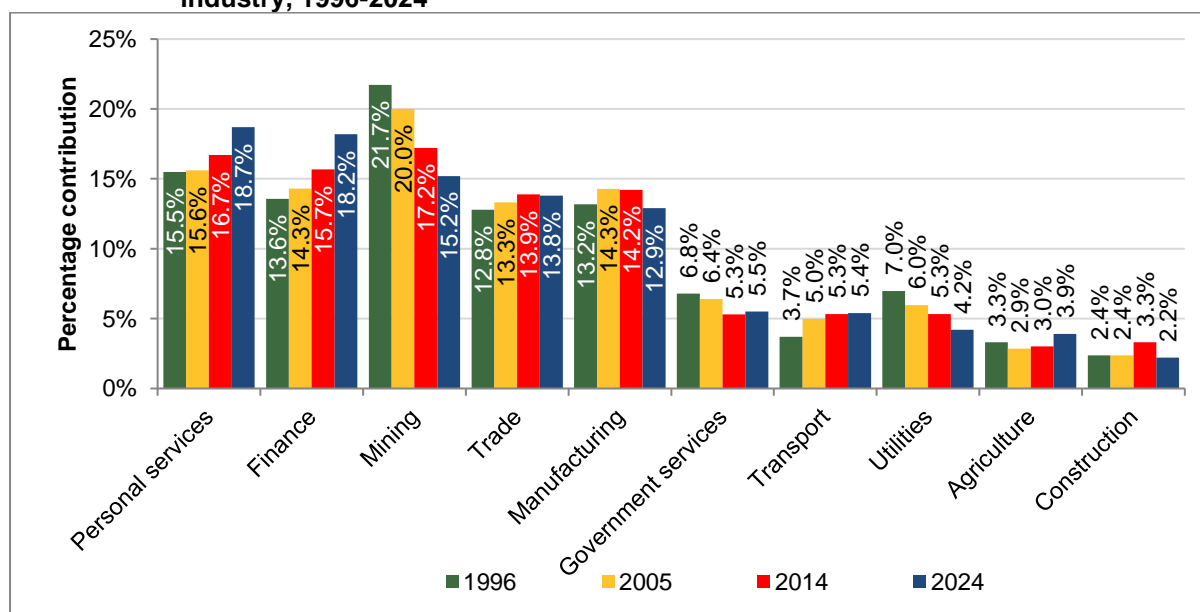
Using constant prices enables one to measure the actual change in output and not the increase due to the effects of inflation. When comparing the growth and the contribution of an industry between various years, there must be an adjustment for the effects of inflation. Therefore, in this publication, growth rates and contributions of industries are generally done with the aid of real or constant prices.

Structure of the provincial economy in constant 2015 prices

In 2024, the primary sector in Mpumalanga contributed 19.0%, the secondary sector 19.3% and the tertiary sector 61.6% to the provincial GDP at basic prices. Although the economy depended less on the primary sector in 2024 than in 1996 (25.0%), it continued to stand in contrast to the national primary sector's small contribution of 7.6% in 2024. The much smaller contribution by mining to the national economy (4.9% versus 15.2% in Mpumalanga) was the main reason for the difference in primary sector contribution. Nationally, the secondary sector added 17.3% and the tertiary sector 75.1% in 2024, with finance (27.0%) the single largest industry.

Figure 2.13 displays the share of each economic industry in the provincial economy between 1996 and 2024. It is estimated that in 2024, the three largest contributors to the provincial economy were personal services (18.7%), finance (18.2%) and mining (15.2%). The top three's ranking was somewhat different from 1996, when personal services contributed 15.5%, mining 21.7% and finance 13.6%.

Figure 2.13: Contribution to Mpumalanga GDP at basic prices (constant 2015 prices) by industry, 1996-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Economic performance

Historic and forecasted growth for the economic industries of Mpumalanga is presented in Table 2.4. Between 1996 and 2024, the industries with the fastest economic growth were transport (3.2%) and finance (2.9%). Over the period 2024-2029, it is expected that agriculture (5.4%) and finance (3.2%)

will record the highest average annual growth per annum. The relatively low growth expectation for mining and manufacturing is concerning.

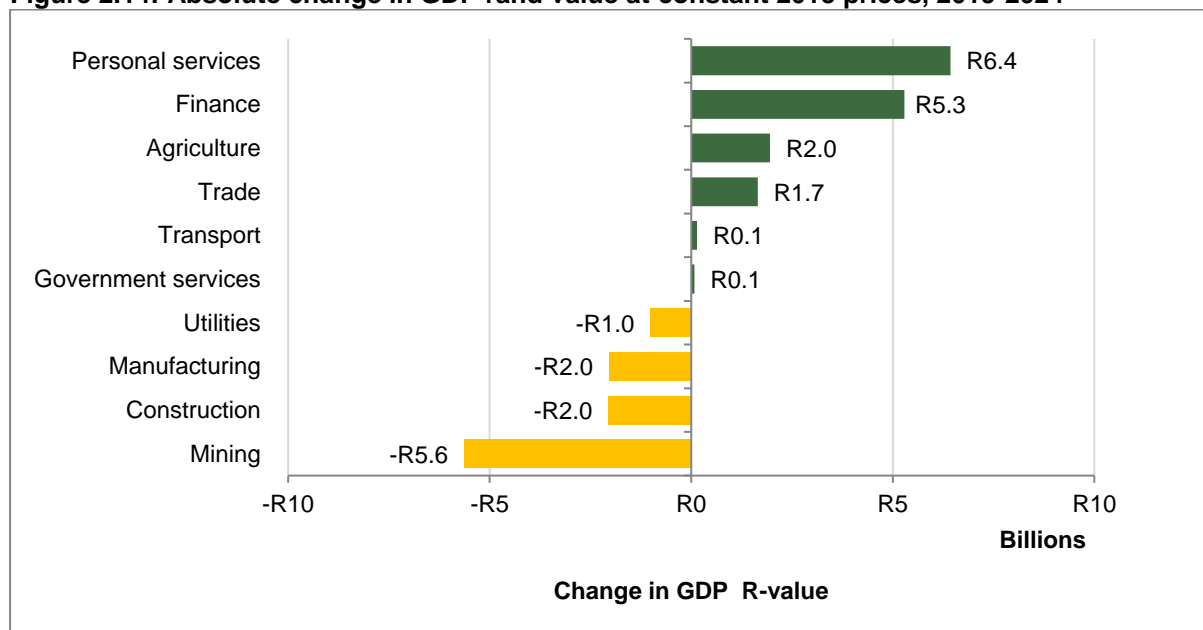
Figure 2.14 illustrates the change in value by industry from 2019 to 2024. The real value of six industries increased whereas four industries declined. Personal services (R6.4 billion) registered the largest increase over the 5-year period and mining (-R5.6 billion) the largest decline.

Table 2.4: Historic and forecasted GDP growth rates at constant prices for Mpumalanga’s economic industries, 1996-2029

Industry	1996-2024	1996-2000	2001-2006	2007-2012	2013-2018	2019-2024	2024-2029
Agriculture	2.4%	3.4%	0.4%	3.6%	6.1%	6.4%	5.4%
Mining	0.5%	2.6%	1.5%	-0.7%	1.6%	-3.1%	0.5%
Primary sector	0.8%	2.7%	1.4%	-0.2%	2.3%	-1.4%	1.6%
Manufacturing	1.8%	4.1%	4.4%	1.0%	0.4%	-0.9%	0.9%
Utilities	0.0%	0.1%	4.3%	0.3%	-1.6%	-2.4%	1.0%
Construction	1.6%	-4.3%	8.4%	4.7%	-0.9%	-5.8%	2.4%
Secondary sector	1.3%	2.1%	4.8%	1.3%	-0.2%	-1.9%	1.1%
Trade	2.1%	4.0%	3.5%	2.1%	0.4%	1.0%	1.9%
Transport	3.2%	6.8%	6.2%	2.1%	1.8%	-0.2%	3.1%
Finance	2.9%	1.0%	6.5%	2.2%	2.1%	1.7%	3.2%
Personal services	2.5%	3.7%	3.2%	1.3%	1.0%	3.4%	1.9%
Government services	1.1%	0.3%	3.7%	2.1%	1.4%	-0.8%	1.6%
Tertiary sector	2.4%	2.9%	4.4%	1.9%	1.3%	1.6%	2.3%
Total	1.7%	2.1%	3.7%	1.5%	1.1%	0.3%	2.0%

Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Figure 2.14: Absolute change in GDP rand value at constant 2015 prices, 2019-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

According to Table 2.5, finance is expected to be the main driver of provincial economic growth between 2024 and 2029. Personal services and trade are expected to make the second largest contribution to provincial growth in the 5-year period, followed by agriculture and transport.

Table 2.5: Industry contribution to GDP at basic prices (constant 2015 prices) growth in Mpumalanga, 2024-2029

Industry	GDP share		Forecasted industry growth	Estimated contribution to provincial economic growth
	2024		2024-2029	2024-2029
Agriculture	3.9%		5.4%	0.2%
Mining	15.2%		0.5%	0.1%
Manufacturing	12.9%		0.9%	0.1%
Utilities	4.2%		1.0%	0.0%
Construction	2.2%		2.4%	0.1%
Trade	13.8%		1.1%	0.3%
Transport	5.4%		3.1%	0.2%
Finance	18.2%		3.2%	0.6%
Personal services	18.7%		1.9%	0.3%
Government services	5.5%		1.6%	0.1%
Total	100.0%		2.0%	-

**Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025**

Structure of the district economies

Table 2.6 displays the share of each economic industry in the three districts' economies in 2019 and 2024. The community services industry was the largest industry in Gert Sibande in 2024 with a 22.1% share. Mining activities made the largest contribution to the Nkangala economy as it added 25.7% to the district's economy in 2024. In 2024, the largest contributing industry in Ehlanzeni was community services with a share of 31.2%. The contributions by the tertiary sectors in the three districts increased between 2019 and 2024.

Table 2.6: Contribution to individual districts' GVA at constant prices by industry, 2019-2024

Industry	Gert Sibande		Nkangala		Ehlanzeni	
	2019	2024	2019	2024	2019	2024
Agriculture	4.7%	5.8%	2.4%	2.8%	3.1%	3.6%
Mining	18.0%	15.4%	29.8%	25.7%	3.9%	3.4%
Primary sector	22.7%	21.2%	32.1%	28.6%	7.1%	6.9%
Manufacturing	18.5%	16.2%	12.7%	12.8%	11.4%	10.6%
Utilities	4.1%	3.8%	5.9%	5.0%	3.7%	3.7%
Construction	2.6%	2.1%	2.5%	2.0%	3.6%	2.6%
Secondary sector	25.2%	22.0%	21.1%	19.7%	18.7%	16.9%
Trade	13.2%	13.8%	10.4%	11.2%	16.9%	16.8%
Transport	5.8%	5.9%	4.6%	4.9%	6.0%	5.6%
Finance	12.9%	15.0%	14.4%	16.3%	21.9%	22.6%
Community services	20.2%	22.1%	17.3%	19.4%	29.5%	31.2%
Tertiary sector	52.1%	56.8%	46.8%	51.7%	74.3%	76.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: S&P Global – ReX, December 2025

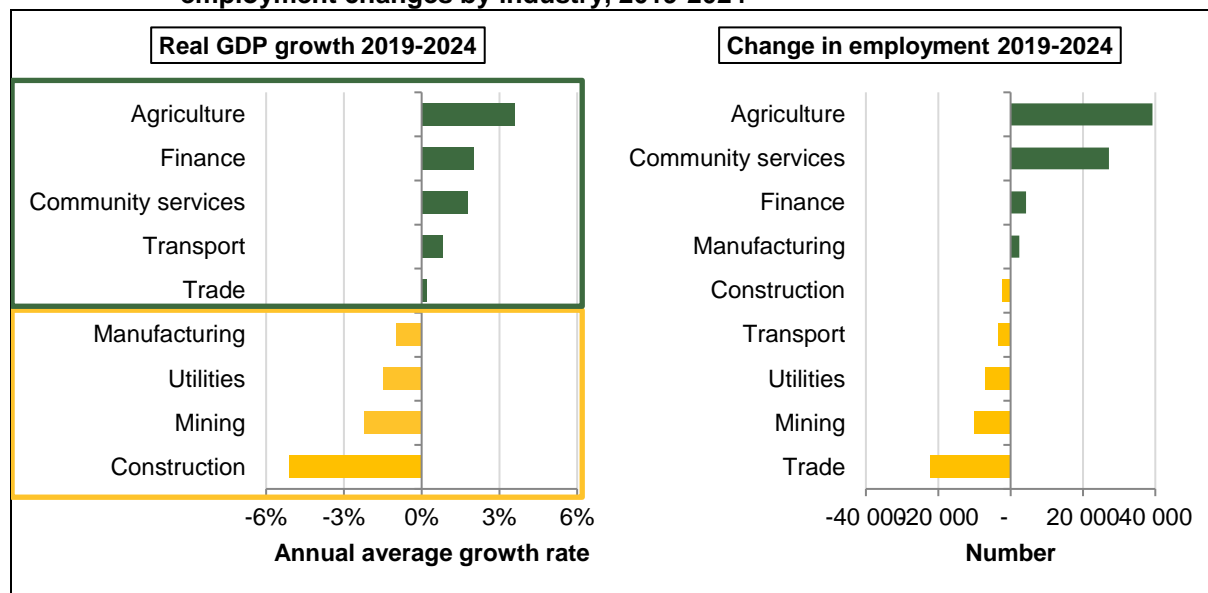
Provincial economic performance and employment

Figure 2.15 depicts the real growth per industry over the period 2019 to 2024 in the left-hand diagram and the contribution to changes in employment numbers over the same period in the right-hand diagram. Over the 5-year period, agriculture registered the highest average annual growth rates, whereas construction recorded the lowest.

In 2024, some 27 809 more people were employed by the nine industries in Mpumalanga than in 2019. In the right-hand diagram, it is observable that only four of the industries, namely agriculture, community services, finance and manufacturing gained jobs over the 5-year period. Trade and transport lost jobs

despite expanding in GDP terms.

Figure 2.15: Real GDP at basic prices (constant 2015 prices) growth and contribution to employment changes by industry, 2019-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
Stats SA – QLFS, 2026

2.4 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 2024, the economy of Mpumalanga appears to be more diversified than that of South Africa with an index score of 38.1 compared to a national score of 44.7. Among the nine provinces, Mpumalanga had the most diversified economy in terms of the Tress Index.

2.5 Comparative advantage of the provincial economy

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

Table 2.7 provides the location quotients of the various industries in Mpumalanga, indicating their respective comparative advantages. In Mpumalanga, agriculture (1.60), mining (1.88), utilities (3.50), construction (1.06) and trade (1.15) 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.

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.

Table 2.7: Comparative advantage of industries in Mpumalanga and districts, 2025

Industry	Mpumalanga
Agriculture	1.60
Mining	1.88
Manufacturing	0.56
Utilities	3.50
Construction	1.06
Trade	1.15
Transport	0.65
Finance	0.83
Community services	0.91
Total	1.00

Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2026

The logic follows that an industry in the upper right quadrant (location quotient ≥ 1.2 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 2020 and 2025). 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, no industry can be regarded as a “standout” industry (Table 2.8).

The lower right quadrant (location quotient < 1.2 and change in location quotient $\geq 0\%$) 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, trade, finance and construction (ranked according to employment size) can be regarded as “pre-emergent” industries.

Table 2.8: Classification of industries in Mpumalanga according to dynamic location quotient, 2020-2025

<p>Location quotient ≥ 1.2 and negative change in location quotient “Intensive care”</p> <p>Agriculture Mining Utilities</p>	<p>Location quotient ≥ 1.2 and positive change in location quotient “Standouts”</p>
<p>Location quotient < 1.2 and negative change in location quotient “Little promise”</p> <p>Community services Manufacturing Transport</p>	<p>Location quotient < 1.2 and positive change in location quotient “Pre-emergent”</p> <p>Trade Finance Construction</p>

Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2026

The upper left quadrant (location quotient ≥ 1.2 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 utilities recorded a location quotient in excess of 1.2 that also declined over time.

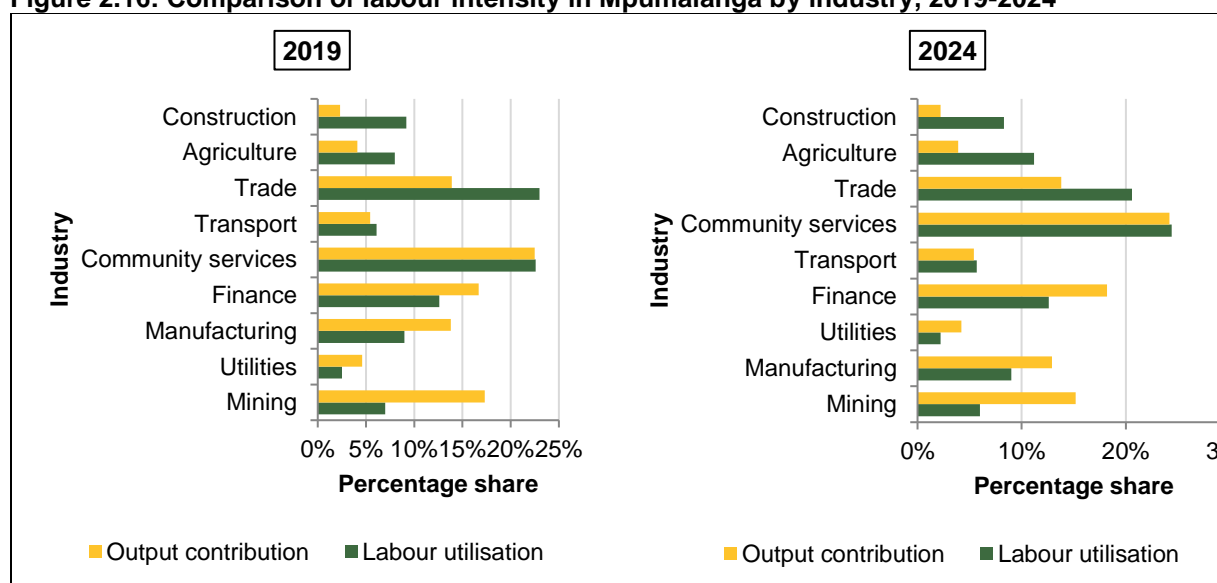
Finally, the lower left quadrant (location quotient <1.2 and negative change in location quotient) contains industries which are less important regionally than nationally and are also declining in employment. These industries holds “little promise” in terms of relative employment size and labour growth, 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. Community services, manufacturing and transport were the industries in Mpumalanga that ranked in this quadrant.

2.6 Labour intensity in the provincial economy

Labour intensive industries are identified by comparing the utilisation of labour with the capacity to generate output within each industry. If an industry employs a larger proportion of the provincial workforce compared to its contribution to provincial output, it is considered a labour intensive industry.

Figure 2.16 provides a comparison of the utilisation of labour with output at industry level for 2019 and 2024. In 2024, the following three industries in Mpumalanga exhibited higher employment shares relative to their output shares, thereby indicating a high level of labour intensity: construction, agriculture and trade. In 2019, construction, agriculture, trade and transport registered larger labour utilisation shares than output contribution. The labour intensity in mining, utilities and finance improved by varying degrees between 2019 and 2024.

Figure 2.16: Comparison of labour intensity in Mpumalanga by industry, 2019-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
Stats SA – QLFS, 2026

2.7 Employment elasticity

Employment growth depends on various factors, including economic growth. The employment elasticity of an industry reflects its historic rate of employment growth relative to GDP growth, calculated by comparing their respective growth rates.

Between 2015 and 2024, economic output and employment fluctuated strongly (Figure 26). Mpumalanga’s employment elasticity over the period 2015 to 2024 was 1.07. In other words, on average over the 9-year period, every 1% of real economic growth in the province’s economy translated into a

1.07% increase in employment in the economy.

Figure 2.17: Relationship between GDP and employment levels in Mpumalanga, 2015-2024



Sources: Stats SA – QLFS, 2026
Stats SA - Provincial Gross Domestic Product 2024

The employment elasticity of the various industries in Mpumalanga’s over the period 2015 to 2024 is displayed in Table 2.9. Finance recorded the highest employment elasticity of 1.66 over the period 2015 to 2024. Therefore, on average over the 9-year period, every 1% of real economic growth in finance translated into a 1.66% increase in employment in the industry.

Table 2.9: Comparative employment elasticity per industry in Mpumalanga, 2015-2024

Industry	Employment elasticity 2015-2024
Agriculture	0.45
Mining	-3.05
Manufacturing	-1.03
Utilities	-0.61
Construction	0.42
Trade	1.09
Transport	-6.68
Finance	1.66
Community services	0.07
Total	1.07

Sources: Stats SA – QLFS, 2026
Stats SA – Provincial Gross Domestic Product 2024

2.8 Labour productivity in the provincial economy

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 the total industries. When comparing Mpumalanga’s industry specific labour productivity with that of the province’s total industries, it is evident that four industries achieved higher labour productivity than the total industries combined in 2024 (Table 2.10).

The mining industry (2.55) recorded the highest labour productivity index score in 2024, followed by utilities (1.91) and finance (1.44). The mining industry also registered the highest labour productivity

index score in 2015 of 2.99, followed by utilities. Trade, finance, and community services experienced increased labour productivity between 2015 and 2024.

Table 2.10: Comparison of Mpumalanga’s labour productivity per industry, 2015-2024

Industry	Labour productivity index	
	2015	2024
Agriculture	0.36	0.34
Mining	2.99	2.55
Manufacturing	1.59	1.43
Utilities	2.06	1.91
Construction	0.29	0.27
Trade	0.63	0.67
Transport	0.97	0.95
Finance	1.35	1.44
Community services	0.71	0.77
Total industries	1.00	1.00

Sources: *Stats SA – QLFS, 2026*

Stats SA - Provincial Gross Domestic Product 2024

2.9 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.

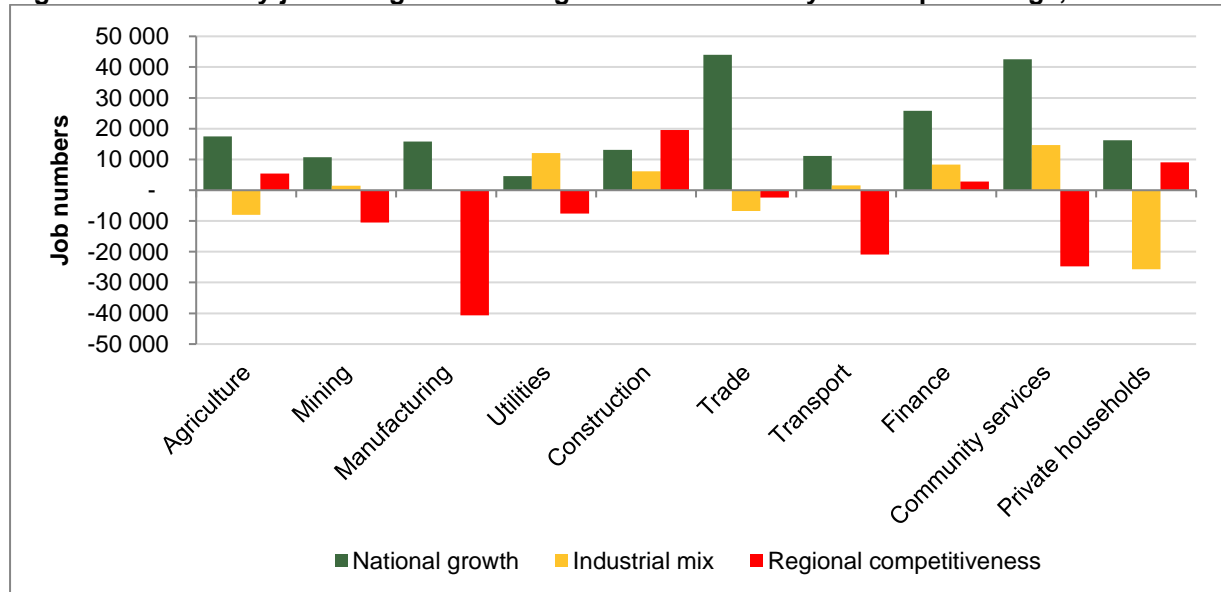
The regional competitiveness effect is the most important of the three indicators, as it explains how much of the labour change in a given industry is due to some unique competitive advantage that the province possesses. This effect is calculated by taking the total provincial employment growth and subtracting the national growth and industrial mix effects. 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 2.18 displays what job change took place per industry in Mpumalanga between 2020 and 2025 and whether expected change (national and industrial) or regional competitiveness was the dominant factor in the change. Employment in the agriculture industry in Mpumalanga increased by 14 866 between 2020 and 2025. Using shift share, job gains of 17 467 were due to the national trend in the economy as a whole, while 7 985 jobs were lost due to national trends in the agriculture industry specifically. Therefore, a total of 9 482 job gains in the Mpumalanga agriculture industry were due to

national trends.

Figure 2.18: Industry job changes according to shift share analysis in Mpumalanga, 2020-2025



Source: DEDT – Comparative Advantage & Regional Competitiveness Model, 2026

The regional competitiveness effect was 5 384 job gains, indicating that some specific condition in the provincial agriculture industry resulted in job gains. Therefore, agriculture’s employment increased mainly as a result of positive national factors supported by regional factors.

Job numbers in Mpumalanga’s mining industry increased by 1 612 over the 5-year period. Shift share analysis reveals that national trends pulled employment higher together with positive factors in the national mining industry, despite regional factors dragging it lower. Utilities and community services also recorded higher employment numbers as a result of both positive national trends and national industry factors, despite negative regional factors.

Job numbers in Mpumalanga’s manufacturing industry declined by 24 747 between 2020 and 2025. The losses stemmed from regional competitiveness factors, despite positive national trends and national industry factors. Transport also recorded lower employment numbers as a result of regional competitiveness factors.

Job numbers in Mpumalanga’s construction industry increased by 38 734 between 2020 and 2025. The gains stemmed from national factors, national industry as well as regional factors. Finance also gained as a result of all three factors.

Mpumalanga’s trade industry gained 34 892 jobs between 2020 and 2025. However, only national factors contributed to the increase in job numbers with both national industry factors and regional factors detracting from job numbers.

2.10 Tourism

Because tourism is not a clearly defined industry in the ISIC, it was therefore the first economic activity to use Satellite Account standards to measure its impact on national economies – as approved by the United Nations (UN) in March 2000.

Stats SA calculates a Tourism Satellite Account (TSA). 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, for example tourism. According to the latest preliminary TSA for 2022, the national tourism sector was simulated to have directly contributed some 3.5% to GDP. Some 733 385 persons were directly engaged in producing goods and services purchased by visitors, which accounted for 4.7% of total employment in 2022.

The current lack of sufficient baseline data of tourism supply on a provincial level makes an assessment 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 DEDT¹³, the contribution that tourism makes to the Mpumalanga economy could be between 3.0% and 3.5% of provincial GDP. Furthermore, the tourism industry's contribution to employment in Mpumalanga could be between 4.6% and 4.7%.

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 2019 was equal to 7.3% of South Africa's GDP and 7.0% of Mpumalanga's GDP. In 2024, tourism spend in South Africa was equal to 6.9% of GDP, whilst in Mpumalanga it was equal to 5.8% of the provincial GDP. In 2024, Eastern Cape (8.9%) registered the largest tourism spend as share of GDP and Mpumalanga the second smallest (Table 2.11).

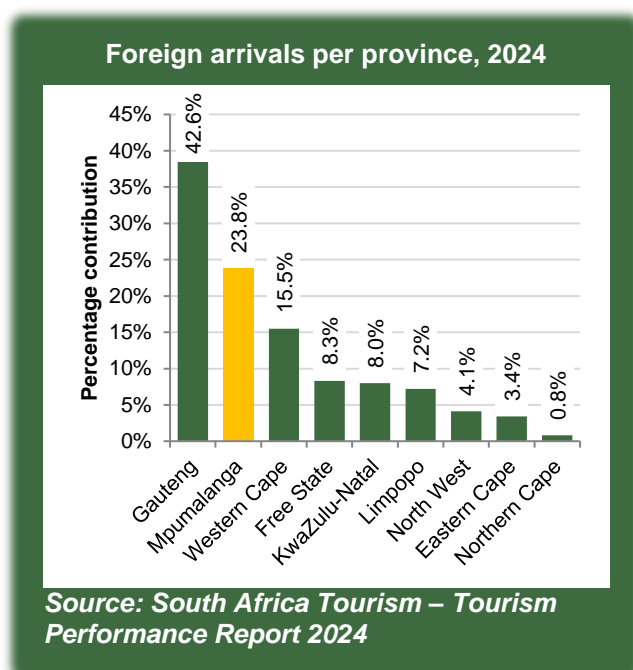


Table 2.11: Tourism spend in South Africa and provinces, 2019-2024

Province	2019		2024	
	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	77 027	9.9%	88 327	8.5%
Eastern Cape	35 224	8.1%	49 827	8.9%
Northern Cape	7 846	6.6%	9 874	6.0%
Free State	18 938	6.8%	25 292	6.9%
KwaZulu-Natal	65 773	7.2%	84 656	7.1%
North West	19 547	6.0%	23 584	5.5%
Gauteng	130 688	6.8%	155 347	6.3%
Mpumalanga	30 199	7.0%	33 008	5.8%
Limpopo	26 105	6.2%	34 212	6.0%
Total	411 345	7.3%	504 126	6.9%

Source: S&P Global – ReX, December 2025

According to South African Tourism's Tourism Performance Report 2024, Mpumalanga was the

¹³ Relevant Tourism Statistics & Perspectives with specific reference to Mpumalanga, December 2025

province that recorded the second highest number of foreign arrivals in 2024, with a share of 23.8% of total foreign arrivals. This was up from the 16.7% of total foreign arrivals in 2019. In 2024, Mpumalanga captured 18.3% of the total bednights spent by all foreign tourists in South Africa. This was higher than the 14.9% share recorded in 2019.

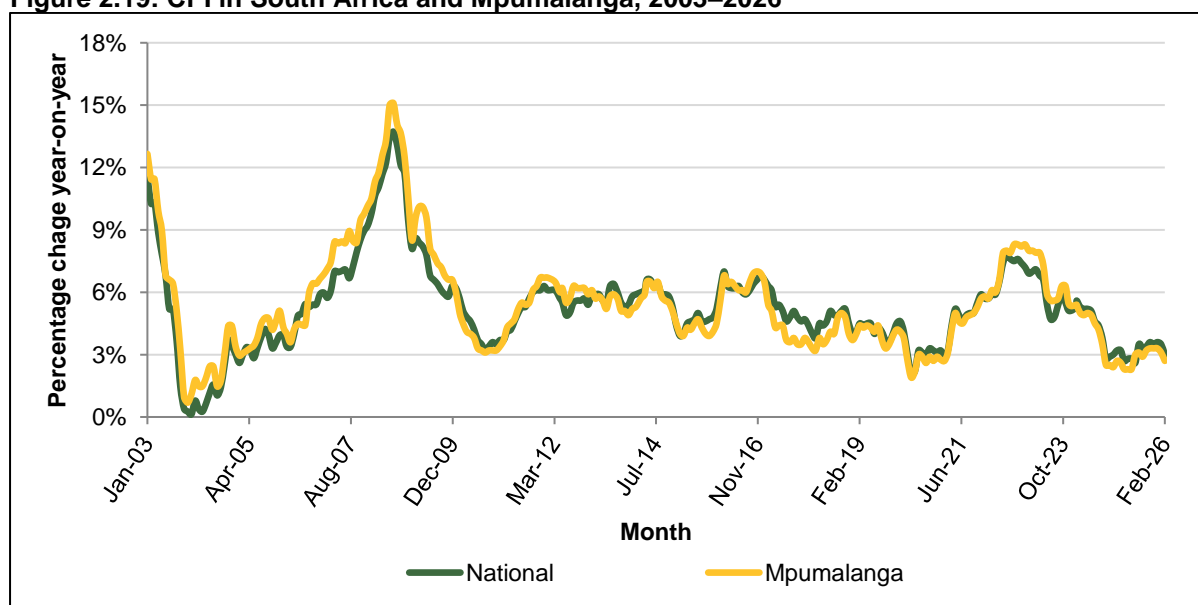
Mpumalanga was the sixth most frequented destination province with a 6.7% share of domestic day trips in 2024. Mpumalanga’s share of day trips declined from 8.9% in 2015 to 6.7% in 2024. In 2024, Mpumalanga (10.3%) was also the sixth most frequented destination province with respect to domestic overnight trips. Between 2015 and 2024, Mpumalanga’s share as a destination of overnight trips increased from 9.5% to 10.3%.

2.11 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 2025 was 2.8%, which was the lowest among the provinces and lower than the average for South Africa (3.2%). Mpumalanga’s average annual inflation rate for 2025 was lower than the 4.1% average for 2024.

In February 2026, Mpumalanga recorded an inflation rate of 2.7%, which was lower than the 3.1% inflation rate recorded in January 2026. The provincial inflation rate was lower than the national inflation rate for the twenty-fifth consecutive month. Mpumalanga (2.7%) recorded the third lowest inflation rate in February 2026 and Eastern Cape (2.4%) recorded the lowest. In February 2026, Mpumalanga’s inflation rate was within the revised target for the eighteenth consecutive month. The comparative percentage change in the CPI for South Africa and Mpumalanga from January 2003 to February 2026 is displayed in Figure 2.19.

Figure 2.19: CPI in South Africa and Mpumalanga, 2003–2026



Source: Stats SA – CPI, 2026

The main determinants of inflation in Mpumalanga based on their respective weightings, as provided in Table 2.12, are price changes in housing and utilities, food and non-alcoholic beverages (FNAB),

transport as well as insurance and financial services. These four indices, in terms of the weighting, contribute 68.7% to the level of inflation and inflation movements in Mpumalanga.

It appears from Table 2.12 that the housing and utilities index accounted for 43.7% and the FNAB index for 27.4% of the average price increase in Mpumalanga during February 2026. The insurance and financial index accounted for 10.7%. The transport index, however, declined and put the brakes on the overall increase in the inflation rate (-7.4%). Together, the three positive main determinants contributed 81.7% of the average price increase in Mpumalanga during February 2026.

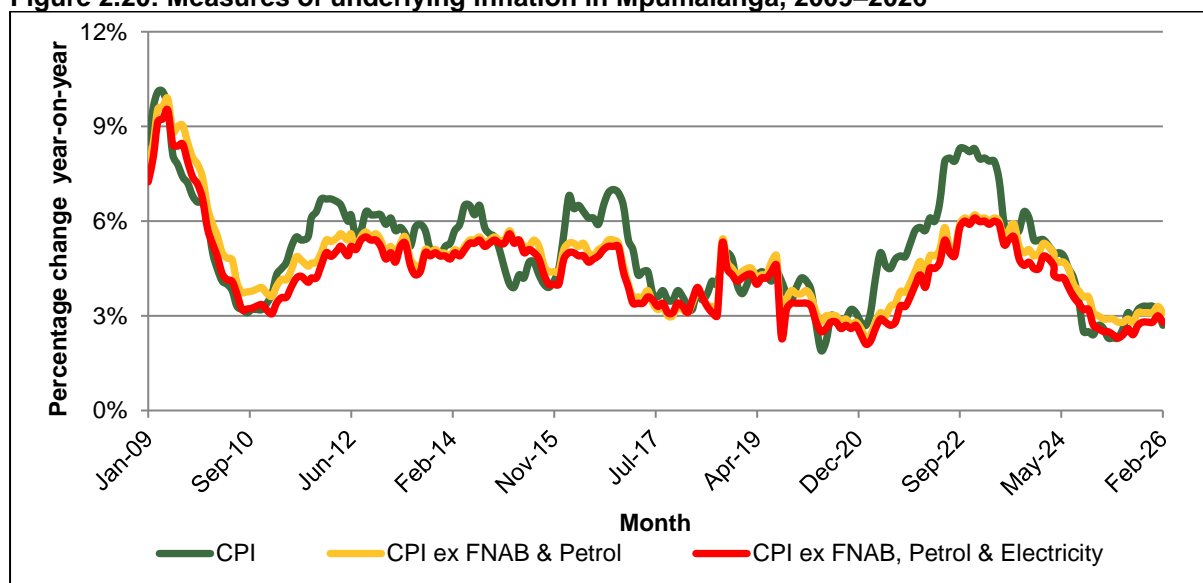
Table 2.12: Mpumalanga’s CPI group indices, weights, percentage change & contribution to inflation, February 2026

Index description	Weight	Percentage change		Estimated contribution to inflation
		Month-on-month	Year-on-year	
Food & non-alcoholic beverages	21.67%	-0.2%	+3.4%	27.4%
Alcoholic beverages and tobacco	4.03%	+0.3%	+4.7%	7.0%
Clothing and footwear	5.24%	+0.1%	+1.4%	2.7%
Housing and utilities	22.15%	+0.1%	+5.3%	43.7%
Furnishings, equipment & maintenance	3.21%	-0.1%	-0.4%	-0.5%
Health	1.79%	+2.0%	+5.3%	3.5%
Transport	18.02%	-0.6%	-1.1%	-7.4%
Information & communication	5.88%	+0.1%	-1.0%	-2.2%
Recreation, sport & culture	2.44%	+3.0%	+3.0%	2.7%
Education services	1.49%	+0.0%	+6.7%	3.7%
Restaurants & accommodation services	3.77%	+1.4%	+4.1%	5.7%
Insurance & financial services	6.82%	+3.0%	+4.2%	10.7%
Personal care & miscellaneous services	3.49%	+0.0%	+2.2%	2.9%
All items	100.0%	+0.2%	+2.7%	100.0%

Source: Stats SA – CPI Additional Tables, 2026

Within the housing and utilities index, the price increases of electricity as well as owners’ equivalent rent provided the bulk of the upward swell. The price increase of meat products provided most of the upward push in the FNAB index. Within the insurance and financial index, the price increase of insurance provided the largest push in the increase.

Figure 2.20: Measures of underlying inflation in Mpumalanga, 2009–2026



Source: Stats SA – CPI, 2026

When the impact of the more volatile FNAB and fuel prices are excluded from the consumer price index as in Figure 2.20, the underlying annual inflation would have been 3.1% in February 2026. If the

electricity price was also excluded from the calculation of headline CPI inflation, Mpumalanga's resultant core inflation would have been 2.8% in February 2026. Mpumalanga's headline inflation rate as well as the underlying inflation and core inflation rates declined in February 2026.

2.12 International trade

Mpumalanga's contribution to total national trade¹⁴ 2.5% in 2024, equal to the 2.5% share in 2019. The two leading provinces, in terms of total trade contribution in 2024, were Gauteng with a share of 65.9% and Western Cape with 13.7%. Mpumalanga contributed 3.7% and 1.1% to national exports and national imports, respectively.

The value of Mpumalanga's exports increased by 8.4% per annum between 2019 and 2024, whilst imports increased by 6.7% per annum over the same 5-year period. In contrast, the national exports increased by 9.3% per annum, whereas the value of national imports increased by 7.1% per annum.

Mpumalanga registered a positive trade balance of R56.3 billion in 2024, continuing the trend of exports exceeding imports since 1996. During the same period, the trade balance of South Africa fluctuated between positive and negative territory, finishing 2024 with a surplus of R214 billion.

African Continental Free Trade Area Agreement ~ AfCFTA

The AfCFTA is projected to lift 30 million people out of extreme poverty and increase the incomes of 68 million others earning less than \$5.50 per day. On 31 January 2024, South Africa commenced preferential trade under the AfCFTA. South African trade with SACU and SADC member states will still govern trade within these groups. As of early 2026, the AfCFTA has been signed by 54 of the 55 African Union member countries, with 49 countries having ratified the agreement.

2.13 Primary sector analysis

2.13.1 Agriculture industry

In terms of provincial contribution to the domestic agriculture industry, Mpumalanga (9.6%) occupied third place in 2024 with KwaZulu-Natal (27.5%) in first position. Between 1996 and 2024, Mpumalanga improved from the fourth largest contributor to its current ranking of third largest (Figure 2.21).

With an average annual growth rate of 2.4% between 1996 and 2024, the industry exceeded the provincial economic growth of 1.7% over the same period. It is, however, evident from Figure 2.22 that the agriculture industry experienced unpredictable and volatile growth with a high of 21.2% in 2008 and a low of -13.6% in 2001. The provincial agriculture industry contracted by 8.7% in 2024 after contracting by 4.6% in 2023. The average annual growth from 2024 to 2029 is expected to be 5.4% per annum, which should be much higher than the provincial economy's forecasted 2.0% average annual expansion (Table 2.4).

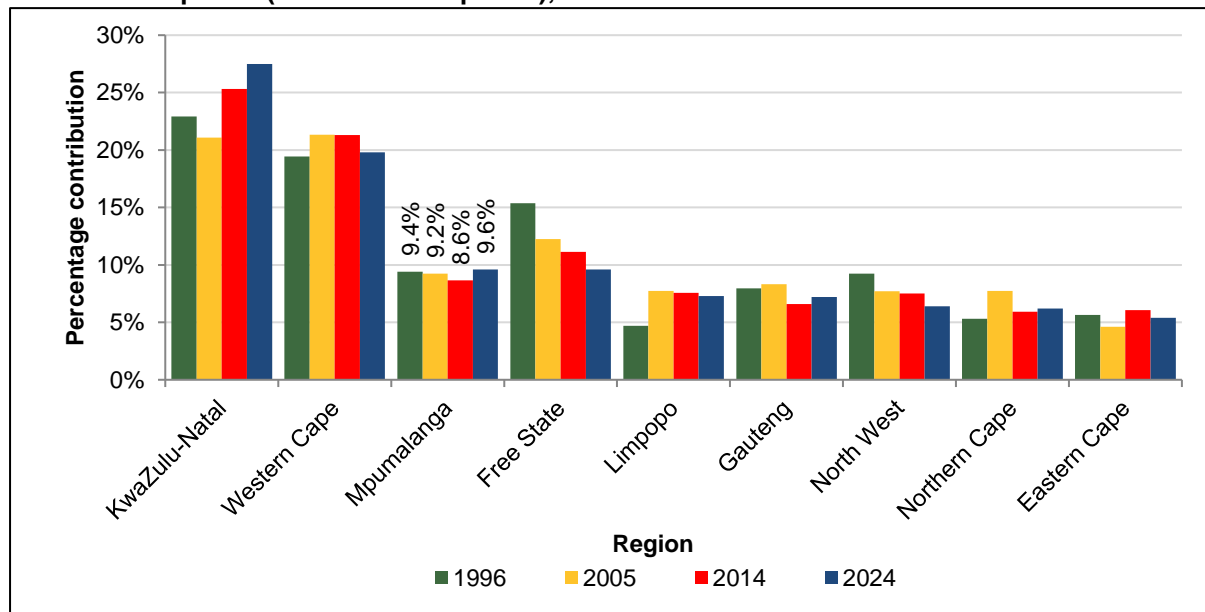
The agriculture industry's contribution to the provincial GDP increased over the period 1996 to 2024. In 1996, the agriculture industry contributed 3.3% and by 2024 the contribution increased to 3.9% of the total GDP of Mpumalanga (Figure 2.22). The provincial agriculture industry held a comparative

¹⁴ ReX international trade data is obtained from administrative data collected by SARS' Department of Customs and Excise. The postal code or street address of the South African importer/exporter is recorded with each transaction, allowing IHS Markit to analyse trade data at a regional level.

advantage over the domestic agriculture industry (Table 2.7), however, the advantage decreased over the past few years (Table 2.8).

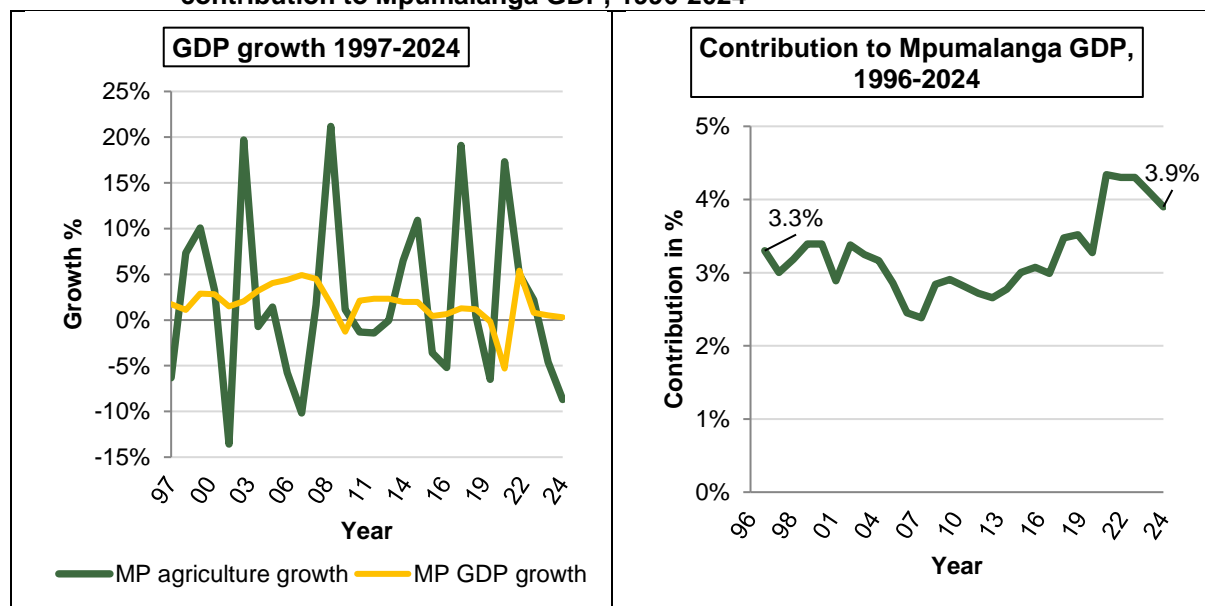
Between 2015 and 2024, the employment elasticity of the agriculture industry in Mpumalanga was 0.45 (Table 2.9). According to the employment elasticity of 0.45, for every 1% economic growth experienced in the agriculture industry the number of employed in the agriculture industry increased by 0.45% between 2015 and 2024.

Figure 2.21: Comparative contribution to the domestic agriculture industry’s GDP at basic prices (constant 2015 prices), 1996-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Figure 2.22: Agriculture industry (constant 2015 prices) – comparative GDP growth and contribution to Mpumalanga GDP, 1996-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

In 2024, the agriculture industry’s labour productivity index score was the second lowest among the

nine industries in Mpumalanga (Table 2.10). The Mpumalanga agriculture industry exhibited a high level of labour intensity (Figure 2.16) and the positive regional factors displayed in Figure 2.18 boosted job growth. Despite strong regional competitiveness, the provincial agriculture industry must first overcome key challenges related to low labour productivity to establish itself as a major employment driver in the province.

Agriculture sub-industries

Figure 2.23 displays the relative size of the three agriculture sub-industries between 1996 and 2024. Agriculture and hunting was the largest agriculture sub-industry in 2024 with a share of 88.6%, while forestry and logging contributed the bulk of the remainder. It is important to note that forestry and logging contributed less in 2024 than in 1996, whereas the GVA share of agriculture and hunting increased.

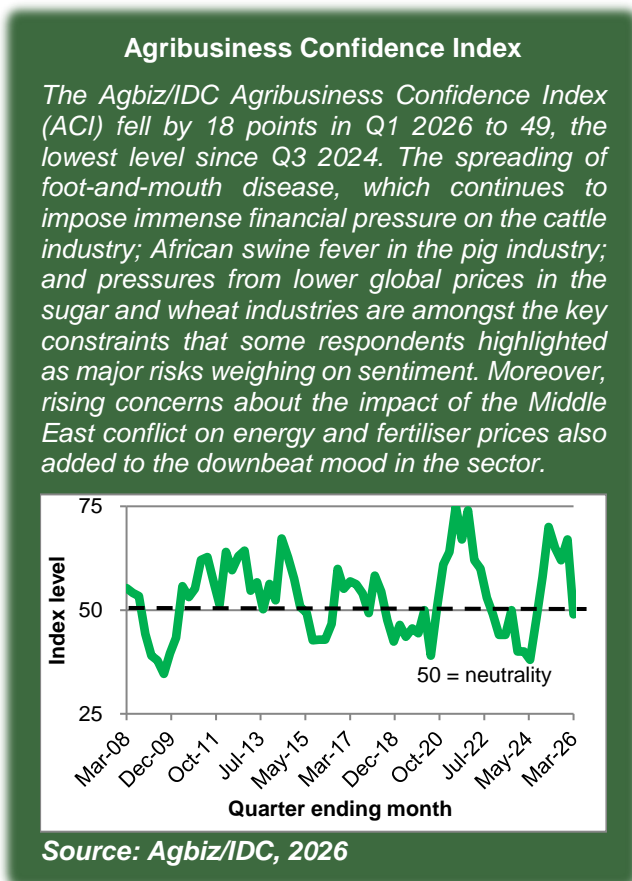
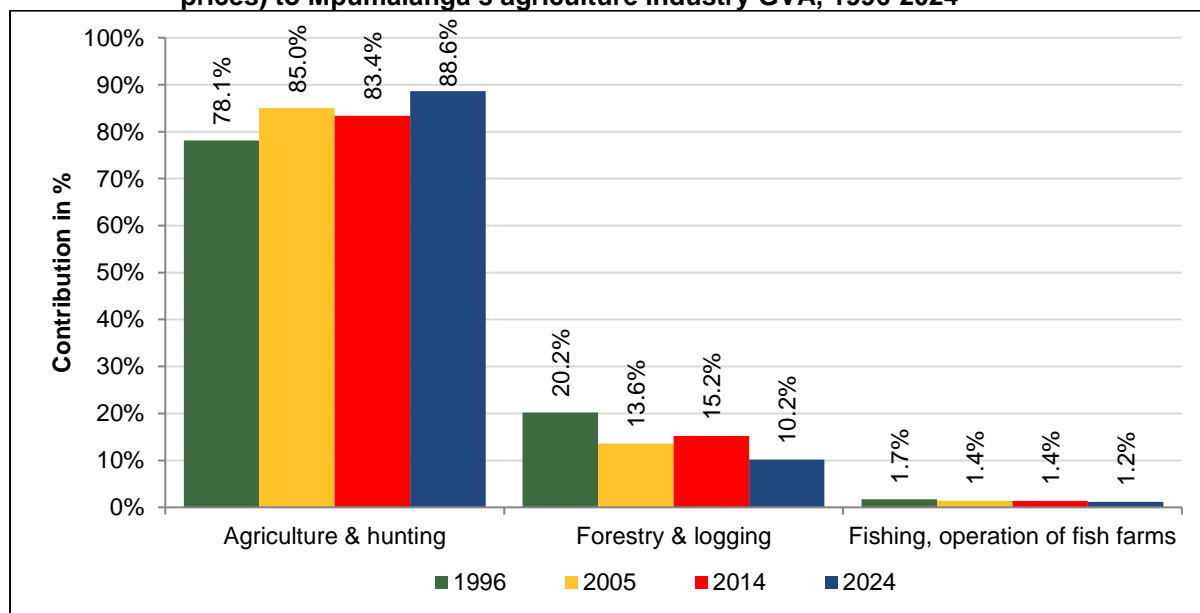


Figure 2.23: GVA contribution by Mpumalanga’s agricultural sub-industries (constant 2015 prices) to Mpumalanga’s agriculture industry GVA, 1996-2024



Source: S&P Global – ReX, December 2025

Over the 28-year period under review, agriculture and hunting recorded the highest average annual growth of 2.9% (Table 2.14) among the agriculture sub-industries. It is expected that agriculture and hunting (5.4%) will record the highest average annual growth over the 5-year period 2024 to 2029.

Table 2.14 displays the historic and forecasted growth of the various sub-industries and the estimated contribution towards the future provincial economic growth.

Table 2.14: Economic growth rates and contribution to economic growth (constant 2015 prices) in Mpumalanga, 1996-2029

Sub-industry	Historic growth	Forecasted growth	Estimated contribution to provincial growth
	1996-2024	2024-2029	2024-2029
Agriculture & hunting	2.9%	5.4%	0.2%
Forestry & logging	-0.1%	5.2%	0.0%
Fishing, operation of fish farms	1.0%	4.9%	0.0%
Mining of coal & lignite	1.2%	1.1%	0.1%
Mining of gold & uranium ore	-7.9%	1.0%	0.0%
Mining of metal ores	4.7%	-1.6%	0.0%
Other mining & quarrying	6.7%	0.5%	0.0%
Food, beverages & tobacco products	1.9%	1.3%	0.0%
Textiles, clothing & leather goods	1.1%	-0.8%	0.0%
Wood & wood products	1.8%	0.3%	0.0%
Fuel, petroleum, chemical & rubber products	1.5%	0.6%	0.0%
Other non-metallic mineral products	0.4%	1.2%	0.0%
Metal products, machinery & appliances	2.0%	1.3%	0.0%
Electrical machinery & apparatus	2.8%	0.8%	0.0%
Electronic, medical & other appliances	3.1%	1.0%	0.0%
Transport equipment	2.9%	-0.8%	0.0%
Furniture & other items NEC & recycling	1.7%	0.1%	0.0%
Electricity, gas, steam & hot water supply	-1.0%	0.7%	0.0%
Water collection, purification & distribution	5.1%	1.4%	0.0%
Construction	1.6%	2.4%	0.1%
Wholesale & commission trade	1.7%	2.6%	0.1%
Retail trade & repairs of goods	2.7%	1.2%	0.1%
Sale & repairs of motor vehicles, sale of fuel	2.7%	1.8%	0.0%
Hotels & restaurants	0.4%	1.9%	0.0%
Land & water transport	2.1%	2.4%	0.1%
Air transport & transport supporting activities	1.2%	2.6%	0.0%
Post & telecommunication	6.7%	4.2%	0.1%
Finance & insurance	3.8%	3.6%	0.2%
Real estate activities	1.1%	2.4%	0.1%
Other business activities	4.4%	3.5%	0.3%
Public administration & defence activities	1.8%	1.6%	0.1%
Education	1.8%	1.9%	0.1%
Health & social work	3.1%	1.9%	0.1%
Other service activities	2.2%	1.8%	0.1%
Total	1.7%	2.0%	-

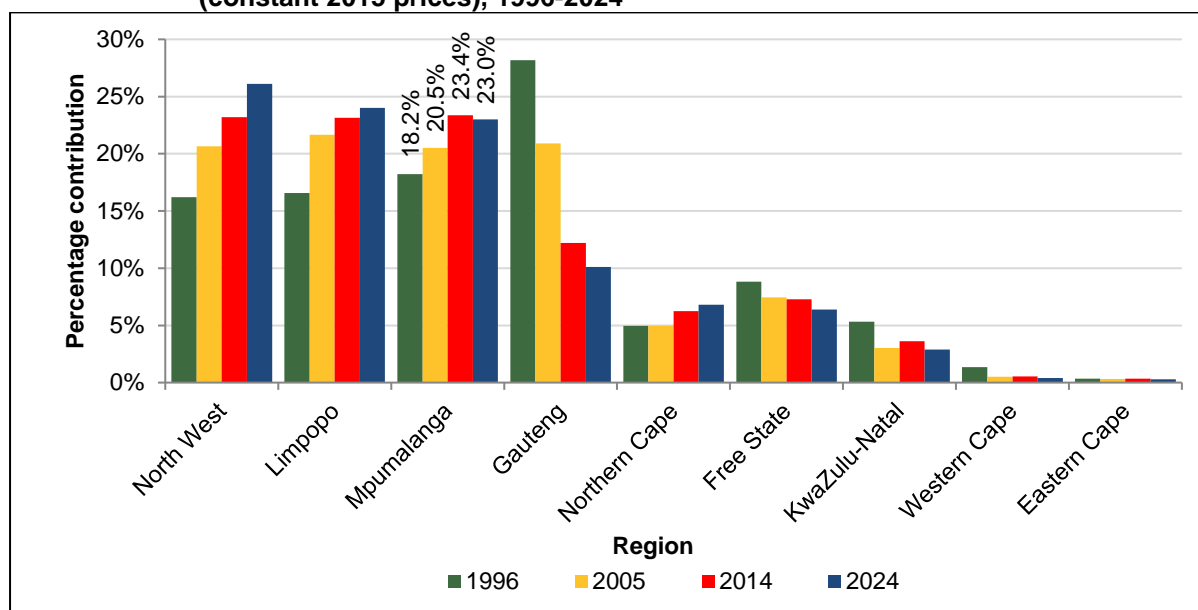
Source: S&P Global – ReX, December 2025

2.13.2 Mining industry

In terms of provincial contribution to the domestic mining industry, Mpumalanga occupied third place in 2024 behind North West (26.1%) and Limpopo (24.0%). Mpumalanga's substantial share of 23.0% improved from 18.2% in 1996 (Figure 2.24). Mpumalanga, along with Limpopo, North West and Northern Cape, increased its share over the 28-year period, however, its ranking declined from second to third.

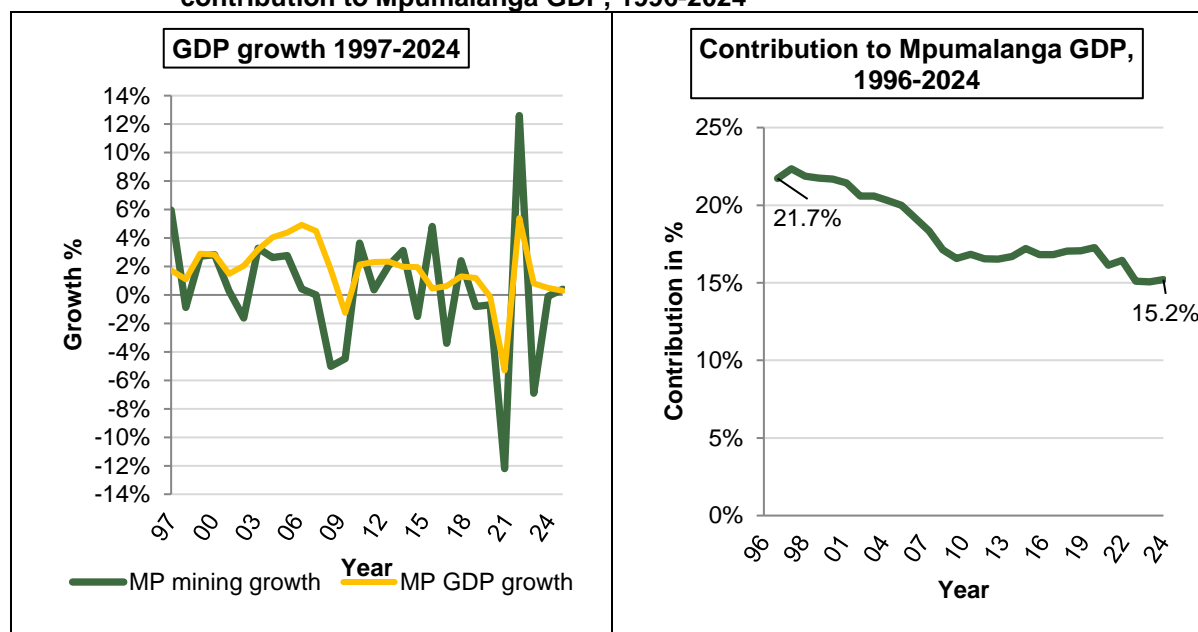
Between 1996 and 2024, mining recorded the second slowest average annual growth rate among the industries of 0.5% (Table 2.4). It is evident from Figure 2.25, that growth in the mining industry fluctuated more than provincial GDP growth and mostly lagged the provincial average. In 2024, mining in Mpumalanga expanded by 0.4% compared with the provincial expansion of 0.3%. It is expected that the industry will expand by 0.5% per annum between 2024 and 2029, which will be slower than the provincial economy's forecasted 2.0% expansion (Table 2.4) and a significant reason for the low growth outlook for the province.

Figure 2.24: Comparative contribution to the domestic mining industry's GDP at basic prices (constant 2015 prices), 1996-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Figure 2.25: Mining industry (constant 2015 prices) – comparative GDP growth and contribution to Mpumalanga GDP, 1996-2024

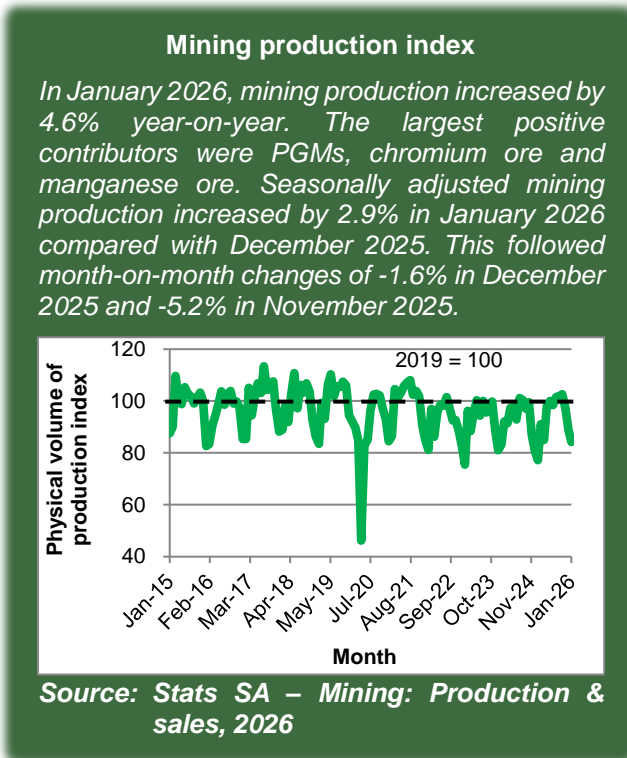


Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Not only does mining in Mpumalanga hold a comparative advantage (Table 2.7) over the domestic mining industry but it also played an important role in the provincial economy with a 15.2% (constant 2015 prices) contribution to provincial GDP in 2024 (Figure 2.25). It is, however, evident that the contribution by mining, in constant prices, has declined from 21.7% in 1996 to the current level. According to Table 2.8 the provincial mining industry's location quotient decreased and therefore its comparative advantage is decreasing.

The employment elasticity of mining was negative over the 9-year period from 2015 to 2024 (Table 2.9).

Translated into concrete terms, this figure indicates that every 1% economic growth resulted in a 3.5% decrease in the employment numbers of the mining industry in Mpumalanga.



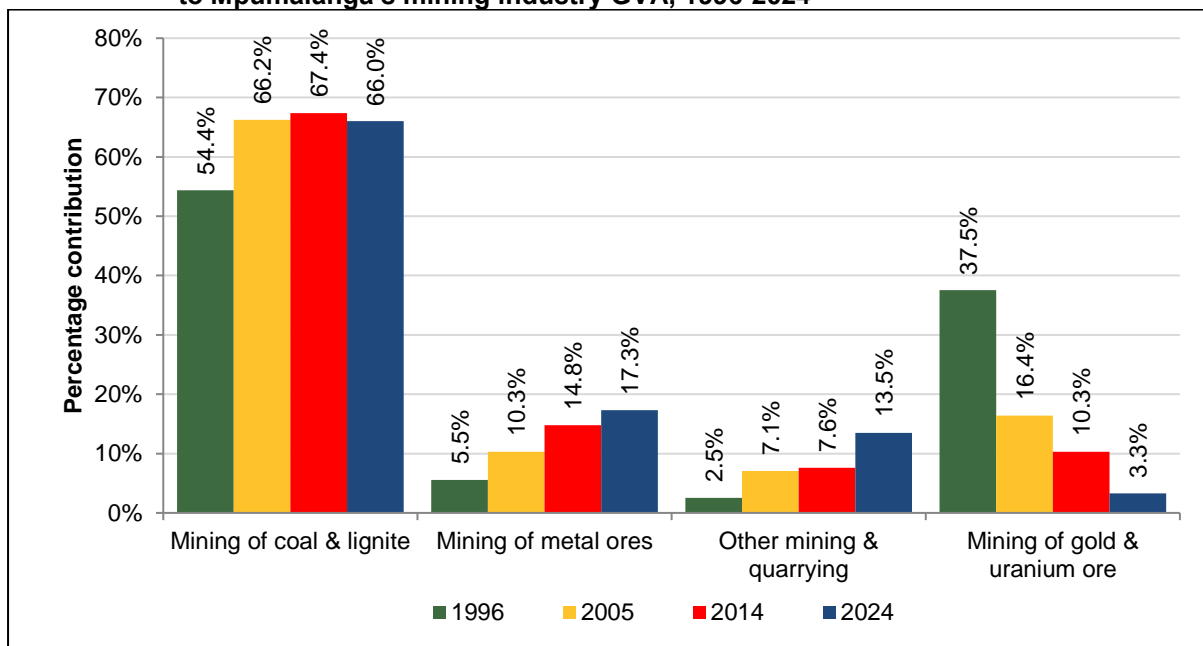
In 2024, the mining industry in Mpumalanga recorded the highest labour productivity index score among the nine industries (Table 2.10). The mining industry, however, exhibited the lowest level of labour intensity in 2024 (Figure 2.16). Mining is likely to experience low employment growth because of the relatively low forecasted economic growth and negative regional competitiveness effect (Figure 2.18), added to the negative employment elasticity.

Mining sub-industries

Mining of coal and lignite was the largest mining sub-industry in 2024 with a share of 66.0%, while mining of metal ores was the second largest with a share of 17.3%. It is important to note that the share of gold and uranium ore declined dramatically between 1996 and 2024.

Figure 2.26 displays the relative size of the four mining sub-industries.

Figure 2.26: GVA contribution by Mpumalanga’s mining sub-industries (constant 2015 prices) to Mpumalanga’s mining industry GVA, 1996-2024



Source: S&P Global – ReX, December 2025

Over the 28-year period under review, other mining and quarrying recorded the highest average annual growth of 6.7% followed by mining of metal ores (4.7%). It is expected that mining of coal and lignite will record the fastest economic growth over the 5-year period 2024 to 2029 (Table 2.14) and that mining

of gold will expand by 1.0% per annum.

2.14 Secondary sector analysis

2.14.1 Manufacturing industry

In terms of provincial contribution to the domestic manufacturing industry, Mpumalanga occupied fifth place in 2024, behind Gauteng in first position with its 39.4% share (Figure 2.27). Mpumalanga's share was 7.7% in 2024, which was higher than the 6.6% share recorded in 1996.

Manufacturing (1.8%) documented a growth rate over the 28-year period, which was marginally higher than the annual average provincial economic growth rate of 1.7% (Table 2.4). It is evident from Figure 2.28 that the manufacturing industry's growth rate fluctuated more than the provincial growth rate over the period 1997 to 2024. The provincial manufacturing industry contracted by 0.4% in 2024 after expanding by 0.4% in 2023. The expected future expansion of 0.9% per annum from 2024 to 2029 should be lower than the provincial economy's forecasted expansion of 2.0% per annum.

In 2024, manufacturing was the fifth largest contributor to the provincial economy with a 12.9% share of Mpumalanga's GDP (Figure 2.28). The contribution by the manufacturing industry decreased marginally from 13.2% in 1996.

The manufacturing industry in Mpumalanga do not hold a comparative advantage (Table 2.7) over the domestic manufacturing industry and the location quotient that measures comparative advantage decreased over time (Table 2.8). The employment elasticity of the manufacturing industry was calculated to be -1.03 over the period 2015 to 2024 (Table 2.9). According to this figure, for every 1% growth in output experienced in the manufacturing industry the employment numbers declined by approximately 1.03%.

In 2024, the manufacturing industry in Mpumalanga recorded the fourth highest labour productivity among the nine industries (Table 2.10). The manufacturing industry exhibited a low level of labour intensity (Figure 2.16) as the industry is characterised by progressively more capital-intensive processes. It is not expected that manufacturing will contribute to employment growth in Mpumalanga due to its negative regional competitiveness effect (Figure 2.18) despite the concerted drive to expand the province's manufacturing industry in line with the Mpumalanga Industrial Development Plan (MIDP).

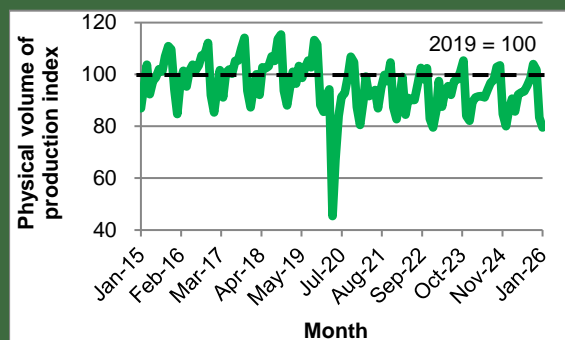
Manufacturing sub-industries

Manufacturing sub-industries

Figure 2.29 displays the relative size of the manufacturing sub-industries. Metals, machinery and

Manufacturing production index

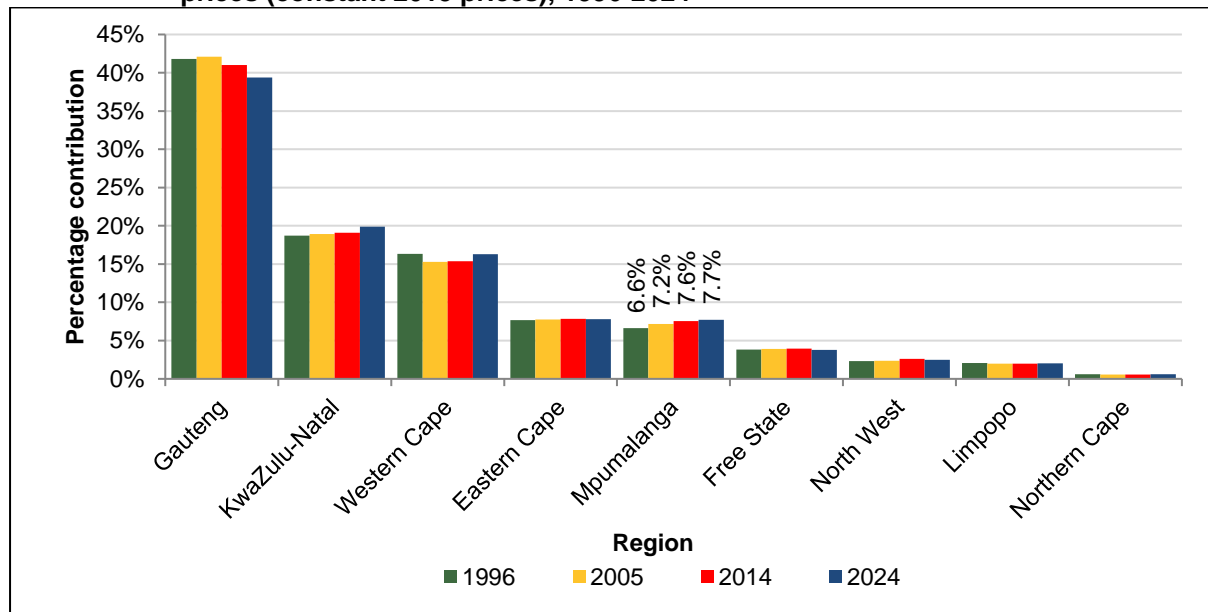
Factory output in South Africa decreased by 0.7% year-on-year in January 2025. The largest negative contributors were wood and wood products, paper, publishing and printing, basic iron and steel, non-ferrous metal products, metal products and machinery division. Seasonally adjusted manufacturing increased by 1.5% in January 2026 compared with December 2025. This followed month-on-month changes of -1.3% in December 2025 and -2.2% in November 2025.



Source: Stats SA – Manufacturing: Production & sales, 2026

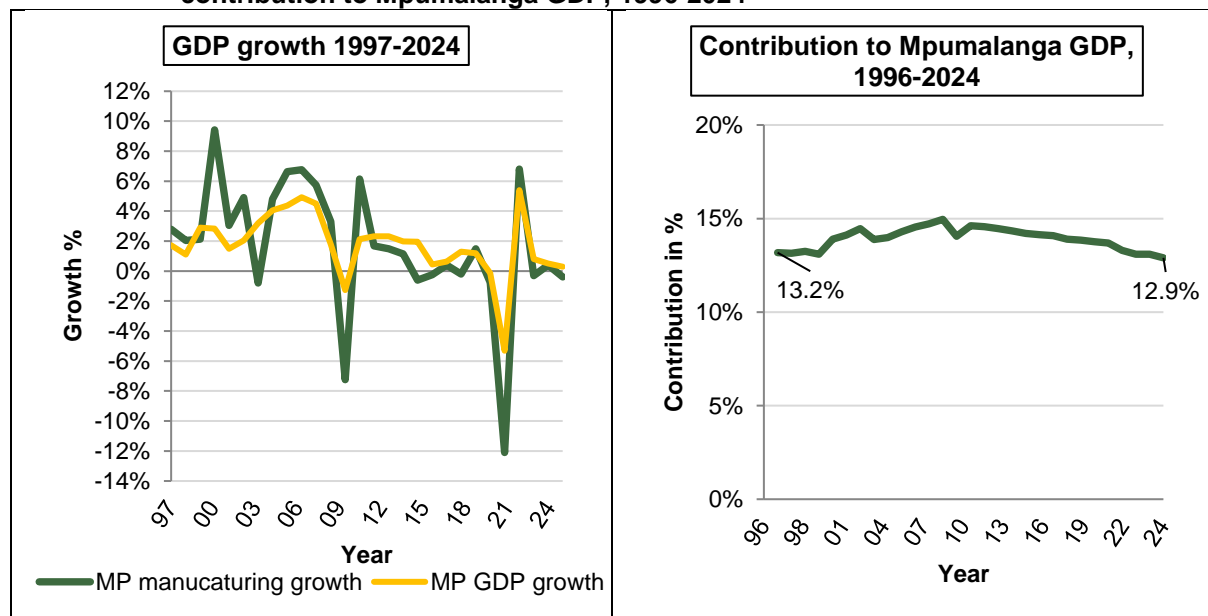
appliances was the largest manufacturing sub-industry in 2024 with a share of 29.5%, while fuel, petroleum and chemical products (predominantly Sasol) was the second largest with a share of 23.8%. Between 1996 and 2024, the share of metals, machinery and appliances, food products as well as wood and wood products increased, whilst that of the other sub-industries declined. The other manufactured products group combines the five smallest manufacturing sub-industries, including electrical machinery and transport equipment.

Figure 2.27: Comparative contribution to the domestic manufacturing industry’s GDP at basic prices (constant 2015 prices), 1996-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Figure 2.28: Manufacturing industry (constant 2015 prices) – comparative GDP growth and contribution to Mpumalanga GDP, 1996-2024

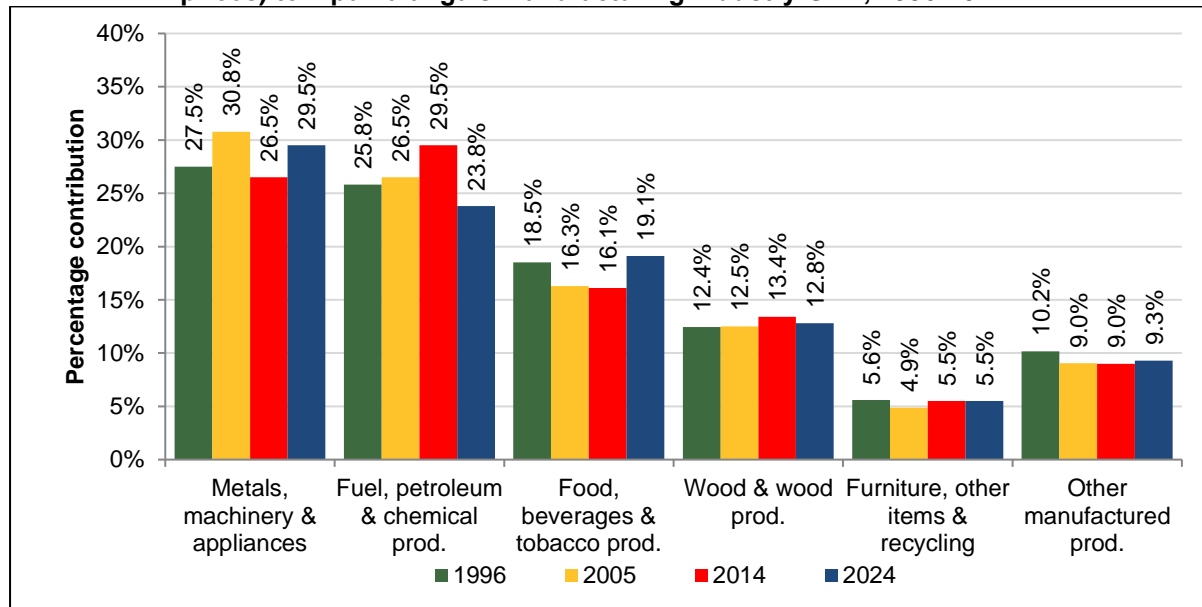


Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Over the 28-year period under review, electronic, medical and other appliances recorded the highest

average annual growth of 3.1%. It is expected that the metals, machinery and appliances sub-industry (1.3% per annum) and food, beverages and tobacco products (1.3% per annum) will record the fastest economic growth among the sub-industries over the 5-year period 2024 to 2029. Fuel, petroleum and chemical products, the second largest sub-industry, is expected to expand by only 0.6% per annum (Table 2.14).

Figure 2.29: GVA contribution by Mpumalanga's manufacturing sub-industries (constant 2015 prices) to Mpumalanga's manufacturing industry GVA, 1996-2024



Source: S&P Global – ReX, December 2025

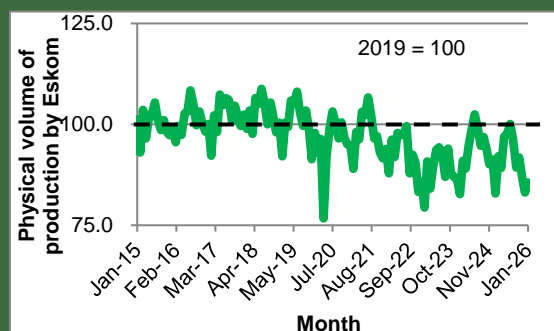
2.14.2 Utilities industry

In terms of provincial contribution to the domestic utilities industry, Mpumalanga with a 13.1% share occupied third place in 2024 (Figure 2.30). Gauteng occupied first position with a share of 33.9%.

Mpumalanga's share increased slightly between 1996 and 2024.

Electricity generated by Eskom

Electricity generated by Eskom declined by 6.2% in January 2026 compared with January 2025. Seasonally adjusted electricity generation increased by 1.5% in January 2026 compared with December 2025. This followed month-on-month changes of -1.4% in December 2025 and -1.3% in November 2025.



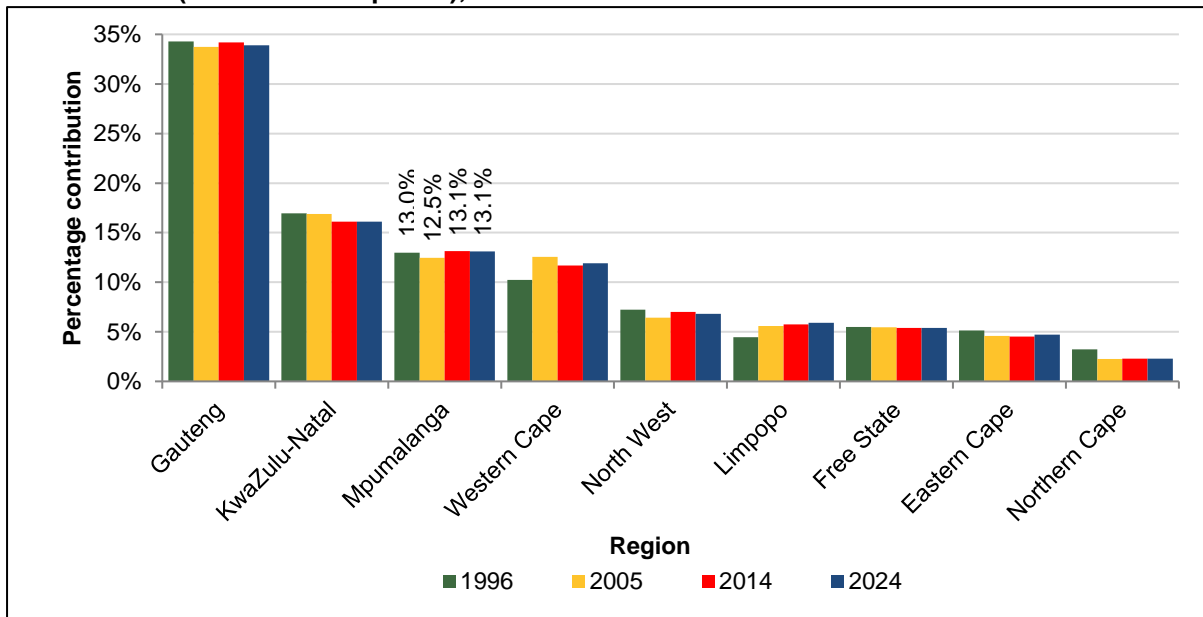
Source: Stats SA – Electricity generated & available for distribution, 2026

The utilities industry recorded a 0.0% stagnation between 1996 and 2024. This was substantially lower than the provincial growth of 1.7%. It is evident from Figure 2.31 that growth in the utilities industry fluctuated sharply and was on average below the provincial GDP growth rate, which contributed to the decline in its contribution to the Mpumalanga economy. The provincial utilities industry expanded by 3.5% in 2024 after contracting by 4.2% in 2023. Economic expansion of 1.0% per annum is forecasted between 2024 and 2029, which will be lower than the provincial economy's forecasted expansion of 2.0% per annum (Table

2.4).

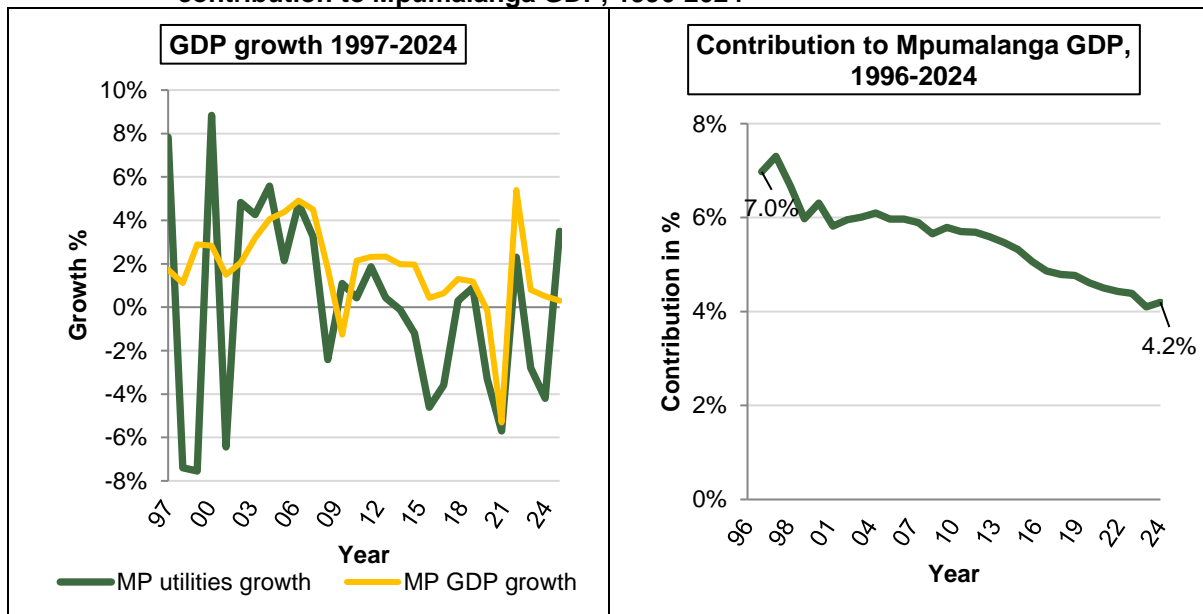
The utilities industry held a comparative advantage (Table 2.7) over the domestic utilities industry, however, it has deteriorated over time (Table 2.8). The utilities industry contributed 4.2% to the total GDP of Mpumalanga in 2024 (Figure 2.31). The contribution declined from 7.0% in 1996 to the current level.

Figure 2.30: Comparative contribution to the domestic utilities industry's GDP at basic prices (constant 2015 prices), 1996-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Figure 2.31: Utilities industry (constant 2015 prices) – comparative GDP growth and contribution to Mpumalanga GDP, 1996-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

The employment elasticity of utilities was negative over the 9-year period from 2015 to 2024 (Table

2.9). Translated into concrete terms, this figure indicates that with every 1% economic growth in the industry the employment numbers of the utilities industry in Mpumalanga declined by 0.6%.

In 2024, the utilities industry in Mpumalanga recorded the second highest labour productivity index score among the nine industries (Table 2.10). The industry exhibited a very low level of labour intensity both in 2019 and 2024 (Figure 2.16) due to the capital-intensive nature of the processes.

Due to the negative regional competitiveness effect (Figure 2.18) and the negative employment elasticity, the utilities industry in Mpumalanga is not expected to contribute much to job creation. Its relatively small size and low labour intensity should also detract from any significant contribution.

Water as an enabler

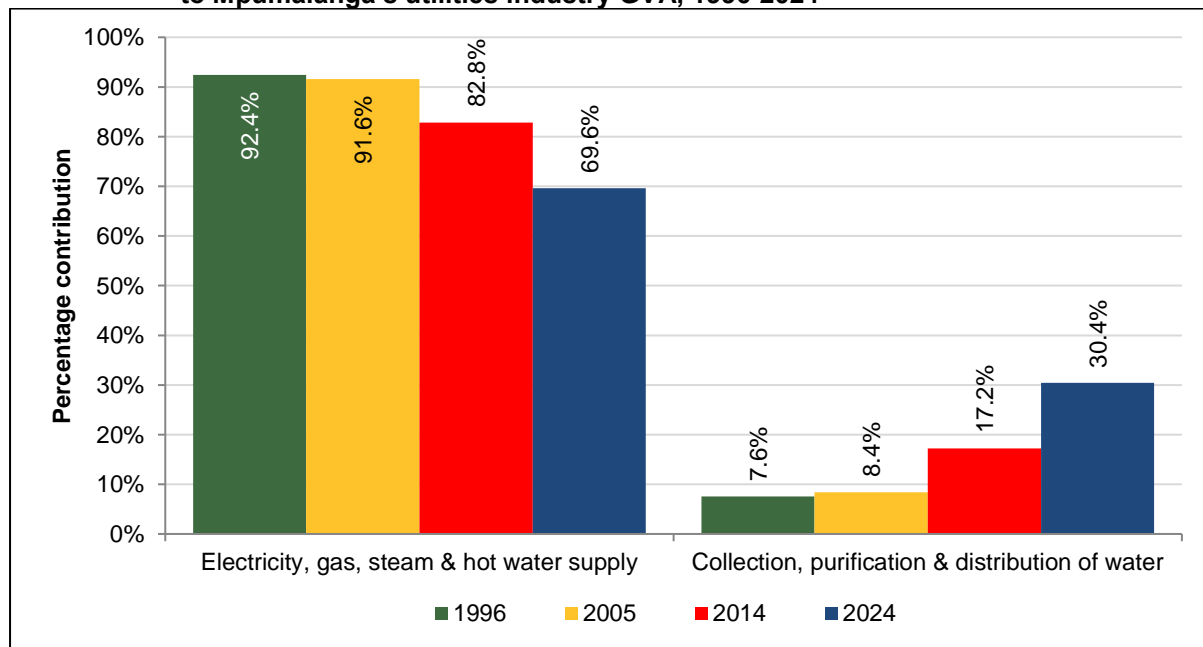
Dams in Mpumalanga contribute 7.8% to the national full storage capacity (FSC) with a FSC of 2 539 million cubic meters. The 9 dams in Mpumalanga with a FSC in excess of 100 million cubic meters contribute 82.7% to Mpumalanga's total FSC. These dams were at 100% of capacity in March 2026 compared with 99.1% in March 2025.

Approximately 60% of jobs in Mpumalanga are significantly dependent on water. By 2030 water demand will exceed supply severely in the Olifants, Inkomati-Usutu, and Upper Vaal catchment areas in Mpumalanga.

Utilities sub-industries

Figure 2.32 displays the relative size of the utilities sub-industries. The supply of electricity, gas and steam was the dominant utilities sub-industry in 2024 with a share of 69.6%. Between 1996 and 2024, the share of electricity supply declined steadily from 92.4% in 1996 to the current level.

Figure 2.32: GVA contribution by Mpumalanga's utilities sub-industries (constant 2015 prices) to Mpumalanga's utilities industry GVA, 1996-2024



Source: S&P Global – ReX, December 2025

Over the 28-year period under review, water collection, purification and distribution recorded average annual growth of 5.1% compared to the contraction of 1.0% per annum in the supply of electricity, gas and steam's. It is expected, that the water sub-industry should expand by 1.4% per annum over the

5-year period 2024 to 2028, followed by the electricity sub-industry (0.7% per annum) (Table 2.14).

2.14.3 Construction industry

Gauteng was the largest contributor to the domestic construction industry in 2024 with a share of 33.3%. Mpumalanga, with a 6.7% share, occupied fifth place in 2024, one position lower than in 1996 (Figure 2.33). Over the 28-year period, the province's share declined from 7.2% in 1996 to the current level.

The construction industry registered the seventh fastest annual average growth rate of 1.6% among the provincial industries over the 28-year period (Table 2.4). This is despite the massive slump of -22.6% experienced in 2000. The provincial construction industry contracted by 5.4% in 2024 after contracting by 0.5% in 2023. Between 2024 and 2028, it is expected that construction will recover some lost ground and expand by 2.4% per annum, which should be higher than the provincial economy's forecasted expansion of 2.0% per annum.

The construction industry was the smallest contributor to the provincial economy with a 2.2% share of Mpumalanga's GDP in 2024. It is evident from Figure 2.34 that the construction industry's share increased since the severe slump of 2000, but has moved into a declining trend since 2016. The relative efficiency of the provincial construction industry is just about equal to that of the domestic construction industry (Table 2.7) and it is improving (Table 2.8).

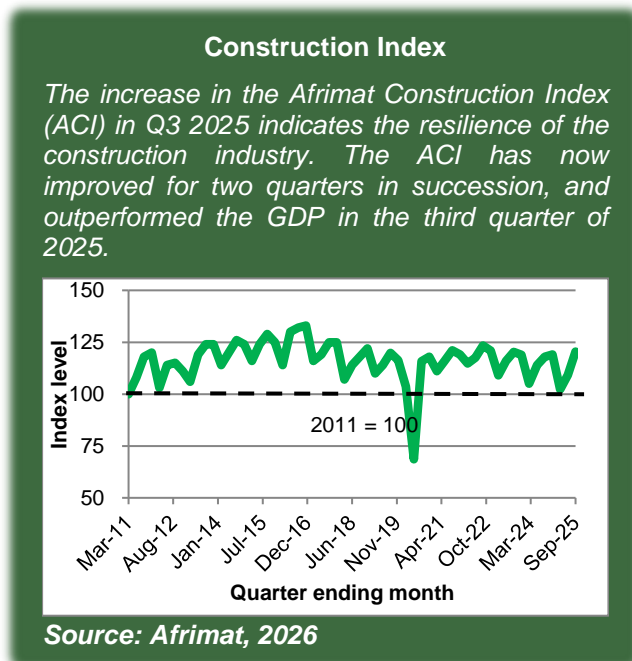
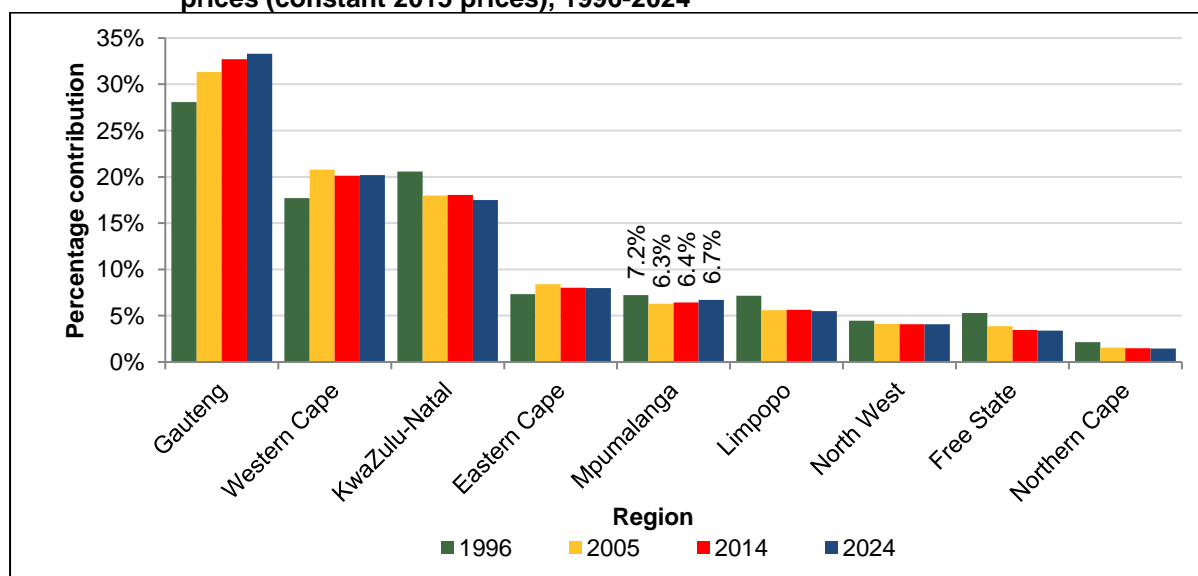
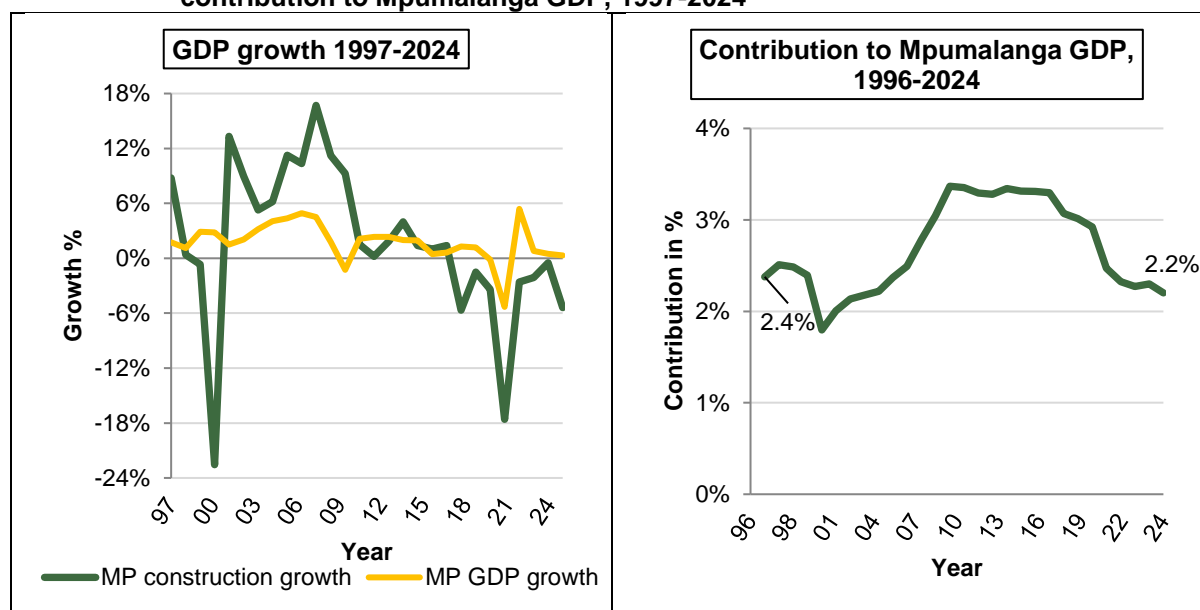


Figure 2.33: Comparative contribution to the domestic construction industry's GDP at basic prices (constant 2015 prices), 1996-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Figure 2.34: Construction industry (constant 2015 prices) – comparative GDP growth and contribution to Mpumalanga GDP, 1997-2024



**Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025**

The employment elasticity of construction was calculated to be 0.42 over the period 2015 to 2024 (Table 2.9). According to this figure, for every 1% growth experienced in the construction industry the employment growth was 0.4%.

In 2024, the construction industry in Mpumalanga recorded the lowest labour productivity index score among the nine industries (Table 2.10). The industry exhibited the highest level of labour intensity in 2024 (Figure 2.16). Given its small size and the low labour productivity, the industry should not contribute strongly to employment growth in the near future, despite the positive regional competitiveness effect (Figure 2.18).

Construction is not broken down into sub-industries and therefore a detailed analysis, as with the other industries, of its sub-industries was not possible.

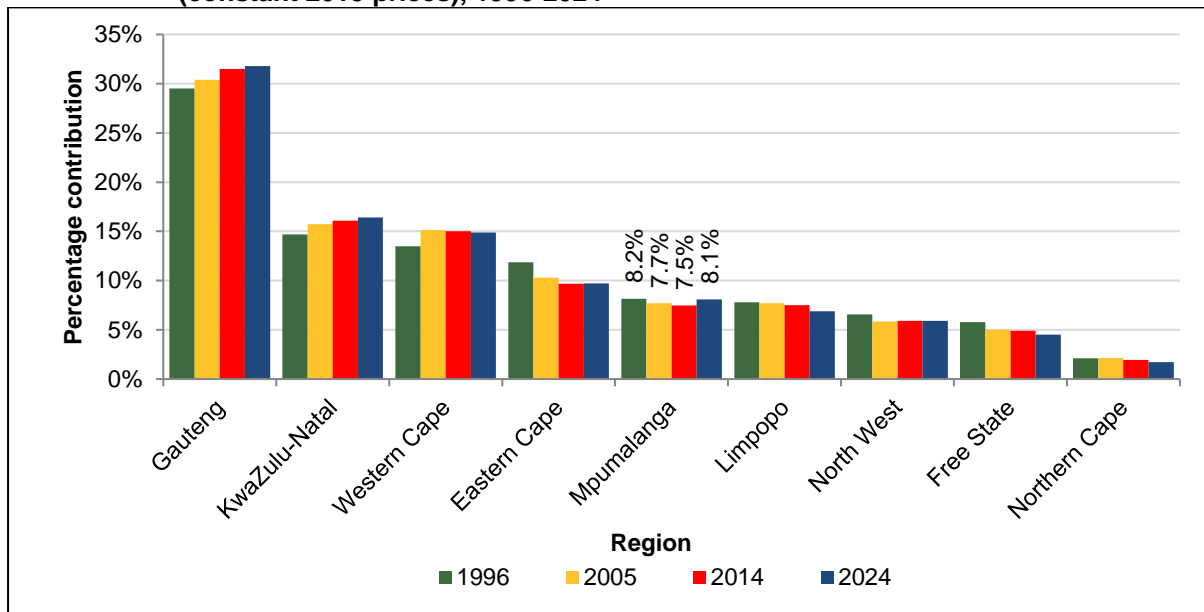
2.15 Tertiary sector analysis

2.15.1 Trade industry

Gauteng dominated the contribution to the domestic trade industry in 2024 with a share of 31.8% (Figure 2.35). Mpumalanga, with an 8.1% share, occupied fifth place in 2024, the same position than in 1996, but a slightly lower share than the 8.2% contribution registered 28 years ago.

The industry's growth rate of 2.1% per annum between 1996 and 2024 was higher than the provincial growth rate (1.7%) and the fifth highest among the industries (Table 2.4). Figure 2.36 depicts the growth rate of the trade industry compared to the slightly more stable provincial growth rate. The provincial trade industry contracted by 1.2% in 2024 after contracting by 1.6% in 2023. The forecasted growth of 1.9% per annum between 2024 and 2029 is expected to be slightly slower than the provincial growth over the same period (Table 2.4).

Figure 2.35: Comparative contribution to the domestic trade industry’s GDP at basic prices (constant 2015 prices), 1996-2024

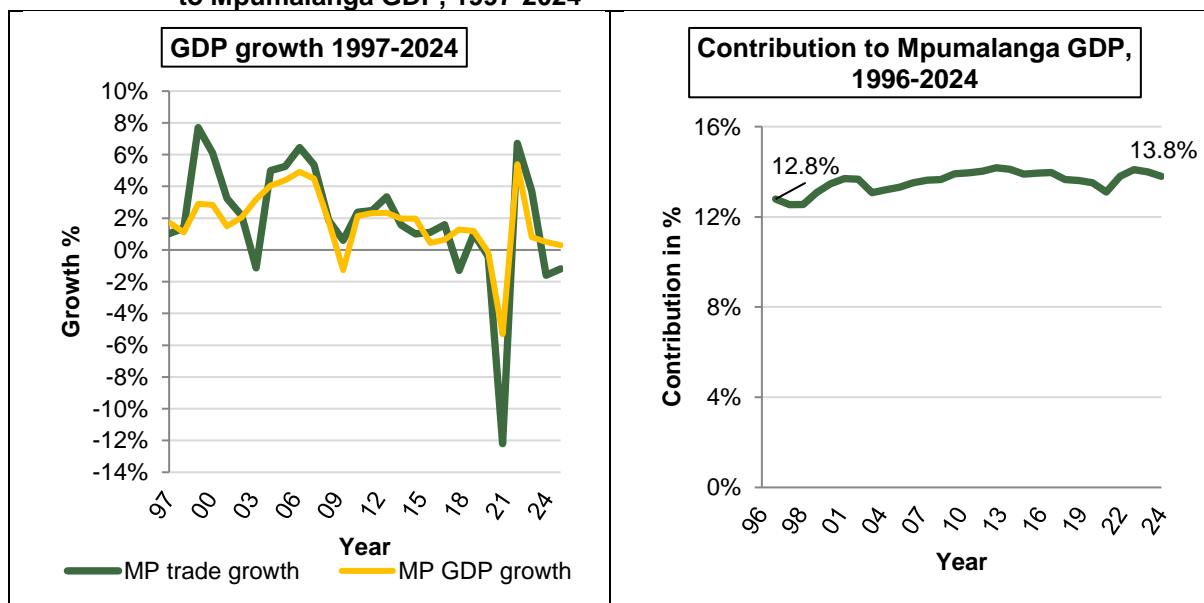


Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

The industry contributed 13.8% to the total GDP of Mpumalanga in 2024 – the fourth largest industry in the province (Figure 2.36). The contribution in 2024 was higher than the 12.8% contribution recorded in 1996. The trade industry’s comparative advantage was 1.15 (Table 2.7), however, it has declined over the last few years (Table 2.8).

The trade industry recorded an employment elasticity of 1.09 over the period 2015 to 2024 (Table 2.9). According to this figure, for every 1% economic growth experienced in the trade industry the employment numbers increased by approximately 1.1%.

Figure 2.36: Trade industry (constant 2015 prices) – comparative GDP growth and contribution to Mpumalanga GDP, 1997-2024

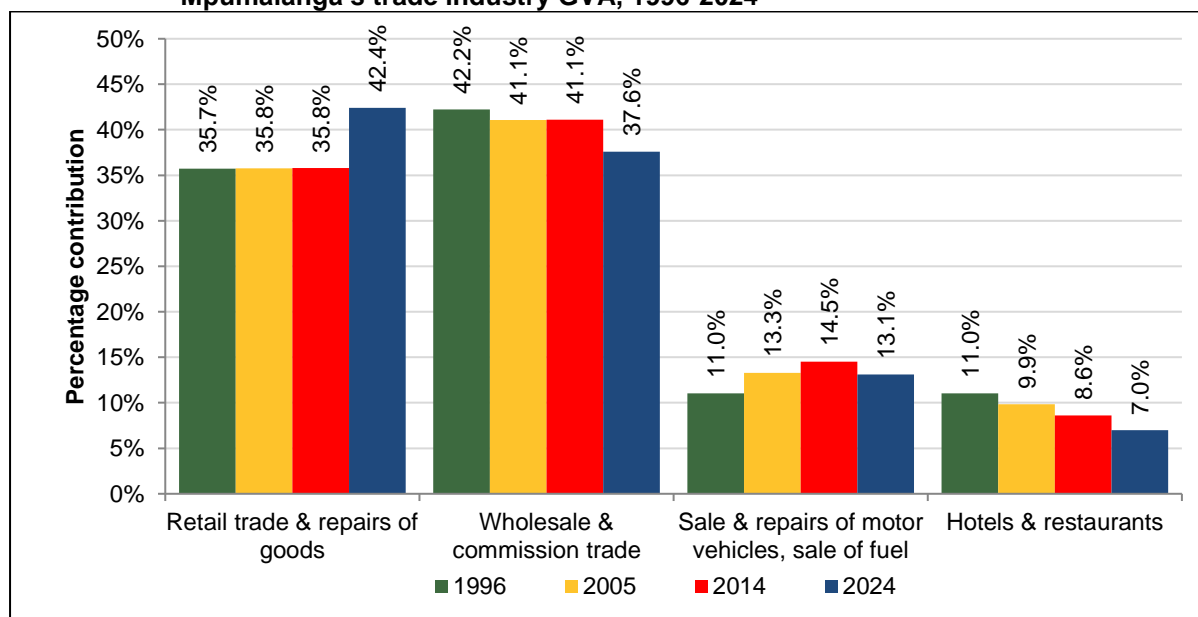


Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

The labour productivity index score for Mpumalanga’s trade industry was the third lowest among the industries, in 2024 (Table 2.10). The trade industry exhibited a relatively high level of labour intensity (Figure 2.16) because of the labour intensive nature of business enterprises in the industry. Because of the industry’s relatively low labour productivity, its declining comparative advantage and negative regional competitiveness effect, it is unlikely that the industry will be a large employment creator despite its size and labour absorbing nature.

Trade sub-industries

Figure 2.37: GVA contribution by Mpumalanga’s trade sub-industries (constant 2015 prices) to Mpumalanga’s trade industry GVA, 1996-2024



Source: S&P Global – ReX, December 2025

Figure 2.37 displays the relative size of the trade sub-industries. Retail trade was the largest trade sub-industry in 2024 with a share of 42.4%, while wholesale trade was the second largest with a share of 37.6%. Between 1996 and 2024, the shares of retail trade as well as sales of vehicles and fuel increased, whilst that of wholesale trade as well as hotels and restaurants declined.

Over the 28-year period under review, the retail trade and repairs of goods as well as the sales of vehicles and fuel sub-industries recorded the highest average annual growth of 2.7%, respectively. It is expected that wholesale trade will record the fastest average growth of 2.6% per annum over the 5-year period 2024 to 2029 (Table 2.14) and that hotels and restaurants will follow (Table 2.14).

2.15.2 Transport industry

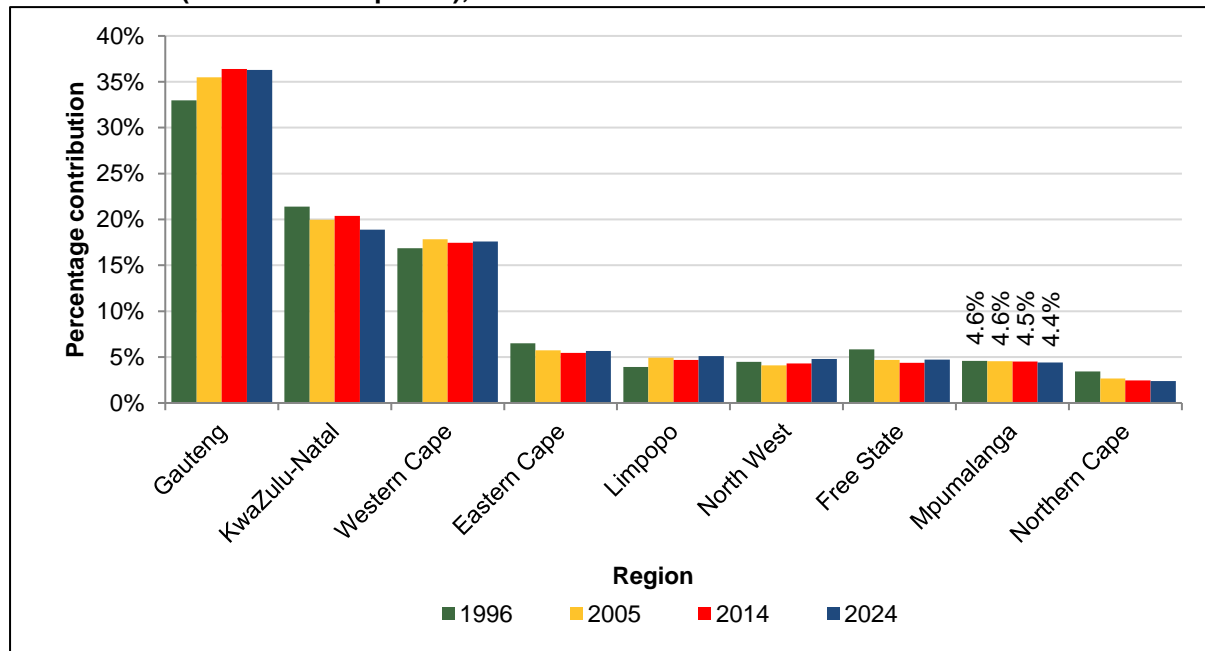
In terms of provincial contribution to the domestic transport industry, Mpumalanga occupied eighth place in 2024 with a 4.4% share (Figure 2.38). Gauteng and KwaZulu-Natal were the largest provincial contributors with shares of 36.3% and 18.9%, respectively.

From 1996 to 2024, the transport industry grew the fastest off all Mpumalanga industries and at 3.2% per annum recorded a growth rate almost twice as high as that of the provincial economy. The provincial transport industry contracted by 1.2% in 2024 after expanding by 4.2% in 2023. The industry and provincial growth rates are displayed in Figure 2.39. Between 2024 and 2029, the transport industry is

expected to expand on an average annual basis by 3.1% per annum, which should be higher than the provincial economy's forecasted expansion of 2.0% per annum (Table 2.4).

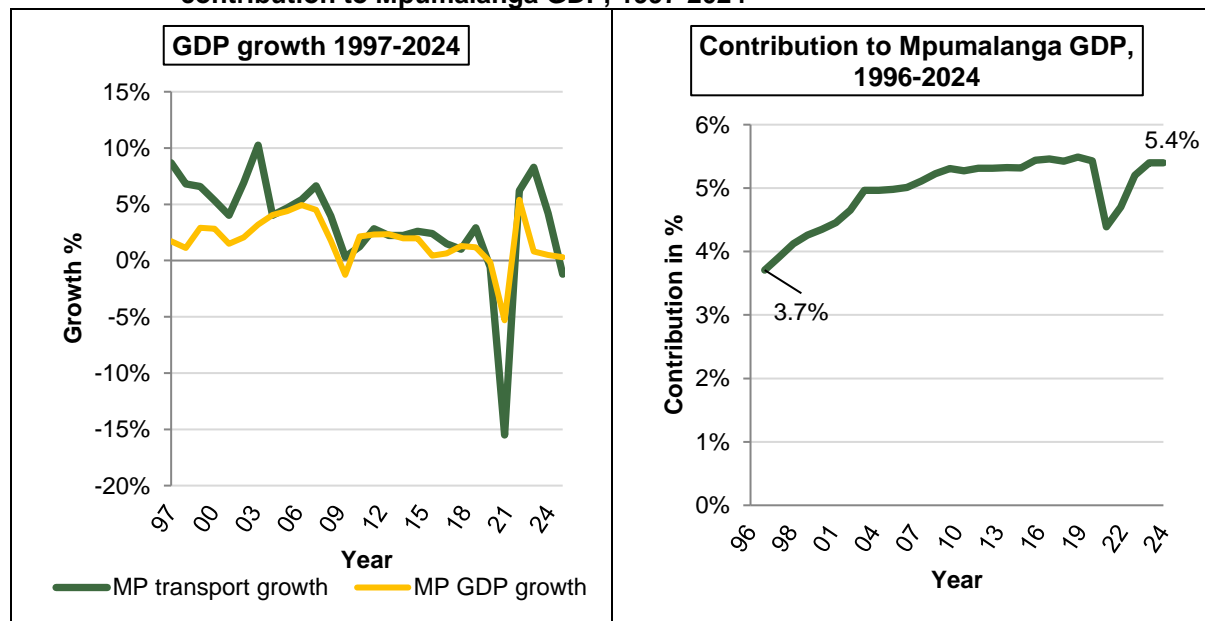
The transport industry contributed 5.4% to the provincial economy in terms of GDP in 2024 (Figure 2.39) and was the seventh largest industry in the province. It is evident that transport's contribution increased steadily from 3.7% in 1996 to the current level.

Figure 2.38: Comparative contribution to the domestic transport industry's GDP at basic prices (constant 2015 prices), 1996-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Figure 2.39: Transport industry (constant 2015 prices) – comparative GDP growth and contribution to Mpumalanga GDP, 1997-2024



Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Mpumalanga's transport industry does not hold a comparative advantage over the domestic transport

industry (Table 2.7) and it shows discouraging signals of decline over time (Table 2.8). The employment elasticity of the transport industry was calculated to be negative over the period 2015 to 2024 (Table 2.9). According to this figure, for every 1% GVA growth experienced in the transport industry the employment contraction was approximately 6.7%.

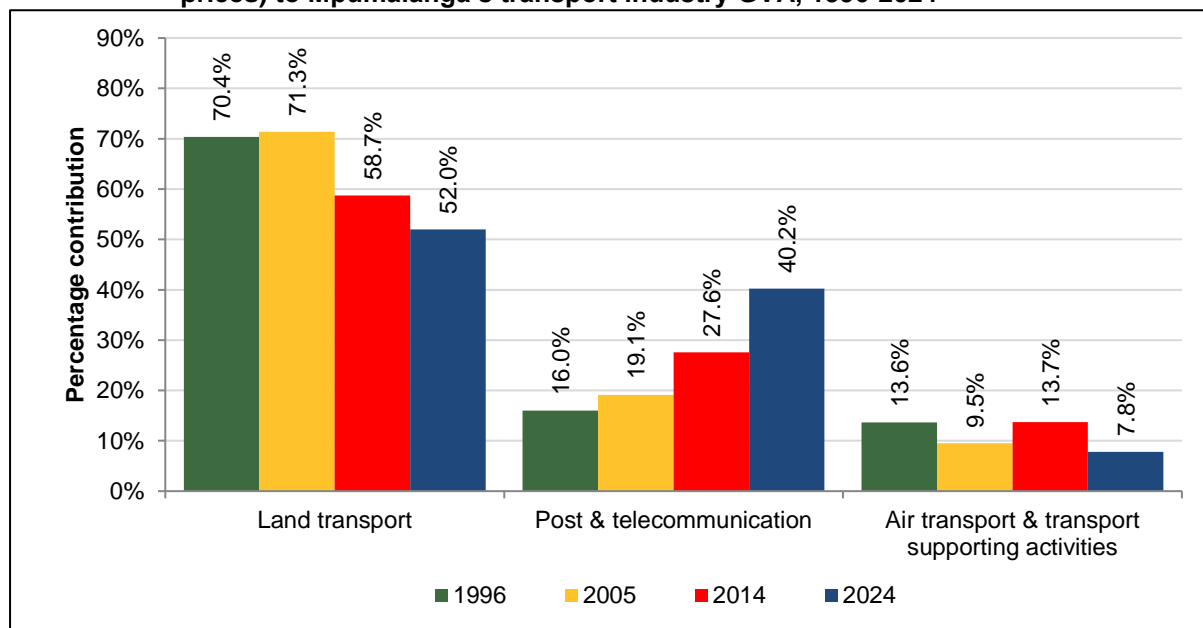
In 2024, the transport industry in Mpumalanga recorded the fifth highest/lowest labour productivity index score among the industries (Table 2.10). The transport industry was not a

highly labour intensive industry in 2024 (Figure 2.16). Despite the relatively high economic growth rate, the transport industry is not expected to be a driver of employment growth due to the negative employment elasticity coupled with the negative regional competitiveness effect (Figure 2.18).

Transport sub-industries

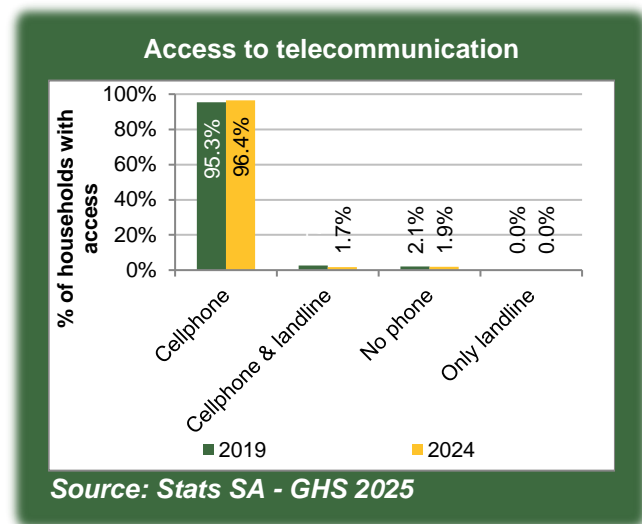
Figure 2.40 displays the relative size of the transport sub-industries. The land transport sub-industry was the largest transport sub-industry in 2024 with a share of 52.0%, while post and telecommunications was the second largest with a share of 40.2%. Between 1996 and 2024, the share of land transport decreased whilst that of post and telecommunications more than doubled. Over the 28-year period under review, post and telecommunication recorded the highest average annual growth of 6.7% followed by land transport (2.1%).

Figure 2.40: GVA contribution by Mpumalanga’s transport sub-industries (constant 2015 prices) to Mpumalanga’s transport industry GVA, 1996-2024



Source: S&P Global – ReX, December 2025

It is expected that the post and telecommunication sub-industry will record the fastest average annual



growth of 4.2% per annum over the 5-year period 2024 to 2029. According to Table 2.14, land transport (2.4% per annum) will record the slowest expansion between 2024 and 2029.

2.15.3 Finance industry

Mpumalanga made the fifth largest contribution to the domestic finance industry with a share in 2024 of 5.0% (Figure 2.41). Gauteng, with a 43.0% share, occupied first place in 2024, followed by Western Cape with an 18.2% contribution.

Between 1996 and 2024, the finance industry in Mpumalanga recorded the second highest average annual growth rate among the industries of 2.9% (Table 2.4). This was despite a severe slow-down experienced in 2020 of -15.5% (Figure 2.41). The provincial finance industry contracted by 1.2% in 2024 after achieving 4.2% growth in 2024. The future growth of 3.2% per annum is expected to be the highest annual growth and higher than the provincial economy's forecasted expansion of 2.0% per annum between 2024 and 2029 (Table 2.4).

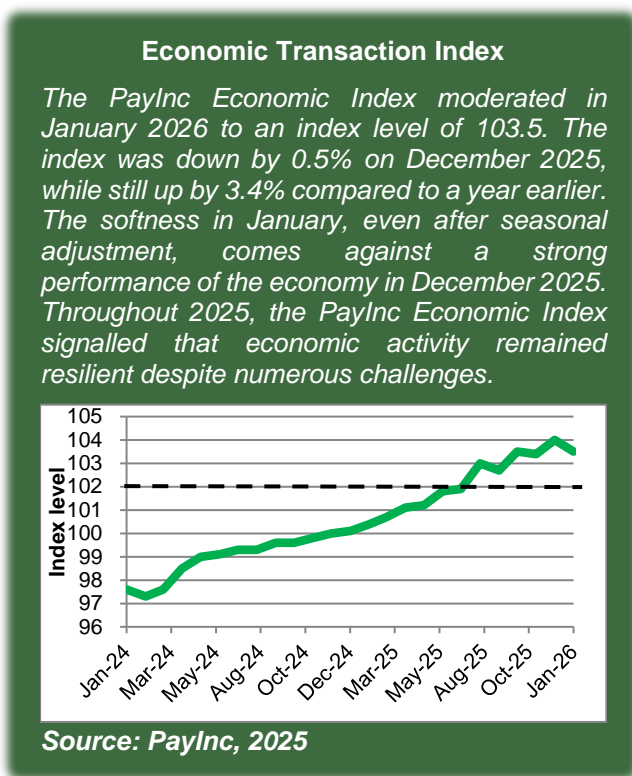
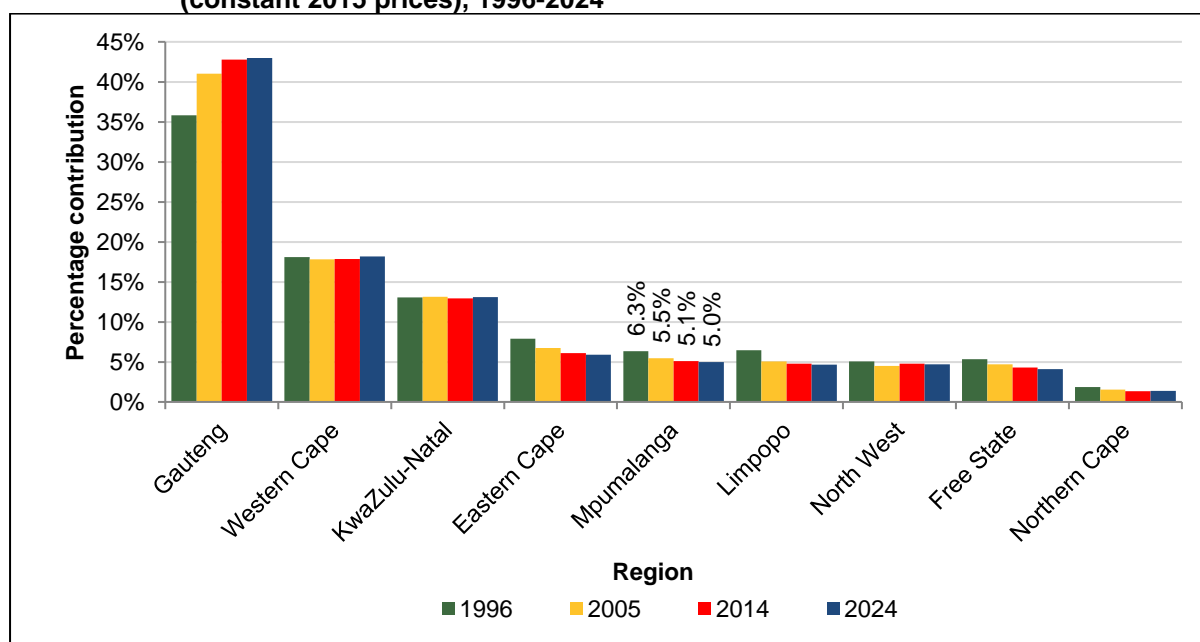


Figure 2.41: Comparative contribution to the domestic finance industry's GDP at basic prices (constant 2015 prices), 1996-2024

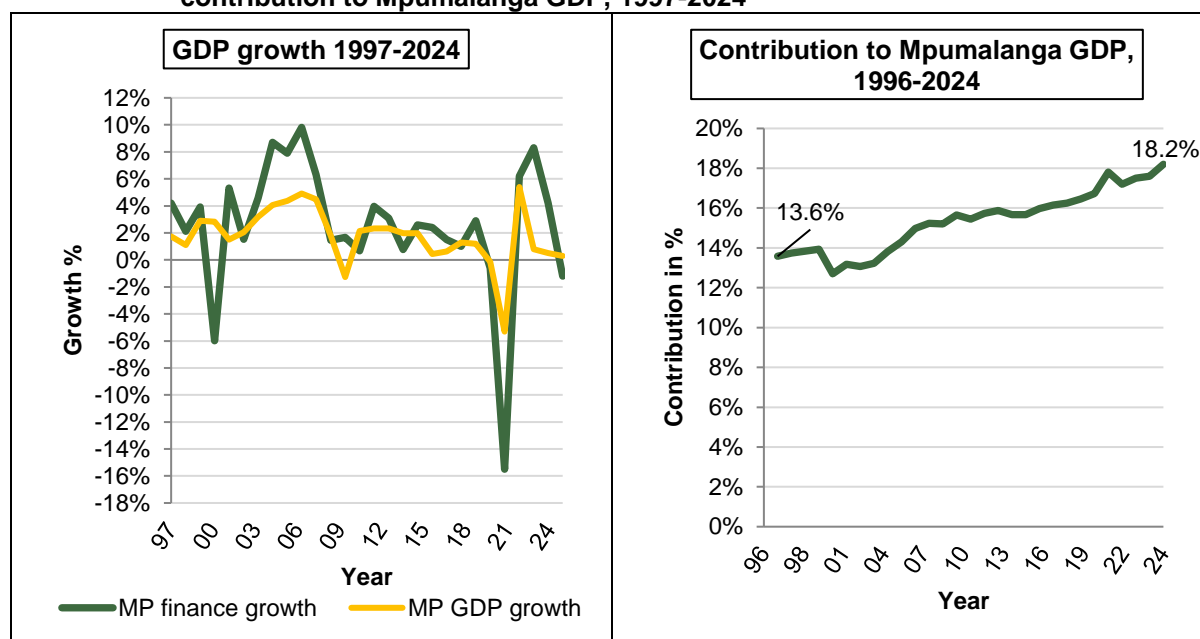


Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025

Although the Mpumalanga finance industry was not a large role-player nationally, it made the second

largest contribution to provincial GDP with an 18.2% contribution (Figure 2.42). It is evident that the contribution of the finance industry increased steadily between 1996 and 2024.

Figure 2.42: Finance industry (constant 2015 prices) – comparative GDP growth and contribution to Mpumalanga GDP, 1997-2024



**Sources: Stats SA – Provincial Gross Domestic Product 2024
S&P Global – ReX, December 2025**

Mpumalanga’s finance industry does not hold a comparative advantage over the domestic finance industry (Table 2.7), however, it experienced an increasing location quotient over time (Table 2.8). The employment elasticity of finance was 1.66 over the 9-year period under review (Table 2.9). Translated into actual terms, this figure indicates that every 1% economic growth was accompanied by approximately 1.7% employment growth in the finance industry.

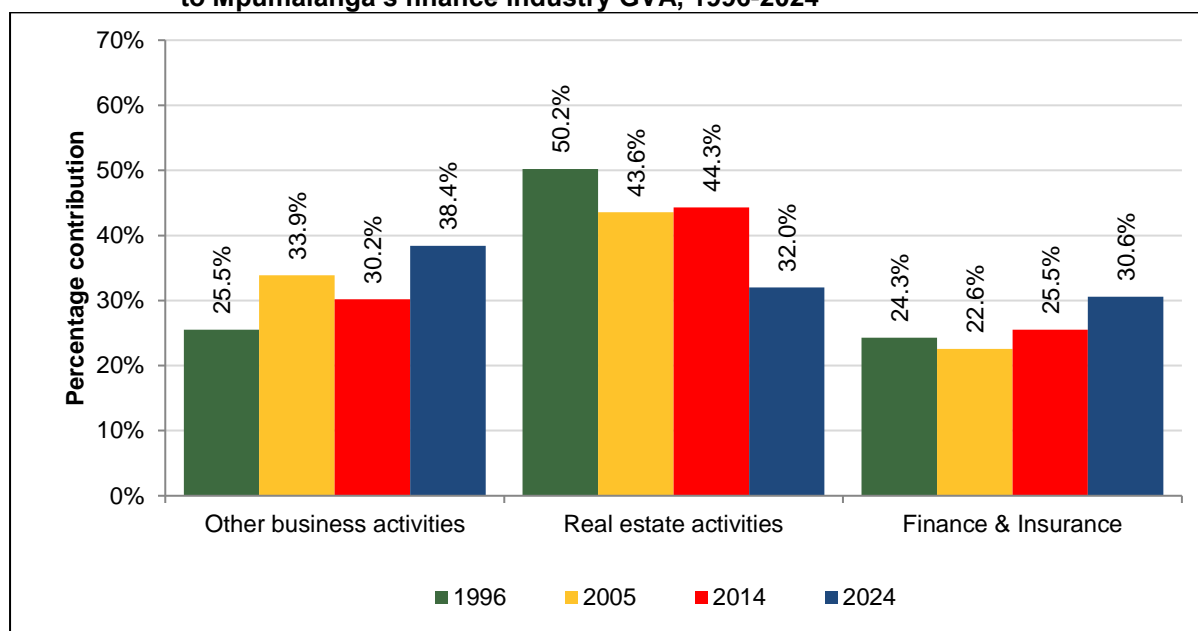
In 2024, the finance industry in Mpumalanga recorded the third highest labour productivity index score among the industries (Table 2.10). The finance industry exhibited a relatively low level of labour intensity in 2024 (Figure 2.16). Despite the anticipated economic growth it is expected that the finance industry may not experience high employment growth because of the low regional competitiveness effect (Figure 2.18).

Finance sub-industries

Figure 2.43 displays the relative size of the finance sub-industries. The other business activities sub-industry was the largest finance sub-industry in 2024, with a share of 38.4%, while the real estate activities sub-industry was the second largest with a share of 32.0%. Between 1996 and 2024, the share of finance and insurance as well as other business activities increased, whilst that of real estate activities declined.

Over the 28-year period under review, other business activities recorded the highest average annual growth of 4.4% followed by finance and insurance (3.8%). It is expected that the finance and insurance sub-industry will record the highest average annual growth over the 5-year period of 3.6%, and that other business activities will expand by 3.5% per annum between 2024 and 2029.

Figure 2.43: GVA contribution by Mpumalanga's finance sub-industries (constant 2015 prices) to Mpumalanga's finance industry GVA, 1996-2024



Source: S&P Global – ReX, December 2025

2.15.4 Personal services and government services industries (community services)

In terms of the provincial contribution to the domestic personal services industry, Mpumalanga was placed sixth in 2024, with Gauteng (22.8%) and KwaZulu-Natal (21.5%) the largest contributing provinces (Figure 2.44). In 2024, Mpumalanga was placed eighth in terms of the provincial contribution to the domestic government services industry, with a share of 4.6%.

Between 1996 and 2024, the personal services industry achieved an average annual growth rate of 2.5%, which was the third fastest, whereas the government services recorded growth of 1.1% per annum, which was slower than the average economic growth for the province. The personal services industry in Mpumalanga expanded by 1.2% in 2024 and government services by 0.3%. Between 2024 and 2029, personal services is expected to expand by 1.9% per annum and government services by 1.6% per annum, which will both be lower than the provincial economy's forecasted growth of 2.0% per annum (Table 2.4).

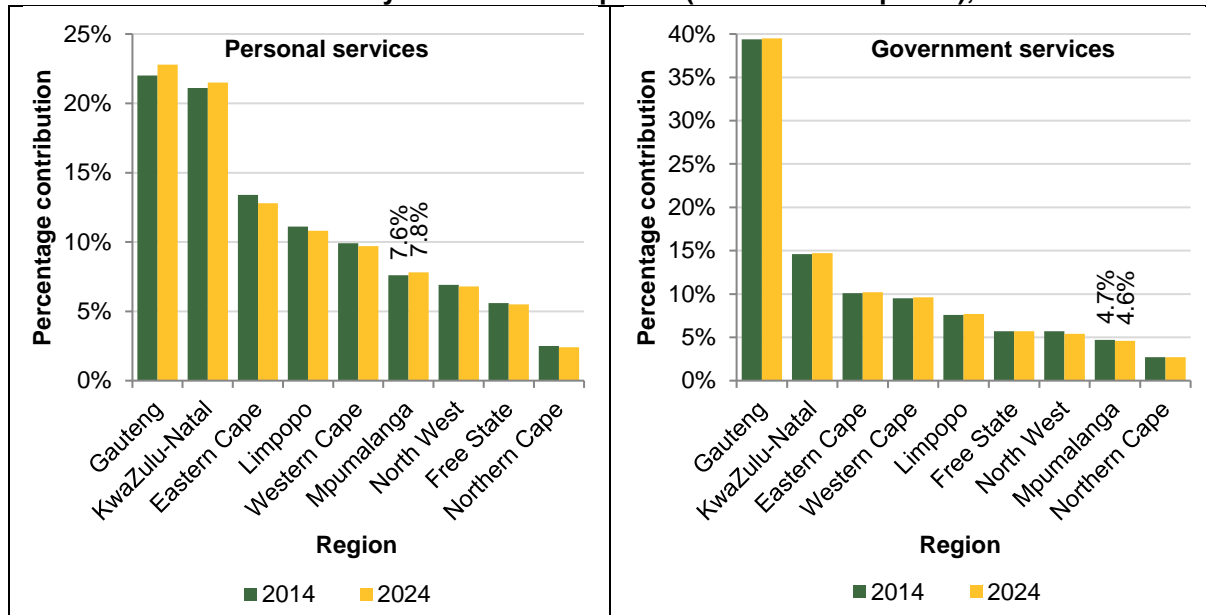
Despite the relatively small domestic contribution, the personal services industry was the largest contributor in the province with an 18.7% contribution, whereas government services was the fifth largest contributor with a 5.5% contribution (Figure 2.45). Because of the relatively fast growth rate over the period 1996 to 2024, relative to most other industries, the contribution of the personal services industry increased from its 17% share in 2013.

Since the Quarterly Labour Force Survey does not yet distinguish between personal services and government services, the combined community services will be assessed from this point forward. Mpumalanga's community services industry does not hold a comparative advantage over the domestic community services industry (Table 2.7) and experienced a declining location quotient over the past few years (Table 2.8). The employment elasticity of community services was 0.07 (Table 2.9). According to this figure, for every 1% economic growth experienced in the community services industry the

employment growth was approximately 0.1%.

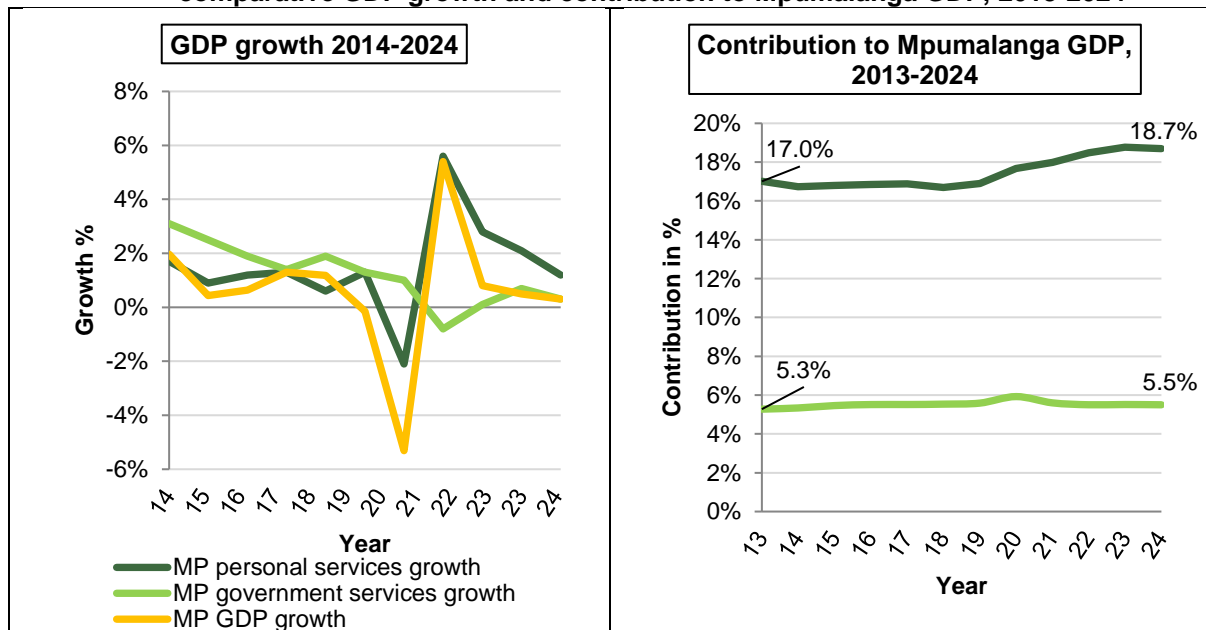
In the province, the community services industry recorded the sixth highest/fourth lowest labour productivity index score in 2024 (Table 2.10). The community services industry exhibited a relatively low level of labour intensity in both 2019 and 2024 (Figure 2.16). Despite the labour absorption potential and the positive employment elasticity, the negative regional competitiveness effect (Figure 2.18) should hamper the industry as an important employment role-player in the near future.

Figure 2.44: Comparative contribution to the domestic personal services and government services industry's GDP at basic prices (constant 2015 prices), 2014-2024



Source: Stats SA – Provincial Gross Domestic Product 2024

Figure 2.46: Personal services and government services industries (constant 2015 prices) – comparative GDP growth and contribution to Mpumalanga GDP, 2013-2024

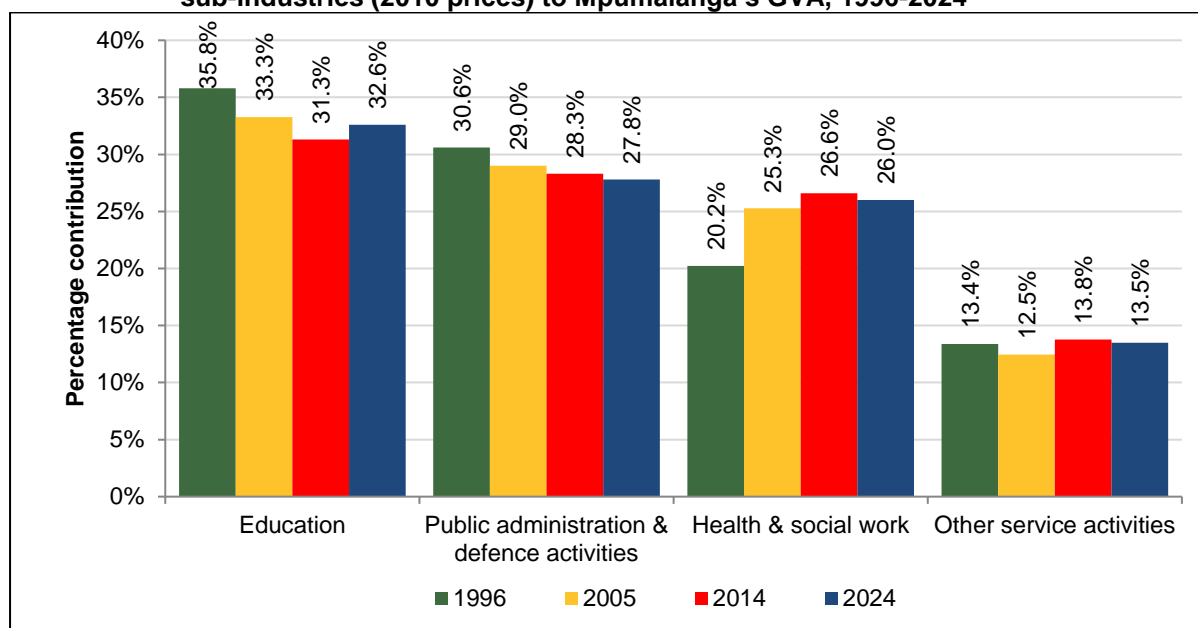


Source: Stats SA – Provincial Gross Domestic Product 2024

Personal services and government services sub-industries

Figure 2.46 displays the relative size of the personal services and government services sub-industries. The education sub-industry was the largest sub-industry in 2024 with a share of 32.6%, while public administration and defence was the second largest with a share of 27.8%. Between 1996 and 2024, the shares of education as well as public administration and defence declined, whilst that of the other two sub-industries increased.

Figure 2.46: GVA contribution by Mpumalanga’s personal services and government services sub-industries (2010 prices) to Mpumalanga’s GVA, 1996-2024



Source: S&P Global – ReX, December 2025

Over the 28-year period under review, the health and social work sub-industry recorded the highest average annual growth of 3.1%. Between 2024 and 2029, it is expected that the education sub-industry (1.9%) should expand the fastest (Table 2.14).

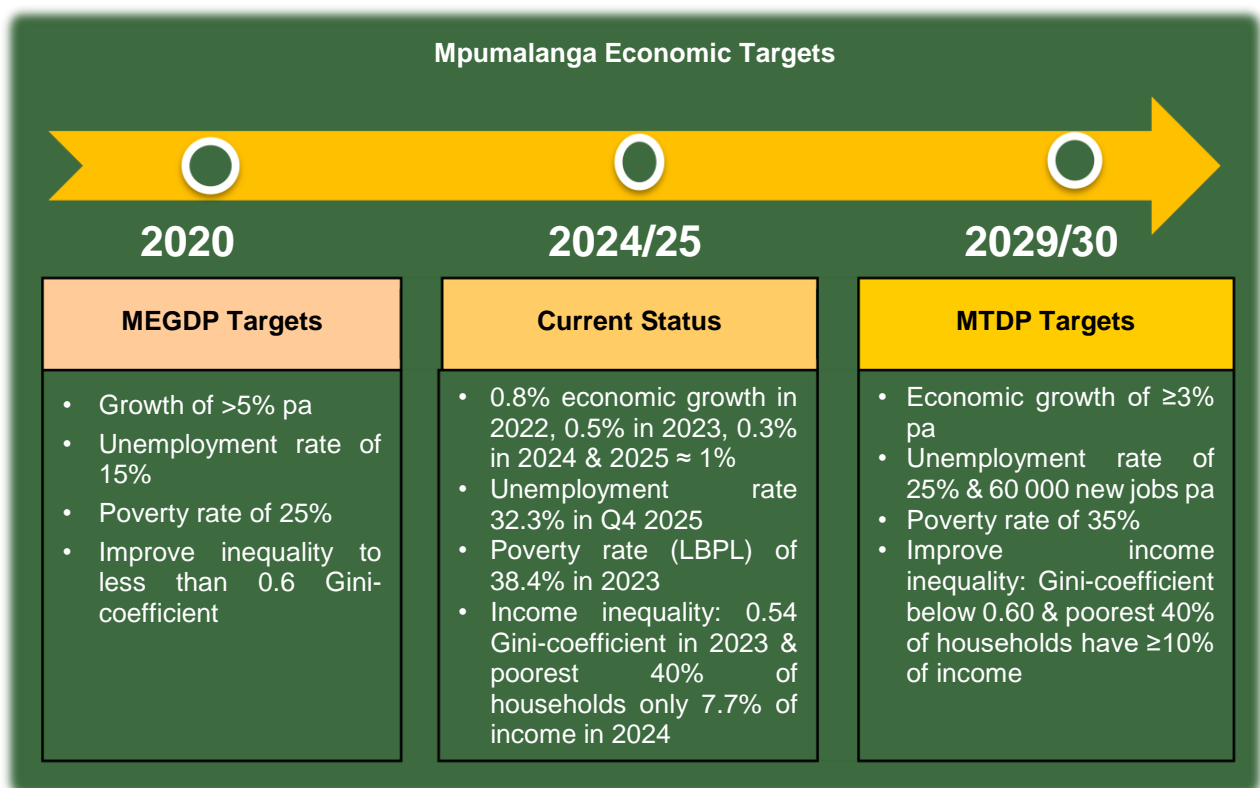
2.16 Conclusion and considerations

In 2024, Mpumalanga’s economy accounted for 7.7% of South Africa’s GDP at current prices. However, due to structural disparities between Mpumalanga and the broader national economy, the province has historically exhibited below-average economic growth over the past 28 years, with only occasional deviations from this trend. Mpumalanga’s continued dependence on the mining industry is expected to weigh on long-term growth, particularly as the industry faces structural and cyclical pressures. A deliberate strategy to deepen and diversify the province’s secondary and tertiary sectors could enhance resilience, raise productivity and place Mpumalanga on a higher and more sustainable growth trajectory relative to other provinces.

A comprehensive analysis reveals that Mpumalanga’s economic growth has consistently lagged behind employment growth for most of the observed period, indicating a disconnect between output expansion and labour market dynamics. In 2024, the province ranked sixth nationally—or fourth lowest—on the Inclusive Growth Index, reflecting persistent structural challenges. Between 2019 and 2024,

Mpumalanga recorded the third-lowest improvement in inclusive growth scores, underscoring slow progress in broad-based economic development. Over this period, labour productivity increased in three industries, while five industries were identified as labour-intensive in 2024. The province exhibited a comparative advantage in three industries, with two positioned as high-potential growth sectors and three classified as pre-emergent industries. However, Mpumalanga demonstrated a distinct regional competitive advantage in only three industries, highlighting the need for targeted policy interventions to enhance economic diversification and competitiveness.

To sustain employment flexibility and improve labour productivity, Mpumalanga must actively cultivate entrepreneurship, strengthen its human capital and leverage its existing comparative and regional competitive advantages. Central to this is addressing the current skills shortage within the provincial economy, which continue to constrain firm expansion, innovation and employment absorption.



It is therefore recommended that there needs to be a focus on:

- **Accelerating Economic Transition:** Mpumalanga should expedite its structural shift toward a knowledge-based and service-oriented economy. This transition should be anchored in enhancing manufacturing capabilities, which serve as a catalyst for broader industrial development.
- **Strengthening Innovation and Technology Adoption:** Targeted investments in research and development are essential to foster innovation and drive productivity gains in emerging sectors.
- **Deepening Entrepreneurship and Enterprise Development:** A dynamic entrepreneurial ecosystem should be cultivated by tailoring policies to industry-specific needs, enabling the growth of high-value niche enterprises.
- **Prioritising Infrastructure Development:** Expedited implementation of provincial infrastructure

plans and the attraction of private sector investment are crucial to unlocking growth potential and enhancing economic efficiency.

- Implementing Targeted Strategic Programmes: The adoption of the Manufacturing Investment and Development Program (MIDP) and the Mpumalanga Economic Reconstruction and Recovery Plan (MERRP) is imperative to drive industrial expansion and economic resilience.
- Adopting Industry Differentiated Growth Strategies: Policymakers should recognize that uniform growth targets may not be effective across all sectors. Some industries may contribute significantly to GDP growth while generating fewer employment opportunities, necessitating sector-specific interventions.

CHAPTER 3: PROVINCIAL LABOUR MARKET PERFORMANCE AND OUTLOOK

Mpumalanga's labour market characteristics spanning mainly the 5-year period from Q4 2020 to Q4 2025 are analysed in this chapter. The profile of Mpumalanga's labour force, employment, unemployment and the occupational profile of the province are discussed in detail. Mpumalanga's performance was compared with the national situation as well the other eight provinces. The main data source was Stats SA's Quarterly Labour Force Survey (QLFS).

3.1 Labour force profile

The national employment figure increased from 17.08 million in Q4 2024 to 17.10 million in Q4 2025. The national economy gained 21 067 jobs on an annual basis and gained 44 085 jobs on a quarterly basis. The national unemployment rate (official definition) was 31.4% in Q4 2025, which was slightly lower than the 31.9% recorded in Q4 2024. The combined rate of unemployment and potential labour force, however, increased/worsened from 41.9% in Q4 2024 to 42.1% in Q4 2025.

The national labour absorption rate was 40.6% at the end of Q4 2025, which was lower/weaker than the 41.1% registered in Q4 2024. In Q4 2020, the absorption rate, which is in essence the ratio of working age adults that are employed, was 38.2%. The labour force participation rate in Q4 2025 (59.3%) was also lower/weaker than the rate recorded a year earlier in Q4 2024 (60.3%).

Table 3.1 depicts the labour force profile of the province. The provincial labour force of 1.89 million individuals was 25 504 less in Q4 2025 than in Q4 2024. The number of employed (1 283 251) in Q4 2025 was 28 717 higher than in Q4 2024 and the highest recorded employment number for the province since data collection for Mpumalanga began. Over a 5-year period from Q4 2020 to Q4 2025, the number of employed increased by 135 176. The number of unemployed declined/improved by 54 222 to 611 472 between Q4 2024 and Q4 2025. Over a 5-year period from Q4 2020 to Q4 2025, the number of unemployed increased by 45 636.

Table 3.1: Labour force profile of Mpumalanga, 2020-2025

Indicator	Q4 2020	Q4 2024	Q4 2025	5-year change	1-year change
	'000	'000	Number '000	'000	'000
- Working age population (15-64 years)	3 016	3 189	3 228	213	40
- Labour Force/EAP	1 714	1 920	1 895	181	-26
- Employed	1 148	1 255	1 283	135	29
- Unemployed	566	666	611	46	-54
- Outside the labour force	1 302	1 268	1 333	32	65
	Rate				
	%	%	%	%	%
- Unemployment rate	33.0	34.7	32.3	-0.7	-2.4
- Combined rate & potential labour force	46.4	47.2	46.3	-0.1	-0.9
- Absorption rate	38.1	39.3	39.8	1.7	0.5
- Labour force participation rate	56.8	60.2	58.7	1.9	-1.5

Source: Stats SA – QLFS, 2026

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

The unemployment rate (official definition) of 32.3% was 2.4 percentage points lower/better in Q4 2025 than a year earlier. Reflecting the recent improvements, the unemployment rate was also 0.7 of a

percentage point lower than five years earlier. Mpumalanga’s unemployment rate according to the combined rate of unemployment and potential labour force was 46.3% in Q4 2025, which was lower/better than the 47.2% recorded in Q4 2024. Over the last year, the labour force participation rate declined/weakened to 58.7% whereas the labour absorption rate recorded an annual increase/improvement to 39.8%.

3.2 Economically active population

The economically active population (EAP), or labour force, comprises of two components (1) employed individuals and (2) unemployed individuals. EAP is defined as the number of persons between the ages of 15 and 64 that are able and willing to work. The EAP is also referred to as the labour force.

South Africa’s EAP was 24.9 million in Q4 2025 (Table 3.2), an increase of 2.1 million over Q4 2020. Mpumalanga’s EAP increased by 180 812 over the 5-year period but declined by 25 504 over the 1-year period to 1.89 million. The Mpumalanga figure represented 7.6% of the national EAP in Q4 2025 and Gauteng recorded the highest EAP number in Q4 2025 of 7.7 million individuals.

Table 3.2: EAP of South Africa and provinces, 2020-2025

Region	Q4 2020		Q4 2025		5-year change	
	'000	% of National	'000	% of National	'000	Average annual %
Western Cape	3 018	13.6	3 548	14.2	530	3.3
Eastern Cape	2 374	10.7	2 393	9.6	19	0.2
Northern Cape	431	1.9	462	1.9	31	1.4
Free State	1 119	5.0	1 227	4.9	8	1.9
KwaZulu-Natal	3 488	15.7	4 010	16.1	522	2.8
North West	1 416	6.4	1 500	6.0	84	1.2
Gauteng	6 935	31.2	7 739	31.0	804	2.2
Mpumalanga	1 714	7.7	1 895	7.6	181	2.0
Limpopo	1 762	7.9	2 160	8.7	398	4.2
South Africa	22 257	100.0	24 935	100.0	2 138	2.3

Source: Stats SA – QLFS, 2026

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

The majority of Mpumalanga’s labour force in Q4 2025 was males with some 1.05 million individuals or 55.6% of the provincial total EAP. This was higher than the 54.1% recorded in Q4 2020. In Q4 2025, the remainder (44.4%) of the EAP was females, which was lower than the share recorded in Q4 2020. Figure 3.1 compares the EAP by gender and age in Mpumalanga between Q4 2020 and Q4 2025.

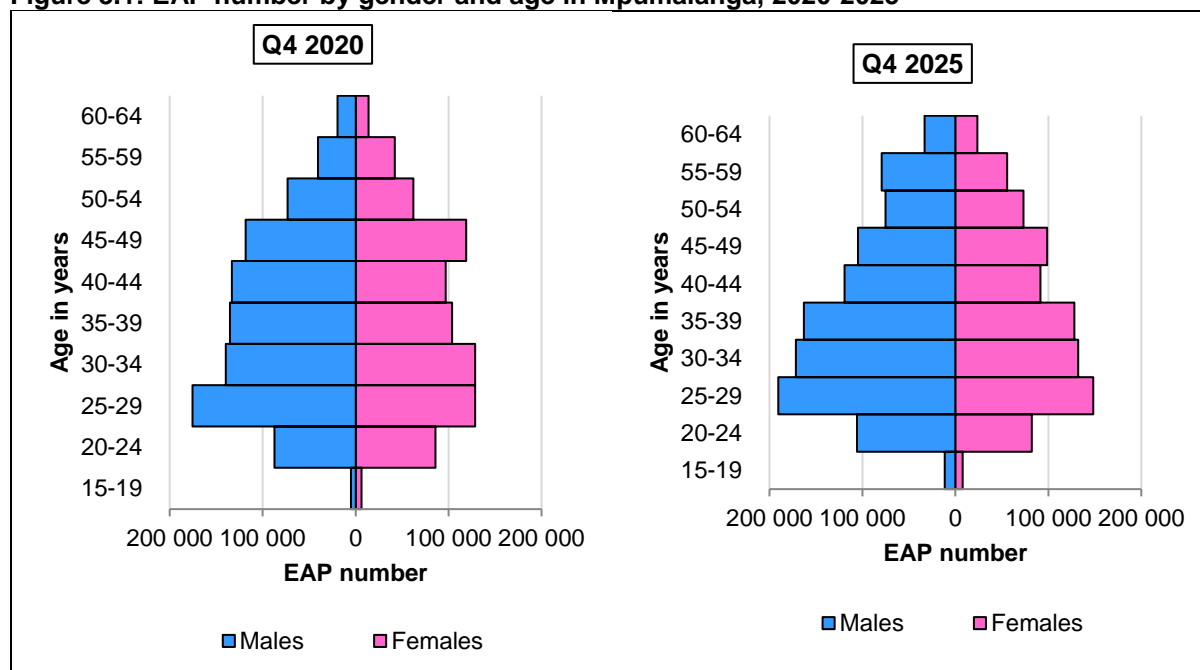
The youth of working age (15-34 years¹⁵) made up 44.8% of the total number of the labour force in Q4 2025. This was slightly higher than five years earlier when the youth of working age contributed 44.1%. The age cohort of 25-29 years represented the most populous age cohort with 338 652 individuals or some 17.9% of the provincial EAP in Q4 2025. The 25-29 year age cohort was also the most populous in Q4 2020 with a share of 17.7%.

According to Table 3.3, Africans/Blacks formed the majority of both South Africa and Mpumalanga’s EAP. In Q4 2025, 93.4% of the provincial EAP were Africans/Blacks compared with 80.9% nationally.

¹⁵ 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 South Africa utilizes a broader definition, covering individuals between the ages of 15 and 34 years.

Whites contributed some 5.1% to Mpumalanga’s EAP, followed by Indian/Asians (0.8%) and Coloureds (0.7%). Africans/Blacks’ share in the provincial EAP increased from 92.3% in Q4 2020 to the current level as did the shares of the Indian/Asian and Coloured population groups.

Figure 3.1: EAP number by gender and age in Mpumalanga, 2020-2025



Source: Stats SA – QLFS, 2026

Table 3.3: EAP according to population group in South Africa and Mpumalanga, 2020-2025

Population group	South Africa		Mpumalanga	
	Q4 2020	Q4 2025	Q4 2020	Q4 2025
African/Black	79.5%	80.9%	92.3%	93.4%
Coloured	9.2%	8.9%	0.2%	0.7%
Indian/Asian	2.6%	2.5%	0.6%	0.8%
White	8.7%	7.7%	6.9%	5.1%
Total	100.0%	100.0%	100.0%	100.0%

Source: Stats SA – QLFS, 2026

3.2.1 Labour force participation rate

The labour force participation rate (EAP/working age population) is the proportion of the working population (employed or unemployed) out of the total population of working age (15 to 64). In Q4 2025, South Africa’s working age population numbered 42.1 million, with a labour force, or in other words EAP, of 24.9 million, which resulted in a labour force participation rate of 59.3%. The national labour force participation rate increased from 56.6% in Q4 2020 as shown in Table 3.4.

Mpumalanga’s participation rate of 58.7% in Q4 2025 was marginally lower than the comparative national rate and the fourth highest amongst the provinces. The Mpumalanga participation rate showed an increase from 56.6% at the start of the period under review. In Q4 2025, Western Cape (68.8%) registered the highest participation and KwaZulu-Natal (51.5%) finished the period under review with the lowest labour force participation rate.

Table 3.4: Labour force participation rate in South Africa and provinces, 2020-2025

Region	Q4 2020 %	Q4 2025 %
Western Cape	63.3	68.8
Eastern Cape	54.3	51.7
Northern Cape	52.9	54.4
Free State	58.4	63.1
KwaZulu-Natal	48.0	51.5
North West	53.2	52.6
Gauteng	65.2	67.2
Mpumalanga	56.8	58.7
Limpopo	45.9	52.6
South Africa	56.6	59.3

Source: Stats SA – QLFS, 2025

3.2.2 Labour absorption rate

Labour absorption is the proportion of the population of working age that is employed. The percentage of new entrants to the population of working age that find jobs in the formal sector of the economy is referred to as the labour absorption capacity of the economy.

Table 3.5 indicates that South Africa recorded an average labour absorption rate of 40.6% in Q4 2025, an increase from 38.2% in Q4 2020. Mpumalanga's labour absorption rate was 39.8% at the end of the period under review, better than at the start of the period under review but lower than the national rate. This rate in Mpumalanga warns that only slightly less adults of working age (and those younger and older than working age) were dependent on the number of employed in Mpumalanga than five years ago. Mpumalanga held the third highest labour absorption rate with Western Cape (56.3%) leading. Eastern Cape recorded the lowest labour absorption rate of 29.7% in Q4 2025.

Table 3.5: Labour absorption rate in South Africa and provinces, 2020-2025

Province	Q4 2020 %	Q4 2025 %
Western Cape	49.0	56.3
Eastern Cape	28.3	29.7
Northern Cape	37.7	39.7
Free State	38.9	39.7
KwaZulu-Natal	33.8	34.9
North West	35.5	34.1
Gauteng	43.0	45.0
Mpumalanga	38.1	39.8
Limpopo	33.1	37.8
South Africa	38.2	40.6

Source: Stats SA – QLFS, 2026

3.3 Employment

The national labour market gained 2.0 million jobs over the past five years. In total over the past five years, Mpumalanga recorded 135 176 more jobs. All provinces recorded job gains over the 5-year period and Mpumalanga's gain in employment number was the sixth highest (Table 3.6). Western Cape (569 359) gained the most over the 5-year period. Between Q4 2024 and Q4 2025 Mpumalanga gained 28 717 jobs. Total employment in Mpumalanga constituted 7.5% of employment in the country in Q4 2025, which was marginally lower than the 2020 share of 7.6%.

In Q4 2025, the majority of Mpumalanga’s employed was males with 759 221 individuals or 59.2% of the provincial total number of employees. The share was higher than the 58.1% recorded in Q4 2020. The remainder of the employed in Q4 2025 was females, and the 40.8% share was lower than the 41.9% recorded in Q4 2020. Figure 3.2 compares employment by gender and age in Mpumalanga between Q4 2020 and Q4 2025.

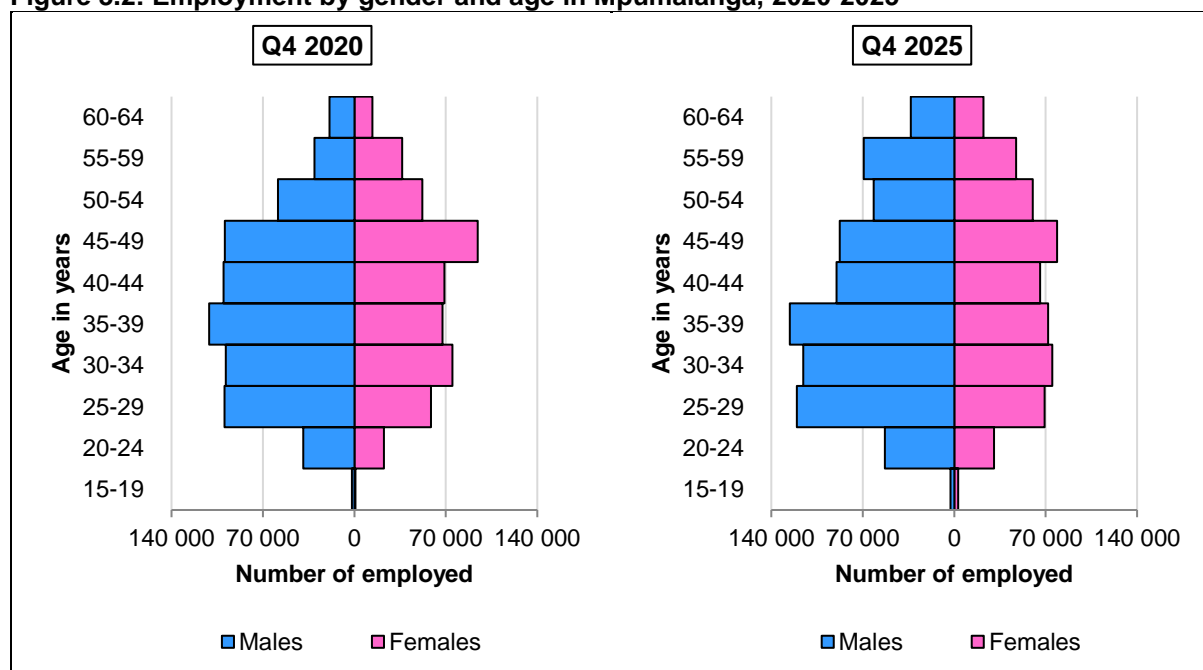
Table 3.6: Changes in employment in South Africa and provinces, 2020-2025

Region	Q4 2020 '000	Q4 2024 '000	Q4 2025 '000	5-year change '000	1-year change '000
Western Cape	2 338	2 812	2 907	569	95
Eastern Cape	1 236	1 455	1 377	141	-79
Northern Cape	308	355	337	29	-18
Free State	745	750	771	26	21
KwaZulu-Natal	2 454	2 892	2 716	261	-176
North West	944	935	973	29	38
Gauteng	4 570	5 081	5 183	613	102
Mpumalanga	1 148	1 255	1 283	135	29
Limpopo	1 281	1 543	1 552	271	9
South Africa	15 024	17 078	17 099	2 075	21

Source: Stats SA – QLFS, 2026

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

Figure 3.2: Employment by gender and age in Mpumalanga, 2020-2025



Source: Stats SA – QLFS, 2026

The youth of working age (15-34 years) made up 36.6% of the total number of employed in Q4 2025. This was higher than five years earlier when the youth of working age contributed 31.8%. The age cohort of 35-39 years represented the most populous age cohort with 197 716 individuals or some 15.4% of the provincial employed in Q4 2025. The 45-49 years age cohort was the most populous in Q4 2020 with a share of 15.6%.

In Q4 2025, Africans/Blacks dominated employment in Mpumalanga with a share of 91.2% of the provincial employment numbers. This was considerably higher than the share of Africans/Blacks

(76.4%) nationally. Whites contributed some 7.0%, whilst Indians/Asians (1.2%) and Coloureds (0.6%) contributed the remainder of the provincial employment numbers. African's/Black's share in the provincial employment numbers increased from 89.7% in Q4 2020 to the current level, whereas the shares of Whites declined. Employment according to population group is displayed in Table 3.7.

Table 3.7: Employment according to population group in South Africa and Mpumalanga, 2020-2025

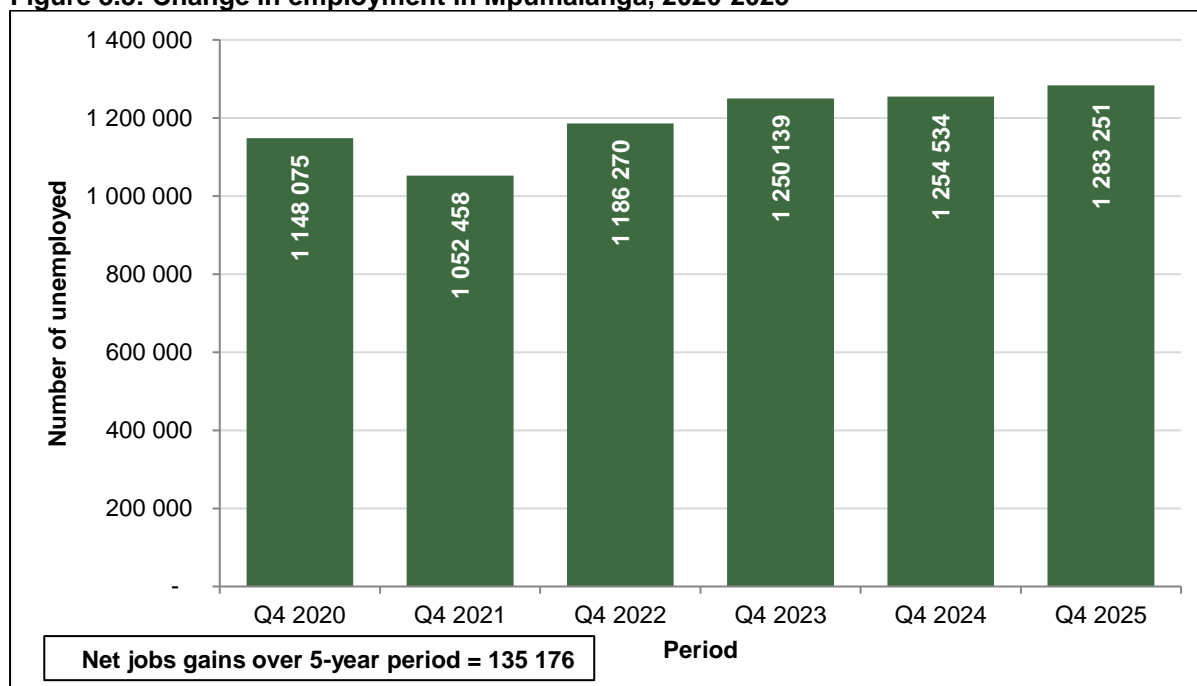
Population group	South Africa		Mpumalanga	
	Q4 2020	Q4 2025	Q4 2020	Q4 2025
African/Black	74.7%	76.4%	89.7%	91.2%
Coloured	10.2%	10.2%	0.4%	0.6%
Indian/Asian	3.4%	3.1%	0.8%	1.2%
White	11.7%	10.3%	9.1%	7.0%
Total	100.0%	100.0%	100.0%	100.0%

Source: Stats SA – QLFS, 2026

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

The lowest number of employed in the province over the 5-year period was measured in Q4 2021 at 1 052 458. The latest employment number in Q4 2025 was 230 793 higher than in Q4 2021, and 135 176 higher than in Q4 2020. The increase in job numbers over the last year was the fourth consecutive annual increase after declines due to COVID-19. The change in total employment from Q4 2020 to Q4 2025 is displayed in Figure 3.3.

Figure 3.3: Change in employment in Mpumalanga, 2020-2025



Source: Stats SA – QLFS, 2026

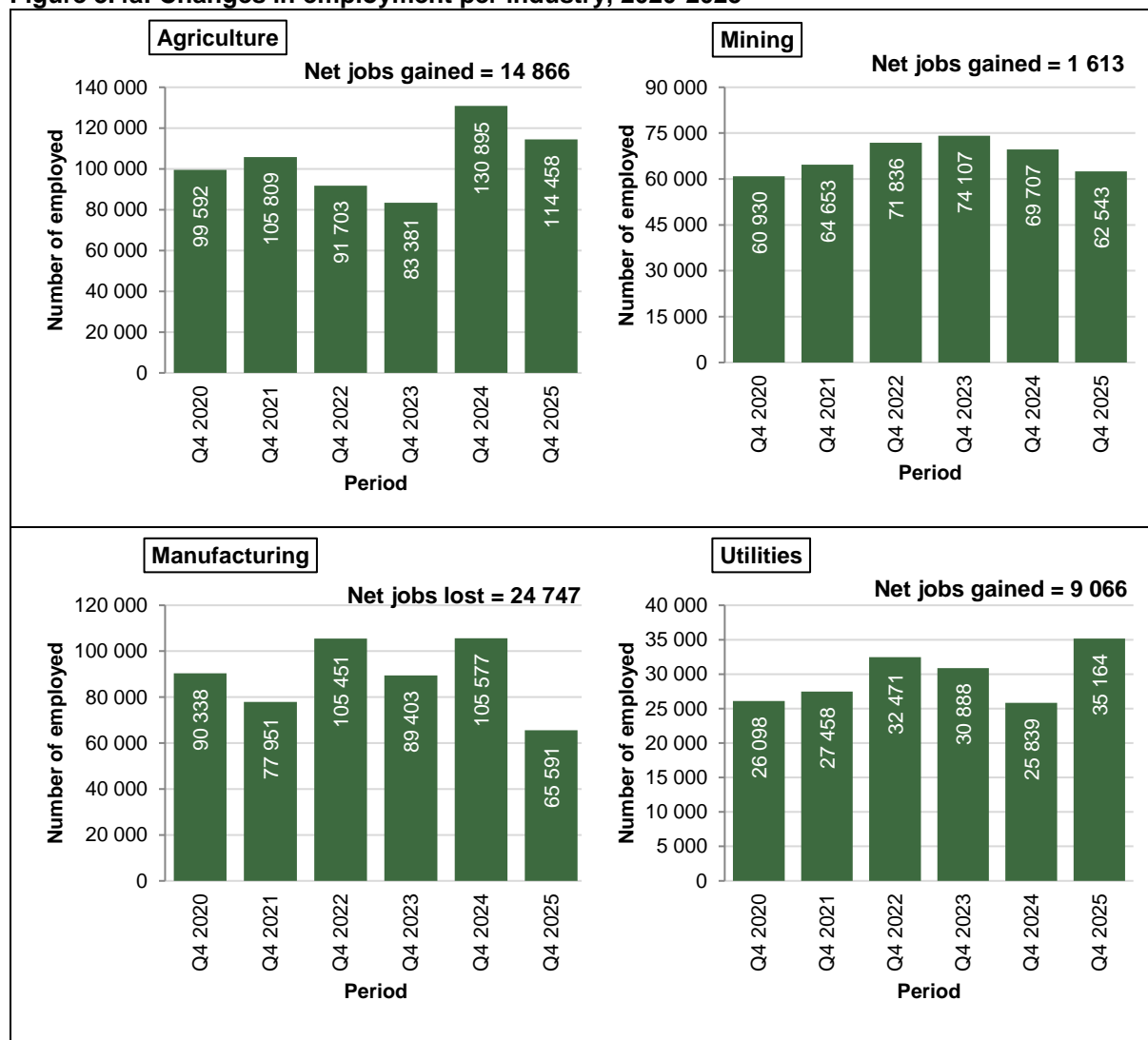
Figures 3.4a and 3.4b clearly illustrate that seven out of the ten major employment industries in Mpumalanga recorded higher employment levels in Q4 2025 compared to Q4 2020. Among these, construction saw the most significant job growth, with an increase of 38 734 jobs over the five-year period. This was followed by finance, which added 36 861 jobs, and trade, which saw an expansion of 34 892 jobs. Manufacturing experienced the sharpest decline in employment, shedding 24 747 jobs.

Transport also recorded a substantial loss of 8 145 jobs.

When examining average annual employment growth rates, construction led the way with an 8.7% average annual growth rate over the five-year period, highlighting the sector’s expansion. In contrast, employment in manufacturing contracted the fastest, registering an average annual decline of 6.2%.

Over the last year, from Q4 2024 to Q4 2025, employment numbers increased in five employment industries and declined in five. The largest increase in employment numbers over the last year, was experienced in trade (45 060) and the largest decline in job numbers on an annual basis was recorded in manufacturing (-39 986).

Figure 3.4a: Changes in employment per industry, 2020-2025



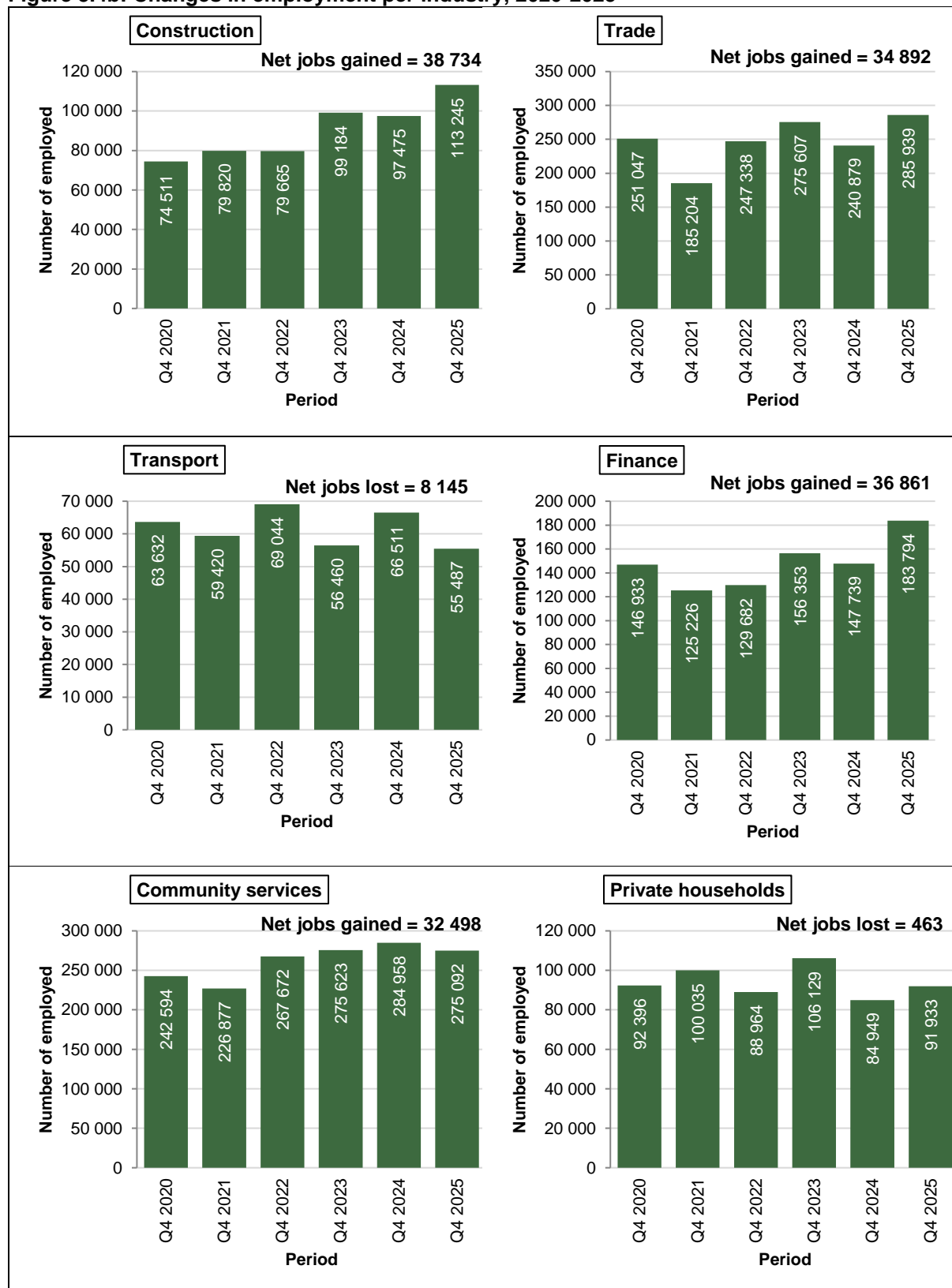
Source: Stats SA – QLFS, 2026

Employment target

The MTDP targets the creation of 60 000 jobs per annum up to 2029/2030 in Mpumalanga. If it materialise, some 300 000 more people in Mpumalanga should be in employment by the end of 2030 than in 2025. The 300 000 new jobs equates to an annual average employment growth of 4.3%. Figure 3.5 depicts historical employment numbers and required employment growth in Mpumalanga. It is

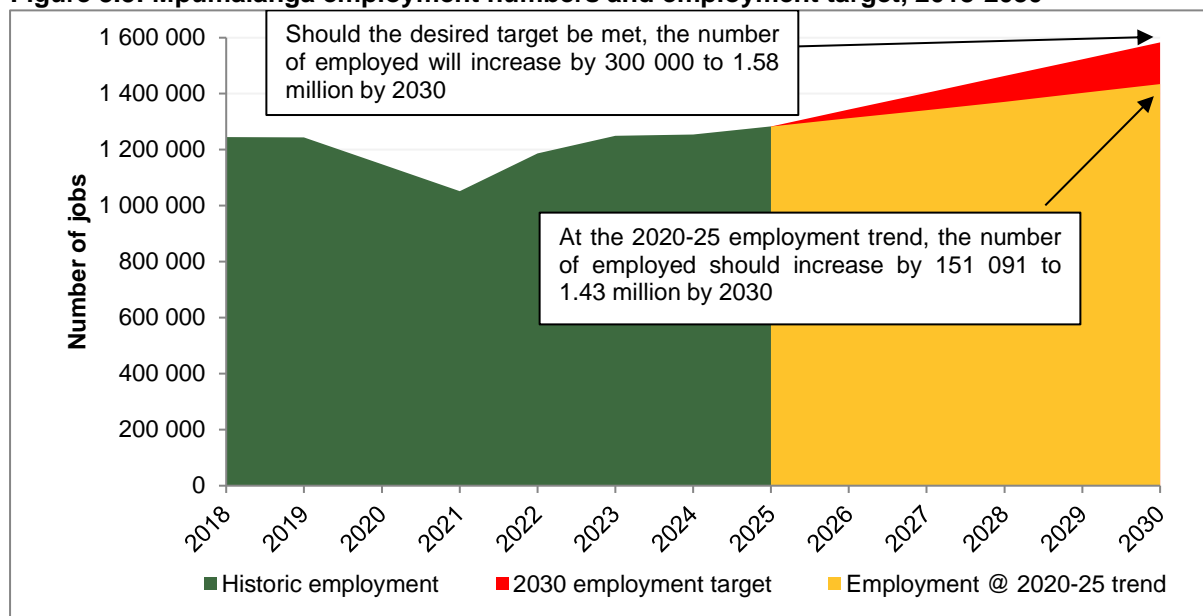
evident from the illustration that the employment increase of 2.0% per annum – the average annual employment growth between 2020 and 2025 – will result in a lower employment number than the envisaged target of 1.58 million jobs by 2030.

Figure 3.4b: Changes in employment per industry, 2020-2025



Source: Stats SA – QLFS, 2026

Figure 3.5: Mpumalanga employment numbers and employment target, 2018-2030



Source: Statistics South Africa – QLFS, 2026 & calculations based thereon

3.3.1 Aggregate employment

In Mpumalanga, the formal employees' share of total employment declined from 67.2% in Q3 2025 to 65.4% in Q4 2025. The formal sector in Mpumalanga (65.4%) recorded a significantly smaller share of total employment than was the case nationally (72.0%). In Mpumalanga, the informal sector's share increased from 26.1% in Q3 2025 to 27.5% in Q4 2025 on a quarterly basis. Table 3.8 shows the aggregated employment composition of employment in South Africa and the province between Q3 2025 and Q4 2025 only, after updates to the QLFS.

Table 3.8: Aggregate employment in South Africa & Mpumalanga, 2025

Sector	Q3 2025		Q4 2025	
	SA	MP	SA	MP
Formal sector	70.3%	67.2%	72.0%	65.4%
Informal sector ¹⁶	23.2%	26.1%	21.4%	27.5%
Private households	6.5%	6.6%	6.6%	7.2%
Total	100.0%	100.0%	100.0%	100.0%

Source: Stats SA – QLFS, 2026

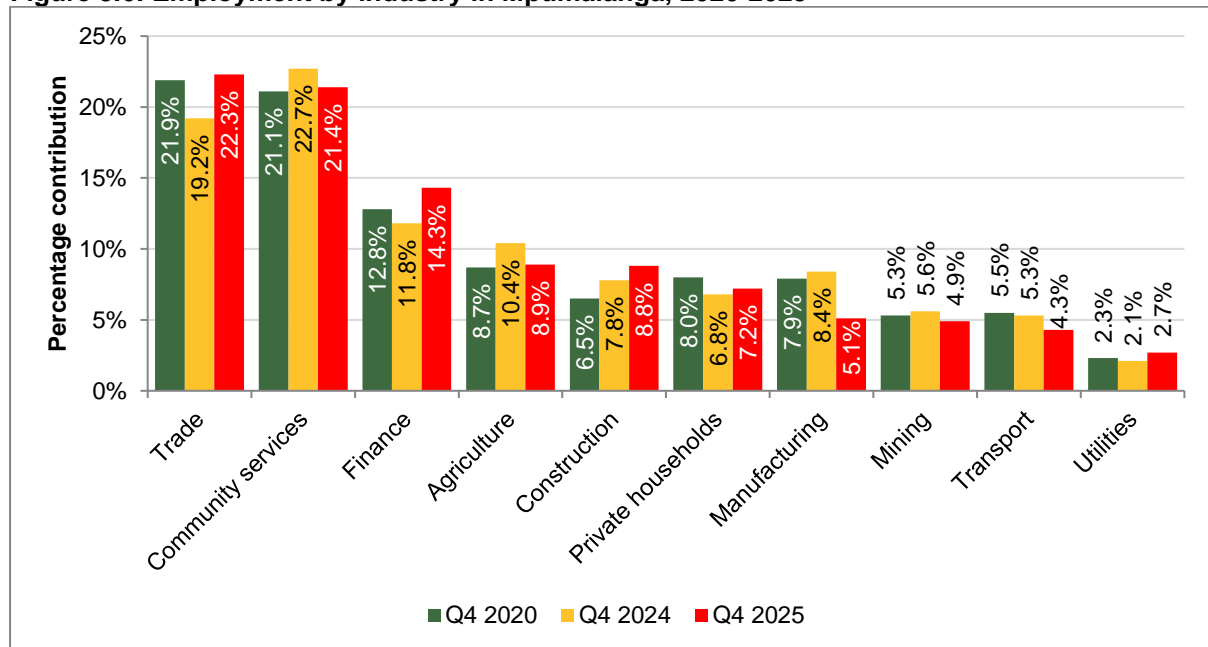
3.3.2 Employment by industry in Mpumalanga

Figure 3.6 depicts employment by industry in Mpumalanga in the fourth quarters of 2020, 2024 and 2025, respectively. Trade (22.3%) and community services (21.4%) employed the largest shares of individuals in the province in Q4 2025. The share of community services declined over the last 12 months and the share of trade increased. Over the 5-year period, the contribution of both the largest employment contributors increased.

¹⁶ The informal sector comprising economic units whose production is mainly intended for the market with the purpose of generating income and profit, but that is not formally recognized as producers of goods and services distinct from the own-use production of the owner-operators' household. Persons in informal employment therefore comprises all persons in the informal sector, employees in the formal sector and persons working in private households who are not entitled to or receive basic benefits such as pension or paid leave and sick leave.

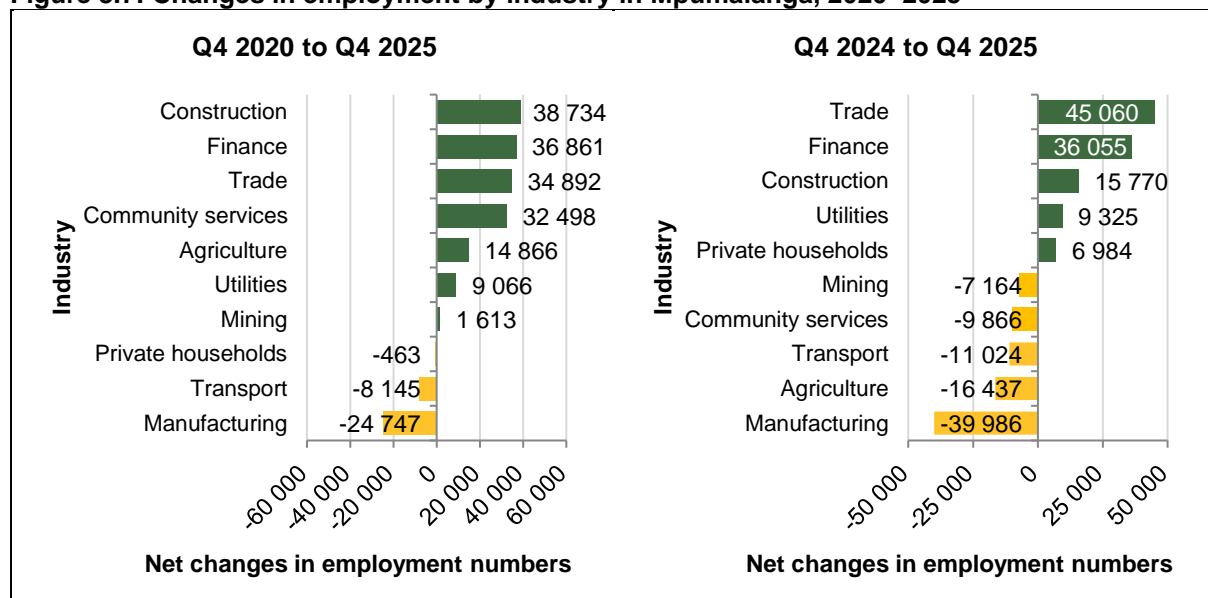
Utilities was the smallest industry throughout while transport was the second smallest employing industry in Q4 2025. Over the course of the last year, trade recorded the largest percentage point increase and the largest percentage point decline was recorded by manufacturing. Over the course of the 5-year period, construction recorded the largest percentage point increase and transport the largest percentage point decline.

Figure 3.6: Employment by industry in Mpumalanga, 2020-2025



Source: Stats SA – QLFS, 2026

Figure 3.7: Changes in employment by industry in Mpumalanga, 2020–2025



Source: Stats SA – QLFS, 2026

Over the last five years since Q4 2020, seven employment industries recorded job gains, whilst three registered lower employment numbers (Figure 3.7). The seven industries combined to record job gains of 168 530 over the 5-year period, whereas the three industries lost a combined number of 33 355 jobs. The largest employment increase from Q4 2020 to Q4 2025 was in construction (38 734) and finance

(36 861). Manufacturing (-24 747) recorded the largest number of job losses over the 5-year period followed by transport (-8 145).

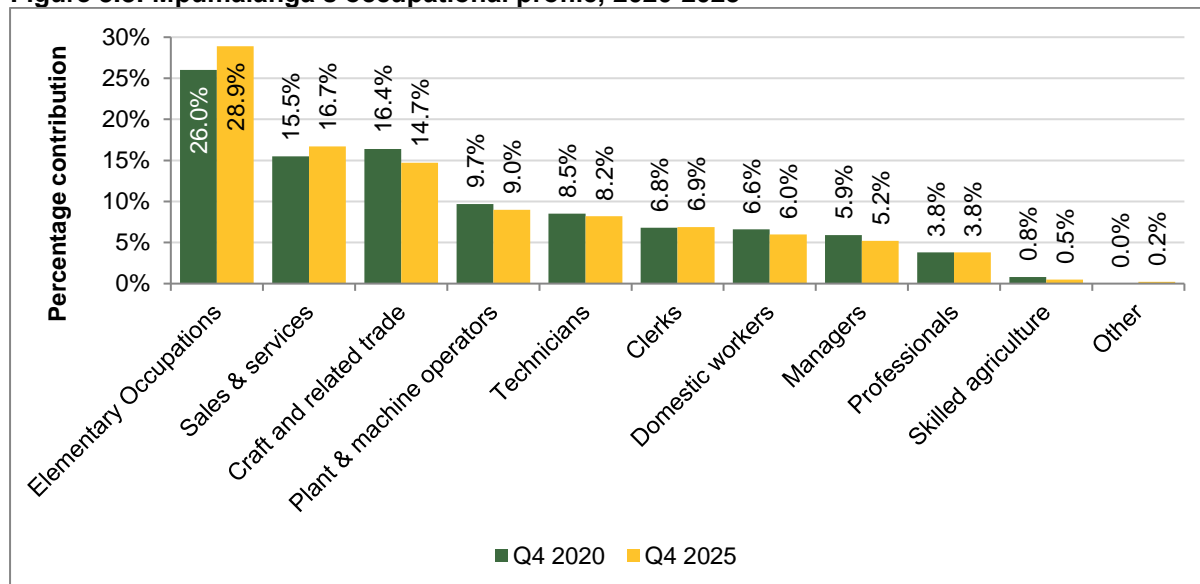
Over the last twelve months, five industries recorded annual job gains and five recorded job losses. The job gains by the five industries numbered 113 194. The largest employment increase from Q4 2024 to Q4 2025 were registered in trade (45 060) and finance (36 055). The other five industries combined to post 84 477 job losses. Manufacturing (-39 986) and agriculture (-16 437) were the two industries that recorded the highest job losses over the 1-year period.

3.3.3 Occupational profile of the employed

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

Figure 3.8 depicts the occupational profile of the province in the fourth quarters of 2020 and 2025, respectively. The occupational profile was skewed towards semi-skilled and unskilled occupations in both years. The share of skilled occupations (managers, professionals and technicians) was 17.2% in Q4 2025, which was lower than the 18.2% share of five years earlier. The share of semi-skilled occupations declined from 49.2% to 48.0% over the period under review. The combined share of elementary occupations and domestic workers (unskilled occupations) was 34.9% in Q4 2025, higher than the share of five years earlier (32.6%).

Figure 3.8: Mpumalanga’s occupational profile, 2020-2025



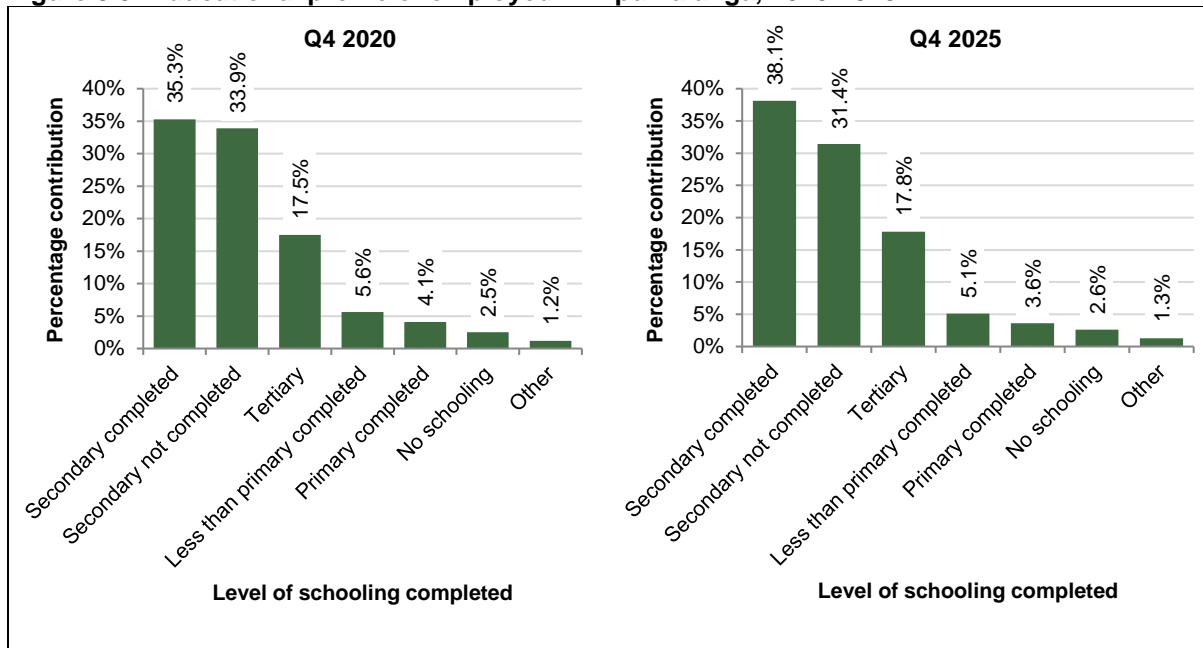
Source: Stats SA – QLFS, 2026

3.3.4 Educational profile of employed

In Q4 2025, some 38.1% of the employed in Mpumalanga indicated that they have completed their secondary education (Figure 3.9). In Q4 2020, this figure was lower at 35.3%. In Q4 2025, those that have not completed their secondary education made up 31.4%, whereas 17.8% of the employed completed some post matric education. Five years earlier, a larger share of the employed indicated that

they have not completed secondary schooling (33.9%), however, a slightly lower share indicated that they have obtained a qualification higher than matric (17.5%). It is apparent that in total, 12.6% of the employed have not completed any level of schooling higher than primary in Q4 2025.

Figure 3.9: Educational profile of employed in Mpumalanga, 2020-2025



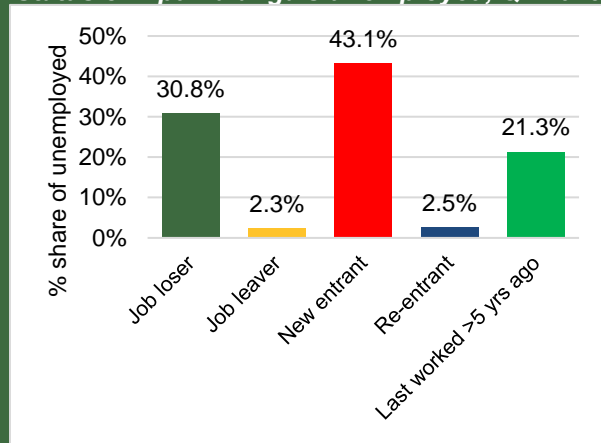
Source: Stats SA – QLFS, 2026

3.4 Unemployment

3.4.1 Official definition of unemployment

According to Statistics South Africa’s QLFS, the unemployment rate in Mpumalanga was 33.0% in Q4 2020 and it declined slightly to 32.3% in Q4 2025 (Figure 3.10). This was higher than the national average, which was recorded at 31.4% in Q4 2025. Mpumalanga, recorded the joint fourth lowest unemployment rate among the nine provinces with Eastern Cape (42.5%) recording the highest unemployment rate. In Mpumalanga, as in five of the other provinces, the unemployment rate was lower in Q4 2025 than at the start of the 5-year period.

Status of Mpumalanga’s unemployed, Q4 2025

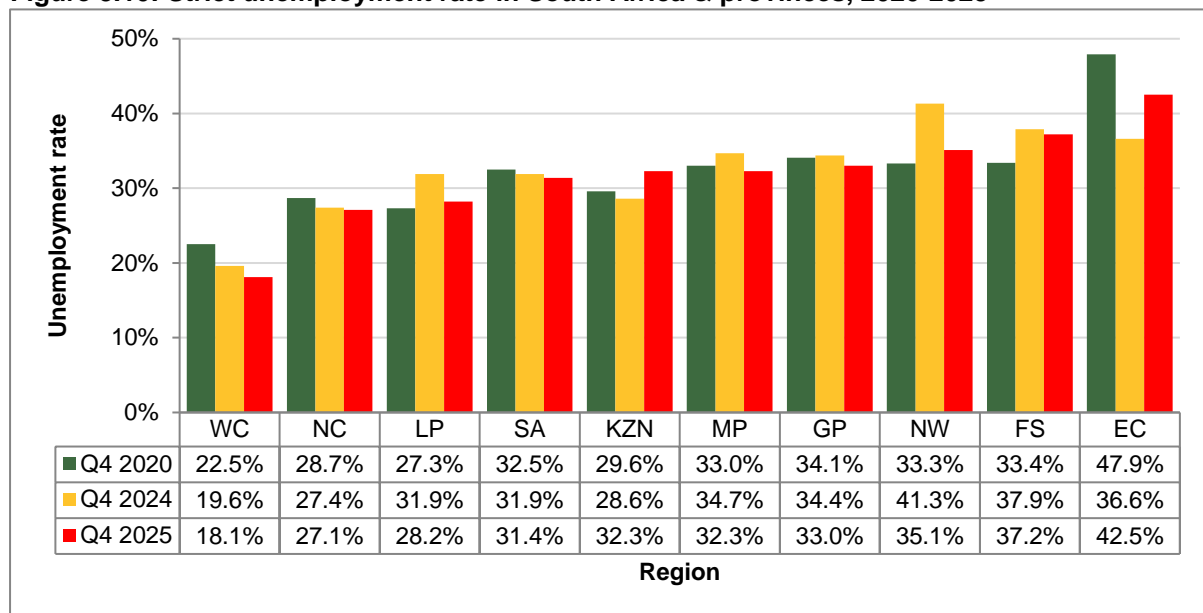


Source: Statistics South Africa – QLFS, 2026

Figure 3.11 displays the unemployment by gender and age in Q4 2020 and Q4 2025, respectively. In Q4 2025, females contributed 51.8% to the number of unemployed and males 48.2%. The female share was lower than five years earlier when females contributed 52.4%. The youth added 62.1% to the total number of unemployed in the province, which was lower than in Q4 2020 (63.7%). The 25-29 year age cohort represented the most populous age cohort with 149 012

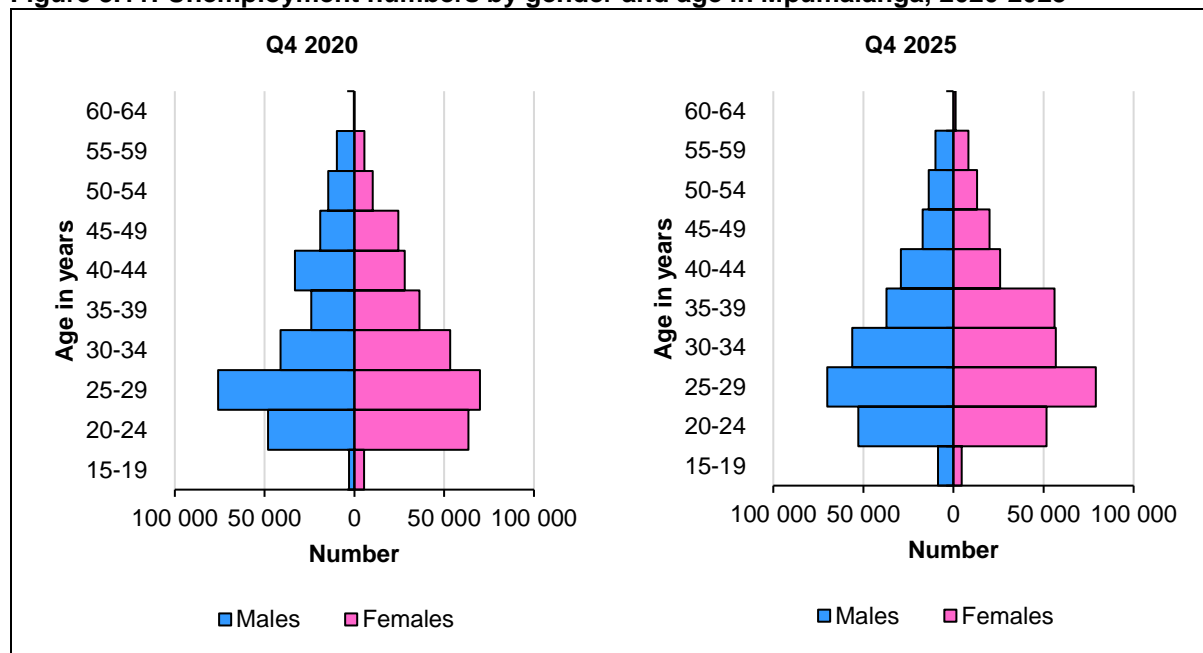
individuals or some 24.4% of the provincial unemployed in Q4 2025. The same cohort was the most populous in Q4 2020 with a share of 25.8%.

Figure 3.10: Strict unemployment rate in South Africa & provinces, 2020-2025



Source: Stats SA – QLFS, 2026

Figure 3.11: Unemployment numbers by gender and age in Mpumalanga, 2020-2025



Source: Stats SA – QLFS, 2026

In Q4 2025, the unemployment rate of males (28.0%) was lower than the female unemployment rate of 37.7%. The unemployment rate of youth of working age (15-34 years) in Mpumalanga was 44.7%, whilst the unemployment rate of adults (35-64 years) was 22.2%. The female youth unemployment rate was very high at 51.9% compared with the male youth unemployment rate of 39.1%. The unemployment rate of the 18-24 year age cohort was 57.0% in Q4 2025 and the 18-24 year old female unemployment rate was 62.6%.

Table 3.10 depicts South Africa and Mpumalanga's unemployment rate disaggregated by population group. The data show that unemployment remains disproportionately high among African/Blacks (33.9%) and Coloureds (36.6%), both of whom recorded rates above the provincial average of 32.3% in Q4 2025. These figures highlight persistent labour market inequalities within the province. The unemployment rate of African/Blacks as well as Whites declined in Mpumalanga over the 5-year period.

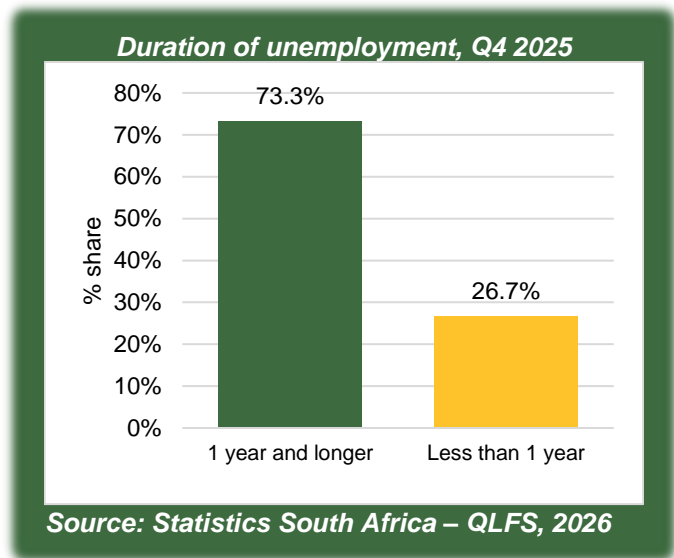


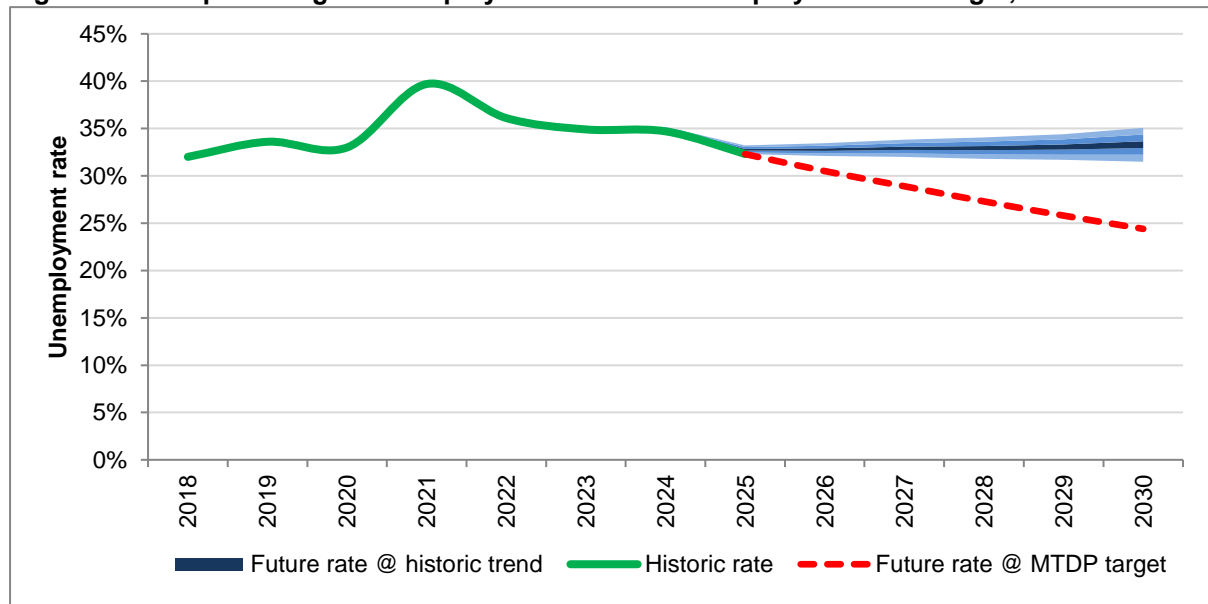
Table 3.10: Unemployment rate according to population group in South Africa and Mpumalanga, 2020-2025

Population group	South Africa		Mpumalanga	
	Q4 2020	Q4 2025	Q4 2020	Q4 2025
African/Black	36.5%	35.3%	34.9%	33.9%
Coloured	25.7%	21.2%	- ¹⁷	36.6%
Indian/Asian	11.8%	14.7%	- ¹⁷	- ¹⁷
White	8.8%	8.1%	11.9%	7.8%
Total	32.5%	31.4%	33.0%	32.3%

Source: Stats SA – QLFS, 2026

Target unemployment rate

Figure 3.12: Mpumalanga's unemployment rate and unemployment rate target, 2018-2030



Source: Statistics South Africa – QLFS, 2026 & calculations based thereon

Figure 3.12 displays that should the MTDP target of 60 000 jobs per year up to 2029/2030 be reached,

¹⁷ The size of the sample may be too small to provide accurate estimates.

the unemployment rate should, in all probability, drop lower than the targeted 25%, to 24.4%. If jobs, however, are to be created in a similar fashion than between 2020 and 2025, the unemployment rate should in all probability be around the current rate by 2030.

3.4.2 Educational profile of the unemployed

In Q4 2025, some 43.8% of the unemployed in Mpumalanga indicated that they have completed their secondary education (Figure 3.13). This is particularly worrying together with the fact that 11.3% of the unemployed obtained a qualification higher than matric.

The shares of unemployed with either a completed tertiary education, secondary education or incomplete secondary education increased in the 5-year period. It is further apparent from Figure 3.13 that 5.7% of the unemployed did not complete any level higher than primary education¹⁸ by Q4 2025.

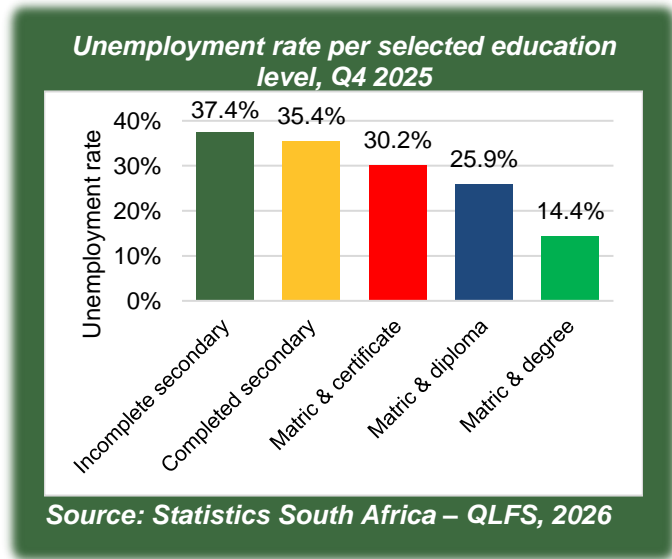
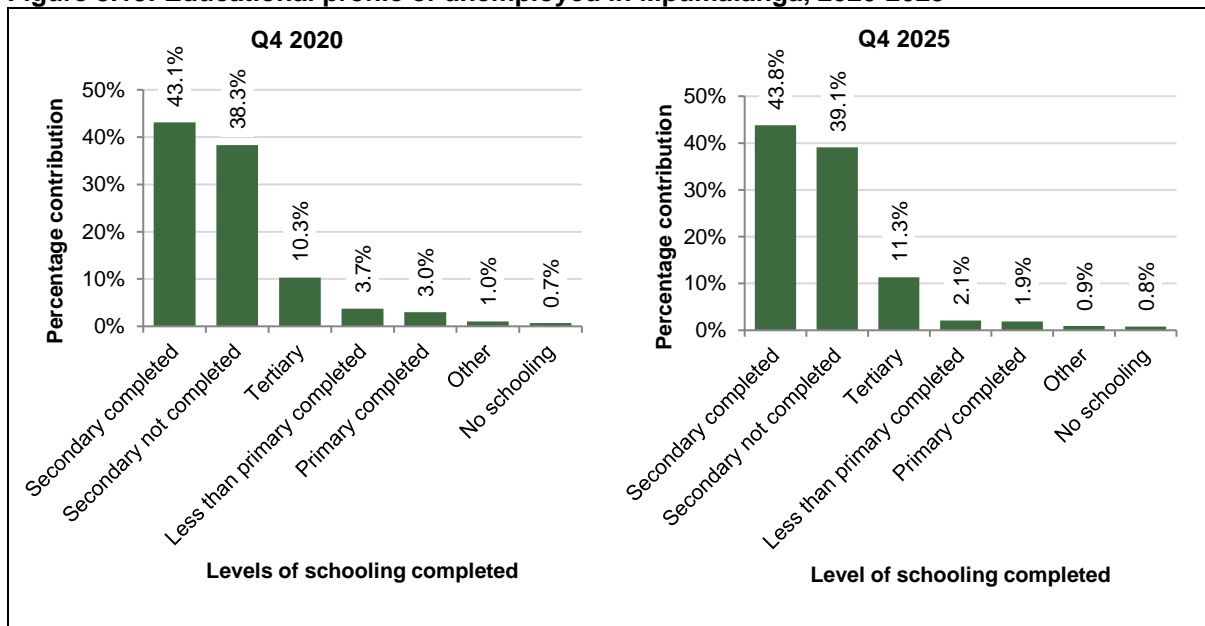


Figure 3.13: Educational profile of unemployed in Mpumalanga, 2020-2025



Source: Stats SA – QLFS, 2026

3.4.3 Combined rate of unemployment and potential labour force

In the Q3 2025 Quarterly Labour Force Survey (QLFS) release, the previously used expanded unemployment rate was replaced by the combined rate of unemployment and potential labour force.

¹⁸ Includes primary completed, less than primary completed, no schooling, and other.

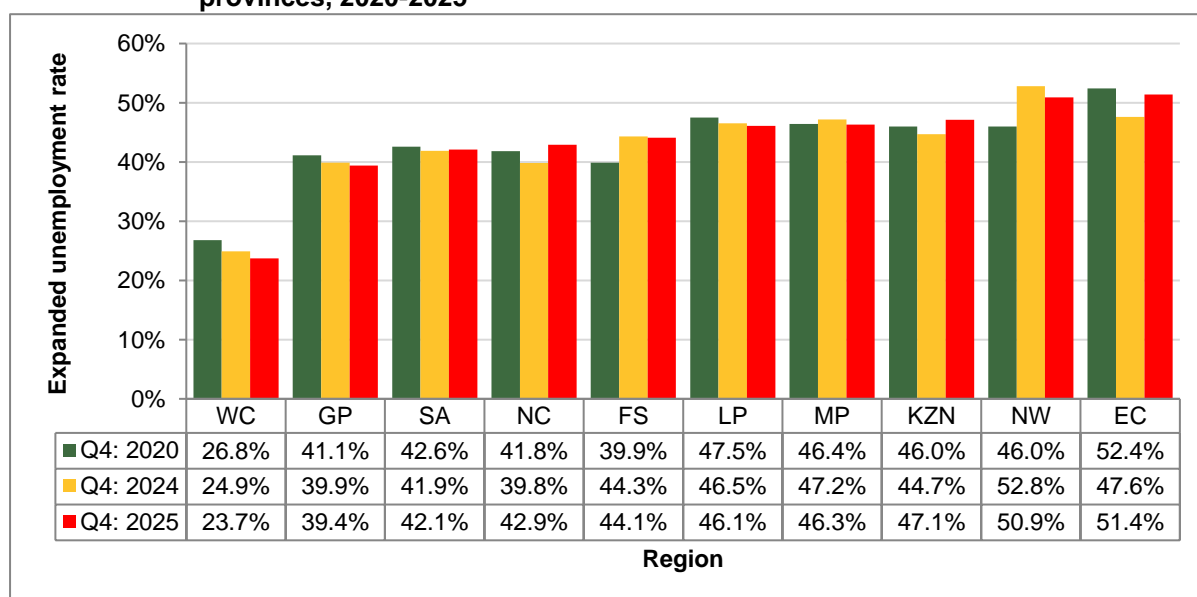
This revised measure provides a broader view of labour market slack by including not only those who are officially unemployed, but also individuals who form part of the potential labour force.

The potential labour force consists of discouraged work-seekers, as well as persons who are available for work but not actively seeking employment, as well as those who are actively seeking work but not immediately available to start. By incorporating these groups, the combined rate offers a more comprehensive indication of unmet labour market demand than the narrow unemployment rate alone.

According to Figure 3.14, South Africa's combined unemployment rate increased/deteriorated marginally from 41.9% in Q4 2024 to 42.1% in Q4 2025. Over the same period, the expanded unemployment rate in Mpumalanga declined/improved from 47.2% to 46.3%. On a 5-year basis, the rate in Mpumalanga improved marginally by 0.1 of a percentage point and by 0.5 of a percentage point in South Africa.

Mpumalanga ranked fourth highest/worst in terms of the combined unemployment rate in Q4 2025. Eastern Cape recorded the highest rate at 51.4%, while Western Cape had the lowest rate of 23.7%. When analysing the annual changes, it is worth noting that Western Cape, Gauteng, Free State, Limpopo, Mpumalanga and North West improved, whereas the other three provinces deteriorated.

Figure 3.14: Combined rate of unemployment and potential labour force for South Africa & provinces, 2020-2025



Source: Statistics South Africa – QLFS, 2026

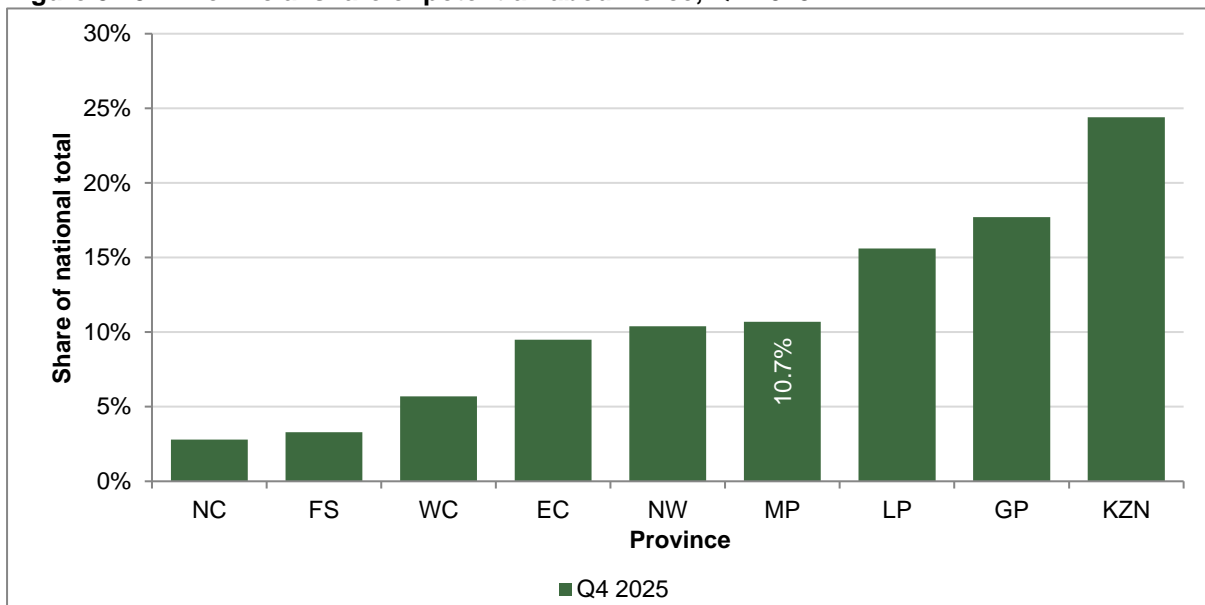
3.5 Potential labour force

After adopting the ICLS resolutions, Stats SA now report on a greater variety of labour indicators. Those outside the labour force (previously the non-economically active population) are divided between the potential labour force and others outside the labour force. Others outside the labour force includes those that want employment, but which are neither seeking nor available, and those that do not want employment. The potential labour force includes those that are available but not seeking, which includes the discouraged job-seekers, and those not available but seeking.

According to Figure 3.15 Mpumalanga accounted for 10.7% of South Africa’s potential labour force in Q4 2025. When comparing Mpumalanga to other provinces, it ranked fourth highest/sixth lowest in terms of the share of potential labour force.

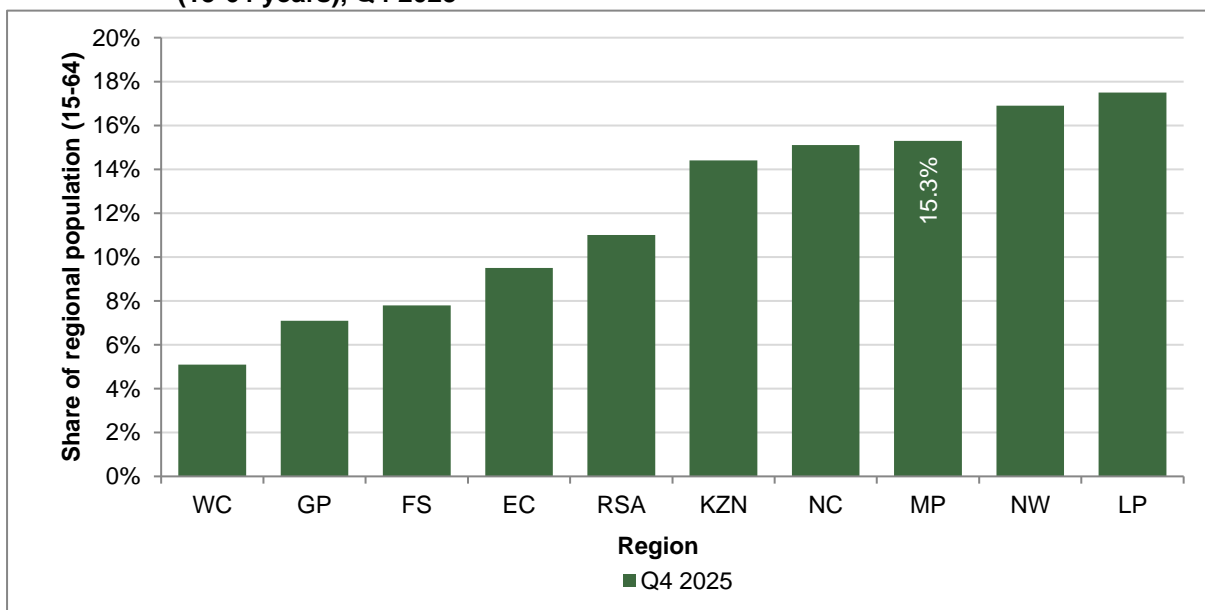
It is evident from Figure 3.16 that the proportion of potential labour force relative to the working age population (15-64 years) within the same region in the fourth quarter of 2025. In Q4 2025, the share of potential labour force in relation to the working age population in Mpumalanga was 15.3%, which was higher than the national average of 11.0%. In Q4 2025, Mpumalanga recorded the third highest/seventh lowest share of potential labour force in relation to its working age population.

Figure 3.15: Provincial share of potential labour force, Q4 2025



Source: Statistics South Africa – QLFS, 2026

Figure 3.16: Comparison of potential labour force as a ratio of regional working age population (15-64 years), Q4 2025



Source: Statistics South Africa – QLFS, 2026

3.6 Conclusion and considerations

The provincial economy recorded 135 176 more jobs over the last 5 years. The provincial labour market struggle with high unemployment as well as relatively low levels of participation and absorption rates. The nature of unemployment is not improving with 73.3% of unemployed indicating that they were in long-term unemployment (not employed for at least a year or more) in 2025 compared to the 68.6% in 2020. The unemployment rate was 32.3% in Q4 2025 and was the joint fourth lowest among the provinces. Discouraged workers, and a few smaller variables, are considered in the combined rate of unemployment and potential labour force definition of unemployment where the province had a relatively high unemployment rate of 46.3% in Q4 2025.

Within this bleak situation, the problem of female youth unemployment is even more acute with 51.9% of 15 to 34 year old females in Mpumalanga being unemployed. The prospects of finding a job are lower than for the adult unemployed, because without experience, young people have little chance of becoming employed. This is an economic problem and a waste of potentially productive resources.

Efforts to enhance skills and foster effective labour market alignment among young people remain central to unlocking inclusive and jobs-rich growth in Mpumalanga. To address persistent unemployment, particularly youth unemployment, the following recommendations are proposed:

- Integrated, evidence based policy design: Rather than assessing labour market instruments in isolation, it is essential to consider them as part of an integrated system. An evidence-based and data-driven approach will help identify trade-offs, sequence reforms and maximise the impact of public and private investment on decent work creation.
- Place based and context sensitive implementation: Programmes must explicitly differentiate between urban and rural labour market dynamics. Solutions that work in the cities may not translate directly to rural and peri-urban areas. Place based strategies should therefore be tailored to local economic structures, transport constraints and sectoral specialisations such as agro-processing, mining linked services and tourism.
- Structured experimentation and adaptive learning: Government and partners should embrace a culture of experimentation – piloting targeted work-integrated learning and sector specific skills interventions – while monitoring outcomes.
- Focused, uncluttered policy instruments: Policy tools should be designed with clear, prioritised objectives and not overloaded with competing goals. For example, while the national minimum wage is a key instrument for protecting workers, it cannot alone resolve structural poverty and inequality. Complementary measures such as skills development, social protection and MSM support are needed.
- Entrepreneurship, digital and green-economy pathways: Promote targeted entrepreneurship, business and digital skills education - especially at secondary and post-school levels - to equip young people with the capabilities, confidence and support networks needed to start and sustain ventures. This is particularly critical in contexts where formal job opportunities are limited, and where self-employment, micro-enterprises and participation in green-economy and digital-platform based work can play a central role in reducing youth unemployment.

CHAPTER 4: SELECTED PROVINCIAL SOCIO-ECONOMIC INDICATORS

This chapter highlights selected indicators that portrays Mpumalanga’s socio-economic development. The indicators are inter-related, must therefore be contextualised, and should not be viewed in isolation. The various subdivisions of the chapter focus on the provincial performance compared with the national situation as well the other eight provinces. More detailed information on the subdivisions is presented in the March 2026 Socio-Economic Review and Outlook (SERO) publication. Data presented was sourced from Stats SA, Mpumalanga Department of Education, Health Systems Trust, the South African Medical Research Council (SAMRC) and S&P Global.

4.1 Demographic indicators

According to Stats SA’s *Mid-year Population Estimates 2025*, the provincial population was 5.1 million or 8.0% of the national total in 2025. Mpumalanga registered the sixth largest share among the provinces. Females constituted 2.57 million or 50.6% of the provincial population distribution and males 2.51 million (49.4%). The youth cohort (0-34 years) made up 60.4% of the total population in the province and the age group 60 years and older, only 9.2%.

Between 2020 and 2025, the population of South Africa increased by 1.1% per annum and that of Mpumalanga by 1.3% per annum. This was the fourth fastest population increase behind Gauteng (1.7%). Table 4.1 compares some selected demographic indicators in Mpumalanga with that of South Africa.

Table 4.1: Selected demographic indicators in Mpumalanga and South Africa, 2025

Indicator	Mpumalanga		South Africa
		Ranking among provinces High (1) to Low (9)	
Population number	5 076 133	6	63 100 945
Youth cohort share (0-34 years)	60.4%	4	59.1%
Elderly cohort share (60 years +)	9.2%	9	10.5%
Population growth rate (2020-2025)	1.3% pa	4	1.1% pa

Source: Stats SA – Mid-year Population Estimates 2025

4.2 Education indicators

Quality school education is widely regarded as the most important medium for transforming South Africa and its provinces into a more equitable society. The level of education among Mpumalanga’s population is improving. For example in 2020, 6.1% of the population 20 years and older still had not received any schooling. By 2024, the situation improved with the ratio having declined to 5.5%. The level was, however, still higher (worse) than the national level of 3.0% in 2024 and the second highest/worst among the nine provinces.

The percentage of the population 20 years and older that obtained higher education in Mpumalanga declined from 12.5% in 2020 to 11.6% in 2024. Mpumalanga recorded the third lowest share of people 20 years and older with higher education among the nine provinces.

In 2024, the early childhood development (ECD) attendance rate in Mpumalanga was 32.3%. Mpumalanga’s ECD attendance rate was lower than the national rate of 35.0% in 2024 and the fifth highest/lowest among the provinces.

Between 2020 and 2025, Mpumalanga deteriorated in terms of the matric pass rate from sixth position in 2020 to seventh position in 2025. The national pass rate of matriculants increased from 76.2% in 2020 to 88.0% in 2025 and Mpumalanga's pass rate improved from 73.7% in 2020 to 86.6% in 2025. In 2025, Mpumalanga's throughput rate was the second highest/best among the nine provinces and higher than the national throughput rate for the twelfth consecutive year.

Table 4.2: Selected education indicators in Mpumalanga and South Africa, 2024-2025

Indicator	Mpumalanga		South Africa
		Ranking among provinces Best (1) to Worst (9)	
Share of population age 20+ with no schooling (2024)	5.5%	8	3.0%
Share of population age 20+ with post school education (2024)	11.6%	7	16.1%
ECD attendance 0-4 years (2024)	32.3%	5	35.0%
Matric pass rate (2025)	86.6%	7	88.0%
Throughput rate (2025)	65.4%	2	60.4%

Sources: *Stats SA – Census 2022*
Mpumalanga Department of Education, 2026

4.3 Health indicators

In 2023, the immunisation coverage (<1 year) in Mpumalanga of 88.2% was higher than the national level and the second highest/best overall. Mpumalanga's 2023 measles 2nd dose coverage was also the second highest/best in the country at 90.4%. The tuberculosis (TB) drug-susceptible (DS) client treatment success rate of 75.2% in 2022 was weaker than the national average (80.2%) and the fifth highest/lowest in the country. Mpumalanga's maternal mortality rate of 109.4 per 100 000 live births was higher/worse than the national rate of 100.6 and only the sixth lowest/best among the provinces. In 2023, the inpatient early neonatal¹⁹ death rate in facility of 13.4 per 1 000 live births was equal to the national rate and the sixth lowest/best among the provinces (Table 4.3).

Table 4.3: Selected health indicators in Mpumalanga and South Africa, 2022-2024

Indicator	Mpumalanga		South Africa
		Ranking among provinces Best (1) to Worst (9)	
Immunisation coverage <1 year rate (2023)	88.2%	2	83.3%
Measles 2 nd dose coverage (2023)	90.4%	2	84.9%
TB DS client treatment success rate (2022)	75.2%	5	80.2%
Facility maternal mortality rate per 100 000 live births (2023)	109.4	6	100.6
Facility Inpatient neonatal death rate per 1 000 live births (2023)	13.4	6	13.4
HIV 95-95-95 target (2024)	75.2%	3	71.3%

Sources: *Health Systems Trust – District Health Barometer, 2025*
Centre for Integrated Data and Epidemiological Research – Modelling the impact of HIV in South Africa's provinces: 2025 update, 2025

The 95–95–95 targets are a set of global goals established by the United Nations Programme on AIDS and HIV. By 2025, the goal is that 95% of people living with HIV will know their HIV status, 95% of those who know their HIV-positive status will be accessing antiretroviral therapy (ART), and 95% of people on treatment will have suppressed viral loads. Combining all three 95% targets implies a target of 86%

¹⁹ 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.

of all HIV positive individuals on ART and virally suppressed by 2025.

It is estimated that in 2024, 95% people in Mpumalanga living with HIV knew their status, 86% of those diagnosed were on ART and 92% of those on ART had suppressed viral loads. The combined result for Mpumalanga was 75.2% in 2024, which fell short of the combined target of 95% but was higher than the national average of 71.3% and the third highest/best among the provinces.

4.4 Household services indicators

A relatively small percentage of households in Mpumalanga (6.7%) occupied informal houses in 2024 compared to the national figure of 11.7%. The percentage of households in Mpumalanga with access to flush/chemical toilets increased/improved from 42.9% in 2019 to 45.4% in 2024. Table 4.4 compares some selected basic service indicators in Mpumalanga with that of South Africa.

In 2024, the percentage of households with access to all types of piped water was recorded at 87.5% in Mpumalanga and was slightly lower than the national figure. The percentage of households connected to electricity deteriorated from 90.1% in 2019 to 89.4% in 2024. The proportion of Mpumalanga's households with municipal refuse removal (44.7%) was considerably lower than the national figure of 63.2% in 2024.

Table 4.4: Selected basic service indicators in Mpumalanga and South Africa, 2024

Percentage of households:	Mpumalanga		South Africa
		Ranking among provinces Best (1) - Worst (9)	
In informal dwellings	6.7%	3	11.7%
With access to flush/chemical toilets	45.4%	8	67.6%
With access to piped water in dwelling, on-site or off-site	87.5%	5	87.7%
With households connected to electricity	89.4%	8	90.2%
With municipal refuse removal (weekly/less often)	44.7%	7	63.2%

Source: Stats SA – General Household Survey 2024

4.5 Development and income indicators

4.5.1 Human development index²⁰

In 2024, Mpumalanga recorded a HDI score of 0.67, a respectable improvement from the level it achieved in 1996 (0.57). The province's HDI level was consistently lower than the national figure over the 28-year period and the fourth lowest of the provinces in 2024. Table 4.5 compares some selected development indicators in Mpumalanga with that of South Africa.

Table 4.5: Selected development indicators in Mpumalanga and South Africa, 2023-2024

Indicator	Mpumalanga		South Africa
		Ranking among provinces Best (1) to Worst (9)	
HDI (2024)	0.67	6	0.70
Gini-coefficient (2023)	0.541	1	0.635
Share of population below LBPL (2023)	38.4%	6	37.9%

**Sources: S&P Global – ReX, December 2025
Stats SA – Poverty Trends in South Africa, 2025**

²⁰ HDI is based on measures of life expectancy, literacy and income. According to the UN, HDI is considered high when higher than 0.8, medium when ranging between 0.5-0.8 and low when below 0.5.

4.5.2 Income inequality

The MTDP targets that the Gini-coefficient must improve to a level below 0.60 by 2030. The provincial Gini-coefficient was calculated to be 0.541 in 2023. This was lower/better than the national figure of 0.635 for 2023 and the lowest among the provinces.

4.5.3 Poverty

The MTDP targets a reduction in Mpumalanga's lower bound poverty line (LBPL)²¹ to below 35% by 2030. Mpumalanga's population below the LBPL was estimated at 38.4% in 2023. Mpumalanga's share was the fourth highest/sixth lowest among the provinces and higher than the national rate of 37.9%.

4.6 Conclusion and considerations

This chapter covered certain socio-economic aspects of the province. The HDI indicates that Mpumalanga is on a developmental path. This progress can be attributed to improved adult literacy and educational levels. The LBPL rate in 2023 (38.4%) was lower/better than in 2006 (67.0%). Encouragingly, household income distribution in the province exhibited positive changes between 2006 and 2023. The skewness of income improved during this period.

While social grants play a crucial role in mitigating poverty in Mpumalanga, sustainable job creation remains the cornerstone for positive poverty reduction. A better-educated and skilled workforce is the most cost-effective way to accelerate poverty reduction. Improved education outcomes will also alleviate constraints on skilled labour, ultimately reducing income inequality.

Policies play a pivotal role in addressing poverty, inequality, and social exclusion. However, policy formulation alone is insufficient; effective implementation is essential. The following recommendations are drawn from the 2019 National Development Agency commissioned assessment "Poverty, inequality and social exclusion in South Africa" to bridge the gap between policy intent and practical outcomes:

- Recognizing poverty, inequality, and social exclusion should extend beyond policy and strategy documents. These critical issues must also find expression in legislative frameworks, as laws carry binding force.
- Policy-making institutions must take ownership of the national mandate. Each government department should actively contribute solutions.
- Government departments can collaboratively develop a toolkit based on shared best practices. This practical resource will facilitate the translation of policy documents into actionable steps. Grounding these documents in data, analysis, and strategic responses is crucial. Drafters should carefully consider trade-offs and holistic approaches, leveraging flagship programs and participatory processes.
- Future Medium-Term Strategic Framework documents should align with clear goal-setting guidelines for poverty reduction, inequality mitigation, and social inclusion. This alignment ensures greater consistency in targets and indicators.

²¹ Lower bound poverty line includes expenditure on food and non-food items, but requires that individuals sacrifice food in order to obtain non-food items and amounted to R1 300 per capita per month in 2023.

- Education and training improve employability and earning potential, helping to break the cycle of poverty, reduce income inequality and empower individuals to make informed decisions about family planning, finances and future opportunities.